

**ORDINANCE OF THE CITY OF VINELAND, IN THE COUNTY OF CUMBERLAND, NEW JERSEY APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH RESPECT TO THE NEWCOMB HOSPITAL REDEVELOPMENT AREA**

**WHEREAS**, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented (the "**Act**") authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of redevelopment; and

**WHEREAS**, the Act confers certain contract, planning and financial powers upon a redevelopment entity, as defined in Section 3 of the Act, in order to implement redevelopment plans adopted pursuant thereto; and

**WHEREAS**, the City of Vineland (the "**City**"), in the County of Cumberland, State of New Jersey, has elected to exercise these redevelopment entity powers directly, as permitted by Section 4 of the Act; and

**WHEREAS**, by Resolution No. 2012-39 adopted on February 14, 2012, the City designated the area identified as Block 4216, Lots 1.01, 1.02, 1.03, 1.04 and 1.05 (formerly Lot 1) on the tax maps of the City as an area in need of redevelopment (the "**Redevelopment Area**"), in accordance with the Act; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-7, by Ordinance No. 2012-8 adopted on February 28, 2012 the City duly adopted, as amended from time to time, the "Newcomb Hospital Redevelopment Plan" (as the same may be further amended, the "**Redevelopment Plan**"), which sets forth the City's plan for the redevelopment of the Redevelopment Area; and

**WHEREAS**, pursuant to the Act, including Section 8 thereof (N.J.S.A. 40A:12A-8), a municipality is permitted to contract with a redeveloper to undertake redevelopment projects pursuant to a redevelopment plan within an area in need of redevelopment, as all such terms are defined in the Act; and

**WHEREAS**, by Resolution No. 2015-227, the City designated Newcomb Medical Alliance Center Urban Renewal, LLC (the "**Original Entity**") (then known as Newcomb Medical Alliance Center, LLC), as the "redeveloper" of Block 4216, Lots 1.01, 1.02, 1.03, 1.04 and 1.05 (formerly Lot 1) on the tax maps of the City (the "**Project Area**") located within the Redevelopment Area; and

**WHEREAS**, on August 3, 2015, the City and the Original Entity (then known as Newcomb Medical Alliance Center, LLC) entered into a Redevelopment Agreement (as the same may be amended, modified or supplemented from time to time, the "**Redevelopment Agreement**"), in order to implement the development, design, financing and construction of the hereinafter defined Project pursuant to the Redevelopment Plan; and

**WHEREAS**, the Redevelopment Agreement provides for, among other things, (i) the acquisition by the Original Entity of all of the Project Area, and the development and construction thereon of a redevelopment project, including but not limited to the construction by the Entity of a three story Assisted Living Residence (as defined herein) consisting of total gross floor area of approximately 46,748 square feet with an attached approximately 1,937 square foot canopy containing a total of seventy (70) Assisted Living Units, a separate three story building consisting of total gross floor area of approximately 60,555 square feet with an attached approximately 2,024 square foot canopy, containing a total of seventy (70) Independent Living Units, a second separate three story building consisting of total gross floor area of approximately 60,500 square feet with an attached approximately 2,024 square foot canopy containing a total of seventy (70) Independent Living Units, an Emergency Medical Services Facility to be owned by the City consisting of total gross floor area of approximately 6,320 square feet

and attached 1,640 square foot ambulance garage and renovation/construction of a portion of the existing structure consisting of approximately 59,400 square feet for its use as a Medical Education Facility or such other use as permitted in the Redevelopment Plan (collectively, the "**Project**"); and

**WHEREAS**, by resolution adopted June 12, 2018, the City authorized a Fourth Amendment to the Redevelopment Agreement providing for the assignment of a portion of the Redevelopment Area, consisting of Block 4216, Lots 1.01 and 1.02 (the "**Senior Housing Project Area**") to an entity known as Hans Lampart and Eastern Pacific Development LLC or its permitted assignee (the "**Entity**") and the development thereon of two (2) newly constructed four-story affordable senior housing projects with approximately 70 units per lot (the "**Senior Housing Project**"); and

**WHEREAS**, the Entity has been qualified by the State of New Jersey to do business as an urban renewal entity under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented (the "**LTTE Law**"), and was created for the implementation of the Project; and

**WHEREAS**, despite the Entity's current and future substantial investment of "at-risk" equity and traditional borrowed funds for acquisition, development and construction of the Senior Housing Project, such amounts of equity and traditional borrowed funds are insufficient to pay for all of the costs associated with the acquisition, development and construction of certain infrastructure improvements necessary for the Senior Housing Project (the "**Improvements**"); and

**WHEREAS**, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq., as amended and supplemented (the "**Bond Financing Law**"), the City is authorized to provide for and accept, in lieu of real property taxes, an annual service charge paid by the Entity to the City in accordance with certain applicable provisions of the LTTE Law; and

**WHEREAS**, on June 12, 2018, the Entity submitted an application to the City for approval of the Senior Housing Project as an urban renewal project and a financial agreement with respect to the Project, all in accordance with N.J.S.A. 40A:20-8, which application is available for inspection in the office of the Municipal Clerk (as the same may be amended and supplemented from time to time, the "**Application**"); and

