ORDINANCE # 29-26

ORDINANCE AUTHORIZING A FINANCIAL AGREEMENT PURSUANT TO THE NEW JERSEY LONG TERM TAX EXEMPTION LAW

WHEREAS, the Borough Council of the Borough of Sayreville (the "Borough Council") previously designated the properties identified as Block 14, Lot 3; Block 25.01, Lot 1; Block 43, Lots 49, 250, 251; Block 44, Lots 249, 50; Block 45, Lot 51; Block 46, Lot 1; Block 47, Lot 1; Block 48.01, Lots 1 and 2; Block 50, Lot 1; Block 51, Lot 2; Block 51.01, Lot 1; Block 51.02, Lot 1; Block 53, Lot 1; Block 53.01, Lot 1; Block 53.02, Lot 1; and Block 57.01, Lot 1.01 on the Borough Tax Map, consisting of approximately 590 acres, as areas in need of redevelopment (the "Original Redevelopment Area"), and adopted the original Hercules Redevelopment Plan for same; and

WHEREAS, on September 23, 2024, the Borough Council adopted Resolution No. 2024-229, authorizing the Borough of Sayreville Planning Board (hereinafter "Planning Board" or "Board") to conduct a preliminary investigation of the former Sunshine Biscuit property to determine if the properties identified as Block 53.02, Lot 8; Block 54.01, Lots 1.01, 1.02, and 7; and Block 14, Lot 1 on the Borough Tax Map, which is adjacent to the Original Redevelopment area (the "Redevelopment Area") meet the criteria set forth in Section 5 of the LRHL and should be designated as a "non-condemnation area in need of redevelopment;" and

WHEREAS, after the conclusion of a duly noticed public hearing, and in consideration of the Preliminary Investigation Report, dated May 21, 2025, prepared by Veena M. Sawant, AICP, PP, and the substantial and credible testimony presented, the Board, on May 21, 2025, determined that the Study Area met one or more criteria to designate the Study Area as an "area in need of redevelopment," which was memorialized by way of Resolution adopted on May 21, 2025; and

WHEREAS, the Borough Council, on June 16, 2025, designated the Redevelopment Area an area in need of redevelopment by adopting Resolution No. 2025-170, which designated the Sayreville Economic and Redevelopment Agency ("SERA") to prepare a redevelopment plan for the Redevelopment Area; and

WHEREAS, through the adoption of Ordinance #19-26 on September 28, 2026, the Borough Council adopted the amended Hercules Redevelopment Plan II for the Redevelopment Area, dated September 14, 2026 (the "Redevelopment Plan") prepared by SERA; and

WHEREAS, by Resolution No. 2026.11.35, adopted on November 5, 2026, the Sayreville Economic and Redevelopment Agency authorized the execution of a Redevelopment Agreement with the Redeveloper with respect to the Redevelopment Area; and

WHEREAS, the Borough and the Redeveloper entered into a Redevelopment Agreement; and

WHEREAS, the Certificate of Formation of HCI DP Land Acquisition, LLC's Urban Renewal Entity, prior to adoption of this Ordinance, will been filed with the Department of the Treasury and will be awaiting qualification as an urban renewal entity under the

LTTEL by the Commissioner of the Department of Community Affairs in accordance with Section 5 of the LTTEL

WHEREAS, prior to the execution of the Financial (PILOT) Agreement, HCI DP Land Acquisition, LLC., will have received approval from the New Jersey Department of Treasury for its urban renewal entity, which Urban Renewal Entity will construct, manage and operate two (2) warehouses on the Redevelopment Area, together with such other improvements as may be necessary (the "Project"); and

WHEREAS, the Redeveloper submitted an Application for Long Term Tax Exemption pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented (the "LTTEL"); and

WHEREAS, the Borough, SERA and Redeveloper negotiated a Financial Agreement for the payment in lieu of taxes (the "Financial Agreement") wherein the Redeveloper would pay the Borough an annual service charge for municipal services to the Project in lieu of any taxes on the improvements as permitted by the LTTEL; and

WHEREAS, the Borough and Redeveloper wish to enter into the negotiated Financial Agreement, in the substantial form attached hereto; and

WHEREAS, the Mayor and Borough Council find that authorizing the Financial Agreement with the Redeveloper with respect to the payment in lieu taxes is in the best interest of the Borough.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Borough Council of the Borough of Sayreville, in the County of Middlesex, State of New Jersey, as follows:

1. The Borough Council does hereby approve the Application of the Redeveloper for a tax exemption and PILOT under the LTTEL, relative to the redevelopment of the Redevelopment Area, subject to the Borough and Redeveloper entering into a Financial Agreement providing for the payment in lieu of taxes for the Project.

NOW, THEREFORE, BE IT FURTHER ORDAINED by the Mayor and Borough Council of the Borough of Sayreville, in the County of Middlesex, State of New Jersey, as follows:

1. The Mayor and Borough Council hereby authorizes the Borough to enter into the Financial Agreement with Redeveloper, in the substantial form attached hereto.

2. The Mayor and Borough Council hereby accepts the Financial Agreement and approves its execution and further authorizes the acceptance of payments of an annual service charge in lieu of taxes on the improvements as set forth in the Financial Agreement.

3. The Mayor and Borough Clerk are hereby authorized and directed to sign the Financial Agreement in the substantial form attached hereto.

4. Within ten (10) calendar days following the later of (i) the effective date of this Ordinance following its final adoption by the Borough Council

approving the tax exemption, or (ii) the execution of the PILOT Agreement by Redeveloper, the Borough Clerk shall file certified copies of this Ordinance and the PILOT Agreement with the Director, Division of Local Government Services, the Redeveloper, the Borough Tax Assessor, the Borough Tax Collector, the Borough Administrator, and the Borough Attorney, the Chief Financial Officer of Middlesex County and to Middlesex County Counsel.

5. The Borough Clerk, Administrator, Attorney and other necessary Borough and SERA officials are authorized and directed to take all appropriate actions to execute the terms of the Financial Agreement.

6. This Ordinance shall take effect upon adoption and publication according to law, and approval by the Mayor pursuant to N.J.S.A. 40A:60-5(d).

INTRODUCED/APPROVED ON FIRST READING
DATED: November 9, 2026

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)

ADOPTED ON SECOND READING
DATED: December 14, 2026

Jessica Morelos, R.M.C.
Clerk of the Borough of Sayreville

(Admin. & Finance Committee)

APPROVAL BY THE MAYOR ON THIS _____ DAY OF _____, 2026.

Kennedy O'Brien, Mayor
Borough of Sayreville

APPROVED AS TO FORM:

Borough Attorney