



In order to get the most out of the Pacific Avenue Redevelopment Plan, the City of Wildwood declared projects developed in the redevelopment area may qualify to receive a maximum long term tax exemption (PILOT) of 20 years for residential development and 10 years for commercial development.

To qualify for the potential long term tax benefits of any redevelopment plan, a redeveloper must:

- 1) Create a limited dividend entity – Consult your attorney for more information.
- 2) Apply to the NJ DCA for approval as an Urban Renewal Entity – https://www.nj.gov/dca/divisions/lps/urban_renewal.html
- 3) Have the newly approved Urban Renewal Entity request and return the City of Wildwood Application for Long Term Tax Exemption from the Wildwood City Clerk’s Office at 609-522-2444 extension 2239.

For more information: Please see the Wildwood Long Term Tax Exemption Ordinance found on the following pages and consult your project attorney.

FYI: In case your property does not fall within the Pacific Avenue Redevelopment Zone, Wildwood also has a citywide 5 year tax abatement on most improvements for more information or an application please reach out to Elaine Flounders, Senior Assessing Clerk at 609-522-2444 Extension 2206 or Elaine@wildwoodnj.org .

**CITY OF WILDWOOD
CAPE MAY COUNTY, NEW JERSEY**

ORDINANCE NO. 1224-22

**AN ORDINANCE OF THE CITY OF WILDWOOD AMENDING AND SUPPLEMENTING CHAPTER 2
“ADMINISTRATION, FINANCE, REVENUE AND TAXATION” OF THE CODE OF THE CITY OF WILDWOOD
AS TO LONG TERM TAX EXEMPTIONS**

WHEREAS, the City of Wildwood (the "City") is a municipal entity organized and existing under the laws of the State of New Jersey and located in the County of Cape May; and

WHEREAS, the New Jersey Long Term Tax Exemption Law, the *N.J.S.A. 40A:20-1 et seq.* ("Long Term Tax Exemption Law") permits a municipality to enter into a financial agreement exempting real property from tax assessment and accepting payments of an Annual Service Charge, in lieu of taxes, where the property is qualified; and

WHEREAS, the Board of Commissioners of the City of Wildwood deems it to be in the best interest of the City to adopt this Ordinance to provide a process to potential applicants and property owners seeking relief under the Long Term Tax Exemption Law.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners for the City of Wildwood, County of Cape May, State of New Jersey as follows:

Section 1. A new article is hereby added to Chapter 2 which shall be entitled "Article 53, Long Term Tax Exemption" is hereby created as follows:

§ 2-53.1. Statutory authority

This article is enacted pursuant to the Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et seq.* and the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*

§ 2-53.2. Findings and purpose.

The governing body of the City of Wildwood (the "City") finds and declares that there are areas within the City which are blighted or in need of redevelopment by private enterprise. The governing body further finds and declares that tax incentives are useful economic stimulants to encourage private capital and participation by private enterprise to contribute toward the restoration of deteriorated or neglected properties. It is the intent and purpose of this article to provide this economic stimulus for private enterprise to develop those areas of the City which are in need of redevelopment.

§ 2-53.3. Definitions.

As used in this article, the following terms shall have the following meanings unless the context clearly indicates that a different meaning is intended:

APPLICANT - The developer seeking a tax exemption for the construction of a project or, with respect to HMFA-financed housing projects, the improvement thereof.

APPLICATION - All information as the governing body may require to be submitted by an applicant seeking a tax exemption.

CERTIFICATE OF OCCUPANCY - Any certificate issued pursuant to *N.J.S.A. 52:27D-133*, whether temporary or permanent.

COMMERCIAL PROJECT – Any project used primarily for business, retail, governmental or professional purposes.

DEVELOPER or SPONSOR or APPLICANT — The person or entity and principals or partners thereof who is seeking or receiving a long-term tax exemption, including an assignment or modification of an existing tax exemption or other modification of tax payment to the City, if any.

FINANCIAL AGREEMENT — The contract between the developer and the City, including all amendments and supplements thereto, by which a tax exemption is conferred and which is consistent with all applicable law and regulation.

