

MANNINGTON TOWNSHIP

ORDINANCE #22-05

AN ORDINANCE TERMINATING A LONG-TERM TAX EXEMPTION AND FINANCIAL AGREEMENT WITH 310 WOODSTOWN URBAN RENEWAL, LLC AND AUTHORIZING THE PAY-OFF AND CANCELLATION OF THE \$225,000 REDEVELOPMENT AREA BOND

WHEREAS, the Mannington Township Committee (the “Committee”), pursuant to and in accordance with the requirements of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), adopted a resolution on September 6, 2018 designating a non-condemnation area in need of redevelopment identified as Block 53, Lots 4, 4 Qual. C-1, 4 Qual. C-2, 4 Qual. QFarm, and 23, 23 Qual. C-3, 23 Qual. QFarm, on the official tax map of the Township (the “Redevelopment Area”); and

WHEREAS, on January 22, 2019, the Committee duly adopted Ordinance No 19-03 implementing a redevelopment plan for the Redevelopment Area entitled the Memorial Hospital Redevelopment Plan (the “Redevelopment Plan”); and

WHEREAS, to implement the Redevelopment Plan, the Township and 310 Woodstown Urban Renewal LLC (the “Original Redeveloper”) entered into that certain redevelopment agreement dated December 6, 2019 (the “Redevelopment Agreement”) setting forth the terms and conditions by which the Original Redeveloper would develop, finance, construct and implement a project that rehabilitates the existing hospital campus, including the repair and remodeling of portions of the existing original buildings to produce a modern, state-of-the-art facility to service the healthcare needs of residents within Salem County (collectively, the “Project”); and

WHEREAS, the Project was completed and on December 30, 2020 the Township issued a Certificate of Completion for the Project, which was recorded in the Salem County Clerk’s Office in Book 4579, Page 608; and

WHEREAS, the Township and the Original Redeveloper entered into a financial agreement dated November 9, 2019 (the “Original Financial Agreement”) providing for a payment in lieu of taxes pursuant to the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “Exemption Law”) and the issuance of bonds in the principal amount of \$225,000.00 pursuant to the New Jersey Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq. (the “RAB Law”); and

WHEREAS, pursuant to the RAB Law and the Original Financial Agreement, the Township issued a non-recourse redevelopment area bond in the amount of \$225,000 dated December 30, 2020 in support of the Project (the “Bond”); and

WHEREAS, Metro RAB Holding LLC (the “Bondholder”), an affiliate of Original Redeveloper, is the registered owner of the Bond; and

WHEREAS, the Original Redeveloper is the current owner of Block 53, Lot 4, C001, an C001X, 330 Woodstown Urban Renewal, LLC is the current owner of Block 53, Lot 4, C002 and C002X and Woodstown Development Urban Renewal LLC is the current owner of Block 53, Lot 4, C004Q (Block 53, Lot 4, C001, C001X, C002, C002X and C004Q collectively referred to herein as the “**Original Land**”); and

WHEREAS, Salem ASC Urban Renewal LLC is the current owner of Block 53, Lot 23, C003 and C003X (the “**Surgi Center Property**”) and Woodstown Development Urban Renewal LLC is the current owner of Block 53, Lot 23, C004Q; and

WHEREAS, Salem County Hospital Corp d/b/a Salem Medical Center (the “**Hospital**”) is a New Jersey non-profit corporation, qualified by the Internal Revenue Service as a 501(c)(3) organization, operates a licensed general acute care hospital which maintains and operates organized facilities and services as approved and licensed by the Department of Health for the diagnosis, treatment, or care of persons suffering from acute illness, injury, or deformity and in which all diagnosis, treatment, and care are administered by or performed under the direction of persons licensed to practice medicine or osteopathy in the State; and

WHEREAS, the Hospital is the contract purchaser of a portion of the Original Land identified as Block 53, Lot 4, C001, C001X, C002, C002X on the Tax Maps of the Township (the “**Land**”) which includes the 255,287 square foot Salem Medical Center and the 8,770 square foot Salem Medical Center office building (the “**Improvements**” and with the Land, the “**Hospital Property**”); and

