

An Ordinance of the Township of Ocean, County of Ocean, State of New Jersey, Authorizing an Amendment to the Township's Redevelopment and Financial Agreements with Coastal Redevelopment Partners, LP.

Be it ordained by the Township of Ocean, County of Ocean, State of New Jersey as follows:

SECTION I.

The Township of Ocean, pursuant to the New Jersey Local Redevelopment and Housing Law, NJSA 40A:12A-1, et seq. has previously entered into a Redevelopment Agreement with Coastal Redevelopment Partners, LP with respect to the property commonly known as Block 41, Lots 25, 26, 27, 28, 29.03, 29.04, 29.05, 29.06, 29.07, 30, 36 and 39.04 as shown on the official tax maps of Ocean Township.

WHEREAS, the properties referenced herein above have previously been deemed an area in need of redevelopment in accordance with the Local Redevelopment and Housing Law; and

WHEREAS, in accordance with said declaration, the Township has previously adopted a certain redevelopment plan known as the "Redevelopment Plan, Route 9 – Phase 1, Ocean Township, Ocean County, New Jersey" dated August, 2005, amended by "Economic Plan Amendments, Route 9 – Phase 1 Redevelopment Plan" dated November 30, 2006; and

WHEREAS, said Redevelopment Plan controls all land use within the legal established boundaries of the redevelopment area which includes the subject property of this Ordinance; and

WHEREAS, the Township originally entered into a Redevelopment Agreement on October 6, 2005 with Coastal Redevelopment Partners, LP, wherein the Township designated Coastal Redevelopment Partners as the redeveloper to the subject property; and

WHEREAS, said agreement provides for amendments thereto; and

WHEREAS, the Township and Redeveloper wish to amend said Agreement as well as the Financial Agreement dated April 20, 2007, to clarify the date when portions of the project have been entitled to "Certificates of Completion", an amendment to the payment plan as previously established in the Financial Agreement and other necessary and appropriate changes;

NOW THEREFORE BE IT ORDAINED by the Township Committee, Township of Ocean, County of Ocean, and State of New Jersey that the Township Committee hereby authorizes the amendment to the Township's Agreements with Coastal Redevelopment Partners, LP.

BE IT FURTHER ORDAINED that the Mayor and Township Clerk be and they are hereby authorized to execute said amendments on final approval of the Township Committee for same.

SECTION II.

If any section, subsection, clause, phrase, any ordinances or parts of ordinances inconsistent herewith are hereby repealed.

SECTION III.

This Ordinance shall take effect after second reading and publication.

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was introduced and passed by the Township Committee of the Township of Ocean on first reading at a meeting held on the 26th day of September, 2013. The Ordinance will be considered for second and final reading at a meeting of the Township Committee which is scheduled for the 9th day of October, 2013, at 6:30 p.m., or as soon thereafter as the matter may be reached, at the Municipal Building located at 50 Railroad Avenue, Waretown, New Jersey, at which time the public is invited to ask questions, raise objections, or provide public comment with regard to the proposed adoption of this Ordinance.


Diane B. Ambrosio, RMC
Municipal Clerk

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12013 - Amending Redevelopment Agm & Financial Agreement with Coastal Re-dev..doc

**DASTI, MURPHY
McGUCKIN, ULAKY,
KOUTSOURIS & CONNORS**
COUNSELLORS AT LAW
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FORKED RIVER, N.J. 08731

**2013 AMENDMENT TO THE
FINANCIAL AGREEMENT
BETWEEN AND AMONG
THE TOWNSHIP OF OCEAN AND THE TOWNSHIP'S DESIGNATED,
REDEVELOPMENT ENTITY, COASTAL REDEVELOPMENT URBAN RENEWAL
PARTNERS, L.P. PURSUANT TO N.J.S.A. 40A:12A-1 *et seq.***

THIS AMENDMENT TO THE FINANCIAL AGREEMENT, (hereafter referred to as the "Agreement") entered into as of the ____ day of _____, 2013 (the "Effective Date") between THE TOWNSHIP OF OCEAN, a body corporate and politic of the State of New Jersey, located at 50 Railroad Avenue, Waretown, New Jersey 08758, (hereinafter "Township") and the Township's designated redevelopment entity pursuant to N.J.S.A. 40A:12A-4, COASTAL REDEVELOPMENT PARTNERS, L.P., a New Jersey limited partnership, located at 236 Route 38, Moorestown, New Jersey (hereinafter referred to as the "Redeveloper").

