

8-14



Township Council
1 Municipal Plaza
Bloomfield, NJ 07003

Louise M. Palagano
Municipal Clerk

<http://www.bloomfieldtwpnj.com>

Meeting: 04/13/15 07:00 PM

15-31

2015 ORDINANCE AMENDMENT

AN ORDINANCE TO AMEND CHAPTER 520 "TAXATION" OF THE TOWNSHIP CODE

WHEREAS, Chapter 520 of the Code of the Township of Bloomfield Code titled "Taxation" authorizes five year exemptions and abatements from taxation for projects located in the Bloomfield Center Vision Plan Boundary, the CBD zone, B-2 zone, CORD zone and M-1 zone that would qualify for exemption or abatement from taxation pursuant to B.O. 520-10; and

WHEREAS, 192 Bloomfield, LLC, has indicated a desire to construct a project which is eligible for exemption or abatement from taxation under the Chapter 520; and

WHEREAS, the applicant has filed an application for exemption or abatement from taxation with the Township in a timely manner setting forth the information required by the Chapter 520, and the Review Committee has determined that the application is complete; and

WHEREAS, the governing body of the municipality has reviewed and evaluated the application, and it has made the following findings and determinations in connection with the application.

- A. The project is eligible for exemption or abatement from taxation pursuant to the aforesaid Article.
- B. The project will maintain or provide gainful employment within the municipality.
- C. The project will assist in the economic development of the municipality.
- D. The project will maintain or increase the tax ratable base of the municipality.
- E. The project will maintain or diversify and expand commerce within the municipality.
- F. The economic benefits derived from the project outweigh any negative effects associated with granting the exemption or abatement from taxation.

NOW THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Township of

ON BASIS OF FACTS SET FORTH

Ben J. ...
Township Attorney

Bloomfield, County of Essex, State of New Jersey:

1. The application submitted by the 192 Bloomfield, LLC, for the exemption from taxation for the development of a self-storage facility project located at 192 Bloomfield Avenue, Block 64, Lot 4, is hereby approved.
2. The form of Five Year Tax Agreement setting forth the terms and conditions for the exemption from taxation including the formula for the computation of payments in lieu of full property taxation is hereby approved.
3. The Mayor is authorized to execute and the Township Clerk to attest the Five Year Tax Agreement.
4. The Township Clerk shall forward a copy of the Five Year Tax Agreement to the Director of the Division of Local Government Services in the Department of Community Affairs within 30 days after the execution of the Agreement.
5. A copy of the Tax Agreement shall be maintained in the office of the Tax Assessor and in the office of the Tax Collector to insure compliance with all of the terms and conditions set forth in the Tax Agreement. Furthermore, the Township Clerk shall maintain a copy of all documents, including the Tax Agreement as public records.

......*

I hereby certify that the above ordinance was duly adopted by the Mayor and Council of the Township of Bloomfield at a meeting of said Township Council held on MAY 4, 2015.

Louise K. Polyzos

 Municipal Clerk of the Township of Bloomfield

ME V Jc

 Mayor of the Township of Bloomfield

| ✓ Vote Record - Ordinance | | | | | |
|---|--------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| | | Yes/Aye | No/Nay | Abstain | Absent |
| <input type="checkbox"/> Adopt | Elias N. Chalet | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Deny | Nicholas Joanow | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Withdrawn | Carlos Bernard | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Table | Wartyna Davis | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Not Discussed | Joseph Lopez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> First Reading | Carlos Pomares | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Table with no Vote | Michael J. Venezia | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Approve | | | | | |
| <input type="checkbox"/> Veto by Mayor | | | | | |
| <input type="checkbox"/> Discussion | | | | | |
| <input type="checkbox"/> Defeated | | | | | |
| <input type="checkbox"/> Discussion No Vote | | | | | |

| ✓ Vote Record - Ordinance | | | | | |
|---|--------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| | | Yes/Aye | No/Nay | Abstain | Absent |
| <input type="checkbox"/> Adopt | | | | | |
| <input type="checkbox"/> Deny | | | | | |
| <input type="checkbox"/> Withdrawn | | | | | |
| <input type="checkbox"/> Table | | | | | |
| <input type="checkbox"/> Not Discussed | | | | | |
| <input type="checkbox"/> First Reading | | | | | |
| <input type="checkbox"/> Table with no Vote | | | | | |
| <input type="checkbox"/> Approve | | | | | |
| <input type="checkbox"/> Veto by Mayor | | | | | |
| <input type="checkbox"/> Discussion | | | | | |
| <input type="checkbox"/> Defeated | | | | | |
| <input type="checkbox"/> Discussion No Vote | | | | | |
| | Elias N. Chalet | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Nicholas Joanow | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Carlos Bernard | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Wartyna Davis | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Joseph Lopez | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Carlos Pomares | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Michael J. Venezia | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

