

## Kevin Aberant

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**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Tuesday, May 28, 2024 10:28 AM  
**To:** Kevin Aberant; Nicole Gillespie  
**Cc:** Mark Villanueva; jbollendorf@mtps.com; 'Patrick Gallagher'; Mike Zuba; George R. Duthie, AIA, PP; Jennifer Hanlin  
**Subject:** RE: School District Enrollment Projections and Residential Developments

Hi Kevin:

A reply wasn't necessary. Patrick and Mike and been doing a lot of the work utilizing documents and information that are already publicly available. I just wanted to give you a heads up that they may be reaching out.

Thanks for the assistance.

### James M. Heiser, CPA

Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

**From:** Kevin Aberant <kaberant@moorestown.nj.us>  
**Sent:** Friday, May 24, 2024 4:58 PM  
**To:** James Heiser <jheiser@mtps.com>; Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Cc:** Mark Villanueva <mvillanueva@mtps.com>; Joe Bollendorf <jbollendorf@mtps.com>; 'Patrick Gallagher' <pgallagher@mpplanninggroup.com>; Mike Zuba <mzuba@mpplanninggroup.com>; George R. Duthie, AIA, PP <gduthie@fvhdpc.com>; Jennifer Hanlin <jhanlin@mtps.com>  
**Subject:** RE: School District Enrollment Projections and Residential Developments

James:

It wasn't clear to me that a reply to your message was necessarily required. I interpreted it more as a heads up that we will hear something.

However, I haven't heard anything as of yet, so I wanted to reply to make sure you know it was received, and also to let you know that the Township will provide whatever information we can to assist your consultant.

Let me know if there is anything else we can do. Thanks.

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004  
Fax 856-914-3066

**From:** James Heiser <jheiser@mtps.com>

**Sent:** Wednesday, May 8, 2024 5:31 PM

**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>; Kevin Aberant <kaberant@moorestown.nj.us>

**Cc:** Mark Villanueva <mvillanueva@mtps.com>; jbollendorf@mtps.com; 'Patrick Gallagher' <pgallagher@mpplanninggroup.com>; Mike Zuba <mzuba@mpplanninggroup.com>; George R. Duthie, AIA, PP <gduthie@fvhdpc.com>; Jennifer Hanlin <jhanlin@mtps.com>

**Subject:** School District Enrollment Projections and Residential Developments

Good Evening Nicole and Kevin:

We are actively engaged in a long-term capital planning process to help address current facility needs. We have engaged Patrick Gallagher and Mike Zuba from MP Planning Group to assist with district enrollment projections related to residential developments and historical enrollment trends. Toward that end, they will be reaching out to collect certain information that is necessary to develop projections. I wanted to email both of you and share that information prior to having them actively reach out to Township employees.

Kevin – I will be providing them with some of the data that you have previously shared with us to bring them up to speed on where things stood as of last communication related to new housing developments.

Also always, we appreciate the partnership in working with the school district to help us best plan for the future for our students and community.

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

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## Kevin Aberant

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**From:** Kevin Aberant  
**Sent:** Friday, September 29, 2023 4:03 PM  
**To:** James Heiser; Joe Bollendorf; Mark Villanueva  
**Subject:** RE: New Housing Updates  
**Attachments:** 2023-09-28 Ltr to Heiser.pdf

James:  
Please see attached letter in response to your request.

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004  
Fax 856-914-3066

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**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Wednesday, September 13, 2023 4:40 PM  
**To:** Kevin Aberant <kaberant@moorestown.nj.us>; Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** New Housing Updates

Mr. Aberant:

As you are aware, the District has been closely monitoring and tracking new housing developments. We have engaged a Demographer to start updating enrollment projections for the district. Please see the attached letter and information request from our Demographer. Can you please review the information requested and provide it to me by Friday, September 29, 2023? This information is pertinent for our Demographer to make necessary calculations for space considerations.

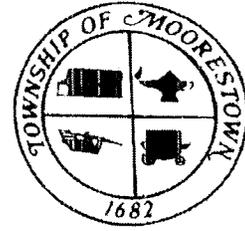
Thank you,

James M. Heiser, CPA  
Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
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# The Township of MOORESTOWN

111 WEST SECOND STREET · MOORESTOWN · NEW JERSEY 08057



September 28, 2023

Via e-mail to [jheiser@mtps.com](mailto:jheiser@mtps.com)

James Heiser, CPA

Moorestown Township Public Schools

803 North Stanwick Road

Moorestown, NJ 08057

RE: School District Enrollment Projection and Residential Development

In response to your recent request, please note the following information to update the spreadsheet (which also provides the name and contact info for the developments for which an application has been filed):

- 1) AMF-1 307 Harper Dive  
Approved by Planning Board 7-23-2020, memorialized 8-13-2020  
Construction Permit has been applied for, but still in review; site work for the project is anticipated to start in late Fall 2023  
307 Harper Drive, Block 3201 Lot 3  
75 Affordable Housing Apartments-15 1br, 41 2br, 19 3br.  
Pennrose, LLC; Margot Elton-Ratliff, Dir. Of Development, 267-386-8669,  
[mratliff@pennrose.com](mailto:mratliff@pennrose.com)
- 2) Moorestown Mall (Pearl)  
Approved by Planning Board 2-17-2022, memorialized 3-3-2022  
Construction permits already for parking garage, and construction of that is underway;  
construction permits for the balance of the structure have been applied for, but are still in review;  
projects expected to be built in phases; Developer's projected completion date for initial phase is Fall 2024.  
1501 Nixon Drive, Block 3000 Lot 3.04  
375 Apartments/75 are Affordable -144 1br, 199 2br, and 32 3br.  
Bel Canto Asset Growth Fund-Daniel Herman [dherman@belcantoassetgrowthfund.com](mailto:dherman@belcantoassetgrowthfund.com)
- 3) AMF-6 Borton Landing Road  
Approved by Planning Board in 2021, but the approval was challenged in court; in June, 2023 the Appellate Division vacated the original approval and voided the Ordinance adopted by the Township Council that set the zoning for the site; Township Council re-adopted the zoning ordinance in July, 2023, and then the site plan application was reheard and approved by Planning Board in August 2023; Resolution memorializing the approval adopted 7-7-2023.  
On September 11, a new lawsuit challenging the Township Council's re-adoption of the zoning ordinance.  
152 Townhouse/Apartments/76 are Affordable- 53 1br., 77 2br., 22 3br.  
Walters Group-Edmond Speitel Jr., [espeiteljr@walters-group.com](mailto:espeiteljr@walters-group.com), 856-354-2100

(856) 235-0912 - Telephone  
[www.moorestown.nj.us](http://www.moorestown.nj.us)

- 4) AMF-7 Centerton Road/Diocese of Trenton  
DR Horton filed a deficient application for site plan approval seeking approval of a 76 unit townhouse/condo development in mid-2022; Planning Board declined jurisdiction due to the deficiencies, and then DR Horton filed suit challenging Planning Board's decision; In July, Judge Dow issued a preliminary ruling favorable to the township; Following that decision, DR Horton advised it would no longer pursue the litigation, and that it intended to submit a revised plan seeking approval for a 65 unit townhome development, 20% will be affordable. As of today, no new application has been submitted.
- 5) AMF-3 Lenola Road  
150 Townhomes & Condos, 30 of which will be set aside as affordable units. Planning Board application has been submitted for Preliminary and Final Site Plan and will be heard this fall. Proposed 120 3&4 br Townhomes, 30 2 br condos  
Domenica Foundation, Inc., Anthony Piperno, 856-885-2110, [Anthony.piperno@gmail.com](mailto:Anthony.piperno@gmail.com)
- 6) AMF-4 Route 38  
This property is owned by a development entity named MRD. Water and sewer service is available, but not adjacent to the property (which is located on the South side of Route 38 where no existing mains are located); there was a lengthy disagreement between township and the developer as to how the development would be connected; the disagreement was resolved in April, 2023.  
No Planning Board application has been submitted.  
The zoning permits a multifamily development of 173 total units, 35 of which will be set aside as affordable units. There is no information available about the bedroom distribution for the entire development.
- 7) AMF-5 Centerton Road/ Parker's Bend Retirement Community  
130 luxury market rate senior apartments. No students projected. Construction nearing completion, and first units expected to be occupied late 2023, early 2024.
- 8) AMF-2 CIS (Community Investment Solutions)  
Approved by Planning Board to permit 82 affordable senior units (75 1br, 6 2br, and one staff unit); Currently awaiting final funding approval; if approved as expected, construction may begin in mid-2024; There is a PILOT agreement in place providing for a nominal payment to the township.

In addition to the developments on the spreadsheet, the township has also received a site plan application for a 19 unit townhome development proposed at 125 & 201 East Camden Ave., Block 1301 Lots 29&30; this is not a development that is part of the Township's housing plan, does not propose any units that will be designated affordable, and is in conformance with the existing zoning. Application will be heard before the Planning Board Fall 2023. The proposed units will be a mix of 3 & 4 Bedrooms. The developers are Joe Ventresca, Catherine Verdi, Ed Stranquist, 856-220-4945, [ed@ea-strategies.com](mailto:ed@ea-strategies.com)

Please contact me with any questions you may have.

Very truly yours,

  
KEVIN E. ABERANT  
Township Manager

KEA/lmr

## Kevin Aberant

---

**From:** Kevin Aberant  
**Sent:** Wednesday, September 13, 2023 5:42 PM  
**To:** James Heiser; Joe Bollendorf; Mark Villanueva  
**Subject:** RE: New Housing Updates

James:

I will work on getting the requested information. It should not be a problem to provide by the requested date.

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004  
Fax 856-914-3066

---

**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Wednesday, September 13, 2023 4:40 PM  
**To:** Kevin Aberant <kaberant@moorestown.nj.us>; Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** New Housing Updates

Mr. Aberant:

As you are aware, the District has been closely monitoring and tracking new housing developments. We have engaged a Demographer to start updating enrollment projections for the district. Please see the attached letter and information request from our Demographer. Can you please review the information requested and provide it to me by Friday, September 29, 2023? This information is pertinent for our Demographer to make necessary calculations for space considerations.

Thank you,

**James M. Heiser, CPA**  
Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

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## Kevin Aberant

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Wednesday, April 5, 2023 11:33 PM  
**To:** Nicole Gillespie; Cheryl Makopoulos; Quinton Law; Mick Weeks; Lauren Romano; Claudine Morano; Brooke Mailhiot; Melissa Arcaro Burns; Jill Fallows Macaluso; Danielle Miller (Board Member); Sue Mammarella; Jake VanDyken; Dave Zipin  
**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf  
**Subject:** Re: Following up

Nicole,

Thank you. We met with Kevin in person on March 30th, and while he handed us various documents related to Memorial Field, none of them related to the PILOTS. I have no record of receiving an email from Kevin on March 30 attaching the PILOT agreements, nor did he mention them in our meeting. As you know, we were repeatedly advised that no PILOTS were executed, and that the anticipated PILOTS would result in approximately \$10,000 per year of revenue, per location, to the Township. We independently obtained a copy of the November 2021 agreement for the Mall which projects a substantial amount of revenue - in excess of \$50 million - to the Township. Perhaps Kevin's March 30th email did not transmit, so I ask that you or he kindly resend it, as this is the first I've been advised that there are other executed agreements in place.

