

ORDINANCE NO. 2021-_____

AN ORDINANCE AUTHORIZING PILOT AGREEMENTS
FOR PROJECT TAX EXEMPTION FOR VARIOUS
APPLICANTS.

WHEREAS, Ordinance No. 2009-15, passed on final reading by City Council on March 10, 2009, provides that Project Tax Exemption Agreements be authorized by an Ordinance of the City of Vineland; and

WHEREAS, said Ordinance No. 2009-15 further provides that the City of Vineland shall enter into a written agreement with the applicant for the exemption of local real property taxes, said agreement providing for the applicant to pay to the City of Vineland, in lieu of full property tax payments, an amount annually to be computed by one, but in no case a combination, of the following formulas as described in N.J.S.A. 40A:21-10, said tax exemption agreement to be effective for a period of not more than 5 years starting with the date of completion of the project; and

WHEREAS, Applications for Project Tax Exemption under P.L. 1991,c.441 (N.J.S.A. 40A:21-1 et. seq.), have been submitted by:

Vineland Equity Investments, LLC
1277 W. Landis Avenue
Block 3503, Lot 5

Paradise City, LLC
1404 E. Oak Road
Block 1802, Lot 11

which Applications have been approved by the Tax Assessor and recommended for approval by the governing body; now, therefore,

BE IT ORDAINED by the Council of the City of Vineland as follows:

1. THAT the applications of:

Vineland Equity Investments, LLC
1277 W. Landis Avenue
Block 3503, Lot 5

Paradise City, LLC
1404 E. Oak Road
Block 1802, Lot 11

for Project Tax Exemption under P.L. 1991, c.441 (N.J.S.A.40A:21-1 et. seq.), be and the same are hereby approved for processing pursuant to Ordinance No. 2009-15.

2. THAT the City of Vineland shall enter into a tax exemption agreement (hereafter “PILOT Agreement”) with each applicant (hereafter “Company”) whereby each Company shall make regular payments to the City in lieu of full property taxes.

3. The PILOT Agreement shall provide, inter alia, as follows:

a. Assessments on Unimproved Land: The Company in addition to the amounts described in subparagraph (d) below, shall pay an amount equal to the real estate taxes assessed against the unimproved land upon which the construction project will be located. This amount shall be based upon the taxable assessment of the property, as shown on the most recently-completed assessment roll adopted by the City prior to the execution of the PILOT Agreement, multiplied by the tax rate(s) upon which real property taxes are assessed in each year by or for each taxing jurisdiction.

b. PILOT Payments: The Company agrees that it shall make regular payments in lieu of property taxes in the amounts and at the times provided for in the Agreement. The payments due to the Municipality hereunder shall be paid by the Company to the Municipality by check made payable to “The City of Vineland.”

c. Duration of Exemption: Pursuant to N.J.S.A. 40A:21-1 et seq., for a period of five (5) years following the completion of the Project, and so long as the PILOT Agreement

remains in full force and effect, the full value of the new construction shall be exempt from real estate taxes. Exemption means that portion of the tax assessor's full and true value of the construction not regarded as increasing the taxable value of the property pursuant to the New Jersey Tax Exemption and Abatement Law. Such exemption shall be noted on the City's assessment roll prepared subsequent to the completion of the Project. The Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the property until the Project shall be entitled to exempt status.

d. New Construction: With regard to the new construction valuation (land and buildings) which is created as a result of the construction of buildings and site improvements associated with the Project, the Company shall monthly pay to the City in lieu of full property tax payments an amount not less than a percentage of taxes otherwise due, according to the following schedule:

- 1) In the first full tax year after completion, no payment in lieu of taxes otherwise due;
- 2) In the second full tax year after completion, an amount not less than twenty percent (20%) of the taxes otherwise due;
- 3) In the third full tax year after completion, an amount not less than forty percent (40%) of the taxes otherwise due;
- 4) In the fourth full tax year after completion, an amount not less than sixty percent (60%) of the taxes otherwise due;
5. In the fifth full tax year after completion, an amount not less than eighty percent (80%) of the taxes otherwise due.

e. Allocation of Payments in Lieu of Tax: Payments in lieu of property taxes received hereunder, and in accordance with the PILOT agreement to be ratified by City Council, shall be allocated to the General Fund of the City of Vineland.

f. Breach or Termination of Agreement: In accordance with N.J.S.A. 40A:21-12, if during any tax year prior to the termination of the PILOT agreement, the Company and/or property owner (1) ceases to operate or disposes of the property, or (2) defaults on any loan obligation secured by the property, or (3) submits an application containing any misrepresentation of a material fact, or (4) is more than thirty (30) days delinquent in the payment of the property taxes or the payment in lieu of taxes on the subject property, or (5) fails to file the annual certification with the Assessor on or before December 1st of each calendar year during the term of this agreement, or (6) fails to meet any other condition for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The City shall notify the property owner and tax collector forthwith and the tax collector shall within 15 days thereof notify the owner of the property of the amount of taxes due.

