

ORDINANCE 13-2018
WASHINGTON TOWNSHIP
GLOUCESTER COUNTY

**AN ORDINANCE AUTHORIZING AN AGREEMENT FOR TAX ABATEMENT WITH
4601 ROUTE 42 ASSOCIATES LLC FOR THE PROPERTY KNOWN AS BLOCK 109, LOT 12.03**

WHEREAS, 4601 Route 42 Associates LLC filed an application for a short-term (5 year) tax abatement with the Township for the property known as Block 109, Lot 12.03: and

WHEREAS, the application for the tax abatement was submitted on May 11, 2018 to the Clerk's Office, in furtherance of which the Township Tax Collector was requested to, and did review, the application for compliance with State statute and Township Code; and

WHEREAS, the Tax Collector has deemed the application complete, found that it satisfies all requirements and has recommended this property for admission into the short-term tax abatement program.

NOW, THEREFORE, BE IT ORDAINED, by the Township Council of the Township of Washington, County of Gloucester, State of New Jersey, that it hereby approves the tax abatement and authorizes the Mayor and Township Clerk to execute an agreement for tax abatement pursuant to N.J.S.A 40A:21-1, et. seq, and Township Ordinance Chapter 229 with 4601 Route 42 Associates LLC for the property known as Block 109, Lot 12.03 on the Township Tax Map for the use of said property at 2900 Rt. 42, Turnersville, New Jersey.

This Ordinance shall take effect thirty (30) days after final passage by Council or twenty (20) days after approval by the Mayor, whichever comes first.

INTRODUCTION:

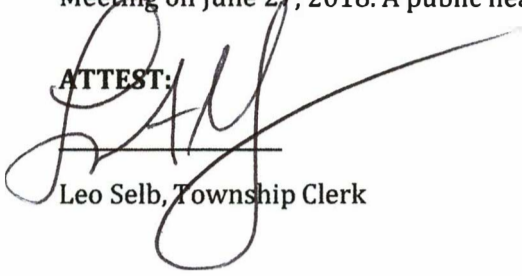
	Motion	Second	Ayes	Nays	Abstain	Absent	Recuse
Donato						X	
Fazio		X	X				
Longfellow	X		X				
Pasqualone						X	
Perry			X				

TOWNSHIP OF WASHINGTON

BY: 
Joe Perry, Council President

I do hereby attest the above Ordinance 13-2017 was introduced at the Township of Washington Meeting on June 27, 2018. A public hearing will occur on July 25, 2018 at 7:00PM.

ATTEST:



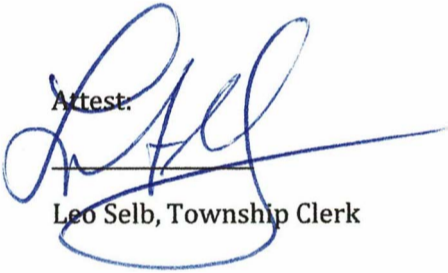
Leo Selb, Township Clerk

	Motion	Second	Ayes	Nays	Abstain	Absent	Recuse
Donato			X				
Fazio	X		X				
Longfellow			X				
Pasqualone			X				
Perry		X	X				

ADOPTION:

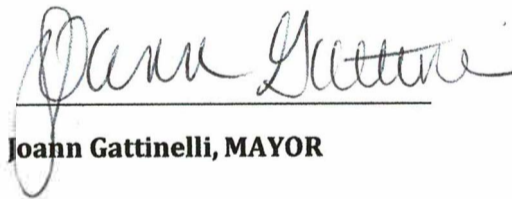
I do hereby attest the above Ordinance 13-2018 was adopted at the Township of Washington Meeting on July 25, 2018 by Township Council after a public hearing which was scheduled for July 25, 2018. Said Ordinance shall take effect in accordance with the law.

Attest:



Leo Selb, Township Clerk

On this 26th day of July 2017, I hereby approve the above Ordinance.