With respect to Memorial Field, if you, Kevin or Council are aware of documents that convey the property to the municipality, please share them. I don't see a need to burden our emails with a recitation of the record, as I'm sure you are aware of the land records, ordinances, resolutions, and recent documents from the Township confirming the BOE's ownership interest. But as discussed, we look forward to discussing issues related to Memorial Field after we and our respective counsel have had an opportunity to analyze the issue.

As I mentioned yesterday, I'm traveling tomorrow through April 16 to the Philippines with family. I will almost certainly be delayed in responding to emails, so I apologize in advance.

All the best,  
Mark

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**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Sent:** Wednesday, April 5, 2023 9:48 PM  
**To:** Mark Villanueva; Cheryl Makopoulos; Quinton Law; Mick Weeks; Lauren Romano; Claudine Morano; Brooke Mailhiot; Melissa Arcaro Burns; Jill Fallows Macaluso; Danielle Miller (Board Member)  
**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf  
**Subject:** Re: Following up

Hi Mark,  
Thank you for your email and the opportunity to continue this conversation.

Kevin sent copies of all four PILOT agreements in his email to you, Mr. Bollendorf and Mr. Heiser dated 3/30, so to save on email clutter I am not resending those here. We have executed those agreements for the

development at the mall and with CIS (you have signed copies). We have not yet signed the agreements with Penrose and Walters, but they are nonetheless final. Council has passed resolutions authorizing me to sign them, and the amounts were agreed to as part of our affordable housing settlement. The PILOT amounts were not arbitrary, but rather are required by HFMA for tax credit funding. If we were to attempt to renegotiate those agreements after having received a judgment of compliance, not only would we lose that funding (which has already been awarded for the Walters and Penrose developments, and is pending for CIS) thereby considerably increasing the burden on Moorestown taxpayers, but would risk reopening the entire settlement agreement. For those reasons, we will not be attempting to renegotiate any of the 4 PILOT agreements for affordable housing developments.

I can confirm that Memorial Field is currently covered by Township insurance policies. I understand that it is your opinion that the district still owns Memorial Field, but based on the records that the district shared with us and the records Kevin shared with you, we have been advised otherwise. Once your attorney has reviewed all the records, I assume he will be in contact with our attorney, Doug Heinold. We will await word from Doug as to next steps.

I've copied the full BOE here (my apologies to Jill, Melissa and Danielle for getting their email addresses wrong in my last email) and will ask Kevin to share with the rest of council.

all the best,  
Nicole

Nicole M. Gillespie, PhD  
Mayor  
Township of Moorestown  
111 West Second Street  
Moorestown, New Jersey 08057  
856-914-3001

<https://www.moorestown.nj.us/>

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Tuesday, April 4, 2023 11:31 PM  
**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>; Cheryl Makopoulos <cmakopoulos@mtps.com>; Quinton Law <qlaw@moorestown.nj.us>  
**Cc:** Kevin Aberant <kaberant@moorestown.nj.us>; James Heiser <jheiser@mtps.com>; Joe Bollendorf <jbollendorf@mtps.com>  
**Subject:** Re: Following up

Nicole,

Thank you for your email and for taking the time to meet this morning. I agree that we had a productive conversation on a variety of issues, and look forward to continuing to work with Council on these important and complex matters. I'm loathe to re-cap in writing the entirety of our conversation, so please understand that this isn't intended to be a comprehensive summary.

With respect to the new affordable housing developments, I understand that the only PILOT agreement that has been executed is the 11.18.2021 agreement between MT Residential Urban Renewal, LLC and the Township. This agreement applies to the development currently under construction at the Mall. We are evaluating this agreement and look forward to discussing with Council an allocation of revenue to support current and future students. Thank you for agreeing to keep us apprised of the developers' revenue projections and other data that will help us estimate the potential number of students that may reside at this location. We would appreciate receiving similar data for other affordable housing locations, to the extent it exists. As I mentioned, the BOE may engage its own expert to analyze the impact new housing may have on student population, and we will share such data with Council.

We would appreciate written confirmation that the 11.18.2021 agreement is the only PILOT agreement in place for the currently anticipated affordable housing developments, and if others are in place, we ask that Council provide copies of such agreements. To the extent PILOT or other financial arrangements have not been finalized at other developments, we ask that Council consider including the BOE in discussions before finalizing the financial arrangements with the developers.

As to Memorial Field, at this point I don't necessarily agree that we need to "clean up ownership issues." Our counsel is reviewing a variety of documents, including those Kevin provided to us last Thursday. I don't think ownership is in dispute; it is BOE property based on the records and documents that I have seen. But we are continuing to review documents and look forward to further discussing this issue. In the interim, we understand that Memorial Field is covered under the Township's liability, property, and other insurance policies. Please let us know if that is incorrect.

With respect to working with the BOE to increase police officer presence at our buildings, we very much appreciate Council's engagement. Joe Bollendorf, our Interim Superintendent, has been leading this initiative for the District and will be in touch to continue moving the ball forward. Thank you for your partnership on this critical initiative.

Finally, with regard to parking, I've asked Joe to have his team evaluate whether moving the busses during the day is a feasible solution. If it is logistically and economically feasible, I agree that it would be great to provide additional parking to relieve some of the concerns in neighborhoods adjacent to the High School campus.

I've removed a quorum of the BOE to avoid OPMA issues, but will ensure each member receives this email. I very much enjoyed our discussion this morning and look forward to working with Council to do what is best for our children and residents. I share in your commitment to work together on the issues that face our Town.

Regards,  
Mark

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**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>

**Sent:** Tuesday, April 4, 2023 8:36 PM

**To:** Mark Villanueva; Cheryl Makopoulos; Mick Weeks; Melissa Arcaro Burns; Lauren Romano; Jill Fallows Macaluso; Claudine Morano; Daniel Miller; Brooke Mailhot; Quinton Law

**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf

**Subject:** Following up

Mark,

Thanks for taking the time to meet with me this morning. I wanted to follow up in writing both to express my gratitude and to keep everyone in the loop. I am copying the rest of the BOE, the Superintendent and the BA, as well as the Deputy Mayor and Manager here. I will ask Kevin to forward this to the other councilmembers to avoid any OPMA issues. If you think I've misrepresented anything or left out anything important from our conversation, please let me know. And if you run into any future difficulties with getting documents or other information you need from the Township, please don't hesitate to let me or other councilmembers know.

Following our conversation, I am confident - and hope you are as well - that Council and the BOE will be able to work together for the good of Moorestown on the issues we discussed. As I mentioned, we share your concerns about the influx of new students from affordable housing development in the next few years and understand that PILOT agreements can have a significant impact on the school's budget. We are absolutely willing to discuss an appropriate allocation to the district, but first the township needs to get a better estimate of what the actual gross revenue is likely to be from Pearl at the mall. The projections in the agreement are based on the developer's 10-year proforma, and include an assumption of 3% annual growth in revenue. We don't yet know the number of bedrooms in the 300 market-rate units, but have asked the developer to provide us with an update and will keep you informed. Knowing the number of bedrooms will allow us to make a better estimate of annual gross revenues from that property (and hence annual PILOT revenues), as well as how many students could potentially reside there.

While council recognizes that additional students will result in additional costs to the district, we also have to consider the significant costs the township is going to incur in order to comply with our affordable housing settlement agreement. I am hopeful that both governing bodies can take a holistic approach, consider all anticipated costs and revenues and the overall impact on Moorestown taxpayers, not just on our respective budgets.

As to Memorial Field, I think we both agreed that we need to clean up any ownership issues there. I understand that both the district and the township attorneys are currently reviewing the documents, so we'll wait for their recommendations as to next steps.

With respect to the district's plan for school resource officers, I don't anticipate any objection to the shift from 1 full-time officer for 10 months to 3 part-time class III SLEOs. The manager is currently interviewing for a new chief and/or director and that person would be responsible for hiring those officers. I understand that the district will likely have some specific recommendations to consider with regards to the SRO hires. Chief is already looking into what, if any, additional equipment and vehicle costs might come with that change.

Last, I talked with Kevin about the possibility of parking buses on Township property during the school day to potentially allow additional student parking on high school property (the two properties that I thought of are behind the police station, and/or at Wesley Bishop field.) He will discuss that with the chief and other staff to determine if it's workable. If we can make that work, hopefully we can relieve some of the issues with student parking in the neighborhoods surrounding the high school.

Thanks again for your time this morning. I know both council and the BOE are committed to doing what's right for Moorestown and I look forward to working with you to resolve these complex issues.

all the best,  
Nicole

Nicole M. Gillespie, PhD  
Mayor  
Township of Moorestown

111 West Second Street  
Moorestown, New Jersey 08057  
856-914-3001

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## Kevin Aberant

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**From:** Nicole Gillespie  
**Sent:** Friday, April 7, 2023 10:07 AM  
**To:** mvillanueva@mtps.com; jbollendorf@mtps.com; jheiser@mtps.com; cmakopoulos@mtps.com; jfallowsmacaluso@mtps.com; marcaroburns@mtps.com; lromano@mtps.com; damiller@mtps.com; Mick Weeks; cmorano@mtps.com; bmailhiot@mtps.com  
**Cc:** Kevin Aberant; Quinton Law  
**Subject:** Fw: Affordable Housing Update and PILOT Agreements

Hi Mark,

I'm guessing this may have gotten stuck somewhere given the number of attachments, so I am forwarding the 3/30 email from Kevin that I referenced in my last email, but have uploaded all the attachments that he originally sent sent to this Google folder instead

: [https://drive.google.com/drive/folders/10dasWmmbAPvEfQSC7TUTc46ODNHEq8vn?usp=share\\_link](https://drive.google.com/drive/folders/10dasWmmbAPvEfQSC7TUTc46ODNHEq8vn?usp=share_link)

Please let me know if this worked for you.

Safe travels - hope you and your family have a wonderful trip.

all the best,  
Nicole

Nicole M. Gillespie, PhD  
Mayor  
Township of Moorestown  
111 West Second Street  
Moorestown, New Jersey 08057  
856-914-3001

<https://www.moorestown.nj.us/>

---

**From:** Kevin Aberant <kaberant@moorestown.nj.us>  
**Sent:** Thursday, March 30, 2023 1:07 PM  
**To:** James Heiser <jheiser@mtps.com>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

James:  
Please see replies below in red.  
Please let me know if you have any further questions.

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004

**From:** James Heiser

**Sent:** Saturday, February 25, 2023 10:53 AM

**To:** 'Kevin Aberant' <kaberant@moorestown.nj.us>

**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>

**Subject:** FW: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Joe and Mark followed up with me after their meeting with you last week. Nancy was helpful with providing additional clarity to the spreadsheet I created; however, I do have follow-up questions as it relates to the PILOTS and/or financial agreements.

