

**TOWNSHIP OF CRANFORD
CRANFORD, NEW JERSEY
Ordinance 2019-14**

**AN ORDINANCE ALLOCATING A PORTION OF THE ANNUAL SERVICE
CHARGE RECEIVED FROM BIRCHWOOD DEVELOPERS URBAN RENEWAL
ASSOCIATES, LLC TO THE CRANFORD PUBLIC SCHOOL DISTRICT**

WHEREAS, on December 9, 2011, the New Jersey Superior Court, Union County, ordered the Township of Cranford to permit an inclusionary 360-unit development at 215-235 Birchwood Avenue (the Property);

WHEREAS, the Township Committee of the Township of Cranford committed to reducing the impact that the 360-unit development of the Property would have had on Cranford's taxpayers through the large increase of population consuming municipal services and public school district resources;

WHEREAS, on February 7, 2017, the Township of Cranford acquired Property and, on April 26, 2017, designated the Property as a Non-Condemnation Area in Need of Redevelopment, for the purpose of developing a 225-unit inclusionary development on the Property;

WHEREAS, Birchwood Developers Urban Renewal Associates, LLC ("BDURA"), has purchased the Property and been approved for a property tax exemption for the Project, whereby BDURA will make Payments-In-Lieu-Of-Taxes (PILOT) pursuant to the Long Term Tax Exemption Law (the "Application");

WHEREAS, on April 10, 2018, the Township Committee committed to assisting Cranford's Public Schools with the impact that the Project may have on the taxpayers by distributing to the Cranford Public Schools a portion of the PILOT the Township shall receive pursuant to the proposed tax exemption under the Long Term Tax Exemption Law for the Project;

WHEREAS, only two other New Jersey municipalities have made such a commitment to share PILOT revenue with their respective public school districts, and those municipalities have committed to sharing only 5% and 10%, respectively, of PILOT payments with their local public school district;

WHEREAS, approximately 54% of assessed property taxes collected by the Township are remitted to the Cranford Public School District;

WHEREAS, the Cranford Public School District has requested that the Township share PILOT revenue in approximately the same proportion as regularly assessed property taxes;

WHEREAS, the Township Committee for the Township of Cranford believes such allocation properly balances the Township's fiduciary obligation to all Cranford's taxpayers to fund necessary and appropriate municipal services with the Township's commitment to Cranford's Public Schools; and

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Cranford as follows:

SECTION 1. Sharing of Annual Service Charge from Birchwood Developers Urban Renewal Associates, LLC.

- A. The Township of Cranford shall allocate a portion of the Annual Service Charge collected pursuant to Ordinance 2018-08 to the Cranford Public School District commencing upon Substantial Completion of the Project as follows:
 - i. 70% of the Annual Service Charge received in the calendar year of the Annual Service Charge Start Date;
 - ii. 70% of the Annual Service Charge received in the first full calendar year following the Annual Service Charge Start Date; and
 - iii. 55% of the Annual Service Charge received in third, fourth, and fifth full calendar years following the Annual Service Charge Start Date.
- B. The payment shall be collected by the Tax Collector in a separate annual service charge account and shall be due and payable in the same manner as the primary Annual Service Charge.

SECTION 2. Payment to the Cranford Public School District

- A. On or before December 31 of each year, the Township shall transfer over to the Cranford Board of Education the amount of the service charge allocated and collected pursuant to Section 1 of this Ordinance.

SECTION 3. Beginning on or around July 1 following the fourth payment made pursuant to Section 2, the Township shall confer with the Board of Education for purposes of assessing the extension, modification, or expiration of this Ordinance. To assist in this assessment, the Township shall request on each July 1st that the Board of Education provide the Township with the total public school enrollment generated by the Property for the preceding school year.

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SECTION 4. This ordinance shall become effective upon final passage and expire on January 1, following the fifth payment made pursuant to Section 2.

Introduced:

Adopted:

Approved:

Patrick F. Giblin
Chairman, Township Committee

Attest:

Patricia Donahue, RMC
Municipal Clerk

Recorded Vote

Introduced

Adopted