Joann Gattinelli, MAYOR



TOWNSHIP OF WASHINGTON GLOUCESTER COUNTY
MUNICIPAL BUILDING, P.O. BOX 1106, TURNERSVILLE, NJ 08012
TAX COLLECTOR'S OFFICE

Phone: 856-589-0520

Robin D. Sarlo, Tax Collector
Township of Washington
Gloucester County
P.O. Box 1106
Turnersville, N.J. 08012
(856) 589-0520 Ext. 257

Mayor Joann Gattinelli
Jason Gonter, Business Administrator
Council Members
Stuart Platt, Solicitor

May 18, 2018

RE: Tax Abatement Application – 4601 Route 42 Associates, LLC
Turnersville KIA
Block 109 Lot 12.03
2900 Route 42
Addition to Existing Structure

Dear Mayor Gattinelli, Mr. Gonter, Council Members and Mr. Platt,

Please find attached a copy of the Tax Abatement application filed by Robert D. Mintz on behalf of 4601 Rout 42 Associates, LLC, also known as Turnersville KIA.

The applicant is proposing an addition to the existing structure which would result in an increase to the volume of 34%.

If the Tax Abatement is approved, the applicant will pay no tax on the addition in 2019, 20% in 2020, 40% in 2021, 60% in 2022, 80% in 2023 and pay full tax in 2024.

Tax Abatements usually benefit the Township in that when the payments are made, the Township retains all of the funds, less 5% to the county. There are no school taxes taken out of the payment.

I have reviewed the application and related documents and have determined that the application is complete and meets the requirements for the Tax Abatement program.

Please review the application and if you determine that Tax Abatement should be approved, the Township Council will need to adopt an ordinance approving such.

If you have any questions, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin D. Sarlo". The signature is written in a cursive style with a large initial "R" and "S".

Robin D. Sarlo

LAW OFFICES

FREEMAN & MINTZ, P.A.

ROBERT D. MINTZ
LAURA A. COCHET

34 TANNER STREET
HADDONFIELD, N.J. 08033-2482
856-795-1237
FAX: 856-795-4620
E-mail: bob@freemanandmintzpa.com

STANTON D. FREEMAN
(Retired)

FILE NO. L22822M

May 11, 2018

Mr. Leo Selb
Township Clerk
Washington Township
Box 1106, Turnersville, NJ 08012

Stuart Platt, Esq.
Washington Township
Box 1106, Turnersville, NJ 08012

Washington Township Tax Assessor
Box 1106, Turnersville, New Jersey 08012

RE: TURNERSVILLE KIA

Gentlemen:

Our office represents 4601 Route 42 Associates, LLC, the KIA dealership, which will be seeking an expansion of some 4,500 square feet.

Within that context I provide 5 copies of an application for tax abatement, along with an attached calculation schedule and Certification.

Please advise whether the Town process provides for you or my office to submit the application to the Economic Development Commission. If that is done through your office I would ask that you pursue that submission and advise the date the Commission would meet to consider their recommendation to Council.

Please further advise whether your office or mine is directed to provide this request to the Assessor through the County office, noting that I have provided an additional copy, leaving it with you for the Assessor.

I thank you for your assistance and await your advice on submission to the Commission and Assessor.

Very truly yours,

Robert D. Mintz
For the Firm
RDM:ra
Encl.
Hand-Delivered



APPLICATION FOR FIVE-YEAR EXEMPTION AND/OR ABATEMENT

Pursuant to N.J.S.A.40A:21-1 et seq.; P.L.1991, c. 441, as amended by P.L. 2007, c. 268
AND AS AUTHORIZED BY MUNICIPAL ORDINANCE

Applications **must** be filed with municipal assessors within 30 days (including Saturdays & Sundays) of completion of construction, improvements, conversion, conversion alteration. Late applications will be denied.

COUNTY: Gloucester MUNICIPALITY: Washington

I. IDENTIFICATION

Applicant Name: 4601 Route 42 Associates LLC Name of Officer (if corporate owner): Wayne Hileman

Phone Number: (856) 795-1234 Email Address: c/o bob@freemanandmintzpa.com

Mailing Address/Corporate Headquarters: 2900 Route 42

City: Sicklerville State: NJ ZIP: 08081

Property Location (Street Address): 2900 Route 42, Sicklerville, New Jersey

Block: 109 Lot: 12.03 Qualifier: =

II. PROJECT INFORMATION

This Application is for tax exemption tax abatement both.

A. The subject property is a one or two family dwelling upon which claimant has completed:

- New Construction;
- Conversion or alteration of a building or structure into a dwelling;
- Improvement of an existing dwelling. Indicate age of dwelling: _____

B. The subject property is a multiple dwelling, commercial or industrial structure upon which claimant has completed:

- Construction of a multiple dwelling under a tax agreement;
- Construction of a commercial or industrial structure under a tax agreement;
- Improvement to a multiple dwelling;
- Improvement to a commercial or industrial building or structure; Addition over 30% of existing structure
- Conversion or alteration of a building or structure to a multiple dwelling.