1. 307 Harper Drive –
  - a. Resolution 192-2020 indicates “Whereas Township Council believes it would be in the best interest of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B. See attached file named 1A Pennrose PILOT
  - b. The developer sent us their projections related to the breakdown of total units which I believe would be used for enrollment projection purposes utilizing Rutgers formulas. Please forward any such enrollment projection for this location. No student enrollment projection for this development has ever been prepared by or provided to the township.
2. Moorestown Mall –
  - a. Ordinance 25-2021 references an Affordable Housing Settlement Agreement which then references, “...the parties have come to a resolution of Developer’s Objection ..... (ii) and enter into a Financial Agreement with the Developer to permit a Payment in Lieu of Taxes on the Property ....” Please forward all financial agreements, PILOT agreements, and any other similar agreements that exist for the Moorestown Mall redevelopment. See attached file named 2A PREIT Agreement and PILOT. There was lengthy, contentious litigation between the township and PREIT about this property which resulted in this agreement and PILOT. This is the only non-tax credit funded development with a PILOT agreement.
  - b. Student enrollment projections have been stated and provided in our spreadsheet, but I would like a copy of the formal projections as well utilizing the Rutgers formulas. See attached file named 2B Pearl Student Enrollment Projection by Slauch. This is the only development for which an enrollment projection has been prepared; this was prepared as a follow up to a request by a school board member to our Mayor.
3. AMF-2 – Centerton Road –
  - a. Resolution 165-2021 indicates “Whereas, the Township Council believes it would be in the best interests of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B. This is a senior citizen tax credit funded development which will not generate any students. See attached file named 3A CIS PILOT.
4. AMF-6 – Borton Landing Road – Do student enrollment projections exist for this site? No student enrollment projection for this development has ever been prepared by or provided to the township. Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? Please note this development is receiving tax credit financing as a “mixed income” 50% affordable development. A PILOT agreement is required for this financing. Please see attached file named 4 Walters PILOT.
5. AMF-7 – Centerton Road - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment

projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20% three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.

6. AMF-3 – Lenola Road – Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20% three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.
7. AMF-4 – Route 38 - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20% three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.

If no PILOT and/or other financial agreements exist for any of these locations, please confirm the same. There are no PILOT or other type of financial agreement other than what is noted above. Thank you for working with the schools as we navigate through the potential impact related to the new units.

## James M. Heiser, CPA

Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

---

**From:** Nancy Jamanow <[njamanow@moorestown.nj.us](mailto:njamanow@moorestown.nj.us)>

**Sent:** Monday, January 30, 2023 1:24 PM

**To:** James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>; Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>

**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>; Patty Muscella <[pmuscella@moorestown.nj.us](mailto:pmuscella@moorestown.nj.us)>

**Subject:** RE: Affordable Housing Update and PILOT Agreements

Good afternoon, James,

As part of the planning board process, student projections are not taken into consideration. I have no student projections for any of the affordable housing projects.

Some of the projects you have listed as Lockheed Martin. None of the sites are related to Lockheed Martin.

I have update the form as best I can. I am not familiar with PILOTS if they are in place or not. I do not think any are at this time. Any development that is inclusionary (AMF- 3, 4, 7) do not have PILOTS.

AMF-5 does not have a PILOT.

I hope this is helpful.

Nancy

*Nancy W. Jamanow, PE, CME, PP*

Director of Community Development  
Moorestown Township  
856-914-3021

**From:** James Heiser <jheiser@mtps.com>

**Sent:** Friday, January 27, 2023 7:35 AM

**To:** Kevin Aberant <kaberant@moorestown.nj.us>; Nancy Jamanow <njamanow@moorestown.nj.us>

**Cc:** Joe Bollendorf <jbollendorf@mtps.com>

**Subject:** Affordable Housing Update and PILOT Agreements

Hi Kevin and Nancy:

Thank you for taking the time to meet with me and Mike and provide updates on the Affordable Housing Developments. It is helpful to make sure we are on the same page and have updated information along the way so we can be ready for the increased student population.

I have attached a spreadsheet that I created to help track the developments. For areas that are highlighted in yellow, I am missing information or need it verified. Can you please review and provide any input on those items? Also, if you could provide an update on the Moorestown Mall construction that would be greatly appreciated since I know it is moving along.

Please provide copies of the PILOT agreements that are associated with the properties.

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

Moorestown NJ 08057

(856) 778-6600 Ext. 18150

Fax (856) 235-0961

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**Caution:** This email originated outside of our organization. Please take care when clicking links or opening attachments. When in doubt, please contact the IT help desk.

## Kevin Aberant

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**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Thursday, April 6, 2023 11:46 AM  
**To:** Kevin Aberant; Joe Bollendorf; Mark Villanueva  
**Subject:** PILOT Agreements

Kevin,

We see that our server rejected your email on March 30<sup>th</sup>, because of the file size of the attachments. Below is a link to a Google Folder that I created. You should be able to easily drop those files into that folder and we will be able to access them there.

[PILOT Agreements](#)

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

Moorestown NJ 08057

(856) 778-6600 Ext. 18150

Fax (856) 235-0961

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Housing Projects Only  
(form revised April 2009)

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

Harper Apartments, HMFA #(s): 03515  
Insert project name and Agency number(s) above.

THIS AGREEMENT, made this \_\_\_\_\_ day of September, 20\_\_\_\_\_, between Moorestown Housing Associates LLC, a limited liability company of the State of New Jersey, having its principal office at 1301 N. 31<sup>st</sup> Street, Philadelphia, PA 19121 (hereinafter the "Sponsor") and the Township of Moorestown, a municipal corporation in the County of Burlington and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Township Council of the Municipality dated September 14, 2020, (hereinafter the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.
2. The Project (hereinafter the "Project") is or will be situated on that parcel of land designated as Block 3201, Lot 3 as shown on the Official Assessment Map of the Township of Moorestown, and more commonly referred to as 307 Harper Drive, Moorestown, New Jersey.
3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.
4. (a) For projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 1% percent of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.  
  
(b) As used herein, "Project Revenues" means the total annual gross rental or

carrying charge and other income of the Sponsor from the Project less vacancies, if any.

(c) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 1.00 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by

the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and is obligated under the Agency Mortgage.

Upon the payment in full of the Agency Mortgage, the Sponsor or its successor, as applicable, shall give notice to the Municipality within ten (10) business days of the date the Agency Mortgage is paid.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to 1301 N 31<sup>st</sup> Street, Philadelphia, PA 19121 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to 111 W. Second Street, Moorestown, NJ 08057 or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party

hereto.

ATTEST

\_\_\_\_\_

SPONSOR:  
MOORESTOWN HOUSING ASSOCIATES LLC

By: \_\_\_\_\_

Timothy Henkel,  
Senior Vice President  
Pennrose Holdings, LLC, Managing Member

ATTEST

\_\_\_\_\_

MUNICIPALITY:  
TOWNSHIP OF MOORESTOWN

By: \_\_\_\_\_

Hon. Nicole Gillespie, Mayor

**Exhibit A**  
**PILOT Calculation**

	<b>Year 1</b>
<b><u>Rental Income</u></b>	
Gross Rental Income	824,628
Less: Vacancy	(45,355)
Net Rental Income	779,273
Less: Owner-Paid Utilities	(94,654)
Basis for PILOT Calc.	684,619
PILOT Rate	1%
PILOT Payment Estimate	\$6,846

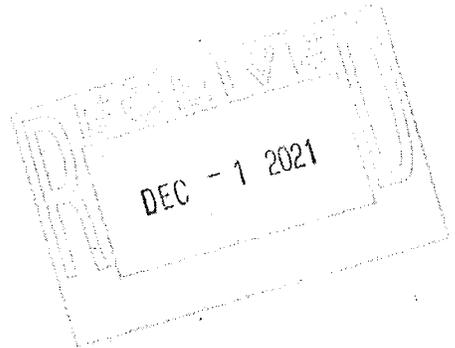
**CRAIG M. GIANETTI**  
Attorney at Law

One Jefferson Road  
Parsippany, NJ 07054-2891  
T: (973) 966-8053 F: (973) 206-6273  
cgianetti@daypitney.com

November 29, 2021

**VIA UPS OVERNIGHT**

Ms. Patricia L. Hunt, Clerk  
Township of Moorestown  
Town Hall  
111 W 2nd Street  
Moorestown, NJ 08057



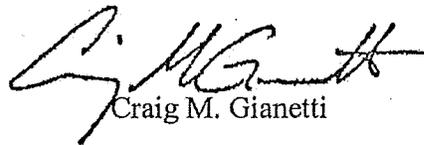
Re: **MT RESIDENTIAL URBAN RENEWAL, LLC**

Dear Ms. Hunt:

Enclosed please find the fully executed PILOT Agreement in relation to the above matter.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

  
Craig M. Gianetti

CMG/rdm  
Enclosure

Cc: Doug Heinold, Esq

COPY TO

COUNCIL      MANAGER      ATTORNEY

ENGINEER      DESIGNER      OTHER

REC'D BY

11/30/21  
Nancy to file org

## FINANCIAL AGREEMENT

THIS FINANCIAL AGREEMENT, (hereinafter referred to as the "Agreement" or the "Financial Agreement") made this 18<sup>th</sup> day of November, 2021, by and between MT Residential Urban Renewal LLC, an urban renewal entity qualified to do business under the provisions of the Long-Term Tax Exemption Law, as per, N.J.S.A. 40A:20-1 et. seq., as amended and supplemented, (hereinafter referred to as the "LTTEL"), having its principal office located at 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103 (hereinafter referred to as the "Entity") and the TOWNSHIP OF MOORESTOWN, a municipal corporation in the County of Burlington and the State of New Jersey, having its principal office located at 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057 (hereinafter referred to as the "Township").

### WITNESSETH:

WHEREAS, on February 8, 2021, the Township's Governing Body designated Block 3000, Lots 2, 3, 3.01, 3.02 and 5 (the "Redevelopment Area") as an Area in Need of Redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, on August 9, 2021, the Governing Body adopted the Moorestown Mall Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, an approximately 6.24 acre portion of Block 3000, Lot 3 (the "Property"), to be subdivided from the remainder of the Redevelopment Area, is in the Redevelopment Area; and

WHEREAS, the Entity desires to develop the Property with an inclusionary residential development consisting of approximately 300 market-rate units and 75 affordable units, for a total of approximately 375 residential units (the "Project"); and

WHEREAS, the Project is part of the Court-approved Housing Element & Fair Share Plan as well as the Affordable Housing Settlement Agreement for the Township; and

WHEREAS, pursuant to and in accordance with the provisions of the LTTEL, the Township is authorized to provide for payment in lieu of taxes within a redevelopment area; and

WHEREAS, the Entity was created for the purposes of acquiring, owning, holding, developing, maintaining, financing, mortgaging, improving, operating, leasing, managing, using, refinancing, selling, subdividing, or otherwise dealing with the Property and the Project; and

WHEREAS, the Entity submitted an application for the approval of a Project, as such term is used in the LTTEL, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit B); and

WHEREAS, the Exemption Application requests a 30-year term for a financial agreement and an annual service charge based on 12.5% of aggregate Gross Revenue (as defined in the LTTEL) for the 30-year term; and

WHEREAS, pursuant to the LTTEL, the Township is authorized to enter into a financial agreement with a redeveloper for payment of an annual service charge for municipal services in lieu of taxes for affordable housing projects; and

**WHEREAS**, the Entity has requested that the Township enter into a financial agreement for payment of an annual service charge for municipal services in lieu of taxes (the "Financial Agreement") for the Project; and

**WHEREAS**, the Township and the Entity have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute a Financial Agreement; and

**WHEREAS**, by the adoption of Ordinance No. 25-2021 on August 9, 2021 (the "Ordinance"), the Township approved findings and the Exemption Application and authorized the execution of the Financial Agreement, a copy of which ordinance is attached hereto as Exhibit A; and

**WHEREAS**, the Township wishes to grant a long-term tax exemption for the Project and to memorialize the terms and conditions of that long-term tax exemption within this Financial Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

#### ARTICLE I GENERAL PROVISIONS

**1.01 Governing Law.** This Agreement shall be governed by the provisions of the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq., as amended and supplemented, the Ordinance authorizing the execution of the Financial Agreement and all other relevant Federal, State and municipal laws, statutes, ordinances, resolutions, rules and regulations (collectively referred to as the "Law"). It is expressly understood and agreed that the Township relies upon the facts, data, and presentations contained in the Application attached hereto in granting this tax exemption.

