

ORDINANCE NO. 2014- 64

## AN ORDINANCE AUTHORIZING A PILOT AGREEMENT FOR PROJECT TAX EXEMPTION FOR MAJOR PETROLEUM INDUSTRIES.

WHEREAS, Ordinance No. 2009-15, passed on final reading by City Council on March 10, 2009, provides that Project Tax Exemption Agreements be authorized by an Ordinance of the City of Vineland; and

WHEREAS, said Ordinance No. 2009-15 further provides that the City of Vineland shall enter into a written agreement with the applicant for the exemption of local real property taxes, said agreement providing for the applicant to pay to the City of Vineland, in lieu of full property tax payments, an amount annually to be computed by one, but in no case a combination, of the following formulas as described in N.J.S.A. 40A:21-10, said tax exemption agreement to be effective for a period of not more than 5 years starting with the date of completion of the project; and

WHEREAS, Application for Project Tax Exemption under P.L. 1991,c.441 (N.J.S.A. 40A:21-1 et. seq.), have been submitted by *Major Petroleum Industries, 1197 N. Main Road, Block 1909, Lot 66*, which Application has been approved by the Tax Assessor and recommended for approval by the governing body; now, therefore,

BE IT ORDAINED by the Council of the City of Vineland as follows:

1. THAT the application of *Major Petroleum Industries, 1197 N. Main Road, Block 1909, Lot 66*, for Project Tax Exemption under P.L. 1991, c.441 (N.J.S.A.40A:21-1 et. seq.), be and the same is hereby approved for processing pursuant to Ordinance No. 2009-15.

2. THAT the City of Vineland shall enter into a tax exemption agreement (hereafter "PILOT Agreement") with *Major Petroleum Industries, 1197 N. Main Road, Block 1909, Lot 66*, (hereafter "Company") whereby *Major Petroleum Industries* shall make regular payments to the City in lieu of full property taxes.

3. The PILOT Agreement shall provide, inter alia, as follows:

a. Assessments on Unimproved Land: The Company in addition to the amounts described in subparagraph (d) below, shall pay an amount equal to the real estate taxes assessed against the unimproved land upon which the construction project will be located. This amount shall be based upon the taxable assessment of the property, as shown on the most recently-completed assessment roll adopted by the City prior to the execution of the PILOT Agreement, multiplied by the tax rate(s) upon which real property taxes are assessed in each year by or for each taxing jurisdiction.

b. PILOT Payments: The Company agrees that it shall make regular payments in lieu of property taxes in the amounts and at the times provided for in the Agreement. The payments due to the Municipality hereunder shall be paid by the Company to the Municipality by check made payable to "The City of Vineland."

c. Duration of Exemption: Pursuant to N.J.S.A. 40A:21-1 et seq., for a period of five (5) years following the completion of the Project, and so long as the PILOT Agreement remains in full force and effect, the full value of the new construction shall be exempt from real estate taxes. Exemption means that portion of the tax assessor's full and true value of the construction not regarded as increasing the taxable value of the property pursuant to the New

Jersey Tax Exemption and Abatement Law. Such exemption shall be noted on the City's assessment roll prepared subsequent to the completion of the Project. The Company will be required to pay all taxes and assessments lawfully levied and/or assessed against the property until the Project shall be entitled to exempt status.

d. New Construction: With regard to the new construction valuation (land and buildings) which is created as a result of the construction of buildings and site improvements associated with the Project, the Company shall monthly pay to the City in lieu of full property tax payments an amount not less than a percentage of taxes otherwise due, according to the following schedule:

1) In the first full tax year after completion, no payment in lieu of taxes otherwise due;

2) In the second full tax year after completion, an amount not less than twenty percent (20%) of the taxes otherwise due;

3) In the third full tax year after completion, an amount not less than forty percent (40%) of the taxes otherwise due;

4) In the fourth full tax year after completion, an amount not less than sixty percent (60%) of the taxes otherwise due;

