



**BOROUGH OF LAWNSIDE
ORDINANCE NO. 07-2023**

**ORDINANCE OF THE BOROUGH OF LAWNSIDE AUTHORIZING AMENDMENT
OF FINANCIAL AGREEMENTS FOR PHASE IV PROJECT**

WHEREAS, in order to stimulate redevelopment, the Council of the Borough of Lawnside (“**Borough Council**”) by Resolution No. 151-FY-2005 determined that the Oak Avenue Redevelopment Study Area which includes those parcels of land described and delineated on the official tax map of the Borough of Lawnside (the “**Borough**”) as those bounded by the New Jersey Turnpike to the North, by Highland and Maple Avenues to the South, Douglas Avenue on the West, and Cherry Hill Township to the East, including Block 405, Lot 1; Blocks 502-507 inclusive; Block 508, Lot 1; Blocks 509-512 inclusive; Block 601 inclusive; Block 602, Lots 23 and 24; Block 605, Lots 1 and 2; Block 701 inclusive (except for Lots 10, 11, 12, 13 and 20); and Block 1004, Lots 30 and 31 on the Official Tax Map of the Borough is an “area in need of redevelopment” (“**Redevelopment Area**”) under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (“**Redevelopment Law**”) and the Council on July 6, 2005 by Ordinance No. 14-FY-2005, adopted the redevelopment plan for the designated properties (“**Redevelopment Plan**”); and

WHEREAS, on March 13, 2013 the Borough entered into a redevelopment agreement with Vineland Construction Co. (“**Redeveloper**” or “**VCC**”), which agreement has been amended by Resolution 35-2018, and by Resolution 84-2017 (which agreement as amended is referred to herein as “**Redevelopment Agreement**”), setting forth the terms and conditions on which VCC and, among other Sub-redevelopers would employ the considerable property owned by VCC, along with other property in the Redevelopment Area, for the purpose of implementing the Redevelopment Plan; and

WHEREAS, N.J.S.A. 40A:20-1 et seq (**the “LTTE”**) authorize the Borough to accept, in lieu of real property taxes, an annual service charge paid to the Borough by an entity that is established as an urban renewal entity pursuant to the LTTE Law based on the terms and conditions set forth in a financial agreement; and

WHEREAS, one of the projects is to be undertaken by VCC was the development and construction of two 9,800 square foot retail buildings, and/or restaurant development (“**Retail Project**”) on all or a portion of Block 506, Lots 1 and 2, now consolidated by deed and designated as Lot 1 (“**Retail Property**”) which project was to be undertaken by **VCC Oak Avenue Retail I Urban Renewal LLC**, an urban renewal entity being formed to undertake that specific project; and

WHEREAS, the Borough had made the following findings with respect to the Retail Project:

As to the Retail Project, the Borough Council found:

A. Relative benefits of the Retail Project to the redevelopment of the Redevelopment Area when compared to the cost, if any, associated with the tax exemption:

(1) The Retail Project is designed to provide a local amenity to residents of Lawnside as well as to the residents and businesses within the Redevelopment Area.

(2) The Retail Project will result in the improvement of negative conditions that the Borough recognized as the basis of its redevelopment area designation, including obsolete land use and long term vacancy and lack of development.

B. Assessment of the importance of the tax exemption in obtaining development of the Retail Project and influencing the locational decisions of probable occupants:

(1) The tax exemption permits better use of the land through:

(i) The stability of rents and the provision of a high level of service and maintenance, which provides further inducement for people to live, shop and work in the Borough; and

(ii) Improvement in the ability to attract conventional lending for the project based on the stability of the “tax” obligation; and

(iii) An attempt to attract new local businesses in an undeveloped area which has historically not supported retail uses.