**WHEREAS**, pursuant to N.J.S.A. 40A:20-8, the Mayor has reviewed the Application and, by letter, a copy of which is on file in the office of the Municipal Clerk, the Mayor has submitted the Application and a proposed form of financial agreement (in the form attached hereto as Exhibit A, the "**Financial Agreement**"), to the City Council with his recommendation for approval; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the City or the redevelopment entity may issue bonds or may apply to an authority (as such term is defined in the Bond Financing Law) to issue bonds, which may be secured by all or a portion of the Annual Service Charge (as defined in the Financial Agreement); and

**WHEREAS**, in order to assist in financing all or a portion of the Improvements by way of the sale and issuance of certain bonds (as more particularly defined in the Financial Agreement, the "**Redevelopment Bonds**"), in accordance with one or more Indentures of Trust and/or supplemental indentures thereunder (collectively, the "**Indenture**"), the City has agreed to assign certain of its rights, title and interest in the Financial Agreement to the Trustee (as defined in the Financial Agreement); and

**WHEREAS**, pursuant to the terms of the Financial Agreement and the Indenture and in accordance with the terms of the Bond Financing Law, specifically N.J.S.A. 40A:12A-67(a), the Pledged Annual Service Charge (as defined in the Financial Agreement) shall be pledged to the payment of the principal or redemption premium of, and interest on, the Redevelopment Bonds as set forth herein; and

**WHEREAS**, the Entity and the City have agreed that the Debt Service Charge (as defined in the Financial Agreement) in connection with the Redevelopment Bonds shall be paid from the Pledged Annual Service Charge, with the Unpledged Annual Service Charge (as defined in the Financial Agreement) (subject to the priority of the County Share (as defined in the Financial Agreement)) to be used by the City for any lawful purpose in the exercise of the City’s sole discretion; and

**WHEREAS**, the Application and the Senior Housing Project were approved with respect to the Senior Housing Project Area pursuant to a resolution of the City Council duly adopted on June 12, 2018; and

**WHEREAS**, the City Council has reviewed the Application and the terms of the Financial Agreement, and wishes to approve the Senior Housing Project, the Application and the Financial Agreement; and

**WHEREAS**, the City has made the following findings with respect to the Project:

- A. Relative benefits of the Project when compared to the costs:
  - i. Provision of needed affordable housing for seniors; and
- B. Assessment of the importance of the tax exemption in obtaining development of the Project:
  - i. But for the tax exemption and issuance of the Bonds, the Senior Housing Project would not be completed;
  - ii. Tax exemption will allow for completion of the Improvements; and
  - iii. The benefits of the tax exemption outweigh any costs.

**WHEREAS**, the City hereby determines that the assistance provided to the Senior Housing Project pursuant to the Financial Agreement will be a significant inducement for the Entity to proceed with the Senior Housing Project and that based on information set forth in the Application, the Senior Housing Project would not be feasible without such assistance.

**NOW, THEREFORE, BE IT ORDAINED AND ENACTED** by the City Council of the City of Vineland, in the County of Cumberland, State of New Jersey as follows:

**I. GENERAL**

The aforementioned recitals are incorporated herein as though fully set forth at length.

**II. EXECUTION OF FINANCIAL AGREEMENT AUTHORIZED**

(a) The Mayor is hereby authorized and directed to execute the Financial Agreement, substantially in the form as it has been presented to the City Council, and attached hereto as **Exhibit A**, subject to additions, deletions, modifications, or revisions deemed necessary and appropriate in consultation with counsel to the City.

(b) The Municipal Clerk is hereby authorized and directed, upon the execution of the Financial Agreement in accordance with the terms of Section II(a) hereof, to attest to the signature of the Mayor upon such document and is hereby further authorized and directed to affix the corporate seal of the City upon such document.

(c) The Municipal Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the City. In accordance with P.L. 2015, c. 247, within ten calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the Municipal Clerk also shall transmit a certified copy of this Ordinance and the Financial Agreement to the chief

financial officer of Cumberland County and to the Cumberland County Counsel for informational purposes.

**III. SEVERABILITY**

If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

**IV. ACTION REGARDING FINANCIAL AGREEMENT**

The Mayor is hereby authorized and directed to determine all matters and terms in connection with the Financial Agreement, all in consultation with the counsel to the City, and the manual or facsimile signature of the Mayor upon any documents shall be conclusive as to all such determinations. The Mayor, the City Business Administrator, the Chief Financial Officer, the Municipal Clerk and any other City official, officer or professional, including but not limited to, redevelopment counsel, bond counsel, the financial advisor and the auditor to the City, are each hereby authorized and directed to execute and deliver such documents as are necessary to facilitate the transactions contemplated hereby, and to take such actions or refrain from such actions as are necessary to facilitate the transactions contemplated hereby, in consultation with, as applicable, redevelopment counsel, bond counsel, the financial advisor and the auditor to the City, and any and all actions taken heretofore with respect to the transactions contemplated hereby are hereby ratified and confirmed.

**V. AVAILABILITY OF THE ORDINANCE**

A copy of this Ordinance shall be available for public inspection at the offices of the City.

**VI. EFFECTIVE DATE**

This Ordinance shall take effect according to applicable law.

Passed first reading:

Passed final reading:

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

Approved by the Mayor:

\_\_\_\_\_  
Mayor

ATTEST:

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

**EXHIBIT A**

Financial Agreement