## BOROUGH OF TINTON FALLS COUNTY OF MONMOUTH

## **ORDINANCE NO. 2023-1504**

## ORDINANCE AUTHORIZING COMMUNITY SERVICE CONTRIBUTION AGREEMENT WITH MONMOUTH MEDICAL CENTER, INC. FOR BLOCK 101.03, LOT 1 WITHIN THE FORT MONMOUTH REUSE AND REDEVELOPMENT PLAN AREA

**WHEREAS**, the Local Redevelopment and Housing Law, <u>N.J.S.A.</u> 40A:12A-1, et seq., as amended and supplemented (the "<u>Redevelopment Law</u>"), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, pursuant to <u>N.J.S.A.</u> 40A:12A-4, the governing body of the Borough of Tinton Falls (the "<u>Borough</u>") serves as an instrumentality and agency pursuant to the Redevelopment Law for the purpose of implementing redevelopment plans and carrying out redevelopment projects within the Borough (the "<u>Redevelopment Entity</u>"); and

WHEREAS, <u>N.J.S.A.</u> 40A:12A-8 authorizes the Borough, acting as the Redevelopment Entity, to enter into contracts or agreements for the planning, construction or undertaking of any development project or redevelopment work in an area in need of redevelopment; and

WHEREAS, on March 6, 2012, the Borough adopted Resolution No. R-12-089 determining and designating that the entirety of the former Fort Monmouth property in the Borough is an area in need of redevelopment under the Redevelopment Law; and

WHEREAS, on May 15, 2012, the Borough adopted Ordinance No. 12-1344 accepting the Fort Monmouth Reuse and Redevelopment Plan (the "<u>Reuse</u> <u>Plan</u>"), as amended, under the Redevelopment Law, which established the land use regulations governing the former Fort Monmouth property in the Borough identified herein in conjunction with the land use regulations set forth at <u>N.J.A.C.</u> 19:31C-3.1 et seq.; and

WHEREAS, on October 30, 2017, the Fort Monmouth Economic Revitalization Authority ("<u>FMERA</u>") and RWJ Barnabas Health, Inc., on behalf of Monmouth Medical Center, Inc. (the "<u>Redeveloper</u>") entered into a Purchase and Sale Agreement for Block 101.03, Lot 1 (the former Myer Center property) consisting of approximately 36.3 acres within the Borough (the "<u>Property</u>" or "<u>Project Site</u>"); and WHEREAS, on August 10, 2018, FMERA, the New Jersey Economic Development Authority ("<u>NJEDA</u>") and the Redeveloper entered into an Agreement to Assign, as amended from time to time (the "<u>Agreement to</u> <u>Assign</u>"), pursuant to which Redeveloper agreed to assume, and NJEDA agreed to assign, NJEDA's rights and obligations under a Purchase Agreement, dated October 30, 2017, between FMERA and NJEDA for the acquisition of the Property; and

**WHEREAS,** FMERA's Agreement to Assign with the Redeveloper was amended a fourth time in 2021 establishing an outside closing date of December 30, 2022; and

**WHEREAS,** on February 19, 2019, the Borough and the Redeveloper entered an Escrow Agreement to address pre-development activities, including negotiation of a Redevelopment Agreement for the Project and other related actions; and

WHEREAS, on May 12, 2022, the Redeveloper formally applied to the Borough to be designated redeveloper of the Property within the Fort Monmouth Reuse and Redevelopment Plan Area, whereby the Redeveloper proposes to construct a phased development as follows: (a) a 150,000 square foot cancer center/ambulatory care pavilion, comprised of the following uses: oncology services, imaging, radiation, ambulatory surgery center, parking and interphase grading and landscaping ("Phase 1"); and (b) the second phase consisting of two options, in accordance with the Redevelopment Agreement, with Phase 2A consisting of the construction of an approximately 568,901 square foot acute care hospital including 250 licensed beds, an approximately 206,768 square foot clinical and support building, a 112,864 square foot medical office building, a 34,000 square foot central utility plan, an approximately 404,000 square foot structured parking facility, and associated site improvements and amenities; and Phase 2B consisting of 20 acres of publicly available accessible open space, stone dust walking trails connecting different site components, seatwall and sculpture space, at least two gazebos and landscaped open areas and plantings (Phase 1 and either Phase 2A or Phase 2B, as elected by Redeveloper in accordance with the Redevelopment Agreement (collectively, the "Project"); and