For the Retail Project, the Borough engaged NW Financial Group LLC (“**NW Financial**”), a financial consulting firm that works regularly on review of applications filed pursuant to the LTTE, and NW Financial reviewed the pro forma support provided in the Application for the Retail Project and found that the payment in lieu of taxes contained therein was appropriate given the costs of the project in relation to the revenues anticipated from the project improvement and given the need to allow the Redeveloper to earn a reasonable rate of return; and

WHEREAS, in order to satisfy the requirements of the LTTE Law and to set forth the terms and conditions under which the parties shall carry out their respective obligations with respect to the payment of the Annual Service Charges in lieu of real property taxes on the Improvements (as defined in the Redevelopment Agreement), the parties executed a financial agreement for the Retail Project based on Ordinance No. 05-2019, which provided for a payment in lieu of taxes equal to ten percent (10%) of the annual gross revenues from the Retail Project (“**Retail Project Financial Agreement**”); and

WHEREAS, it is now proposed that the Retail Project be expanded to include an additional building for the manufacture of cannabis products (“**Phase IV Project**”), and a revised Application has been filed pursuant to the LTTE for the Phase IV Project (“**Phase IV Project Application**”), and the Council finds it appropriate to approve that Application, and therefore the also approve the following changes to the Retail Project Financial Agreement are hereby determined to be appropriate and pursuant to this Ordinance are being authorized:

any use of the term “Retail Project” in the Financial Agreement will now be replaced by “Phase IV Project,”

the Phase IV Project is now proposed to be modified to include an additional 9,800 square foot building as shown on the attached Concept Plan,

the Exhibits will be modified to include the new Concept Plan and Legal Description of the Project Site for the Phase IV Project, as reflected on the Phase IV Project Application (Exhibit 1&2), to add a copy of this Ordinance (Exhibit 3), to add a copy of the Phase IV Project Application which is on file with the Borough Clerk (Exhibit 4), to confirm in the Fiscal Plan (Exhibit 6) that the revenue and expenses for the new building both proportionally increase the numbers assumed on the Pro forma, as shown on the Application.

WHEREAS, the Borough Council hereby reaffirms its findings with respect to the Retail Project Financial Agreement set forth above with readopts them respect to the Phase IV Project Financial Agreement.

NOW THEREFORE BE IT ORDAINED, by the Borough Council of the Borough of Lawnside, County of Camden, State of New Jersey, that:

Section 1. The Preamble of this Ordinance is hereby incorporated in and made a part of this Ordinance.

Section 2. The revised Application for the Phase IV Project, referenced above and on file with the Borough Clerk, is hereby approved.

Section 3. An Amended and Restated Financial Agreement for the Phase IV Project will be prepared in a form substantially consistent with the Retail Project Financial Agreement, with the modifications set forth in the Preamble of this Ordinance, and any other changes consistent herewith consistent with this Ordinance as deemed necessary and appropriate after consultation with the Municipal Attorney, and the Mayor is hereby authorized to execute the Phase IV Project Financial Agreement, and to perform and enforce the rights and obligations set forth herein.

Section 4. The Amended and Restated Financial Agreement for the Phase IV Project will authorize the exemption of the improvements undertaken in that project for a period of thirty (30) years under the LTTE Law.

Section 5. The executed copy of the Amended and Restated Financial Agreement shall be certified by and be filed with the Office of the Borough Clerk.

Section 6. Further consistent with N.J.S.A. 40A:20-12, within ten (10) calendar days following the later of the effective date of an ordinance following its final adoption by the governing body approving the tax exemption or the execution of the Amended and Restated Financial Agreement by the VCC Oak Avenue Retail I Urban Renewal LLC, the Borough Clerk shall transmit a certified copy of this Ordinance and the Amended and Restated Financial Agreement to the Chief Financial Officer of Camden County and to the County Counsel for informational purposes.

Section 7. If any part(s) of this Ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 8. All ordinances or resolutions of parts thereof inconsistent with this ordinance are hereby rescinded.

Section 9. This ordinance shall take effect in accordance with applicable law.

Revised Concept Plan for Phase IV Project



INTRODUCTION & FIRST READING: JUNE 7, 2023
PUBLIC HEARING & ADOPTION: AUGUST 2, 2023
ADOPTED: AUGUST 2, 2023

BOROUGH OF LAWNESIDE


PAMELA SCOTT-FORMAN, RMC, CMR
BOROUGH CLERK


MARY ANN WARDLOW
MAYOR