

CITY OF VINELAND

RESOLUTION NO. 2019-_____

RESOLUTION AUTHORIZING THE EXECUTION OF A SHARED SERVICE AGREEMENT BY AND BETWEEN THE CITY OF VINELAND AND CUMBERLAND COUNTY IMPROVEMENT AUTHORITY, MILLVILLE NJ FOR SERVICES TO BE PROVIDED BY THE CITY AND FEES TO BE PAID BY THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY FOR PROPERTY KNOWN AS BLOCK 2801, LOT 5, 9, 10, AND 11 ON THE TAX MAP OF THE CITY OF VINELAND.

WHEREAS, the City of Vineland has declared certain property designated as an area need of redevelopment, in particular Block 2801, Lot 5, 9, 10, and 11 on the tax map of the City of Vineland; and

WHEREAS, the Cumberland County Improvement Authority (CCIA) has acquired Block 2801, Lot 5, 9, 10, and 11 (Property) for the purpose of redeveloping the same pursuant to a Redevelopment Plan for the purpose of (a) leasing an existing 214,000 sq. ft. warehouse on Lot 5 for private use (b) renovating and leasing a 35,000 sq. ft. garage located on Lot 9 for lease to the Vineland City Electric Utility and Vineland Department of Public Works for vehicle fleet fueling and maintenance work, (c) renovation and lease of a 30,000 sq. ft. office building located on Lot 10 for lease to the Vineland City Public Works and Electric Utility Departments, (d) leasing an existing a 68,000 sq. ft. warehouse on Lot 11 to the Department of Treasury of the State of New Jersey for the use by the State including the State Police and State Enforcement Officers, (e) site work and other ancillary interrelated work for the preparation of shared access and egress, utilities and parking; and

WHEREAS, the County Authorities Law N.J.S.A. 40:37A-43 et seq. provides that all property of an improvement authority shall be exempt from levy and sale and further that all property of an improvement authority is public property of a political subdivision of the State and is exempt from all taxes and special assessments of the State or any political subdivision thereof; and

WHEREAS, notwithstanding the loss of tax revenues, the City remains obligated to provide customary municipal services to the property and its inhabitants including Police, Fire, and Emergency Services; and

WHEREAS, the CCIA agrees to pay to the City an annual service fee for the services being provided and to further compensate the City for the loss of tax revenues caused by the acquisition and development of the redevelopment area by the CCIA.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Vineland that the Mayor and Clerk are authorized to execute a Shared Service Agreement whereby the City shall continue to provide services to the property known as Block 2801 Lot 5, 9, 10, and 11 and the Cumberland County Improvement Authority shall pay a service fees for said services in accordance with the agreement attached hereto and made a part hereof.

Adopted:

President of Council

ATTEST:

City Clerk

THIS SHARED SERVICES AGREEMENT (hereinafter, the "Agreement" is made on August __, 2019 (the "Effective Date"), under the provisions of the county improvement authorities law, N.J.S.A. 40:37A-44 et seq. (the "Authorities Law"). between the CUMBERLAND COUNTY IMPROVEMENT AUTHORITY, a public body corporate and politic of the State of New Jersey, having an address of 745 Lebanon Rd, Millville, NJ 08332 (the "Authority") and the CITY OF VINELAND, a municipal corporation of the State of New Jersey, having its principal office at 640 East Wood Street, Vineland, NJ 08360 (the "City"). Each of the Authority and the City shall be a "Party," and collectively, the "Parties."