GROSS REVENUE Annual gross revenue or gross shelter or annual gross rents, as appropriate, and other income, for each urban renewal entity designated pursuant to this article. The Financial Agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in the gross revenue.

HOUSING PROJECT Any work or undertaking to provide decent, safe and sanitary dwellings for families in need of housing. The undertaking may include any buildings, land (including demolition, clearance or removal of buildings from land), equipment, facilities, or other real or personal properties or interests therein, which are necessary, convenient or desirable appurtenances of the undertaking such as streets, sewers, water, utilities, parks, site preparation, landscaping, and administrative, community, health, recreational, educational, welfare, commercial, or other facilities.

LIMITED-DIVIDEND ENTITY An urban renewal entity incorporated pursuant to Title 14A of the New Jersey statutes or established pursuant to Title 42 of the New Jersey statutes, for which the profits and the entity are limited as set forth in *N.J.S.A. 40A:20-3*.

NET PROFIT The gross revenues of the urban renewal entity less all operating and nonoperating expenses of the entity which shall be determined in accordance with generally accepted accounting principles and in accordance with the provisions set forth in *N.J.S.A. 40A:20-3*.

NONPROFIT ENTITY An urban renewal entity incorporated pursuant to Title 1 of the New Jersey statutes for which no part of its net profits inures to the benefit of its members.

REDEVELOPMENT AREA An area determined to be in need of redevelopment and for which a redevelopment plan has been adopted by the governing body of the City pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.

REDEVELOPMENT PLAN Plan adopted by the governing body of the City for the redevelopment of all or any part of a redevelopment area. This plan shall be sufficiently complete to indicate its relationship to definite municipal objectives as to appropriate land uses, public transportation and utilities, recreational and municipal facilities, and other public improvements, and to indicate proposed land uses and building requirements in the redevelopment area.

REDEVELOPMENT PROJECT Any work or undertaking pursuant to a redevelopment plan adopted pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., which has as its purpose the redevelopment of all or any part of a redevelopment area, including any commercial, industrial, residential or other use, and may include any buildings, land (including demolition, clearance or removal of buildings from land), equipment, facilities, or other real or personal properties which are necessary, convenient or desirable appurtenances such as streets, sewers, utilities, parks, site preparation, landscaping, and administrative, community, health, recreational, educational and welfare facilities.

RESIDENTIAL PROJECT Any project, or part thereof, that involves or is related to any planned or existing structure(s) used, or intended to be used, in whole or in part, as a long term dwelling, including, but not limited to, condominiums, townhomes, single family homes, multi-family dwellings including apartment buildings.

TAX EXEMPTION — The substitution of an annual payment for the amount of taxes which would otherwise be due for improvements made to property under conventional property tax law under the provisions of the Long-Term Tax Exemption Law, as amended (N.J.S.A. 40A:20-1 et seq.), or the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.). Conventional property taxes levied on the value of land shall continue to be levied and due, except that the financial agreement may provide for a land tax exemption for residential projects in accordance with N.J.S.A. 40A:20-12.

TOTAL PROJECT COST The aggregate of the items as related to a unit of a project if the project is undertaken in units, or to the total project if the project is not undertaken in units, all of which are limited by and approved as part of the Financial Agreement and as set forth in N.J.S.A. 40A:20-3.

URBAN RENEWAL ENTITY A limited-dividend entity or a nonprofit entity which enters into a Financial Agreement with the governing body of the City to undertake a project pursuant to a redevelopment plan for the redevelopment of all or any part of a redevelopment area.

§ 2-53.4. Undertaking projects.

- A. The governing body of the City may enter into a Financial Agreement with an urban renewal entity for the undertaking of a project that is located in a redevelopment area and has an approved redevelopment plan pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.
- B. The City shall retain all necessary authority and control for the redevelopment of the redevelopment area set forth in the redevelopment plan.
- C. The undertaking of a project by an urban renewal entity pursuant to a redevelopment plan shall be deemed a delegation of the City's powers to undertake the project, which is limited by the terms of the Financial Agreement and the provisions of applicable state law.