If increasing the volume of an existing multiple dwelling, commercial or industrial structure, please indicate the percentage of volume increased: 34 %

C. Project Details

I. Date of completion of new construction, conversion, or improvement: 4 - 6 months, 2012.

II. Total cost of project: \$ _____.

III. Brief description of the nature and type of construction, conversion, or improvement.

Construction of 4,500 +/- square foot addition to maintenance/repair facility of "Kia" auto dealership

D. Other Information

1. Were prior five-year exemptions/abatements granted on this property? No Yes, amount: \$ _____

2. Are there delinquent property taxes or nonpayment tax penalties due on the property? No Yes

3. Attach all required documentary proofs. (Assessor may require copy of ordinance, copy of executed tax agreement between applicant and municipal governing body, project descriptions, plans, drawings, cost estimates, etc.)

III. Certification

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Signature Wayne Hileman Title (If Applicable) PRESIDENT Date 5/10/12

FOR OFFICIAL USE:

APPROVED DISAPPROVED Assessor _____ Date _____

STATE OF NEW JERSEY
Applicant for PROJECT TAX ABATEMENT
(To be filed with the Advisory Board of Economic Development)
Washington Township, County of Gloucester, State of New Jersey

Name of Applicant 4601 Route 42 Associates LLC

Address: 2900 Route 42 Sicklerville

State New Jersey_Zip 08081 Phone (O) c/o 856-795-1234 (H) _____

The above party hereby applies for permission to enter into an agreement with the governing body of the above municipality for a tax abatement on a project to be herein detailed, pursuant to the provisions of Chapter 441 of the Laws of 1991.

1. Indicate by checking the box provided whether the following pertain to the project for which the abatement is sought:
 - a. The project involves enlargement of an existing structure, thereby increasing the volume of the structure in excess of 30%.
 - b. The project involves construction of new facilities.
 - c. The project for which abatement is sought does not involve any facility which contains or will contain a licensed gambling casino.

2. Provide a general description of the project for which abatement is sought. The applicant seeks a 4,500 +/- square foot expansion of the maintenance and repair facility at the existing "Kia" new and used automobile dealership, which existing structure is 13,111 square feet, thus comprising a 34% increase in size.

3. Provide a legal description of all real estate necessary for the project. A copy of the project site plan is appended hereto and made a part hereof as Exhibit "A" and provides the legal description of the real estate. A copy of the structure elevation is also appended (Exhibit "B").

4. Submit plans, drawings and other pertinent documents to demonstrate the structure and design of the project. (Check with the Planning Office) See attached Exhibits "A" and "B".

5. Make a description of the number, classes and type of employees to be employed at the project site within 2 years of completion. Applicant, a new and used automobile dealership property, seeks to expand the dealership's maintenance/repair facility by 2 infill pieces totaling 4,500 +/- square feet upon existing impervious area. Initially, the project will permit more efficient handling of maintenance and repair, but is expected over the next 2 years to permit added staffing of mechanics, support and Administrative staff totaling _____ new employees, and retaining the maintenance/repair function locally.

6. State the reasons for seeking a Tax Abatement on the project and describe the benefits to be realized if Tax Abatement is granted. Township assistance, through tax abatement, would provide the very advantage that the Ordinance intended: to encourage businesses to stay, expand, and come to the Township in areas that the Township has identified as "in need". It can be appreciated that the project would not be a burden on Township municipal services and minimal, if any, impact on police, ambulance, fire. And none on schools. Tax abatement offers competitive incentives to provide a level field with other local communities, which provide such an incentive, keeping this project market competitive with efficient service to customers, thus aiding ratables to expand and succeed in the costly initial years, while guaranteeing a long-term ratable and added employment for the Township.

7. Provide cost estimates for completion of the project. Estimated building construction cost attached; however, actual value will be set by Assessor. **SEE ATTACHED**

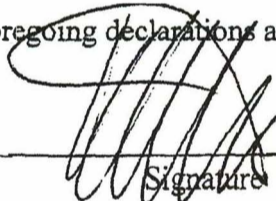
8. Provide the following information:
 - a. Real property taxes currently assessed at the project site. **SEE ATTACHED**
 - b. Estimated tax payments to be made on the project during period of Tax Abatement. **SEE ATTACHED SCHEDULE**
 - c. Estimated tax payments to be made on projects during the first full year following termination of Tax Abatement agreements.