64-4
RETAIL

WATERS, MCPHERSON, MCNEILL

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
SECAUCUS - TRENTON - NEW YORK
MEADOWLANDS OFFICE
300 LIGHTING WAY
P.O. BOX 1560

SECAUCUS, NEW JERSEY 07096
201-863-4400
www.lawwmm.com

JOSEPH G. RAGNO

DIRECT DIAL
201-330-7465

E-MAIL
jragno@lawwmm.com
FAX
201-863-2866

March 6, 2015

Via Hand Delivery
Honorable Michael J. Venezia, Mayor
1 Municipal Plaza, 2nd Fl., Rm. 209
Bloomfield, New Jersey 07003

**Re: 192 BLOOMFIELD, LLC.;
Amended Application for Short Term Tax Exemption
Our File No.: 11680-001**

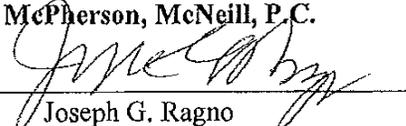
Dear Mayor Venezia:

Enclosed please find ten (10) copies of the Amended Application for a Short Term Tax Exemption on behalf of 192 BLOOMFIELD, LLC, for the redevelopment project known as Watsessing Retail Plaza.

Thank you for your assistance in this matter.

Very truly yours,

Waters, McPherson, McNeill, P.C.

By: 
Joseph G. Ragno

JGR/tw
Enclosures

cc: Ted Ehrenberg, Township Administrator
Robert Renna, Chief Financial Officer
Steven Martino, Esq., Assistant Township Attorney
Joseph J. Pisauo, Township Assessor
Leonard V. Peres, 192 BLOOMFIELD, LLC., Managing Member.

846098.1

64-4

AMENDED APPLICATION FOR APPROVAL OF A
FIVE-YEAR TAX AGREEMENT FOR
A 38,659 SQUARE FOOT RETAIL SHOPPING CENTER
KNOWN AS THE WATSESSING RETAIL PLAZA

Applicant

192 BLOOMFIELD, LLC
525 River Road
Edgewater, New Jersey 07020

Prepared By:

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way
Secaucus, N.J. 07096
(201) 863-4400
Attorney for Applicant

Date: March 6, 2015

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I. Introduction: General Description

A. Applicant

The Applicant, **192 BLOOMFIELD, LLC** ("Applicant"), a New Jersey limited liability company, proposes to construct a 38,649 Square Foot Shopping Center project (the "Project"). The Project, which will consist of two (2) Retail Buildings and will be developed in one (1) phase. Applicant is fully authorized to own and develop the Project under the terms of the Law and to enter into tax agreements to implement the requested tax abatements. As such, Applicant will manage and operate the Project upon completion.

B. Nature of Application

Applicant is seeking approval of a five-year tax agreement, for the Project pursuant to the "Five-Year Exemption and Abatement Law," N.J.S.A. 40A:21-1 et seq. and Chapter 520 of the Code of the Township of Bloomfield (the "Law"). The agreement would provide for the exemption of the Project Improvements from conventional taxation for a period of five years and a payment-in-lieu-of-taxes based on the five-year phase-in of "taxes otherwise due" pursuant to N.J.S.A. 40A:21-10c and Chapter 520, Section 12(C) of the Code of the Township of Bloomfield.

II. Identification of Property

A. Legal Description

The Project Site is an 3.2 acre site described as Block 64, Lot 4 on the official Tax Map of the Township of Bloomfield ("Project Site"), which lot constitutes portions of the tax lots formerly known as Block 64, Lots 1 and 4. See Project Site Plan, Exhibit A. The site is currently improved with a vacant and dilapidated industrial building which will be demolished before construction of the Project.

B. Zoning

The Project site is located in an "M-1" zone and is one of the properties identified in the "Hartz Mountain Site Redevelopment Plan," which was adopted by ordinance by the Bloomfield Township Mayor and Council on August 13, 2012 as an overlay. This Ordinance was amended by the Township Mayor and Council on July 2, 2014 pursuant to the Local Redevelopment and Housing Law.