**1.02 General Definitions.** Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Financial Agreement shall mean:

Administrative Fee - Shall have the meaning defined in Section 4.07 hereunder.

Affordable Housing Units - The seventy-five (75) rental residential units that will be constructed for occupancy by very low, low or moderate income households as such terms are defined under N.J.S.A. 52:27D-304 and which will have affordability controls as required under the rules of the Council on Affordable Housing, the Court, or any State entity which assumes the statutory obligations previously held by the Council on Affordable Housing (COAH).

Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to the Total Project Cost, pursuant to the provisions of N.J.S.A. 40A:20-3(c).

Allowable Profit Rate - The greater of twelve (12%) percent or the percentage per annum arrived at by adding one and one-quarter (1.25%) percent to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, the Allowable Profit Rate shall be the greater of twelve (12%) percent or the percentage per annum arrived at by adding one and one-quarter (1.25%) percent per annum to the interest rate per annum that the Township determines

to be the prevailing rate of mortgage financing on comparable improvements in the County of Burlington. The provisions of N.J.S.A. 40A:20-3(b) are also incorporated herein by reference.

Annual Gross Revenue - The gross revenue of the Project for each year as defined within the provisions of N.J.S.A. 40A:20-3(a) and Section 4.03 of this Agreement.

Annual Service Charge - The amount that the Entity has agreed to pay the Township, pursuant to Article IV herein, for municipal services provided to the Project in lieu of real estate taxes on the improvements, as outlined in the financial plan and other documents required to be submitted with the Application, which is subject to verification and review by the Township Chief Financial Officer and the Township Tax Collector or other municipal department or agency. The Annual Service Charge shall be prorated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Application - The application submitted by the Entity pursuant to N.J.S.A. 40A:20-8 to the Township, seeking a tax exemption for the Project.

Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), the contents which shall include a certification of the Total Project Cost and a proper and accurate computation of Net Profit. The contents of the Auditor's Report shall be prepared in conformity with generally accepted accounting principles and shall contain at a minimum, if applicable, the following: (i) a balance sheet; (ii) a statement of income and expenses; (iii) a statement of retained earnings or changes in stockholder's equity; (iv) statement of cash flows; (v) descriptions of accounting policies; (vi) notes to financial statements; and, (vii) appropriate schedules and explanatory material regarding results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - Document issued by the Township authorizing occupancy of an affordable housing unit and/or building, pursuant to N.J.S.A. 52:27D-133.

Default - The breach or failure of the Entity to perform any obligation imposed upon the Entity by the terms of the Financial Agreement.

Entity - MT Residential Urban Renewal LLC, an urban renewal entity formed and qualified pursuant to N.J.S.A. 40A:20-5, having its principal office at 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103, and its authorized assignees.

Excess Net Profit - In any given year, an amount equal to the sum of: (a) the Cumulative Net Profit minus (b) the Cumulative Allowable Net Profit.

Improvements - The buildings, structures and/or fixtures permanently affixed to the Land, as described more fully within the Exemption Application.

In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale. Such action shall be governed by N.J.S.A. 54:5-1 et. seq.

Land - The land, but not the Improvements, on the approximately 6.24 -acre parcel as depicted on the Preliminary / Final Site Plans and Minor Subdivision Plan prepared by Bohler Engineering dated

August 24, 2021, 2021, attached hereto as **Exhibit C**, a portion of the property identified on the Official Tax Map of the Township of Moorestown, Burlington County, New Jersey as Block 3000, Lot 3.

Land Taxes - The amount of taxes assessed on the value of the Land on which the Project is located.

Land Tax Payments - Payments made on the quarterly due dates for Land Taxes on the Property as determined by the Tax Assessor and the Tax Collector,

Law - Shall refer to the Long-Term Tax Exemption Law, the Ordinance authorizing the execution of the Financial Agreement, and all other relevant Federal, State and municipal statutes, ordinances, resolutions, rules and regulations.

Long-Term Tax Exemption Law or LTTEL - N.J.S.A. 40A:20-1 et. seq.

Minimum Annual Service Charge - The minimum annual service charge shall be the amount of the total taxes levied against the Property in the last full tax year in which the Property was subject to full taxation. The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 and the Financial Agreement, would be less than the Minimum Annual Service Charge.

Net Profit - The Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c).

Ordinance - The ordinance adopted by the Township Council adopting the long-term tax exemption for the Property.

Project -- The project to construct an inclusionary residential development consisting of approximately 300 market-rate units and 75 affordable units, for a total of up to 375 residential units on the Property.

Pronouns - Shall mean the masculine, feminine or neuter gender, the singular, as well as, the plural, as proper meaning requires.

Property - The Land and the Improvements, and as otherwise defined in the Recitals.

Redevelopment Plan - The redevelopment plan governing the Property entitled "Moorestown Mall Redevelopment Plan", prepared by Heyer, Gruel & Associates, dated July 26, 2021.

Substantial Completion - The determination by the Township that the Project is ready for the use intended, which ordinarily shall mean the date on which such Project receives, or is eligible to receive, a Certificate of Occupancy. For purposes of this Agreement, the issuance of a Temporary Certificate of Occupancy shall constitute Substantial Completion.

Tax Sale Law - N.J.S.A. 54:5-1 et. seq.

Termination - Any act or omission which by operation of the terms of the Financial Agreement shall cause the Entity to relinquish its tax exemption.

Total Project Cost - The total cost of construction, renovation and/or rehabilitation of the Project as described and set forth in the Application, which shall include all categories of cost provided in N.J.S.A. 40A:20-3(h).

Township - The Township of Moorestown, a municipal corporation of the State of New Jersey, whose principal offices are located at 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057.

**1.03 Exhibits Incorporated.** The Application (including all exhibits to the Application) is attached to this Financial Agreement as Exhibit B and is incorporated herein and made part hereof.

## ARTICLE II APPROVALS

**2.01 Approval of Tax Exemption.** Pursuant to the Ordinance, any and all Improvements constructed pursuant to this Project shall be exempt from taxation as provided for herein and under the Long-Term Tax Exemption Law. In accordance with the Long-Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12, such tax exemption shall constitute a single continuing exemption from local property taxation for the duration of this Financial Agreement. The Project shall be as described in the Application and the Entity hereby expressly covenants, warrants and represents that the Property, including any Improvements related thereto, shall be under, managed and operated for purposes set forth in the Application and in accordance with the Law.

**2.02 Approval of Entity.** Approval hereunder is granted to the Entity for the contemplated Project which shall in all respects comply and conform to all applicable statutes of the State of New Jersey and Ordinances and Resolutions of Moorestown Township and the Moorestown Township Planning Board as amended and supplemented, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof. The Entity represents that its Certificate of Formation as attached hereto contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the New Jersey State Department of Community Affairs, and has been filed with, as appropriate, the New Jersey State Department of Treasury, all in accordance with N.J.S.A. 40A:20-5.

## ARTICLE III DURATION AND TERMINATION OF AGREEMENT

**3.01 Term.** It is understood and agreed by the parties to the Financial Agreement that the tax exemption granted hereunder shall commence on the date of Substantial Completion of the Project and shall remain in effect until the occurrence of the earlier of any of the following events: (i) the expiration of a thirty (30) year period commencing on the date of Substantial Completion of the Project as may be extended, but in no event longer than thirty-five (35) years from the date of execution hereof; (ii) the Entity's voluntary termination of this Financial Agreement in accordance with the requirements of Section 3.02; or (iii) the occurrence of a Default as set forth within this Financial Agreement. Upon the expiration of the tax exemption provided for herein, all restrictions and limitations of this Financial Agreement imposed upon the Entity and the Property, including the Improvements related thereto, shall terminate upon the end of the fiscal year of the Entity in accordance with N.J.S.A. 40A:20-13 and the Improvements and Land shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township; provided, however, that: (i) the requirement to make payment of any Annual Service Charge due and owing hereunder; (ii) the requirement to make payment to the Township of any reserves, Net Profit, or Excess Net Profit; and, (iii) any and all related remedies available to the Township shall survive the termination of this Financial Agreement; and further provided that the Entity has rendered, and that the Township has accepted, the Entity's final accounting in accordance with N.J.S.A. 40A:20-12.

**3.02 Voluntary Termination of Agreement by Entity.** At any time after the expiration of one (1) year from the date of Substantial Completion of the Project, the Entity may voluntarily terminate this Financial Agreement and relinquish its status as an urban renewal entity under the Long-Term Tax Exemption Law. If that occurs, the date of termination shall be deemed to be the close of the fiscal year of the Entity and the procedure for the apportionment of any taxes and/or Annual Service Charges, as applicable, shall be the same as would otherwise be applicable to any other property located within the Township upon a change in the exemption or tax status of such property.

#### **ARTICLE IV ANNUAL SERVICE CHARGE**

**4.01 Commencement of Annual Service Charge.** In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge in the manner and in the amounts set forth herein. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the lesser of the highest rate of interest permitted under applicable New Jersey law or the rate then being generally assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

**4.02 Payment of Annual Service Charge.** The Annual Service Charge shall be due on the first quarter following the date of Substantial Completion of the Project in accord with Section 4.06. The Annual Service Charge will be prorated based upon the date of Substantial Completion in the year in which the Annual Service Charge begins and terminates.

**4.03 Annual Gross Revenue.** (a) The Annual Gross Revenue shall be calculated as set forth within N.J.S.A. 40A:20-3(a).

(b) If the Entity charges for the parking spaces on the Property, the Entity must report this as other revenue generated from the Project and include it within its annual gross revenue calculations for purposes of paying the Annual Service Charge set forth within Section 4.04 herein.

(c) Annual Gross Revenue from the Project shall include all revenue from the Project for a subject year, including but not limited to revenue from the Affordable Housing Units and revenue from parking.

**4.04 Calculation of Annual Service Charges.** The Annual Service Charge for the initial fifteen (15) years of the Financial Agreement shall be the amount equivalent to 12.5 percent of the Annual Gross Revenue generated from the Project. The Annual Service Charge for the remaining period of the Financial Agreement shall be determined as follows, pursuant to N.J.S.A. 40A:20-12(b)(2):

4.04.1 During year sixteen (16) through year twenty-one (21) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or twenty (20%) of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater;

4.04.2 During year three (3) through year twenty-six (26) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or forty (40%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater;

4.04.3 During year twenty-seven (27) through year twenty-eight (28) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or sixty (60%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater; and

4.04.4 During year twenty-nine (29) through year thirty (30) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or eighty (80%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater. Thereafter, the Project would be taxed as a regular assessment pursuant to law.