5. In the fifth full tax year after completion, an amount not less than eighty percent (80%) of the taxes otherwise due.

e. Allocation of Payments in Lieu of Tax: Payments in lieu of property taxes received hereunder, and in accordance with the PILOT agreement to be ratified by City Council, shall be allocated to the General Fund of the City of Vineland.

f. Breach or Termination of Agreement: In accordance with N.J.S.A. 40A:21-12, if during any tax year prior to the termination of the PILOT agreement, the Company and/or property owner (1) ceases to operate or disposes of the property, or (2) defaults on any loan obligation secured by the property, or (3) submits an application containing any misrepresentation of a material fact, or (4) is more than thirty (30) days delinquent in the payment of the property taxes or the payment in lieu of taxes on the subject property, or (5) fails to file the annual certification with the Assessor on or before December 1<sup>st</sup> of each calendar year during the term of this agreement, or (6) fails to meet any other condition for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The City shall notify the property owner and tax collector forthwith and 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, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption and abatement shall continue, and the agreement shall remain in effect.

g. Termination of the Agreement: At the termination of the PILOT Agreement, the Project shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a Project, at the termination of the PILOT Agreement, from qualifying for and receiving the full benefits of any other tax preferences provided by law.

h. Ratification of the Agreement: Prior to taking effect, the Agreement authorized herein must be ratified by City Council.

4. THAT the Tax Assessor of the City of Vineland shall notify the Planning Board of said approval of Applications for Project Tax Exemption submitted by applicants as stated above.

5. THAT the Mayor and City Clerk of the City of Vineland are hereby authorized to execute agreements for said Project Tax Exemption with applicants as stated above.

BE IT FURTHER ORDAINED that this Ordinance shall take effect after final approval and publication as provided by law.

Passed first reading:

Passed final reading:

\_\_\_\_\_  
President of Council

Approved by the Mayor:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

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Pilot 2015-2019

Form E/A-1 (Rev. 11/96) STATE OF NEW JERSEY  
APPLICATION FOR EXEMPTION AND/OR ABATEMENT FOR THE IMPROVEMENT,  
CONVERSION OR CONSTRUCTION OF PROPERTY PURSUANT TO P.L. 1991, C.441  
(N.J.S.A. 40A:21-1 et seq.) AND AUTHORIZED BY MUNICIPAL ORDINANCE.  
(Italicized words are defined in law excerpts on reverse side)

RECEIVED

NOV 17 2014

Municipality Vineland County Cumberland ASSESSORS OFFICE

This application must be filed with the assessor within 30 days following completion of the improvement, conversion or conversion alteration, or construction.

I, I/we, Major Petroleum Industries, residing/having offices at  
(Name of Applicant)  
1197 N. Main Road  
(Address)

in the Municipality of Vineland in the County of Cumberland

hereby make claim for a tax exemption and/or abatement of taxes, pursuant to P.L.1991, Chapter 441, and the authorizing municipal ordinance, for premises located at 1197 N. Main Road which is further described as Block 1909, Lot 66 on the Tax Map of the municipality.

II. COMPLETE THE APPLICABLE SECTION "A" OR "B"

The following statements are made in support of this claim:

- A. The subject property is a one or two family dwelling upon which claimant has completed:
  - New construction;
  - Conversion or conversion alteration of a building or structure into a dwelling;
  - Improvement of an existing dwelling.
- B. The subject property is a multiple dwelling, commercial or industrial structure:
  - Improvement to a multiple dwelling;
  - Conversion or conversion alteration of building or structure to a multiple dwelling;
  - Improvement to a commercial or industrial building or structure;
  - Construction of multiple dwelling under tax agreement;
  - Construction of commercial or industrial structure under tax agreement.

RECEIVED  
NOV 25 2014  
CITY OF VINELAND  
BUSINESS ADMIN.