C. Current Real Estate Taxes

The newly-created tax lot which is the Project Site was not separately assessed in 2014. The tax lots from which it was created, Block 64, Lots 1 and 4, totaling 14.736 acres, bore a total land assessment for tax year 2014 of \$5,159,000 and generated real estate taxes of \$193,720.45. Therefore, the taxes attributable to the 3.2 acre Project Site in 2014 were approximately \$42,067.42.

III. Description of Project and Operations

A. Description of Project

The proposed Project consists of a 38,649 Square Foot Retail development configured in two (2) separate one-story buildings totaling 16,399 S.F. and 22,260 S.F. each. See Project Site Plan, Exhibit A. The Project will be constructed in one (1) phase over a period of 2-3 years

An estimate of the rental revenue, operating expenses and net operating income which the Project is expected to generate, is attached as Exhibit F.

B. Estimated Cost of the Project

The estimated "cost of the project", as such term is defined in N.J.S.A. 40A:21-10(a), is approximately \$6,300,000. See Estimated Cost of the Project, Exhibit B.

C. Construction Schedule

It is anticipated that construction of the Project would begin within 60 days of the final non-appealable approval of the Tax Agreement, Final Site Plan Approval and the issuance of a building permit. It is expected that total build-out from the commencement of construction to the issuance of Final Certificates of Occupancy will take 24-36 months. The construction schedule is subject to modification depending on the time required to obtain necessary governmental approvals and permits and other factors beyond the control of Applicant. See Construction Schedule, Exhibit C.

IV. Terms of Proposed Tax Agreement

A. Tax Agreement Terms

The tax agreement for the Project shall have a term of five (5) full years as measured from the date of substantial completion, understood by the parties to mean the issuance of the Final Certificate of Occupancy.

B. Estimated Annual Payment-In-Lieu-of-Tax on Improvements

If the Application is approved, the Project Improvements for the Project will be exempt from local real estate taxation for a term of five years and, in lieu of full taxation on the Project Improvements, Applicant will agree to make a payment-in-lieu-of-tax during the term of the exemption which, consistent with N.J.S.A. 40A:21-10(c) and Chapter 520 of the Code of the Township of Bloomfield, shall be based upon a five-year phase-in of "taxes otherwise due" as defined in the Law, estimated to be equal to the amounts specified on the Schedule of Estimated Annual Payment-in-Lieu-of-Tax, attached as Exhibit D. For the purpose of the Tax Agreement which is the subject of this Application, the proposed Fair Assessable Value of the Project Improvements is \$5,900,000.

It is projected that, over the term of the abatement, the Project will generate approximately \$443,090 in payments-in-lieu-of-tax in addition to the land taxes which will continue to be assessed conventionally during the term of the tax agreements.

C. Estimated Taxes Upon Expiration of Abatement

In the first full year following the expiration of the agreement, it is projected that conventional taxes on the total Project, land and buildings included, will exceed \$291,697.

V. Description of Current and Prospective Employees

A. Current Employees

Not Applicable.

B. Job Creation/Prospective Employees

The construction of the Project will result in the creation of 100-150 construction jobs and, upon completion, 75-100 permanent full-time jobs. In addition, the construction of the Project will result in the creation of secondary employment opportunities and other economic impacts in the immediate vicinity of the Project Site due to the fact that both construction and post-construction employees are expected to patronize local businesses. Finally, the Project will not result in the loss or displacement of existing jobs.

C. Rules and Regulations

Applicant agrees to comply with all Federal, State, County and City laws, rules, regulations and ordinances as they relate to employment practices.

VI. Statement of Reasons for the Tax Agreement

From the standpoint of the Applicant, the proposed Tax Agreement is necessary to ensure the economic viability of the Project and to keep it on a competitive footing with other retail projects in the Township and neighboring communities.

Benefits flowing to the Township from the Tax Agreement include \$291,697 in local revenue which would be generated from the completed Project upon expiration of the exemption plus an additional estimated \$200,000 in sales taxes generated by the retail tenants. In contrast, the entire site in 2014 only generated \$65,859 in local revenues. In addition, the Project will result in the creation of 100-150 construction jobs and 75-100 permanent full-time positions on completion. In turn, the jobs generation will result in secondary economic benefits to the community.