§ 2-53.5. Urban renewal entity.

- A. Any duly formed corporation, partnership, limited partnership, limited partnership association, or other unincorporated entity may qualify as an urban renewal entity under state law if its certificate of incorporation or other similar certificate or statement as may be required by law contains the provisions set forth in N.J.S.A. 40A:20-5.
- B. Financial Agreement - each urban renewal entity qualifying under this article shall have and may exercise those powers conferred by law for the form of entity selected as shall be necessary for the operation of the business of the entity and as shall be consistent with the provisions of N.J.S.A. 40A:20-6 and 7.

§ 2-53.6. Tax Exemption Review Committee.

There is hereby established the Tax Exemption Review Committee, consisting of the Economic Development Advisor, Tax Assessor, City Solicitor, and any other person the Board of Commissioners

may deem appropriate. The Committee shall not exceed four (4) people. The purpose of the Committee is to meet as required to provide review of applications and information to make a recommendation to the Board of Commissioners as to whether or not an application should be approved or denied in accordance with the standards set forth hereinbelow.

§ 2-53.7. Application for project approval, form and contents.

- A. Every urban renewal entity qualifying under this article and applicable state law, before proceeding with any projects, shall make written application to the governing body of the City for approval thereof. The application shall be in a form and shall certify to those facts and data as shall be required by the City, and shall include but not be limited to the following:
 - (1) A general statement of the nature of the proposed project, that the undertaking conforms to all applicable City ordinances, and that the project is consistent with the redevelopment plan and Master Plan of the City.
 - (2) A description of the proposed project outlining the area included and a description of each unit thereof if the project is to be undertaken in units. . The Application shall also include a copy of the Applicant's proposed application to the Planning/Zoning Board with all exhibits.
 - (3) A statement prepared by a qualified architect or engineer of the estimated cost of the proposed project in the detail required, including the estimated cost of each unit to be undertaken.

- (4) The source, method and amount of money to be subscribed through the investment of private capital, setting forth the amount of stock or other securities to be issued therefor or the extent of capital invested and the proprietary or ownership interested obtained in consideration therefore.
- (5) A fiscal plan for the project outlining a schedule of annual gross revenue, the estimated expenditures for operation and maintenance, payments for interest, amortization of debt and reserves, and payments to the City to be made pursuant to a Financial Agreement to be entered into with the City.
- (6) A proposed Financial Agreement conforming to the provisions contained in N.J.S.A. 40A:20-9.

B. The application, along with the fee set forth below, shall be addressed and submitted to the City Clerk with four (4) copies to be provided to the Economic Development Advisor. All applications shall be reviewed by the Tax Exemption Review Committee. Within sixty (60) days of the City's receipt of a complete application, the application shall be submitted with recommendations to the Board of Commissioners. The bodyboard of Commissioners shall by resolution approve or disapprove the application. In the event of disapproval, changes may be suggested to secure approval. An application may be revised and resubmitted.

C. Fee Schedule

(1) The review fee shall be equal to:

(a) Up to \$999,999.00 in estimated project costs: \$2,500.00 flat fee.

(b) From \$999,999.00 and up in estimated project costs; \$5,000.00 flat fee.

(2) The review fee for a second application shall be as set forth above.

§ 2-53.8. Financial Agreement, form and contents.

Every approved project shall be evidenced by a Financial Agreement between the City and the urban renewal entity. The Financial Agreement shall be prepared by the urban renewal entity and submitted as a separate part of its application for project approval. Any amendments or modifications of the agreement made thereafter shall be by mutual consent of the City and the urban renewal entity, and shall be subject to approval by resolution of the governing body upon recommendation of the Tax Exemption Review Committee.

A. The Financial Agreement shall be in the form of a contract and shall include the documents and information required by N.J.S.A. 40A:20-9 and 10.