In no event shall the Annual Service Charge, excluding taxes on the Land, in any year after the commencement of the payment of Annual Service Charges be less than the Minimum Annual Service Charge.

**4.05 Land Taxes.** The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity shall be entitled to a credit for the amount, without interest, of the Land Tax Payments made in the last four (4) preceding quarterly installments against the Annual Service Charge.

**4.06 Annual Service Charge Installments.** Payment of the Annual Service Charge shall be paid to the Township on a quarterly basis on February 1, May 1, August 1 and November 1 of each applicable year, subject, nevertheless, to adjustment for over or underpayment within ninety (90) calendar days after the close of each calendar year. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the rate of interest permitted under applicable New Jersey law and then being assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

**4.07 Administrative Fee.** In addition to the Annual Service Charge, the Entity shall pay to the Township an administrative fee of two (2%) percent of the initial Annual Service Charge for the processing of the tax abatement application in accordance with N.J.S.A. 40A:20-12b. of the Long-Term Exemption Law (the "Administrative Fee"). The Entity shall pay to the Township the Administrative Fee within thirty (30) days of the execution of this Financial Agreement.

**4.08 Material Conditions and Severability.** It is expressly agreed and understood that all payments of Annual Service Charges and any interest payments, penalties or costs of collection due thereon and payment of Land Taxes, if applicable, and water and sewer charges, are material conditions of this Financial Agreement (hereinafter referred to as "Material Conditions"). If any other term, covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by law.

**4.09 Payments.** Neither the Entity nor the Township may alter the amounts or dates as established in this Article IV, other than as set forth herein.

**4.10 Annual Service Charge as Municipal Lien.** The Annual Service Charge and all other related municipal charges shall be a continuous, municipal lien on the Land and Improvements and any subsequent Annual Service Charge, including any interest, penalties or costs of collection thereof, shall be added and shall relate back to and part of the initial municipal lien. The Entity hereby acknowledges, understands and agrees that the Annual Service Charge shall constitute an automatic, enforceable and perfected statutory

municipal lien for all purposes, including specifically and without limitation, the Federal bankruptcy code, regardless of whether the amount of the Annual Service Charge has been determined.

4.11 **Percentage of Annual Service Charge Paid to County.** Upon receipt, the Township shall remit five (5%) percent of the Annual Service Charge that it collects to Burlington County, pursuant to N.J.S.A. 40A:20-12.

#### ARTICLE V ADDITIONAL PROJECT COVENANTS

5.01 **Improvements to be Constructed.** The Entity represents that it will construct certain improvements on the Property, consisting of the construction of three hundred seventy-five (375) total rental units, of which seventy-five (75) would be Affordable Housing Units on the Property, all as described more fully within the Application. The Entity represents that it will construct, renovate and/or rehabilitate the Project in accordance with the Redevelopment Plan and with the Project description set forth within the Application.

5.02 **Ownership, Management and Control.** The Entity represents that it shall take title to the Land upon which the Project is to be constructed prior to undertaking any construction thereon and prior to this tax exemption taking effect. Once the Entity takes title to the Land, it shall provide a copy of the recorded Deed to the Township.

5.03 **Obligation to Maintain Affordability Control on Affordable Housing Units.** The Entity warrants and agrees that during the term of this Financial Agreement, it shall maintain the affordability controls on all of the Affordable Housing Units operated as part of this Project. The failure of the Entity to comply with this obligation leading to an uncured event of default following receipt of a Default Notice shall be grounds for termination of this Financial Agreement.

#### ARTICLE VI CERTIFICATE OF OCCUPANCY

6.01 **Certificate of Occupancy.** It is understood and agreed by the parties that it shall be the obligation of the Entity to make all good faith efforts to obtain a Certificate of Occupancy for the Property and the Improvements related thereto in a timely manner.

6.02 **Filing of Certificate of Occupancy.** It shall be the primary responsibility of the Entity to forthwith file with both the Township Tax Assessor and the Township Tax Collector a copy of the Certificate of Occupancy.

#### ARTICLE VII TOWNSHIP DETERMINATIONS

7.01 **Benefits and Importance of Tax Exemption.** In accordance with the Long-Term Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the Township finds and determines that this Financial Agreement benefits the health, welfare and financial well-being of the Township and its citizens because it allows for the construction and operation of Affordable Housing Units within the Township, thereby assisting the Township in satisfying its affordable housing obligations.

7.02 **Additional Determinations.** Additionally, the Township has determined that:

7.02.1 the benefits of the Project, including the construction and operation of the Affordable Housing Units on the Property and the economic benefit that this housing development will have upon the community, outweigh any costs associated with the tax exemption; and

7.02.2 without the tax exemption granted herein, the Project would not otherwise be undertaken.

## **ARTICLE VIII REPORTS AND AUDITS**

8.01 **Accounting System.** The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

8.02 **Total Project Cost Audit.** Within ninety (90) calendar days after the Substantial Completion of the Project, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, supported by a certification of the licensed architect for the Project as required by N.J.S.A. 40A:20-3(h)(4).

8.03 **Annual Audit.** Within ninety (90) calendar days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Financial Agreement shall continue in effect, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised and submit to the Township Council and the Division of Local Government Services of the New Jersey State Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year certified by an independent certified public accountant. The Auditor's Report shall clearly identify and calculate the Annual Gross Revenue and Net Profit for the Entity during the previous year. The Entity agrees to calculate its Net Profit pursuant to N.J.S.A. 40A:20-3(c). The Entity assumes all costs associated with preparation of the annual Auditor's Report.

8.04 **Limitation on Profits and Reserves.** During the period of tax exemption, as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. Pursuant to N.J.S.A. 40A:20-3(c), this calculation shall be completed in accordance with generally accepted accounting principles.

8.05 **Payment of Dividend and Excess Profit Charge.** In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within ninety (90) calendar days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional service charge. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to N.J.S.A. 40A:20-3(c) and N.J.S.A. 40A:20-15. The parties agree that any excess Net Profit will be paid to the Township as an additional Annual Service Charge.

8.06 **Disclosure Statement.** On each anniversary date of the execution of this Financial Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each, and such additional information as the Township may request from time to time.

8.07 **Inspection.** The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project, if deemed appropriate or necessary, by representatives duly authorized by the Township and the Division of Local Government Services, State of New Jersey Department of Community

Affairs, pursuant to N.J.S.A. 40A:20-9(e). It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, following reasonable advance written notice, in the presence of an officer or agent designated by the Entity. In the event that the audit or inspection results in a determination that there is an additional amount due to the Township under the terms of this Agreement, the reasonable costs of the audit and/or inspection shall be the responsibility of the Entity. Otherwise, the Township shall bear its costs incurred associated with the audit or inspection. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

#### **ARTICLE IX** **SALE AND/OR ASSIGNMENT PROVISIONS**

**9.01 Approval.** As permitted by N.J.S.A. 40A:20-10, it is understood and agreed that the Township, on written application by the Entity, may consent to a sale of the Project and the transfer of this Financial Agreement provided: (i) the transferee entity does not own any other project subject to long-term tax exemption at the time of transfer; (ii) the transferee entity is an urban renewal entity formed and eligible to operate under the Law; (iii) the Entity is not then in Default of this Financial Agreement or the Law; (iv) the Entity's obligations under this Financial Agreement are fully assumed by the transferee entity; and (v) the transferee entity agrees to abide by all terms and conditions of this Financial Agreement including, without limitation, the filing of an application pursuant to N.J.S.A. 40A:20-8, and any other terms and conditions of the Township in regard to the Project.

**9.02 Prohibition Against Severing of Improvements from Land.** It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Township Council by ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Lands that are basic to, embraced in or underlying the exempted Improvements.

**9.03 Subordination of Fee Title.** It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges and to the rights of the Township hereunder, to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Financial Agreement.

#### **ARTICLE X** **WAIVER**

**10.01 No Waiver.** Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Entity of any rights and remedies provided by the law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Financial Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Township or the Entity has under law, in equity, or under any provision of this Financial Agreement.

#### **ARTICLE XI** **NOTICE**

**11.01 Notice.** Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, or by commercial overnight courier, as follows:

When sent to the Entity it shall be addressed as follows:

MT Residential Urban Renewal LLC  
2005 Market St, Suite 1000  
Philadelphia, PA 19103

The Entity has an affirmative duty to provide the Township with the new information in the event that the address or the designated party for the Entity changes. The Entity must provide the Township Clerk with the name(s) and address of the registered agent or party authorized to accept service of process on their behalf.

When sent to the Township, it shall be addressed to the Township Clerk and Township Administrator at the Township Municipal Building, 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057, and, if required herein, to the Tax Collector and Tax Assessor, unless prior to the giving of notice the Township shall have notified the Entity otherwise. The notice to the Township shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

## **ARTICLE XII COMPLIANCE**

**12.01 Statutes and Ordinances.** The Entity hereby agrees at all times prior to the expiration or other Termination of this Financial Agreement to remain bound by the provisions of Federal and State law and any lawful ordinances and resolutions of the Township, including, but not limited to the Long-Term Tax Exemption Law and the Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Financial Agreement.

## **ARTICLE XIII DEFENSE/INDEMNIFICATION**

**13.01 Defense/Indemnification.** It is understood and agreed that in the event the Township shall be named as party in any action brought against the Township or the Entity challenging the validity of the Ordinance, this Financial Agreement and the Long-Term Tax Exemption granted herein or in any action brought against the Township or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Financial Agreement and/or the provisions of the Long-Term Tax Exemption Law or any other applicable law, the Entity shall, at its sole cost and expense, defend, indemnify and hold the Township harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting directly from the action of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Financial Agreement, except for any gross negligence or intentional misconduct by the Township or any of its officers, officials, employees or agents. However, the Township maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents.

## **ARTICLE XIV DEFAULT**

**14.01 Default.** Default shall be any material and continuing failure of the Entity to conform to the terms of this Financial Agreement and/or any material and continuing failure of the Entity to perform any material

obligation imposed upon the Entity by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

**14.02 Cure Upon Default.** Should the Entity be in Default of any obligation under this Financial Agreement, the Township shall notify the Entity in writing of said Default (hereinafter referred to as the "Default Notice"). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the Entity shall have thirty (30) days to cure any Default from the date of its receipt of the Default Notice. In the event of any uncured Default, the Township shall have the right to proceed against the Property pursuant to applicable provisions of the Law and the Financial Agreement. Upon any Default in payment of any installment of the Annual Service Charge, the Township shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In-Rem Tax Foreclosure Law.

**14.03 Remedies.** In the event of any dispute between the parties, other than a dispute arising from the failure of the Entity to timely pay any portion of the Annual Service Charge or any other financial obligation required by this Financial Agreement, the parties shall submit the dispute for arbitration to a neutral third party to be selected by mutual consent of the parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the Township in addition to its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by law, including the Tax Sale Law, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the Township to proceed in the above-mentioned manner.

**14.04 Remedies Upon Default Cumulative; No Waiver.** Subject to the other terms and conditions of this Financial Agreement, all of the remedies provided in this Financial Agreement to the Township, and all rights and remedies granted to them by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Financial Agreement shall deprive the Township of any of their remedies or actions against the Entity because of Entity's failure to pay Land Taxes, the Annual Service Charge and/or any applicable water and sewer charges and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges or other charges shall not be construed as a waiver of the right to proceed with In Rem Tax Foreclosure proceedings consistent with the terms and provisions of this Financial Agreement.