WHEREAS, Salem Medical Center Properties, LLC (“**SMC**”), a related entity to Hospital, is the contract purchaser of the Surgi Center Property; and

WHEREAS, contingent upon and effective as of the date the Hospital acquires title to the Hospital Property and SMC acquires title to the Surgi Center Property (the “**Closing**”) the Township, the Original Redeveloper, and the Bondholder desire to terminate the tax exemption and associated Original Financial Agreement, and authorize the payoff and cancellation of the Bond; and

WHEREAS, in the event the Closing occurs in 2022, the Hospital and SMC agree to submit to the Township simultaneously with Closing, any and all remaining payments in lieu of taxes due through the end of 2022 for the Hospital Property and the Surgi Center Property pursuant to the Original Financial Agreement (the “**2022 PILOT Payment**”); and

WHEREAS, the Hospital, SMC and the Township shall enter into an agreement setting forth the terms and conditions for the 2022 PILOT Payment (the “**Payment Agreement**”),

NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF MANNINGTON, NEW JERSEY AS FOLLOWS:

Section 1. The tax exemption and Original Financial Agreement are hereby terminated and any and all interest of the Original Redeveloper as to the Original Financial Agreement is hereby terminated, subject to the prior satisfaction of all of the following conditions:

1. The acquisition of the Hospital Property by the Hospital.
2. The acquisition of Surgi Center Property by SMC.
3. The execution of the Payment Agreement in substantially the form as attached hereto as Exhibit A.

The Mayor and Township Clerk are hereby authorized to execute the Payment Agreement in substantially the form as attached hereto as Exhibit A, with such revisions as deemed appropriate by the Mayor. The Mayor and Township Clerk are hereby authorized, upon satisfaction of the three items above, to execute a recordable document terminating the Original Financial Agreement as of record.

Section 2. Upon Closing, the payoff of the Bond by Original Redeveloper and cancellation of the Bond is hereby authorized. The Mayor and Township Clerk are hereby authorized to execute an agreement between the Bondholder, the Township and Original Redeveloper authorizing the payoff and termination of the Bond.

Section 3. The Township Clerk shall forward a certified copy of this ordinance with the Tax Assessor of the Township in accordance with N.J.S.A. 40A:20-12.

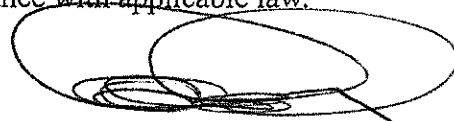
Section 4. The Township Clerk also shall transmit a certified copy of this Ordinance to the chief financial officer of Salem County and to the Salem County Counsel for informational purposes.

Section 5. The Mayor and Township Clerk are hereby authorized to take such action and to execute such other documents, on behalf of the Township, in consultation with counsel, as is necessary to effectuate the terms of this Ordinance.

Section 6. 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 7. This ordinance shall take effect in accordance with applicable law.

Date: October 17, 2022



Donald C. Asay, Mayor

ATTEST:



Esther A. Mitchell, Clerk


NOTICE

Notice is hereby given that the foregoing proposed Ordinance No. 22-05 was introduced and passed on first reading by the Township Committee of the Township of Mannington, County of Salem, State of New Jersey, at a regularly scheduled meeting held on October 17, 2022. A second reading and public hearing on the foregoing Ordinance will be conducted by the Township Committee at a regularly scheduled meeting to be held on November 3, 2022 at 7:00 p.m., in the Mannington Town Hall, 491 Route 45, Mannington Township, New Jersey, after which the Ordinance will be considered for final passage.

ATTEST:



Esther A. Mitchell, Township Clerk



Donald C. Asay, Mayor

CERTIFICATION

I hereby certify the above to be a true copy of an Ordinance introduced and passed by the Mannington Township Committee on second and final reading following a public hearing at a regular meeting held on 11/3, 2022.



Esther A. Mitchell, Township Clerk

ADOPTED: 11/3/2022

EXHIBIT A
FORM OF PAYMENT AGREEMENT