B. The Financial Agreement approved shall include findings by the governing body of the City setting forth appropriate tax exemption provisions and an appropriate annual service charge schedule which shall be based upon the provisions set forth in N.J.S.A. 40A:20-12 and the governing body's determinations as to:

- (1) The relative benefits of the project to the redevelopment of the redevelopment area when compared to the cost, if any, associated with the tax exemption; and
- (2) An assessment of the importance of the tax exemption to be granted in obtaining the development of the project and in influencing the locational decisions of probable occupants of the project or units of the project.

C. No Financial Agreement shall be approved unless a certificate of occupancy is issued for the Property. Upon revocation of a certificate of occupancy, the Financial Agreement shall be rescinded. Furthermore, in the event the property/project is continuously cited for code violations or violating Planning Board conditions of approval, the Financial Agreement may be revoked.

§ 2-53.9. Formulas for computation of annual service charge during period of tax exemption.

A. The exemptions shall be claimed and allowed in the same or similar manner as in the case of other real property tax exemptions, provided that no such claim shall be allowed unless the City wherein the property is situated shall certify that a Financial Agreement with an urban renewal entity for the development or the redevelopment of the property has been entered into and is in effect as required by state law.

B. During the term of any tax exemption, in lieu of any taxes to be paid on the improvements of the project, the urban renewal entity shall pay an annual service charge on a quarterly basis to the City. The annual service charge shall be computed and determined in accordance with the provisions of N.J.S.A. 40A:20-12.

§ 2-53.10. Duration of tax exemption.

A. The duration of the tax exemption for urban renewal entities shall be for a maximum term of twenty (20) years for all residential projects from the completion of the entire project, or execution of the Financial Agreement between the City and the urban renewal entity in accordance with N.J.S.A. 40A:20-12.

B. The duration of the tax exemption for urban renewal entities shall be for a maximum term of ten (10) years for all commercial projects from the completion of the entire project, or execution of the Financial Agreement between the City and the urban renewal entity in accordance with N.J.S.A. 40A:20-12.

C. The tax exemption shall apply only so long as the urban renewal entity and its project remain subject to applicable state law and this article. An urban renewal entity may at any time after the expiration of one year from the completion date of the project notify the governing body of the City that it relinquishing its status on a date certain designated in the notice.

D. Upon the termination of the tax exemption, the project and improvements and all affected parcels shall be assessed and subject to taxation as are other taxable properties within the City.

§ 2-53.11. Condominium units.

If the Financial Agreement permits the conveyance of condominium units pursuant to applicable state law, then the provisions of N.J.S.A. 40A:20-14 apply.

§ 2-53.12. Urban renewal entity which is a limited dividend entity.

If the urban renewal entity is a limited dividend entity, it shall be subject to the conditions and limitations set forth in N.J.S.A. 40A:20-15 during the period of the Financial Agreement and tax exemption.

§ 2-53.13. Urban renewal entity which is a nonprofit entity.

If the urban renewal entity is a nonprofit entity, it shall be subject to the conditions and limitations set forth in N.J.S.A. 40A:20-16 during the period of the Financial Agreement and tax exemption.

§ 2-53.14. Municipality or redevelopment agency authorized to make land available for project.

The City or any redevelopment entity is authorized by resolution to make any land owned by it available for use for a project by an urban renewal entity, by private sale, at such prices and upon such terms and conditions as shall be agreed upon by the governing body of the City or redevelopment entity and the urban renewal entity.

Section 2 – Severability

If any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid, such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect, and to this end, the provisions of this Ordinance are declared to be severable.

Section 3 – Repealer

This Ordinance shall supersede all other Ordinances in conflict with same which, to the extent they conflict with this Ordinance, are hereby repealed.

Section 4 – Effective Date

This Ordinance shall take affect 20 days subsequent to second reading and final passage.

Krista Fitzsimons, Commissioner

Steven E. Mikulski, Commissioner

Peter J. Byron, Mayor

Attest: _____
Christopher H. Wood, City Clerk

The above ordinance was introduced and passed first reading on February 23, 2022.

Second Reading/Public Hearing on the above ordinance was held on March 9, 2022.

The above ordinance passed second reading on March 9, 2022.

CHRISTOPHER H. WOOD, CITY CLERK