III. ALL APPLICANTS MUST COMPLETE THIS SECTION

- A. Date of completion of new construction, conversion, or improvement Oct. 20, 192014
- B. Total cost of project \$ 339,000
- C. Brief description of the nature and type of construction, conversion, or improvement.  
Modular building

IV. Prior exemptions and/or abatement granted under P.L.1991, c.441 amount to \$ None;

(State "none" if no prior exemptions have been granted on subject premises.)

Attached hereto is proof of all matters required (Assessor may require copy of ordinance, evidence of governing body's approval of categories of improvements or specific project improvements, and such additional proof as may be required to establish eligibility.)

Attached hereto is a copy of the tax agreement, if applicable, executed between the municipality and claimant.

There are no delinquent or unpaid property taxes or penalties for non-payment of taxes due on the property.

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.

Date 11/13/14

Signature [Signature]

Title (if any) President

Date 11/24/14

Approved

Disapproved

[Signature]  
(Assessor)

**ASSESSOR'S USE ONLY**

Municipality Vineland  
Major Petroleum Industries, Inc  
Name of Owner  
Block 1909 Lot 66

County Cumberland  
1197 N Main Rd  
Address of owner  
Vineland, NJ 08360

1. Claim for exemption is . . . . .  Approved  Disapproved

**Determination of Exemption**

2. This exemption may be granted on the improvement, conversion alteration, or new construction.

(a) Assessed value of buildings or structures immediately prior to the Improvement, conversion alteration, or new construction. . . . . \$ 1400500

(b) Assessed value of property including the improvements, Conversion alteration, or new construction. . . . . \$ 1727100

(c) Assessed value of improvement, conversion alteration, or new construction. [line 2(b) - line 2(a)] . . . . . \$ 326600

(d) Amount of assessed value of improvement, conversion alteration or New construction exempted by ordinance. [line 2(c) - line 2(d)] \$ 326600

(e) Taxable portion of assessed value of improvement, conversion alteration, Or new construction not allowed an exemption. [line 2(c) - line 2(d)] . . . . . \$ 0

3. Claim for abatement . . . . .  Approved  Disapproved.

**Calculation of Abatement**

3. This abatement may be granted only on the assessed value of the property as it existed immediately prior to the improvement, Conversion alteration, or new construction.

(a) Assessed value of the property immediately prior to improvement, Conversion alteration, or new construction. . . . . \$ 1400500

(b) Total cost of improvement, conversion alteration, or new construction. (See application Section III (B)) . . . . . \$ 326600

(c) Abatement as prescribed by ordinance

i. First Year	<u>2015</u>	100% X =	<u>326600</u>	.....	\$ <u>326600</u>
ii. Second Year		80 % X =	<u>326600</u>	.....	\$ <u>261300</u>
iii. Third Year		60 % X =	<u>326600</u>	.....	\$ <u>196000</u>
iv. Fourth Year		40 % X =	<u>326600</u>	.....	\$ <u>130600</u>
v. Fifth Year		20 % X =	<u>326600</u>	.....	\$ <u>65300</u>

(d) Taxable portion of assessed value of the property not allowed an exemption. [line 2(e)] \$ 0

(e) Taxable Value of Property\*

First Year	line 4(a) + line 4(d) - line 4(c)	i. ....	\$ <u>1400500</u>
Second Year	line 4(a) + line 4(d) - line 4(c)	ii. ....	\$ <u>1465800</u>
Third Year	line 4(a) + line 4(d) - line 4(c)	iii. ....	\$ <u>1531100</u>
Fourth Year	line 4(a) + line 4(d) - line 4(c)	iv. ....	\$ <u>1596500</u>
Fifth Year	line 4(a) + line 4(d) - line 4(c)	v. ....	\$ <u>1661800</u>

11/24/2014  
Date

[Signature]  
Assessor's Signature

\* If the authorizing ordinance provides varying exemption or abatement amounts annually, a separate worksheet should be completed for each successive year in order to determine the taxable value of the property.