RECITALS

WHEREAS, the City, acting pursuant to Local Redevelopment and Housing Law, N.J.S.A. 40A: I 2A-1 et. seq. (the "Redevelopment Law"), and following the procedures set forth therein: (i) declared certain designated areas of the City known as Block 2801, Lots 5,9,10 and 11 (the "Redevelopment Area") a Condemnation Redevelopment Area as that term is used in the Redevelopment Law; and (ii) adopted a Redevelopment Plan for the purpose of outlining the concepts and regulations for redeveloping the Redevelopment Area (the "Redevelopment Plan");

WHEREAS, pursuant to the Redevelopment Law, in order to carry out and effectuate the purposes of the Redevelopment Law and of the Redevelopment Plan, a municipality may contract with public agencies for the planning, construction or undertaking of any project and further may collect revenue from said public agency to defray the costs of the redevelopment entity or otherwise provide financial assistance to redevelopers;

WHEREAS, the Authority is authorized, pursuant to the Authorities Law to plan, initiate and carry out undertakings and activities for the elimination or prevention of blight; to aid, cooperate and arrange or contract with public agencies or redevelopers for the planning, construction, undertaking or operation of any redevelopment project or redevelopment work or any part thereof; and to lease or convey property to any other party without public bidding, upon such prices and terms as it deems reasonable, so long as the lease or conveyance is made in conjunction with a redevelopment plan;

WHEREAS, the City and the Authority determined that the Authority would redevelop the Redevelopment Area pursuant to the Redevelopment Plan for the purpose of (i) leasing an existing 214,000 sf warehouse on Lot 5 for private use, (ii) renovating and leasing a 35,000 sf garage located on Lot 9 for lease to the Vineland City Electric Utility and Vineland Department of Public Works for vehicle fleet fueling and maintenance work and renovation and lease of a 30,000 sf office building located on Lot 10 for lease to the Vineland Public Works and Electric Utility departments; (iv) leasing an existing 68,000 sf warehouse on Lot 11 to the Department of Treasury of the State of New Jersey for state uses, including the State Police and State Enforcement Officers and (v) site work and other ancillary and related work for the preparation of shared access and egress, utilities and parking (the properties within the Redevelopment Area developed by the Authority are herein collectively referred to as the "Property" and the Property and improvements undertaken thereon are collectively referred to herein as, the "Project") and the Authority did complete the Project as described herein;

WHEREAS, the Authorities Law provides that all property of an authority shall be exempt from levy and sale and further that all properties of an authority are public property of a political subdivision of the State and are exempt from all taxes and special assessments of the State or any political subdivision thereof;

WHEREAS, notwithstanding the loss of tax revenues, the City remains obligated to provide customarily municipal services to the property and its inhabitants, including waste removal, police, fire and emergency services (the “Services”); and

WHEREAS, in accordance with the Redevelopment Law and in consideration of the Services provided by the City and to compensate the City for the loss of tax revenues caused by the acquisition and development of the Redevelopment Area by the Authority, the Authority agrees to pay to the City the annual Service Fee in the amount set forth herein; and

NOW, THEREFORE, in and for the consideration of the promises, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Section 1. Governing Law.

This Agreement shall be governed by the provisions of the Redevelopment Law, the Authorities Law, and all other applicable law.

Section 2. Recitals Incorporation.

The recitals set forth above are incorporated herein and made a part of this Agreement as if set forth at length herein.

Section 3. City Findings.

The City finds that, as of the date the Authority acquired fee title to the Property, being January 1, 2018 (the “Exemption Start Date”), the entire Redevelopment Area shall constitute a property of the Authority or public facility with the meaning of the Authorities Law, and in the absence of any changes to the ownership structure under applicable law, the Redevelopment Area shall continue to qualify for tax exemption under N.J.S.A. 40:37A-85 (the “Tax Exemption”) until such Property, or any portion thereof, is no longer owned by the Authority.

Section 4. Agreement to Provide Services; Agreement to Pay Service Fee.

(a) Notwithstanding the acquisition and development of the Property by the Authority and the Tax Exemption of the Property, the City hereby agrees that from and after the Exemption Start Date, it shall continue to provide the Services to the Property and the inhabitants of the Property to the same extent as it does other properties within the City.