**WHEREAS**, on June 21, 2022, the Redeveloper conducted a public presentation on the Project during a special meeting of the Borough Council; and

**WHEREAS**, on August 9, 2022, pursuant to Resolution No. R-22-180, the governing body of the Borough conditionally designated the Redeveloper as the redeveloper of the Property; and

**WHEREAS**, on October 26, 2022, pursuant to Resolution No. PB2021-12, the planning board of the Borough granted Redeveloper Preliminary and Final Site Plan with Variances, Design Exceptions and Waivers for the Project; and **WHEREAS**, on December 20, 2022, the Borough adopted Resolution No. R-22-241, fully designating Monmouth Medical Center, Inc. as Redeveloper of the Property and authorizing the entry of a Redevelopment Agreement dated January 23, 2023 (the "<u>Redevelopment Agreement</u>"); and

**WHEREAS**, on December 15, 2022, the Redeveloper acquired title and took possession of the Property; and

**WHEREAS**, the Redeveloper is a not-for-profit corporation exempt from federal, state and local income tax under Section 501(c)(3) of the Internal Revenue Code and Title 54 of the New Jersey Statutes; and

**WHEREAS**, the project improvements, with the exception of the Medical Office Building to be developed in Phase 2A, are to be used in furtherance of the Redeveloper's charitable, public purpose and not for profit use (the Project, excluding the Medical Office Building to be developed as part of Phase 2A, is referred to herein as the "<u>Non-Profit Project</u>"); and

**WHEREAS**, in accordance with <u>N.J.S.A.</u> 54:4-3.6j, the Non-Profit Project and the Property shall be exempt from conventional taxation, but in accordance with <u>N.J.S.A.</u> 54:4-3.6j and <u>N.J.S.A.</u> 40:48J-1, the Redeveloper is required to make an annual community service contribution; and

WHEREAS, the Redeveloper has agreed to immediately commence making community service contributions of \$25,000 per year during construction, which upon issuance of the first Temporary Certificate of Occupancy or Certificate of Occupancy for Phase 1, shall increase to \$150,000 annually (with credits being made for payments made during construction) and increasing 2% per year thereafter; and

**WHEREAS**, the Redeveloper and the Borough desire to enter into a Community Service Contribution Agreement in order to memorialize their respective obligations with respect to the annual community service contribution to be made by the Redeveloper to the Borough.

**NOW, THEREFORE, BE IT ORDAINED** by the Governing Body of the Borough of Tinton Falls in the County of Monmouth, State of New Jersey, as follows:

- 1. The foregoing recitals are hereby incorporated as if set forth at length herein.
- 2. The terms and conditions contained in the Community Service Contribution Agreement by and between the

Borough of Tinton Falls and Monmouth Medical Center, Inc. are hereby accepted and approved.

- 3. The Mayor is hereby authorized and directed to execute the Community Service Contribution Agreement immediately upon final adoption of this Ordinance.
- 4. All ordinances, or parts of ordinances inconsistent herewith, are hereby repealed to the extent of such inconsistencies.
- 5. This Ordinance shall take effect immediately upon final passage and publication pursuant to law.

Introduced:

Adopted:

JOHN MANGINELLI COUNCIL PRESIDENT

VITO PERILLO MAYOR

ATTEST:

MICHELLE HUTCHINSON BOROUGH CLERK

APPROVED AS TO FORM:

KEVIN N. STARKEY, ESQ. DIRECTOR OF LAW