

BOROUGH OF PENNINGTON
ORDINANCE NO. 2026-27

ORDINANCE REQUIRING ESCROW FEES FROM POTENTIAL
REDEVELOPERS IN CONNECTION WITH REDEVELOPMENT
MATTERS BEFORE BOROUGH COUNCIL, AND AMENDING
THE CODE OF THE BOROUGH OF PENNINGTON TO INCLUDE
A NEW CHAPTER 35 CONCERNING REDEVELOPMENT MATTERS

WHEREAS, in planning and implementing the redevelopment of properties in the Borough, the governing body is required to retain professionals and incur administrative costs in responding to plans and proposals by potential redevelopers, including but not limited to related negotiation, preparation and adoption of redevelopment plans and agreements;

WHEREAS, Borough Council now seeks to require potential redevelopers to post funds in escrow to cover these costs;

NOW, THEREFORE, BE IT ORDAINED, by the Borough Council of the Borough of Pennington, that the Code of the Borough of Pennington (“Borough Code” or “Code”) is hereby amended and supplemented in Part I of the Code, Administrative Legislation, by the addition of a new Chapter 35, concerning Redevelopment Matters, and providing as follows:.

1. Required Redevelopment Escrow Funding Agreements

In order for the governing body to carry out its powers under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., potential redevelopers in the Borough of Pennington shall be required to enter into an escrow funding agreement with the Borough to fund (a) the Borough’s administrative costs, (b) the cost and expense of evaluating redevelopment plans and proposals, (c) the cost and expense of negotiating and approving plans and agreements on behalf of the Borough, and (d) other costs of the Borough associated with the planning, implementation and administration of redevelopment projects. These costs and expenses shall hereafter be referred to as “Redevelopment Project Costs and Expenses” and shall include but not be limited to any such costs and expenses as may be necessary before the adoption of a formal redevelopment plan. This funding of costs and services shall also be independent of the funding of costs and services related to proceedings before the Pennington Planning Board and Board of Adjustment.

2. Contents of Escrow Funding Agreements

The Redevelopment Escrow Funding Agreement shall require the potential redeveloper to post and maintain an escrow with the Borough sufficient to pay the Borough's Redevelopment Project Costs and Expenses, including but not limited to all legal, engineering and planning costs associated with the redevelopment project. The Funding Agreement shall provide that the escrow deposit be held in trust by the Borough's Finance Department and disbursed according to the Agreement. The Agreement also shall include without limitation provisions identifying the designated redevelopment area and providing that (a) the money is to be held and expended in accordance with this ordinance, (b) the acceptance of deposit money does not ensure or imply that the governing body will authorize the documents or activity relating to the funded services, and (c) the acceptance of any such money does not by itself ensure or imply that the depositor shall be designated as the redeveloper of the designated redevelopment area.

3. Escrow Amounts

The amount deposited into the escrow account shall be as agreed upon by the governing body and the depositor and shall be replenished as needed or as otherwise specified by the parties, guided by the scope and complexity of the project.

4. Interest and Custodial Expenses

Interest on the deposited monies in an amount exceeding \$100 for the year shall be refunded to the depositor, except the Borough may retain each year for administrative expenses relating to the deposit a sum up to ten percent (10%) of the amount of the deposit.

BE IT FURTHER ORDAINED that this ordinance shall be effective upon passage and publication as provided by law.

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RECORD OF COUNCIL VOTE ON INTRODUCTION

COUNCILMAN	AYE	NAY	N.V.	A.B.	COUNCILMAN	AYE	NAY	N.V.	A.B.
Angarone					Rubenstein				
Chandler					Stern				
Kassler-Taub					Valenza				

RECORD OF COUNCIL VOTE ON ADOPTION

COUNCILMAN	AYE	NAY	N.V.	A.B.	COUNCILMAN	AYE	NAY	N.V.	A.B.
Angarone					Rubenstein				
Chandler					Stern				
Kassler-Taub					Valenza				