(b) For the provision of the Services, the City will charge the Authority an annual fee, payable in [quarterly installments] (the “Service Fee”) equal in each year to the amount of tax revenue which but for the Tax Exemption would have been received and retained by the City. The initial Service Fee shall be due and payable on the Effective Date of this Agreement for the

period from the Exemption Start Date through the Effective Date. The Fee shall be paid on the same date and in the same manner as real estate taxes and late payments shall accrue at the same rate as delinquency for payment of taxes as adopted by Resolution of the governing body in accordance with N.J.S.A. 54:4-67. Notwithstanding the above, no late payment shall accrue for Fees due for years 2018 and 2019.

Section 5. Term

It is understood and agreed by the Parties hereto that the Service Fee shall be due and payable in each year and shall remain in effect for a period of twenty years commencing on the date hereof and continuing until [October 31], 2039 (the “Term”). This Agreement may be terminated, at any time, upon mutual agreement of the Parties.

Section 6. Indemnification. Each Party hereto, to the extent permitted by applicable law, expressly agrees to indemnify, save harmless and defend the other Party, its officers, employees and agents, against all claims, demands, costs, or expense, including those asserted by third parties, and also including payment of reasonable attorney’s fees and costs with respect to the foregoing, and proximately caused by the indemnifying Party’s performance under this Agreement.

Section 7. Default and Remedies

(a) The failure of any Party to observe any requirement, obligation, agreement or covenant of this Agreement shall be considered a default of this Agreement.

(b) Whenever a default shall have occurred and shall be continuing, and provided that written notice of the default has been given to the defaulting party by the non-defaulting party and the default has not been cured within thirty (30) days of receipt of such notice of default, the non-defaulting party may take whatever action in law or equity deemed necessary or desirable to enforce the performance of any obligations, agreement or covenant of the defaulting party hereunder.

Section 8. Assignment and Amendment

Neither Party shall assign its respective interests in this Agreement, without the written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties’ respective heirs, successors and assigns.

Section 9. Entire Agreement; Modification in Writing

This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof, and cannot be changed or modified orally. This Agreement may be supplemented, amended or revised only in a writing signed by all of the Parties hereto following formal action of each of their respective governing bodies to approve of the same

Section 10. Notices

Any notice, demand or other communication under this Agreement by any Party to the other shall be sufficiently given or delivered via email or facsimile, followed by United States Registered or Certified Mail, postage prepaid and return receipt requested or delivered by overnight courier or delivered personally to the parties at their respective addresses set forth below, or at such other address as any party may from time to time designate in writing:

If to the Authority:

Jerry Velazquez
President/CEO
Cumberland County Improvement Authority
45 Lebanon Rd, Millville, NJ 08332
Email: jvelazquez@ccia-net.com

If to the City:

Keith Petrosky, RMC
Municipal Clerk
City Clerk's Office
City of Vineland
640 East Wood Street
Vineland, NJ 08362-1508
Facsimile: 856.405.4611
Email: kpetrosky@vinelandcity.org

Section 11. Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey. Any judicial action respecting this Agreement shall be brought within the state and/or federal courts of the State of New Jersey having jurisdiction over the matter.

Section 12. City and Authority Resolutions

The execution and delivery of this Agreement has been authorized by the Parties by due corporation resolution of both Parties and such resolutions are incorporated in this Agreement and a made part hereof.

Section 13. Counterparts

This Agreement may be executed in any number of counterparts, all of which when taken together will constitute one agreement.

Section 14. Severability.

The validity of any section, clause or provision of this Agreement shall not affect the validity of the remaining sections, clauses or provisions hereof.

Section 15. No third-party rights.

Nothing contained in this Agreement is intended to, or does, create any rights in any third party who is not a Party to this Agreement.

Section 16. Waiver.

Nothing contained in this Agreement shall constitute a waiver or relinquishment of any right or remedy under law or in equity which is not explicitly waived in this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

**CUMBERLAND COUNTY IMPROVEMENT
AUTHORITY**

By: _____
Gerard Velazquez, III
President/CEO

CITY OF VINELAND

By: _____
Anthony R. Fanucci
Mayor, City of Vineland

[Exhibit A]

Legal Description of Redevelopment Area

[Exhibit B]

City Resolution

[Exhibit C]

Authority Resolution