**14.05 Termination Upon Default of the Entity.** In the event the Entity fails to cure or remedy the Default, including without limitation a Default as described in Section 14.01, within the time period provided in Section 14.02, the Township may terminate this Agreement upon thirty (30) calendar days written notice to the Entity (the "Notice of Termination").

**14.06 Final Accounting.** Within ninety (90) calendar days after the date of Termination, the Entity shall provide a final accounting and pay to the Township the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and N.J.S.A. 40A:20-15, as well as any excess Net Profits. For the purposes of rendering a final accounting, the Termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**14.07 Conventional Taxes.** Upon Termination or expiration of this Financial Agreement, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be

assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

**ARTICLE XV**  
**MISCELLANEOUS**

**15.01 Oral Representations.** There have been no oral representations made by either of the parties hereto that are not contained in this Financial Agreement. This Financial Agreement, the Ordinance and the Application constitute the entire agreement between the parties regarding the Long-Term Tax Exemption for the Property and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

**15.02 Entire Document.** The Application and all conditions in the Ordinance are hereby incorporated into this Financial Agreement and made a part hereof.

**15.03 Construction.** This Financial Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Financial Agreement to be drawn since counsel for both the Entity and the Township have had the opportunity to review and approve the Financial Agreement.

**15.04 Good Faith.** The Entity and the Township agree that they shall act in good faith in their dealings with each other.

**15.05 Recording.** At the Township's request, this entire Financial Agreement and the Ordinance may be filed and recorded with the Burlington County Clerk by the Entity at the Entity's expense and the Entity shall provide proof thereof to the Township within fifteen (15) calendar days of such filing.

**15.06 Municipal Services.** The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on parity with or superior to the lien for the Land Taxes and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

**15.07 Delivery to Tax Assessor.** Upon the full execution of this Financial Agreement, the Clerk of the Township shall deliver to the Tax Assessor a certified copy of the Ordinance along with an executed copy of this Financial Agreement. Such delivery by the Township Clerk to the Tax Assessor shall constitute the certification as required in accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-12. Upon such delivery, the Township Tax Assessor shall implement the tax exemption granted as of the Effective Date and shall continue to enforce the tax exemption, without further certification by the Township Clerk, until the expiration of the tax exemption in accordance with the terms hereof.

**15.08 Financing Matters.** The financial information required by the final paragraph of N.J.S.A. 40A:20-9 are set forth in the Application.

**15.09 Counterparts.** This Financial Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**15.10 Amendments.** This Financial Agreement may not be amended, changed, modified, altered and/or terminated without the written consent of the parties hereto and the approval of the Township Council.

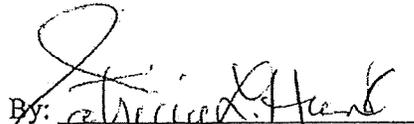
**15.11 Settlement Agreement.** The Settlement Agreement between the Parties dated December 10, 2020 shall remain in full force and effect.

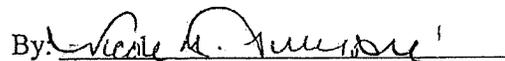
**15.12 Authorization.** Each of the Parties hereto which are business entities represent and warrant that each has complied with all necessary formalities and the undersigned signatory has been duly authorized to execute this Financial Agreement on behalf of such entity.

IN WITNESS WHEREOF, the parties have caused this Financial Agreement to be executed the day and year set forth herein.

WITNESS

TOWNSHIP OF MOORESTOWN

By:   
Name: Patricia L. Hunt  
Title: Township Clerk

By:   
Name: Nicole Gillespie  
Title: Mayor

MT RESIDENTIAL URBAN RENEWAL LLC

By: Moorestown Mall LLC, its sole member

By: PR Moorestown Limited Partnership, its sole member

By: PR Moorestown LLC., its general partner

By: PREIT Associates, L.P., its sole member

By: Pennsylvania Real Estate Investment Trust, its  
general partner

By:   
Name: Andrew M. Ioannou  
Title: Executive Vice President



Exhibit A

D'

**TOWNSHIP OF MOORESTOWN**

**ORDINANCE NO. 33-2021**

**AUTHORIZING EXECUTION OF FINANCIAL AGREEMENT PURSUANT  
TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1, et seq.  
BETWEEN THE TOWNSHIP OF MOORESTOWN AND  
MOORESTOWN MALL, LLC (C/O PREIT ASSOCIATES, LP)  
(NAME TO BE CHANGED TO MT RESIDENTIAL URBAN RENEWAL, LLC)**

**WHEREAS**, this Ordinance authorizes a Financial Agreement (hereinafter, the "Financial Agreement"), made as of this 25<sup>th</sup> day of October, 2021, between MOORESTOWN MALL, LLC (name to be changed to MT Residential Urban Renewal, LLC), a limited liability company of the State of New Jersey, having its principal office at 2005 Market Street, Suite 1000 Philadelphia, PA 19103, herein designated as the "Entity," and the TOWNSHIP OF MOORESTOWN, a municipal corporation of the State of New Jersey, hereinafter designated as the "Township"; and

**WHEREAS**, this Financial Agreement is authorized by and shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Law"). This Ordinance shall serve as the authorizing ordinance under N.J.S.A. 40A:20-9, which provides: "The agreement shall not take effect until approved by ordinance of the municipality"; and

**WHEREAS**, the Township has adopted a Redevelopment Plan entitled the "Moorestown Mall Redevelopment Plan" by Ordinance 25-2021 on August 9, 2021, which provides for an urban renewal project referred to as Phase IA - Multi-Family Residential Area, including a permitted principal use of 375 residential units with a 20% set aside for 75 affordable family rental units (hereinafter, the "Project"); and

**WHEREAS**, the Project is included in the Township's Housing Element and Fair Share Plan adopted December 3, 2020 as a site to address a portion of the Township's unmet affordable housing need and is part of an Affordable Housing Settlement Agreement between the Township and PREIT-related entities dated December 10, 2020 ("Settlement Agreement"). This Financial Agreement is included as Section 5.2 of the Settlement Agreement; and

**WHEREAS**, the Entity submitted its application in accord with the Law on or about September 3, 2021, including a draft form of the Financial Agreement, which has been negotiated as to form with the Township, a copy of which is attached hereto and incorporated herein by reference; and

**WHEREAS**, the Township finds that the development of the Project creates a substantial benefit to the Township when compared to costs, if any, associated with the tax exemption granted herein and, further finds that such tax exemption is of significant importance in obtaining the development of the Project. The Township also finds that the Project would not be built without this Financial Agreement; and

**WHEREAS**, the Project to be constructed by the Entity shall be exempt from taxation on its improvements in accordance with the provisions of the Law and in the manner provided by this Financial Agreement for a term of thirty (30) years from the completion of the entire Project but not more than thirty-five (35) years from the execution of this Financial Agreement, and only so long as the Entity and the Project remain subject to the provisions of the Law and complies with this Financial Agreement; and

**WHEREAS**, in consideration of the aforesaid exemption from taxation on improvement(s), the Entity, its successors and assigns shall make payment to the Township in accord with the Financial Agreement authorized herein, and the Annual Service Charge shall be paid to the Township on a quarterly basis in a manner consistent with the Township's tax collection schedule; and

**WHEREAS**, against the Annual Service Charge the Entity shall be entitled to credit for the amount, without interest, of the real estate taxes on the Project's land paid or that would have been due by it or by the owner of the Project's land in the last four (4) preceding quarterly installments; and

**WHEREAS**, the Entity shall submit auditor's report and shall be subject to inspection under the terms of the Financial Agreement.

**NOW, THEREFORE, BE IT ORDAINED**, by the Township Council of the Township of Moorestown, County of Burlington, and State of New Jersey, as follows:

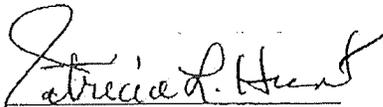
- Section 1.** Authorization. The Township hereby authorizes the Financial Agreement, in substantial conformance with the form attached hereto and subject to final review and approval of the Township Attorney. The Township further authorizes and directs the Mayor and Township Clerk to execute and witness same. The Township Manager, Officials, and Attorney are further authorized and directed to carry out such acts as may be necessary to effectuate the terms of this Financial Agreement.
- Section 2.** Repealer. Any and all other ordinances inconsistent with any of the terms and provisions of this ordinance are hereby repealed to the extent of such inconsistency.
- Section 3.** Severability. In the event that any section paragraph, clause phrase, term, provision or part of this ordinance shall be adjudged by a court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not effect, impair or invalidate the remainder thereof, but shall be confined in its operation to the section, paragraph, clause, term, provision or part thereof directly involved in the controversy in such judgment shall be rendered.
- Section 4.** Effective Date. This ordinance shall take effect upon proper publication and in accordance with law.

**Section 5.** Short Title. This Ordinance shall be known as Ordinance No. 33-2021.

CERTIFICATION

I, Patricia L. Hunt, Township Clerk, hereby certify that the attached is a true and correct copy of Ordinance No. 33-2021 which was introduced and adopted on first reading on September 27, 2021 and heard on second reading and was duly adopted by the Township Council of the Township of Moorestown, County of Burlington, State of New Jersey at a meeting of the Township Council held on October 25, 2021.

VOTE:	
GILLESPIE	YES
MAMMARELLA	YES
LAW	YES
VAN DYKEN	YES
ZIPIN	YES

  
Patricia L. Hunt, RMC  
Township Clerk

# Exhibit B

**TOWNSHIP OF MOORESTOWN  
COUNTY OF BURLINGTON**

**APPLICATION FOR  
LONG TERM TAX ABATEMENT PURSUANT TO THE LONG TERM TAX  
EXEMPTION LAW (N.J.S.A. 40A:20-1 et seq.).**

**A. APPLICANT AND PROFESSIONAL CONTACT INFORMATION:**

**1. Applicant Name , Address, Phone and Email:**

Property Owner:

Moorestown Mall LLC  
c/o PREIT Associates, LP  
2005 Market St, Suite 1000  
Philadelphia, PA 19103

Attention: Joshua Schrier  
Senior Vice President – Acquisitions  
(215) 875-0436

Urban Renewal Entity formed by PREIT:

*MT Residential Urban Renewal, LLC*

**2. Project Architect's Name, Address, Phone and Email:**

FK Architecture  
2555 Temple Trail  
Winter Park

Ken Linehan, AIA  
Architect and Managing Principal  
(407) 629-0595

**3. Project Attorney's Name, Address, Phone and Email:**

Day Pitney LLP  
One Jefferson Road  
Parsippany, NJ 07054-2891

Craig Gianetti  
cgianetti@daypitney.com  
(973) 966-8053

## **A. SUMMARY**

On August 9, 2021 the Township of Moorestown (the "Township") adopted a Redevelopment Plan for Block 3000, Lots 2, 3, 3.01, 3.02 and 5 (the "Plan"). The Plan includes Phase IA Multi-Family Residential Area which includes a permitted principal use of 375 residential units with a 20% set aside for affordable family rental units. The Plan and its execution are critical to the Township for two key reasons. First, it converts the Moorestown Mall into a mixed-use property that reflects changing trends in retail and consumer preferences which allows the mall the opportunity to continue to be the Township's largest taxpayer. Second, the project is included in the Township's Housing Element and Fair Share Plan adopted December 3, 2020 as a site to address a portion of the Township's unmet affordable housing need and is part of an affordable housing settlement agreement between the Township and Pennsylvania Real Estate Investment Trust ("PREIT") related entities dated December 10, 2020 ("Settlement Agreement").