VII. Certification as to Compliance with State and Local Redevelopment Laws

Applicant certifies that the Project is located in Hartz Mountain Site Redevelopment Plan Area and that the Project and its owner will comply in all aspects with the laws, regulations and ordinances of the State of New Jersey and the Township of Bloomfield, specifically, without limitation, the "Five-Year Exemption and Abatement Law," and Chapter 520 of the Code of the Township of Bloomfield implementing the "Five-Year Exemption and Abatement Law, and applicable zoning.

VII. Attorney Certification

I hereby certify to the best of my knowledge and belief, that all of the information contained in this Application is true and correct and that I have made a diligent inquiry to confirm the accuracy of all such information.

WATERS, MCPHERSON, MCNEILL, P.C.

Attorneys for Applicant


Joseph G. Ragno

Dated: 3/6/15

844063.2

EXHIBIT A

PROJECT SITE PLAN

EXHIBIT B

ESTIMATED COST OF PROJECT

It is estimated that the cost of construction on the Project will be approximately \$6,300,000 as defined in N.J.S.A. 40A:21-10a, including cost of land acquisition.

| | |
|----------------------------|--------------------|
| Demo & Asbestos Abatement: | \$150,000 |
| Site Improvements: | \$850,000 |
| Hard Cost: | \$4,300,000 |
| Soft Cost: | \$1,000,000 |
| | |
| TOTAL: | \$6,300,000 |

EXHIBIT C

CONSTRUCTION SCHEDULE

Construction to commence approximately 60 days after the last to occur of the Final Non-Appealable Approval of The Tax Agreement, Final Site Plan Approval or the Issuance of Building Permits.

EXHIBIT D

**SCHEDULE OF ESTIMATED
ANNUAL PAYMENTS-IN-LIEU-OF-TAX**

During the term of the tax abatement, the Applicant shall make payments-in-lieu-of-taxes otherwise due on the Project Improvements based on an assessed value stated below and the prevailing tax rate for each tax year. For the purpose of this estimate, the 2014 Tax Rate of 3.755 was utilized.

| Year | Estimated Taxes Otherwise Due | Percentage of Taxes Otherwise Due | Estimated Pilot Due |
|-------|-------------------------------|-----------------------------------|---------------------|
| 1 | \$221,545 | 0% | \$ 0 |
| 2 | \$221,545 | 20% | \$44,309 |
| 3 | \$221,545 | 40% | \$88,618 |
| 4 | \$221,545 | 60% | \$132,927 |
| 5 | \$221,545 | 80% | \$177,236 |
| | | | |
| Total | \$1,107,725 | | \$443,090 |

Assessed Value – Improvements Only \$5,900,000

EXHIBIT E

OWNERSHIP DISCLOSURE

The Applicant 192 BLOOMFIELD, LLC is a New Jersey limited liability company, with offices at 525 River Road, Edgewater, NJ 07020.

The owners of ten (10%) percent or more of 192 BLOOMFIELD, LLC are:

L.P. 192 Bloomfield, LLC
Leonard V. Peres, Managing Member 61%

Lexington Edgewater, LLC
Paul Kaufman, Managing Member 34%

EXHIBIT F

**ESTIMATE OF PROJECT RENTAL REVENUE,
OPERATING EXPENSES AND NET OPERATING INCOME**

| INCOME AND EXPENSES: | | | |
|-----------------------------------|-----------------------|---------------|-------------------------|
| <u>Market Rents</u> | Per S.F. | Sq. Ft. | |
| Anchor Tenant Bldg. A | \$19.15 | 16,399 | \$314,041 |
| Anchor Tenant Bldg. B | \$22.00 | 14,000 | \$308,000 |
| Base Rental – Bldg. B | <u>\$27.50</u> | <u>8,260</u> | <u>\$227,150</u> |
| Potential Gross Income: | \$21.97 | 38,659 | \$849,191 |
| | | | |
| Vacancy & Coll. Loss @ 10% | \$2.20 | | \$84,919 |
| | | | |
| Effective Gross Income: | <u>\$19.77</u> | | <u>\$764,272</u> |
| | | | |
| Operating Expenses: | | | |
| 1. Management Fee (EGI) 4% | .79 | | \$30,541 |
| 2. Leasing Commissions (PGI) 5% | \$1.10 | | \$42,525 |
| 3. Replacement Reserve (EGI) 2% | \$.40 | | \$15,464 |
| 4. Tenant Improvements @ p/sq. ft | \$1.00 | | \$38,659 |
| 5. Environmental Cap Mgmt. | .25 | | \$9,665 |
| 6. Marketing | <u>.40</u> | | <u>\$15,464</u> |
| | | | |
| Total Operating Expenses: | \$3.94 | | \$152,318 |
| | | | |
| Net Operating Income: | \$15.83 | | \$611,954 |
| | | | |
| | Analysis: | | |
| Capitalization Rate | 7.5% | | 7.5% |
| Capitalization Value | \$211.07 | | \$8,159,387 |
| | | | |
| EQ Ratio: | 95.18% | | 95.18% |
| Assessed Value: | \$200.89 | | \$7,766,104 |
| Tax Rate: | <u>3.755</u> | | <u>3.755</u> |
| Proposed RE Taxes: | \$7.54 | | \$291,697 |

