

ORDINANCE OF THE TOWNSHIP OF PLAINSBORO, IN THE COUNTY OF MIDDLESEX, NEW JERSEY APPROVING APPLICATION FOR LONG TERM TAX EXEMPTION, AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH K. HOVNANIAN SERENITY WALK AT PLAINSBORO URBAN RENEWAL, LLC

WHEREAS, the Township of Plainsboro (the “**Township**”) is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”) to determine whether certain parcels of land within the Township constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, pursuant to the Redevelopment Law, improvements to property located within an area in need of rehabilitation and/or redevelopment may qualify for long term tax exemptions under the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* (the “**Long Term Tax Exemption Law**”); and

WHEREAS, on July 8, 2020, by Resolution No. 20-130, the governing body of the Township (the “**Township Committee**”) designated certain properties within the Township, identified as Block 1304, Lots 1.02 and 1.03 on the Township’s official tax maps and commonly known as 52-54 Dey Road (the “**Redevelopment Area**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law; and

WHEREAS, on October 14, 2020, by Ordinance No. 20-06, the Township Committee adopted a redevelopment plan for the Redevelopment Area entitled the “52-54 Dey Road Redevelopment Area Plan,” dated August, 2020 (the “**Redevelopment Plan**”); and

WHEREAS, the Township owns the Redevelopment Area (hereinafter, the “**Project Site**”); and

WHEREAS, the Redevelopment Law authorizes a redevelopment entity to arrange or contract for the planning, construction or undertaking of any redevelopment work in an area designated as “an area in need of redevelopment” pursuant to *N.J.S.A. 40A:12A-8*; and

WHEREAS, the Township Committee designated the Township as the redevelopment entity responsible for implementing and carrying out redevelopment plans pursuant to the Redevelopment Law; and

WHEREAS, in order to provide for the implementation of the Redevelopment Plan, the Township sought to contract with an entity capable of engaging in site acquisition, remediation, planning, and end-use development of the Project Site; and

WHEREAS, K. Hovnanian New Jersey Operations, LLC (the “**KHov**”), expressed its desire to purchase and redevelop the Project Site by constructing thereon a project consisting of: a minimum of fifty (50) but no more than fifty-two (52) market-rate, age-restricted single-family homes with two-car garages and up to three bedrooms; recreational facilities including, but not limited to, an outdoor pool, a cabana/clubhouse, pickle ball court, walking trail and dog run; certain public improvements; along with certain related on-site

and off-site infrastructure, amenities, landscaping and improvements (the “**Project**”); and;

WHEREAS, on March 24, 2021, by Resolution No. 21-79, the Township Committee designated KHov as the conditional redeveloper of the Project Site; and

WHEREAS, on June 9, 2021, by Resolution No. 21-147, the Township Committee authorized the sale of the Project Site from the Township to KHov and the execution of a purchase and sale agreement in connection therewith; and

WHEREAS, the Township and KHov entered into that certain Purchase and Sale Agreement, dated June 14, 2021, as amended by those amendments dated August 30, 2021, September 29, 2021, November 23, 2021 and February 2, 2022 (as amended, the “**Purchase and Sale Agreement**”), pursuant to which KHov agreed to, among other things, purchase the Project Site from the Township subject to the Township and KHov entering into a redevelopment agreement setting forth the Township’s and KHov’s respective obligations regarding the development of the Project Site; and

WHEREAS, on December 8, 2021, by Resolution No. 21-307, the Township Committee designated an affiliate of KHov, K. Hovnanian New Jersey Operations Urban Renewal, LLC (the “**Redeveloper**”), as “redeveloper” of the Project Site, and authorized the execution of redevelopment agreement, which agreement sets forth the rights and obligations of the Township and the Redeveloper with respect to the construction of the Project and redevelopment of the Project Site; and

WHEREAS, the Township and the Redeveloper entered into a Redevelopment Agreement, dated January 2, 2022 (the “**Redevelopment Agreement**”), pursuant to which the Redeveloper agreed to, among other things, redevelop the Project Site by constructing the Project thereon; and

WHEREAS, the correct name of the Redeveloper entity name is K. Hovnanian Serenity Walk at Plainsboro Urban Renewal, LLC (hereinafter, the “**Entity**”); and

WHEREAS, the Township Committee now desires to ratify and approve the correction of the Redeveloper’s entity name as described above; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful Project, the Entity submitted to the Mayor of the Township (the “**Mayor**”) an application (the “**Application**”), which is on file with the Township Clerk, seeking tax exemption in connection with the Project pursuant to the Long Term Tax Exemption Law in exchange for which the Entity proposes to make payments to the Township in lieu of taxes; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement (the “**Financial Agreement**”), a copy of which is attached as Exhibit 19 to the Application, establishing the rights, responsibilities and obligations of the Entity; and

WHEREAS, the Mayor submitted the Application and Financial Agreement to the Township Committee with his recommendation for approval, a copy of which recommendation is on file with the Township Clerk; and

WHEREAS, the Township Committee has determined that the Project represents an undertaking permitted by the Long Term Tax Exemption Law.

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

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Township Committee hereby ratifies and approves the correction of Redeveloper's entity name to K. Hovnanian Serenity Walk at Plainsboro Urban Renewal, LLC, and authorizes the execution of any documents or instruments necessary to effectuate such change.

Section 3. The Application submitted by the Entity is hereby approved in accordance with Section 8 of the Long Term Tax Exemption Law.

Section 4. The Mayor is hereby authorized and directed to execute the Financial Agreement substantially in the form attached to the Application as **Exhibit 19**, together with such additions, deletions and other modifications deemed necessary upon consultation with counsel to the Township, and prepare, amend, acknowledge, or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate, including, but not limited to, a written acknowledgement to an assignment and assumption agreement by and among the Redeveloper, KHov, and Entity to effectuate the Assignment, or any portion thereof.

Section 5. The Clerk of the Township is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Township upon such document.

Section 6. The Township Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Township in accordance with Section 12 of the Long Term Tax Exemption Law.

Section 7. This ordinance shall take effect in accordance with all applicable laws.

Introduced at a Meeting of the Township Committee of the Township of Plainsboro on **May 24, 2023** and Published on **May 28, 2023**. Adopted at a Meeting held on **June 14, 2023** and Published on **June 16, 2023**.