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.(hereinafter referred to as the "LRHL"), the Township has undertaken a program to enable acquisition and for the clearance and reconstruction or rehabilitation of areas in need of redevelopment (the "Redevelopment Area"), as defined by said LRHL; and

WHEREAS, as of the date of this Agreement, the Redevelopment Plan controls all land uses within its legally established boundaries and adopted by the Township; and the Redevelopment Plan is hereby incorporated by reference in this Agreement; and

WHEREAS the Township has determined that it is in the best interest of the Township to enter into this Amended Financial Agreement with Redeveloper for the purposes of the Township facilitating the acquisition, development, construction and operation of the Project Area by the Redeveloper and to clarify certain terms and conditions of the parties original agreement and to establish an amended payment schedule, and

WHEREAS, the Redeveloper is currently developing the Project Area for a mixed use commercial and age restricted residential affordable housing project for inclusion in the

Township's affordable housing program for low and moderate income persons (the "Residential Area"); and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Township has agreed to amend the payment schedule with Redeveloper governing payments made by Redeveloper to the Township in lieu of real estate taxes ("PILOTs") on the Project pursuant to N.J.S.A. 40A:20-1 et seq., a portion of which PILOTs (the "Pledge") has been devoted to debt service on bonds issued to fund certain improvements in the Redevelopment Area ("RAB Bonds" or "Bonds") pursuant to the Redevelopment Area Bond Financing Act, N.J.S.A. 40A:12A-67 et seq., (the "RAB Law"); and

WHEREAS, the Township believes that the redevelopment of the Project Area pursuant to this Amended Financial Agreement, and fulfillment generally of the Redevelopment Agreement, are in the vital and best interests of the Township and promotes job creation and economic development within both the Township and Ocean County, and promotes the health, safety and welfare of its residents, and are in accordance with the public purposes and provisions of the applicable Federal, State and local laws, regulations, and, specifically the LRHL requirements under which the redevelopment will be undertaken;

NOW, THEREFORE, in consideration of the promises and the mutual obligations and responsibilities of the parties hereto, each of them does hereby covenant and agree with the other as follows:

A dispute has arisen between the parties as to the amount owed by the Redeveloper to the Township for property taxes and payments in lieu of taxes as well as the date upon which said payments were to commence. In addition, a dispute has arisen regarding the percentage of completion of certain improvements upon which said payments are based. It is the intention of

this Amended Financial Agreement to resolve these issues between the parties without resorting to litigation and its concomitant delays, expenses and uncertainties of outcome which are not in the interest of the Redeveloper or the Township of Ocean. As a result, the parties agree as follows:

Notwithstanding anything to the contrary set forth in the original Redevelopment Agreement, Financial Agreements or other agreements entered into between the Township and the Redeveloper, said Agreement shall be amended to provide as follows:

1. As of the date of this Agreement 75.91 percent of the original Phase I of this redevelopment project has been completed through the issuance of Certificates Occupancy or Temporary Certificates of Occupancy.

2. In order to resolve the dispute concerning the amount and timing of payment of real estate taxes, Developer has agreed to pay Seven Hundred Thousand Dollars (\$700,000.00) (Agreed Payments) on the terms and conditions set forth below.

3. Redeveloper has paid \$50,000.00 towards the Agreed Payments as of June 1, 2013. Redeveloper has agreed and shall pay an additional sum of \$100,000.00 on or before October 1, 2013.

4. Redeveloper shall pay an additional sum of \$250,000.00 to the Township on or before December 31, 2013.

5. The parties have agreed that the balance of the Agreed Payments of \$300,000.00, shall be paid as follows:

a. \$100,000.00 on or before December 31, 2014.

b. Commencing with the first quarterly payments of 2015, \$5,555.00 shall be added to the retail annual service charge for 9 years, payable quarterly, without interest.

c. To insure payment of said arrears, Township shall receive a mortgage on approximately 2 acres of property owned by Redeveloper, a portion of Block 41, Lots 27 and 28 amortized over nine (9) years by way of 36 equal quarterly payments commencing the first quarter of 2015.

6. Redeveloper acknowledges that the payments set forth in Paragraphs 2, 3,4 and 5, and the timing thereof, are of critical importance to the Township and the Township has based its Municipal budget upon same. Failure to provide such payments when due represents a material breach of all agreements entered into between the Township and the Redeveloper, and, if such default shall occur, the Township may declare Redeveloper in default. In that instance, Redeveloper acknowledges that the Township may foreclose on the property referenced above and the parties agree that developer is not entitled to any set off. In addition, by executing this amended agreement, Redeveloper hereby waives any claim as to the assessment of the property taxes, or the amounts thereof, which are to be paid in this amended agreement.

7. The parties agree that as further consideration for this Amended Financial Agreement the sum of \$75,000.00 shall be paid to the Township by the Redeveloper if and when Redeveloper closes with MBI Development Company.