Notes: Tenant Improvements average \$10 p.s.f. every 10 years

WATSESSING RETAIL PROJECT

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION/RETAIL SHOPPING CENTER

THIS AGREEMENT made on this _____ day of _____, 2015, by and between the TOWNSHIP OF BLOOMFIELD [Township], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 1 Municipal Plaza, Bloomfield, New Jersey 07003, and, 192 Bloomfield, LLC [Applicant], whose principal place of business is 525 River Road, Edgewater, New Jersey 07020.

WITNESSETH:

WHEREAS, the Township Council has indicated its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance _____, as amended by Ordinance _____; and

WHEREAS, by the time that construction commences the Applicant is owner of certain property located at 192-196 and 200 Bloomfield Avenue, in the Township of Bloomfield, County of Essex and State of New Jersey designated as Block 64, Lot 1.01 on the Tax Assessor's Map, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January 6, 2015, the Applicant applied for a five year tax exemption to construct a new Retail Shopping Center on the Property consisting of 38,649 square feet to be developed in one (1) phase [Project] pursuant to N.J.S.A. 40A:21-1 et seq and Chapter 520 of the Code of the Township of Bloomfield [Law] which application was subsequently revised by the filing of an amended application on March 6, 2015; and

WHEREAS, the Township has reviewed the application, approved the construction of the Project and authorized the execution of a Tax Exemption Agreement for the Project by the adoption of Ordinance _____ on _____, 2015.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The Township hereby agrees to a tax exemption for the Project Improvements constituting the Project on the Property, as further described in the Application, consisting of two (2) Buildings totaling 38,649 square feet pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on the Project in lieu of full property tax payments on the Project Improvements according to the schedule of Estimated Annual Payments in lieu of tax attached hereto as Exhibit B. During the term of this Tax Agreement, the Applicant will continue to pay land taxes as assessed and shall not be entitled to a credit against the payments-in-lieu-of-tax.

ARTICLES III: FEDERAL, STATE AND LOCAL LAW

The construction of the Project is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE IV: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the Township issues, or is eligible to receive, a Final Certificate of Occupancy. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the Township in accordance with the schedule set forth herein as Exhibit B. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the land and improvements constituting to the Property.

ARTICLE V: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the Township for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VI: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Project, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. 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, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE VII: TERMINATION/ELIGIBILITY
FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and Township Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or Township Ordinances.

ARTICLE VIII: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to Township: Business Administrator
 Township of Bloomfield
 1 Municipal Plaza
 Bloomfield, New Jersey 07003

Notice to Applicant: 192 Bloomfield, LLC
 525 River Road
 Edgewater, New Jersey 07020
 Attn: Leonard V. Peres

and

Joseph G. Ragno, Esq.
Waters, McPherson, McNeill, P.C.
300 Lighting Way, P.O. Box 1560
Secaucus, New Jersey 07096

ARTICLE IX: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the Township continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Township and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

192 BLOOMFIELD, LLC

BY: _____

By: _____

ATTEST:

TOWNSHIP OF BLOOMFIELD

BY: _____

Township Clerk

Business Administrator

EXHIBIT A

METES AND BOUNDS DESCRIPTION

EXHIBIT B

ESTIMATED ANNUAL PAYMENTS IN LIEU OF TAX

Assessed Value – Improvement Only \$5,900,000

| Year | Estimated Taxes Otherwise Due | Percentage of Taxes Otherwise Due | Estimated Pilot Due |
|-------|-------------------------------|-----------------------------------|---------------------|
| 1 | \$221,545 | 0% | \$ 0 |
| 2 | \$221,545 | 20% | \$44,309 |
| 3 | \$221,545 | 40% | \$88,618 |
| 4 | \$221,545 | 60% | \$132,927 |
| 5 | \$221,545 | 80% | \$177,236 |
| | | | |
| Total | \$1,107,725 | | \$443,090 |