

**AN ORDINANCE OF THE TOWNSHIP OF LAKEWOOD,
COUNTY OF OCEAN, STATE OF NEW JERSEY,
AMENDING AND SUPPLEMENTING CHAPTER XXIV
(TAXATION), OF THE REVISED GENERAL
ORDINANCES OF THE TOWNSHIP OF LAKEWOOD
SPECIFICALLY SECTION 24-1.7 COMMERCIAL
OR INDUSTRIAL STRUCTURE TAX ABATEMENT AGREEMENT**

BE IT ORDAINED by the Township Committee of the Township of Lakewood, County of Ocean, State of New Jersey, as follows:

SECTION 1. That Chapter XXIV of the Revised General Ordinances of the Township of Lakewood entitled "Taxation", specifically Section 24-1.7 entitled "Commercial or Industrial Structure Tax Abatement Agreement" be and hereby is amended and supplemented as follows:

24-1.7 Commercial or Industrial Structure Tax Abatement Agreement.

1. Upon adoption of an ordinance granting tax abatement for a particular commercial or industrial structure located in a designated area, the Township Committee may enter into an agreement with the applicant for the abatement of local real property taxes. The agreement shall provide for the applicant to pay to the municipality in lieu of full property tax payments an amount to be computed by one, but in no case a combination, of the following formulas:
 - a. Cost Basis. The agreement may provide for the applicant to pay to the municipality in lieu of full property tax payments an annual amount equal to two (2%) percent of the cost of the commercial or industrial structure. For the purposes of the agreement, "the cost of the commercial or industrial structure" shall be defined as only the cost or fair market value of direct labor and all material used in construction, expansion or rehabilitation of all buildings, structures, and facilities, at the commercial or industrial structure site, including the costs, if any, of land acquisition and land preparation, provision of access roads, utilities, drainage facilities, and parking facilities, together with architectural, engineering, legal, surveying, testing and contractor's fees associated with the commercial or industrial structure; provided that the applicant shall cause such costs to be certified and verified to the governing body by an independent and qualified architect, following the completion of the commercial or industrial structure.
 - b. Gross Revenue Basis. The agreement may provide for the applicant to pay to the municipality in lieu of full property tax payments an amount equal to fifteen (15%) percent of the annual gross revenues from the commercial or industrial structure. For purposes of the agreement, "annual gross revenues" means the total annual gross rental and other income payable to the owner of the commercial or industrial structure from the commercial or

industrial structure. If in any leasing, any real estate taxes or assessment on property included in the commercial or industrial structure, any premiums for fire or other insurance on or concerning property included in the commercial or industrial structure, or any operating or maintenance expenses ordinarily paid by the landlord, are to be paid by the tenant, then those payments shall be computed and deemed to be part of the rent and shall be included in the annual gross revenue. The tax agreement shall establish the method of computing the revenues and may establish a method of arbitration by which either the landlord or tenant may dispute the amount of payments so included in the annual gross revenue.

c. Tax Phase-In Basis. The agreement may provide for the applicant to pay to the municipality in lieu of full property taxes an amount equal to a percentage of taxes otherwise due, according to the following schedule:

1. In the first full tax year after completion, no payment in lieu of taxes otherwise due;
2. In the second tax year, an amount not less than twenty (20%) percent of taxes otherwise due;
3. In the third tax year, an amount not less than forty (40%) percent of taxes otherwise due;
4. In the fourth tax year, an amount not less than sixty (60%) percent of taxes otherwise due;
5. In the fifth tax year, an amount not less than eighty (80%) percent of taxes otherwise due.

d. No Appeal. The agreement shall provide that during the term that the agreement is in effect the applicant agrees not to file a tax appeal or in any way contest the assessed value of the land, or the value of any abated or non-abated improvements as set forth in the agreement.

e. Once an abatement is granted, all appropriate taxes and abatement charges must be maintained and be current. If taxes and abatement charges are not current, the holder of the abatement shall be given thirty (30) days after notice to bring the taxes and abatement charges current. Failure to do so will result in an irrevocable forfeiture of the abatement.

(Ord. No. 98-54 § 21.7; Ord. No. 2007-11 § 1; Ord. No. 2011-32 § 1)

SECTION 2. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION 3. If any section, subsection, paragraph, sentence or any part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance not directly involved in the controversy in which such judgment shall have been rendered.

SECTION 4. This Ordinance shall take effect immediately upon final passage and publication as required by law.

NOTICE

PUBLIC NOTICE is hereby given that the foregoing Ordinance was introduced at a meeting of the Township Committee of the Township of Lakewood, in the County of Ocean and State of New Jersey on the **6th day of April, 2017**, and was then read for the first time. The said Ordinance will be further considered for final passage by the Township Committee in the Town Hall at 7:30 p.m. on **April 20, 2017**. At such time and place or any time or place to which said meeting may be adjourned, all persons interested will be given an opportunity to be heard concerning said ordinance.

Kathryn Hutchinson, RMC
Township Clerk