

ORDINANCE 2025-29

AN ORDINANCE OF THE BOROUGH OF SOUTH RIVER, COUNTY OF MIDDLESEX, STATE OF NEW JERSEY ADOPTING THE FINANCIAL AGREEMENT UNDER N.J.S.A. 40A:20-1 ET SEQ. AND AUTHORIZING TAX EXEMPTION AND PAYMENT IN LIEU OF TAXES WITH 25 MAIN ST., SOUTH RIVER URBAN RENEWAL, LLC

WHEREAS, 25 Main St. South River Urban Renewal, LLC (the “Entity”) has applied for a long term tax exemption pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, *et seq.*, as amended and supplemented, in connection with the development and construction of a four-story mixed-use rental project consisting of commercial/retail space on the first floor and fourteen (14) units on the second through fourth floors consisting of two 1-bedroom units and twelve 2-bedroom units and related improvements (collectively, the “Project”) to be constructed on the site located at Block 152, Lot 2.01 (f/k/a Lots 2, 3, 4, 5, 13, 14 & 16) in the Borough of South River, New Jersey (the “Project”); and

WHEREAS, the Project will be beneficial to the overall community; will achieve the goals and objectives of the Redevelopment Plan; will help revitalize the Redevelopment Area; will improve the quality of life for the community; will serve as a catalyst for further private investment in areas surrounding the Redevelopment Area; will facilitate the productive reuse of land currently in a blighted, stagnant, unproductive and fallow condition; will enhance the economic development of the Borough by alleviating existing blight conditions of the Redevelopment Area; and will further Redevelopment Plan objectives and contribute to the economic growth of the Borough in general and specifically the Redevelopment Area and qualifies as a Redevelopment Project under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1. *et seq.*; and

WHEREAS, the Borough has determined that the relative benefits of this Project outweigh any costs associated with this tax exemption and that without the tax abatement granted herein, the Project would not be undertake.

NOW THEREFORE, BE IT ORDAINED, by the Borough Council of the Borough of South River, County of Middlesex, and State of New Jersey that:

SECTION 1. The Entity is hereby granted a tax exemption as permitted by the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1. *et seq.*, for the Project. Such exemption shall be triggered by the completion of the Project and shall be structured as specified in the Financial Agreement attached hereto as Exhibit A governing the Project and as follows:

For each of the first ten (10) years from the Annual Service Charge Start Date, the Annual Service Charge shall be equal to ten percent (10%) of Gross Revenue;

For each of the years eleven (11) through seventeen (17) from the Annual Service Charge Date, the Annual Service Charge shall be an amount equal to the greater of ten percent (10%) of annual Gross Revenue or twenty percent (20%) of the amount of taxes otherwise due on the value of the Land and the Improvements.

For each of the years eighteen (18) through twenty-four (24) from the Annual Service Charge Date, the Annual Service Charge shall be an amount equal to the greater of ten percent (10%) of annual Gross Revenue or forty percent (40%) of the amount of taxes otherwise due on the value of the Land and the Improvements.

(iv) For each of the years twenty-five (25) through twenty-seven (27) from the Annual Service Charge Date, the Annual Service Charge shall be an amount equal to

the greater of eleven (11%) of annual Gross Revenue or sixty percent (60%) of the amount of taxes otherwise due on the value of the Land and the Improvements;

(v) For each of the years twenty-eight (28) through thirty (30) from the Annual Service Charge Start Date, the Annual Service Charge shall be an amount equal to the greater of twelve percent (12%) of annual Gross Revenue or eighty percent (80%) of the amount of taxes otherwise due on the value of the Land and the Improvements.

SECTION 2. The Borough Council hereby approves the Financial Agreement submitted by 25 Main St. South River Urban Renewal, LLC pursuant to N.J.S.A. 40A:20-1 et seq. in connection herewith governing the Project.

SECTION 3. That the Mayor is hereby authorized to execute, and the Borough Clerk to attest, to any and all documents that may be necessary to effectuate the terms of this Ordinance.

SECTION 4. All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 6. This ordinance shall take effect after second reading and publication as required by law.

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed on first reading at a regular meeting of the Borough Council of the Borough of South River, in the County of Middlesex, State of New Jersey, held on November 10th, 2025, and will be considered for second reading and final passage at the regular meeting of said Governing Body to be held on the 15th day of December, 2025, at 7:00 p.m., or as soon thereafter as this matter can be reached, at the Council Chamber of the Criminal Justice Building located at 61 Main Street, South River, New Jersey, and/or virtually via Zoom meeting code 826 6082 9597: password: 000000 at which time all persons interested shall be given an opportunity to be heard concerning this ordinance.

Introduced 11-10-25

COUNCIL	MOTION	2ND	AYES	NAYS	ABSTAIN	ABSENT
<i>Councilwoman Balazs</i>		X	X			
<i>Councilman DeSantis</i>						X
<i>Councilman Dziemian</i>			X			
<i>Councilman Giannakopoulos</i>			X			
<i>Councilman Gurchensky</i>			X			
<i>Council President Ciulla</i>	X		X			

Alyssa Hager, RMC
Municipal Clerk
Borough of South River