8. All payments due and owing are payable without interest unless Redeveloper defaults on payment.

9. The parties acknowledge that assuming all payments required to be made in accordance with this Amended Agreement have been made, and provided further that the Redeveloper is not in default of any other agreement with the Township or approvals it has received from the Township, the date of January 1, 2014, shall be considered the "completion

Date” of 75.91% of Phase I of this project and the payment of the Retail Annual Service Charge shall commence as that date in accordance with the payment schedule at 75.91% of said amount. Said percentage shall increase by the percentage of lands which receive a Certificate of Occupancy or Temporary Certificate of Occupancy on pro-rata basis.

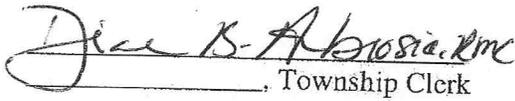
10. The parties agree that Redeveloper shall have the right to create a commercial condominium complex for this project and percentages of said units and common areas shall be the percentages used to determine percentage of completion in accordance with this agreement.

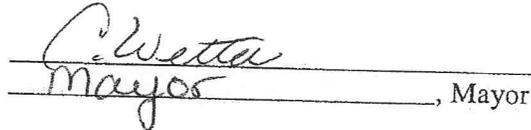
11. The parties further agree and affirm that the Pledged Portion of the original Financial Agreement is unchanged in duration and amount. The unpledged Portion, however, is hereby reset such that year one shall be defined as commencing on January 1, 2014 and shall continue thereafter for thirty-five (35) years.

IN WITNESS WHEREOF, the Township has caused this Agreement to be duly executed on its behalf and its seal to be hereunto affixed and attested and the Redeveloper has caused the same to be duly executed on its behalf, on or as of the day and year first written above.

ATTEST:

THE TOWNSHIP COMMITTEE
OF THE TOWNSHIP OF OCEAN ACTING AS
REDEVELOPMENT AGENCY

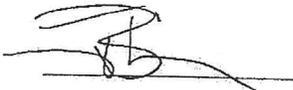

_____, Township Clerk

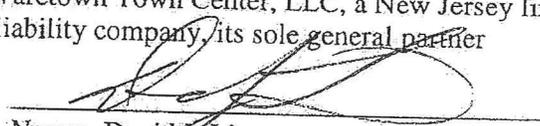

_____, Mayor

WITNESS:

COASTAL REDEVELOPMENT URBANK
RENEWAL PARTNERS, L.P.,
A New Jersey limited partnership

By: Waretown Town Center, LLC, a New Jersey limited liability company, its sole general partner





Name: David J. Lisa
Title: Member

SCHEDULE I

ANNUAL SERVICE CHARGE

<u>YEAR</u>	<u>TOTAL PAYMENT</u>	<u>PLEGGED</u>	<u>RETAIL ASC¹</u>
1	\$255,852.02	\$102,202.02	\$153,650.00
2	\$261,229.77	\$102,202.02	\$159,027.75
3	\$266,795.74	\$102,202.02	\$164,593.72
4	\$272,556.52	\$102,202.02	\$170,354.50
5	\$278,518.93	\$102,202.02	\$176,316.91
6	\$284,690.02	\$102,202.02	\$182,488.00
7	\$291,077.10	\$102,202.02	\$188,875.08
8	\$297,687.73	\$102,202.02	\$195,485.71
9	\$304,529.73	\$102,202.02	\$202,327.71
10	\$311,611.20	\$102,202.02	\$209,409.18
11	\$318,940.52	\$102,202.02	\$216,738.50
12	\$326,526.37	\$102,202.02	\$224,324.35
13	\$334,377.72	\$102,202.02	\$232,175.70
14	\$342,503.87	\$102,202.02	\$240,301.85
15	\$350,914.43	\$102,202.02	\$248,712.41
16	\$359,619.37	\$102,202.02	\$257,417.35
17	\$368,628.98	\$102,202.02	\$266,426.96
18	\$377,953.92	\$102,202.02	\$275,751.90
19	\$387,605.24	\$102,202.02	\$285,403.21
20	\$397,594.35	\$102,202.02	\$295,392.33
21	\$407,933.08	\$102,202.02	\$305,731.06
22	\$418,633.67	\$102,202.02	\$316,431.65
23	\$429,708.77	\$102,202.02	\$327,506.75
24	\$441,171.51	\$102,202.02	\$338,969.49
25	\$453,035.44	\$102,202.02	\$350,833.42
26	\$465,314.61	\$102,202.02	\$363,112.59
27	\$478,023.55	\$102,202.02	\$375,821.53
28	\$491,177.31	\$102,202.02	\$388,975.29
29	\$504,791.44	\$102,202.02	\$402,569.42
30	\$518,882.07	\$102,202.02	\$416,680.05
31	\$533,465.87	\$102,202.02	\$431,263.85
32	\$548,560.11	\$102,202.02	\$446,358.09
33	\$564,182.64	\$102,202.02	\$461,980.62
34	\$580,351.96	\$102,202.02	\$478,149.94
35	\$597,087.21	\$102,202.02	\$494,885.19

¹ Annual Service Charge