9. Provide a description of any lease agreements between applicants and proposed users of the project, together with a history and description of the users' business. **SEE ATTACHED**

ITEM 1 THRU 9 MUST BE SUBMITTED AS ONE PACKAGE – A PARTIAL PACAKAGE WILL NOT BE ACCEPTED.

I hereby certify that the foregoing declarations are true to the best of my knowledge and belief.

5/10/18
Date



Signature Wayne Hileman

Treasurer
Title

SCHEDULE ATTACHMENT

Assuming \$290,000.00 construction cost (subject to actual valuation) and \$3.488 per \$100.00 assessed value, subject to adjustment for real estate tax equalization value and rate adjustment, applicant speculates a five-year abatement implemented at 20% per year could generate:

	BLOCK 109, LOT 12.03 LAND TAX & EXISTING STRUCTURE		CURRENT CONSTRUCTION VALUE - \$500,000.00	NEW TOTAL
Year 6 - 100%	\$65,845.72		\$17,440.00	\$ 83,285.72

Year 1 - 0%	\$65,845.72	\$ 8,678.44	-0-	\$ 74,524.16
Year 2 - 20%	\$65,845.72	\$ 8,678.44	\$ 3,488.00	\$ 78,012.16
Year 3 - 40%	\$65,845.72	\$ 8,678.44	\$ 6,976.00	\$ 81,500.16
Year 4 - 60%	\$65,845.72	\$ 8,678.44	\$10,464.00	\$ 84,988.16
Year 5 - 80%	\$65,845.72	\$ 8,678.44	\$13,952.00	\$ 88,476.16
Payments Received by Township	\$329,228.60	\$43,392.20	\$34,880.00	\$407,500.80

The Township is believed to receive about 15% of tax dollars, thus, at full value on 5-year tax total of \$17,440.00 x 5 years = \$87,200.00, the Township portion would be \$13,080.00, compared to the Township receiving approximately all of the abatement payment under abatement, thus, the Town receives a \$74,120.00 +/- benefit through abatement, with an assured constructed ratable in year six. The 2017 tax bill for land plus existing improvements is \$65,845.72; those continue unabated. The encouragement of abatement will result in receipt of excess taxation in year two of the abatement and enhanced tax revenue of almost \$74,120.00 for the abatement period.

CERTIFICATION

Wayne Hileman hereby certifies that:

I am an owner of 4601 Route 42 Associates, LLC, authorized to give this Certification with respect to Block 109, Lot 12.03, Washington Township, and have authority to make this Certification and representations on that entity's behalf.

I am aware that under Section #229-2 of the Township Code, the tax abatement consideration is predicated on the following, all of which I certify to be true and correct:

1. The minimum square footage size of this Improvement exceeds 30% of the existing facility.

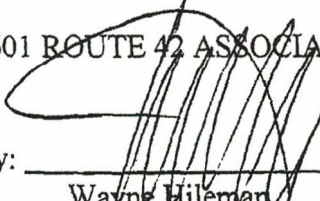
2. Pursuant to Section #229-2(11)(B), "That the actual trades people/work force/labor to be employed for the construction of all improvements, including all new buildings, additions to existing structures, and all additional site improvements, shall be not less than 30% of the total trades people/work force/labor utilized for construction of the project during its entire duration, which will be defined as from the date of the issuance of the first construction permit through the date of the issuance of a final Certificate of Occupancy."

3. Pursuant to Section #229-2(11)(C), I give "An acknowledgment that a breach of this provision by the owner/developer will result in a forfeiture of tax abatement status for said property, and that the discovery of such breach, during the course of the tax abatement shall also require a repayment of all abated taxes in full to the Township of Washington."

4. I also acknowledge that this provision shall be binding upon my successors in interest to the property/project which is the subject of the abatement, and that written notification of this provision is to be provided to the successors in title or interest to said property, including the repayment requirement upon discovery of the breach of this provision by the Township.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

4601 ROUTE 42 ASSOCIATES LLC

By:  _____
Wayne Hileman