However, with respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption and abatement shall continue, and the agreement shall remain in effect.

g. Termination of the Agreement: At the termination of the PILOT Agreement, the Project shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a Project, at the termination of

the PILOT Agreement, from qualifying for and receiving the full benefits of any other tax preferences provided by law.

h. Ratification of the Agreement: Prior to taking effect, the Agreement authorized herein must be ratified by City Council.

4. THAT the Tax Assessor of the City of Vineland shall notify the Planning Board of said approval of Applications for Project Tax Exemption submitted by applicants as stated above.

5. THAT the Mayor and City Clerk of the City of Vineland are hereby authorized to execute Agreements for said Project Tax Exemption with applicants as stated above.

BE IT FURTHER ORDAINED that this Ordinance shall take effect after final approval and publication as provided by law.

Passed first reading:

Passed final reading:

Approved by the Mayor:

President of Council

Mayor

ATTEST:

Deputy City Clerk

STATE OF NEW JERSEY
WORKSHEET FOR EXEMPTION AND/OR ABATEMENT
Pursuant to P.L. 1991, c441 (N.J.S.A. 40A:21-1 et. Seq.)

ASSESSOR'S USE ONLY

Municipality Vineland
Paradise City, LLC
Name of Owner
Block 1802 Lot 11

County Cumberland
1404 E Oak Rd
Address of owner
Vineland, NJ 08360



1. Claim for exemption is [X] Approved [] Disapproved

Determination of Exemption

2. This exemption may be granted on the improvement, conversion alteration, or new construction.

- (a) Assessed value of buildings or structures immediately prior to the Improvement, conversion alteration, or new construction. \$ 403500
(b) Assessed value of property including the improvements, Conversion alteration, or new construction. \$ 3711200
(c) Assessed value of improvement, conversion alteration, or new construction. [line 2(b) - line 2(a)] \$ 3307700
(d) Amount of assessed value of improvement, conversion alteration or New construction exempted by ordinance. [line 2(c) - line 2(d)] \$ 3307700
(e) Taxable portion of assessed value of improvement, conversion alteration, Or new construction not allowed an exemption. [line 2(c) - line 2(d)] \$ 0

3. Claim for abatement [X] Approved [] Disapproved.

Calculation of Abatement

3. This abatement may be granted only on the assessed value of the property as it existed immediately prior to the improvement, Conversion alteration, or new construction.

- (a) Assessed value of the property immediately prior to improvement, Conversion alteration, or new construction. \$ 403500
(b) Total cost of improvement, conversion alteration, or new construction. (See application Section III (B)) \$ 3307700
(c) Abatement as prescribed by ordinance
i. First Year 2021 100% X = 3307700 \$ 3307700
ii. Second Year 80 % X = 3307700 \$ 2646200
iii. Third Year 60 % X = 3307700 \$ 1984600
iv. Fourth Year 40 % X = 3307700 \$ 1323100
v. Fifth Year 20 % X = 3307700 \$ 661500

(d) Taxable portion of assessed value of the property not allowed an exemption. [line 2(e)] \$ 0

- (e) Taxable Value of Property*
First Year line 4(a) + line 4(d) - line 4(c) i. \$ 403500
Second Year line 4(a) + line 4(d) - line 4(c) ii. \$ 1065000
Third Year line 4(a) + line 4(d) - line 4(c) iii. \$ 1726600
Fourth Year line 4(a) + line 4(d) - line 4(c) iv. \$ 2388100
Fifth Year line 4(a) + line 4(d) - line 4(c) v. \$ 3049700

12-31-2020
Date

[Signature]
Assessor's Signature

* If the authorizing ordinance provides varying exemption or abatement amounts annually, a separate worksheet should be completed for each successive year in order to determine the taxable value of the property.