As part of the Settlement Agreement, the Township and PREIT agreed, based upon a fiscal analysis prepared by PREIT and reviewed by the Township, that the significant costs and improvements associated with the development of the property demonstrate a need for a tax abatement pursuant to the Long Term Tax Exemption Law. As a result the Township and PREIT agreed that PREIT would submit and the Township would approve a payment in lieu of taxes ("PILOT") in an amount equal to 12.5% of Aggregate Gross Revenue for a term of 30 years, provided the PILOT application demonstrated a need for the PILOT substantially similar to the prior fiscal analysis. Exhibit D provides a projection comparing the revenue the total revenue expected to be generated with and without the redevelopment. Additionally, the table illustrates that the Township budget is likely to receive over \$50 million more as a result of the completion of the Phase IA.

## **B. PROJECT BACKGROUND**

### **1. Project street address and block(s) and lot(s) from tax map.**

Portion of Block 3000 Lot 3  
400 Route 38

Note: This lot will be subdivided and the project will have its own tax lot.

### **2. Identification of the project location, which may be attached as exhibits.**

Exhibit A is a concept plan prepared by Bohler.

### **3. Description of the project and improvements to be made.**

The project will include 375 residential units. The units mix will include 300 market rate, the current concept plan shows a unit mix consisting of 32 studios, 97 1-bedrooms, 154 2-bedrooms, and 17 3-bedrooms. There will also be 75 affordable units, the current concept plan shows 15 1-bedrooms, 45 2-bedrooms and 15 3-bedrooms. The income distribution of these units will be consistent with the Township's obligations. The project will also include 630 structured parking spaces.

### **4. Status of zoning.**

The Redevelopment Plan was adopted on August 9, 2021.

**C. FINANCIAL INFORMATION**

**1. Provide current assessments and taxes paid at the project site for each tax lot.**

The current assessment of the property is:

Land	\$	16,747,500
Improvement	\$	88,752,500
Total	\$	105,500,000

The project paid \$2,854,830 in taxes in 2020.

This Phase of the project represents 6.25 acres which represents 13% of the 47.85 acres of land that make up the total site. The taxes associated with this proportionate share of the land value is \$59,194.

**2. Detail the type and structure of tax abatement requested.**

Consistent with the Affordable Housing Settlement Agreement attached as Exhibit B, the PILOT will be 12.5% of Aggregate Gross Revenue for a term of 30 years.

**3. Detail the sources and structure of financing for the project. Specifically, the source, method and amount of money to be subscribed through the investment of private capital, setting the amount of stock or other securities to be issued therefor or the extent of capital invested and the proprietary or ownership interest obtained in consideration therefor.**

The project will be funded with a combination of debt and equity. The current expectation is that debt will make up approximately \$86,589,000 (70% of the total project cost) and the balance of funds will be equity.

**4. Provide project site acquisition and construction costs as prepared and certified to by a qualified architect or engineer.**

The total project costs are expected to be \$121,200,000 made up as follows:

Land	\$11,968,500
Soft Costs	\$13,509,851
Hard Costs	\$87,966,068
Contingency	\$4,753,303
Financing Costs	\$3,002,278
<b>Total</b>	<b>\$121,200,000</b>

Architect's statement is attached as Exhibit C

**5. Provide projected gross annual revenues and expenses.**

Please see Fiscal Plan attached as Exhibit D.

**6. Provide an estimate of the expected municipal revenue to the Township with the redevelopment and without the redevelopment.**

Please see Fiscal Plan attached as Exhibit D.

**7. Provide an estimate of the total number of jobs to be created, both temporary and permanent, at the project site.**

Please see Fiscal Plan attached as Exhibit D.

**8. Provide a proposed financial agreement conforming to the provisions of the Long Term Tax Exemption Law.**

Please see form of Financial Agreement attached as Exhibit E.

**D. CERTIFICATES, DISCLOSURES AND STATEMENTS**

**1. Urban Renewal Entity Disclosure Form submitted to the Department of Community Affairs with Certificate of Formation.**

Attached hereto as Exhibit F.

**2. Certification of Construction Commencement.**

Attached hereto as Exhibit G.

**3. Certification of Truthfulness and Diligent Inquiry.**

Attached hereto as Exhibit H.

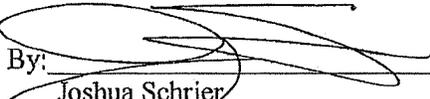
[SIGNATURE PAGE TO FOLLOW]

*[Application Signature Page]*

Moorestown Mall LLC, a Delaware limited liability

By: PREIT Services LLC, its managing agent

Date: 9/3/21

By:   
Joshua Schrier  
Senior Vice President

**EXHIBIT A**  
**[Concept Plan]**





**EXHIBIT B**  
**[Affordable Housing Settlement Agreement with PREIT]**

**AFFORDABLE HOUSING SETTLEMENT AGREEMENT**

**THIS AFFORDABLE HOUSING SETTLEMENT AGREEMENT** ("Agreement") is made this 10<sup>th</sup> day of December, 2020, by and between:

**TOWNSHIP OF MOORESTOWN**, a municipal corporation of the State of New Jersey, County of Burlington, having an address at 111 W 2<sup>nd</sup> Street, Moorestown, New Jersey 08057 ("**Township**"); and

**MOORESTOWN MALL, LLC**, a Delaware limited liability company with a business address of 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103 (the "**MM**"); and

**PR MOORESTOWN ANCHOR-L&T, LLC**, a New Jersey limited liability company with a business address of 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103 (the "**PRLT**"); and

**PR MOORESTOWN ANCHOR M, LLC**, a New Jersey limited liability company with a business address of 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103 (the "**PRM**", together with MM and PRLT collectively defined as "**Developer**")

Collectively, the Township, Board and Developer shall be referred to as the "**Parties**." All references to Developer shall include its successors, affiliates and assigns.

**WHEREAS**, the Township filed a declaratory action with the Superior Court of New Jersey ("**Court**"), entitled In the Matter of the Township of Moorestown, County of Burlington, Docket No. BUR-L-1604-15 (the "**Declaratory Action**"), seeking a declaration of its compliance with the *Mount Laurel* doctrine and the Fair Housing Act of 1985, N.J.S.A. 52:27D-301, et seq., in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015); and

**WHEREAS**, the Township entered into a Settlement Agreement with Fair Share Housing Center ("**FSHC**") dated March 18, 2018, revised on June 10, 2019 and again on November 11, 2019, that determines the Township's affordable housing obligation and the means of addressing such obligations (the "**FSHC Settlement**"), which allowed for a vacant land adjustment to the Township's affordable housing obligation; and

**WHEREAS**, the Moorestown Township Planning Board (the "**Board**") adopted a Reexamination Report of the Master Plan, dated December 6, 2018, that reviews and analyzes the land use and development policy of the Township, including the need for the implementation of the Housing Element and Fair Share Plan of the Township through ordinance amendment; and

**WHEREAS**, the Board adopted a revised Housing Element and Fair Share Plan (the "**Fair Share Plan**"), as well as a modified Land Use Plan Element of the Master Plan on December 5, 2019, that addresses the Township's affordable housing obligations; and

**WHEREAS**, the Developer, collectively, are the owners of the Moorestown Mall in the Township, containing approximately 84.023 acres and designated as Block 3000, Lots 2, 3, 3.01,

3.02 and 5 on the Tax Map of the Township (the "*Property*"), which contains a shopping mall known as the Moorestown Mall (the "*Mall*");

WHEREAS, the Property is identified in the FSHC Settlement and the Township's Fair Share Plan as a site available for a mixed-use development that provides for up to 1,065 residential units, of which 20% or up to 213 would be affordable units as a means to address a significant portion of the Township's "unmet need" for affordable housing based upon the Township's vacant land adjustment; and

WHEREAS, the Township subsequently introduced Ordinance 2-2020 on January 27, 2020 proposing to rezone the Property with an "overlay zone" to allow for a mixed-use development that could provide up to 213 affordable units, but only if the existing Mall on the Property were demolished (the "*Rezoning Ordinance*"); and

WHEREAS, the Developer objected to the Rezoning Ordinance on the grounds that the Rezoning Ordinance includes zoning standards and restrictions, which it argued rendered the creation of affordable housing on the Property unrealistic; and

WHEREAS, the Developer submitted an objection to the Court as part of the Township seeking a Judgment of Compliance in connection with the Declaratory Action ("*Developer's Objection*") on these and other grounds; and

WHEREAS, the Court did not rule on the Judgment of Compliance and directed the parties to mediation with the court-appointed special master to resolve the dispute with respect to the future development of the Property; and

WHEREAS, as a result of mediation with the Township, Developer, FSHC and the special master, the Township and Developer have come to an agreement that contemplates the adoption of a Redevelopment Plan to permit a three-phased mixed-use inclusionary development on the Property which provides for up to 1,065 residential units, including up to 213 affordable housing units, and a full-service hotel, while maintaining parts of the existing shopping Mall on the Property (the "*Overall Development*"), as generally shown in the concept plans attached as **Exhibit A** (the "*Overall Concept Plan*"), all of which may be developed and constructed by successors and assigns of Developer; and

WHEREAS, as a result of negotiations, the parties have come to a resolution of Developer's Objection by proposing that the Township designate the Property as an "area in need of redevelopment", (i) adopt a Redevelopment Plan that permits the Overall Development as set forth on the Overall Concept Plan and (ii) enter into a Financial Agreement with the Developer to permit a Payment in Lieu of Taxes on the Property through the Long Term Tax Exemption Law, N.J.S.A. 40A-20.1, et seq. (the "*LTTE Law*"); and

WHEREAS, this Agreement is intended to memorialize the terms of the Parties' agreement to resolve the Developer's Objection; and

**NOW, THEREFORE**, in consideration of the promises and the mutual obligations set

forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereto, each binding itself, its successors, affiliates and assigns, agree as follows:

#### ARTICLE I – PURPOSE

1.1 The purpose of this Agreement is to create an opportunity for the construction of affordable housing by creating zoning incentives for redevelopment and the production of affordable housing.

1.2 For the purposes of settlement only the Parties acknowledge PREIT's position that that portions of the Property are available, approvable, developable and suitable for the proposed Development as those terms are used in the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et seq. ("*FHA*") and Council on Affordable Housing ("*COAH*") regulations, for the use permitted by this Agreement. The Township is not aware of any water or sanitary sewer capacity issues that would impact the Development.

1.3 For the purposes of settlement only the Parties acknowledge the Township's position that the 0.50 floor area ratio in Phase One is in excess of the underlying zoning of 0.40, but was acceptable to the Township recognizing the reduction to the 0.40 floor area ratio in Phases Two and Three.

#### ARTICLE II – BASIC TERMS AND CONDITIONS

2.1 In the event of any legal challenges to the Required Approvals (as defined in Section 5.3), including a challenge by any third party, the Developer and, to the extent applicable, the Township shall diligently defend any such challenge and shall cooperate with each other regarding said defense. In addition, except as provided for in Section 7.5 if any such challenge results in a modification of this Agreement or of the Overall Development, the Parties must negotiate in good faith with the intent to draft a mutually-acceptable amendment to this Agreement.

2.2 This Agreement is to resolve Developer's Objection and any other issues the Developer may have relating to the Declaratory Action.

2.3 If necessary, this Agreement may be subject to approval by the Federal Bankruptcy Court of the District of Delaware.

2.4 Developer represents that the it or the parties to this agreement own and/or control the entire site as calculated in Exhibit B as 84.0235 acres and that no third party can challenge the validity of this agreement by way of preexisting ownership or development rights, which are inconsistent with the terms of this Agreement. The provision does not apply to any entities that Developer has contracted with for purposes of development per the terms of this agreement.

#### ARTICLE III – REZONING

3.1 **Redevelopment Plan:** As provided for in Section 5.1, the Township shall incorporate the zoning discussed below, including the Affordable Housing Requirement in Section 4.2, for the Property in a redevelopment plan prepared by the Township in cooperation between

the Developer and adopted by the Township with the consent of the developer, which consent shall not be unreasonably withheld.(the "*Redevelopment Plan*") pursuant to the Local Redevelopment & Housing Law, N.J.S.A. 40A:12A-1, et seq. ("*LRHL*"). The Redevelopment Plan shall permit, in addition to the uses allowed for in the existing zoning for the Mall, a residential inclusionary development and a full-service hotel, in three separate phases, on the Property substantially in accordance with the Overall Development and the Overall Concept Plan as further described below. Nothing herein shall preclude Developer from seeking site plan approval for modifications to the Mall in accordance with the existing zoning (which shall be incorporated into the Redevelopment Plan). In connection with any residential development on the Property, the Redevelopment Plan for the Property shall require the Property to be developed in three distinct phases, and in accordance with certain requirements, each as set forth below:

**3.1.1 Phase One.** In the first phase of the Overall Development ("*Phase One*"), the Redevelopment Plan shall permit the Developer to develop the Property, without the need for any demolition or decommissioning of any portion of the Mall, with (A) 375 residential units (including 75 affordable family rentals) in a multi-family apartment building that is 4-stories with structured parking (the "*Phase One Inclusionary Apartment Building*"); and (B) a separate and distinct full-service, detached hotel (the "*Full-Service Hotel*"), each generally shown on the Overall Concept Plan. The permitted uses shall include, but not be limited to, any principal or accessory use permitted in the SRC district; medical offices for persons principally engaged in providing services for health maintenance, diagnosis (including testing) and treatment of human diseases, pain or other physical or mental condition of patients by physicians or other licensed health care professionals, solely on an outpatient basis, but not to include a behavioral health care center, or the testing or treatment of overnight patients; municipal use or purpose, open space, and performing arts theaters. Phase One shall also include not yet built pad sites with preexisting approvals as identified in the Overall Concept Plan (the "*Pad Sites*"). The floor area ratio of the Property for Phase One, including the existing Mall, the Inclusionary Apartment Building, the Full-Service Hotel, and the Pad Sites shall not exceed .50. The projected floor area ratio for Phase One as shown on the Overall Concept Plan is calculated in **Exhibit B**, which was based upon PREIT's calculation of building sizes and its representation as to the accuracy of those calculations in conjunction with an ALTA survey, which is also included in Exhibit A. The floor area ratio calculation shall include decommissioned space as floor area. The Parties recognize that Phase One Inclusionary Apartment Building and Full-Service Hotel will be the subject of separate site plan applications independent of each other. Phase One of the Overall Development can stand on its own without the need for future development of Phase Two and Phase Three (defined below). Phase Two and /or Phase Three shall proceed at Developer's sole discretion, provided they are in conformance with the Redevelopment Plan

**3.1.2 Phase Two.** The Redevelopment Plan shall permit the Developer to develop the second phase of the Overall Development of the Property with

an additional 345 residential units (including 69 affordable family rentals) (“Phase Two”) in a four-story multi-family apartment building, which may or may not include structure parking (the “Phase Two Inclusionary Apartment Building”), in the area on the Property designated as “Development Area A” on the Concept Plans. The floor area ratio of the Property for Phase Two shall revert back to no more than 0.40.

**3.1.3 Phase Three.** The Redevelopment Plan shall permit Developer to develop the third phase of the Overall Development of the Property with an additional 345 residential units (including 69 affordable family rentals) (“Phase Three”) in a four-story multi-family apartment building, which may or may not include structured parking (the “Phase Three Inclusionary Apartment Building”), in the area on the Property designated as “Development Area B” on the Concept Plans. The floor area ratio of the Property for Phase Three shall not exceed 0.40. The Parties recognized that at least initially, the existing portion of the Mall identified for Phase Three on the Overall Concept Plan, may be repurposed for medical office or use to be permitted by the Redevelopment Plan. For instance, Developer can build Phase One but still propose changes to the Mall so long as the changes comply with the Redevelopment Plan and development standards for Phase One.

**3.1.4 Floor Area Ratio.** When calculating floor area ratio for the Property, the calculation shall apply gross floor area to the 84.023 acre Property as a whole and not only to a particular phase or portion of the Property, and decommissioned space shall be considered “floor area” in calculating floor area ratio.

**3.2 Timing of Rezoning / Redevelopment Area:** Either simultaneously with or prior to the Township’s approval of this Settlement Agreement, the Township Council shall adopt a resolution directing the Board to conduct a preliminary investigation of the Property to determine whether it meets the criteria to be designated as a Non-Condemnation Area in Need of Redevelopment (as defined in N.J.S.A. 40A:12A-5) (“Redevelopment Area Investigation”) in accordance with the LRHL. The Board shall complete the Redevelopment Area Investigation within sixty (60) days of the Township Council’s resolution directing the Redevelopment Area Investigation. Following the Board’s recommendation that the Property be designated as a Non-Condemnation Redevelopment Area (and within thirty (30) days of the same), the Township Council shall adopt a resolution designating the Property as a Non-Condemnation Redevelopment Area (N.J.S.A. 40A:12A-6b(5)(b)).

Provided that PREIT timely provides the Township and/or Planning Board with all information necessary for the redevelopment process, within one-hundred and eighty (180) days of the Township Council’s adoption of the resolution designating the Property as a Non-Condemnation Redevelopment Area, the Township shall introduce, by ordinance in accordance with the LRHL, a Redevelopment Plan for the Property. The Redevelopment Plan, as agreed to between the Township and Developer, shall include the zoning described in Section 3.1 herein. The Redevelopment Plan shall include the Overall Development and Overall Concept Plan and the

standards contained within the Redevelopment Plan shall allow for the development contemplated in the Overall Concept Plan so that such concept plans do not require any variance or waiver relief from the Board. The Board shall review the Redevelopment Plan for consistency with the Master Plan, and within thirty (30) days of introducing the ordinance for the Redevelopment Plan, the Township Council shall conduct a public hearing and approve on second reading the ordinance adopting the Redevelopment Plan. The Redevelopment Plan relative to Phase One will allow for the Phase One Inclusionary Apartment Building and Full-Service Hotel in conjunction with the Mall in a manner generally consistent with the Concept Plan attached hereto as Exhibit A. The Parties recognize that Phase Two and Phase Three are more conceptual at this point and, as a result, that the Redevelopment Plan may contain less prescriptive and less specific standards relative to those phases, with more definitive standards to be worked out between the Developer and the Township in the Redevelopment Plan at a later date.

**3.3 Assignment.** Developer shall is permitted to transfer or partially assign any phase, or portion of any phase, of the Overall Development to third parties in its discretion, subject to notice to and consent of the Township, which consent shall not be unreasonably withheld or delayed. Transfers to any entity that controls, is controlled by or under common control with Developer does not require consent from the Township, though Developer shall provide notice of such transfer. In the event of default by an assignee, such default shall not relieve the assigning party of its obligations under this Agreement.

**3.4** The Parties agree and recognize that Fair Share Housing Center's (FSHC's) support for this settlement and concept is material consideration for the entry of this Agreement.

#### **ARTICLE IV - DEVELOPER OBLIGATIONS**

**4.1 Obligation To File Development Applications In Accordance With Redevelopment Plan and Concept Plans:** It is the intention of the Parties to have the Developer file development applications, which will be consistent with the Overall Concept Plan attached hereto as Exhibit A. Nothing herein shall preclude the Developer from seeking reasonable bulk variances, waivers or *de minimis* exceptions as part of the development applications, which shall reasonably be considered by the Board in accordance with N.J.A.C. 5:93.10.1(b) and N.J.A.C. 5:97-10.3(a)

**4.2 Affordable Housing Requirements.** Developer shall satisfy the affordable housing obligation required in connection with the Overall Development by setting aside twenty percent (20%) of all residential units developed for very low-, low- and moderate-income households as described herein (the "*Affordable Units*"). All Affordable Units shall be non-age-restricted family rental units and shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. ("*UHAC*"), including but not limited to the required bedroom and income distribution, with the sole exception that thirteen percent (13%) of the Affordable Units within each bedroom distribution shall be required to be for very low income households earning less than thirty percent (30%) of the median income. Further, the Affordable Units shall be subject to affordability controls of at least 30 years and affordable deed restrictions as provided for by UHAC, which may be extended by the Township provided that the existing PILOT is extended or a new PILOT Agreement is reached.

The Affordable Units shall be integrated with the market units to the extent possible, and the Affordable Units shall not be concentrated in separate building(s) or in separate area(s) from the market units. In buildings with multiple dwelling units, this shall mean that the Affordable Units shall be generally distributed within each building with market units. The residents of the Affordable Units shall have full and equal access to all of the amenities, common areas, and recreation areas and facilities as the market units.

Construction of the Affordable Units shall be phased in compliance with N.J.A.C. 5:93-5.6(d).

**4.3 Obligation To Support Township's Application for Approval of its Affordable Housing Fair Share Plan As May Be Amended.** As it pertains to the Township's application for approval of its Fair Share Plan under the Declaratory Action, as same may be amended, and provided the Township has complied with its obligations herein and is not in default under this Agreement, the Developer shall support the Township's efforts to secure approval of its Fair Share Plan. Provided that the Township has complied with its obligations herein and is not in default under this Agreement, the Developer shall also support the Court's implementation of the Fair Share Plan, as it may be amended in any form, unless the Fair Share Plan deprives the Developer of any rights created hereunder, or unless the Township undertakes any action to obstruct or impede the Developer from securing such approvals as it needs to develop the Development. After the Township adopts a Redevelopment Plan, as agreed to by Developer, and provided further that the Township has not defaulted on the terms of this Agreement or an agreement associated with the Redevelopment Plan (including, but not limited to, the Financial Agreement in Section 5.2), Developer, including all successors in interest and assigns, will be foreclosed, in perpetuity, from challenging the zoning standards for the inclusionary development in Phase 1, Phase Two and Phase Three in the Redevelopment Plan on the grounds of economic feasibility in the context of the Township's continuing obligation to meet its affordable housing obligation. This obligation extends beyond "Round 3" into all future affordable housing rounds, whether or not those rounds are under the jurisdiction of trial courts, COAH, other State Agencies or any other entity having competent jurisdiction.

**4.4 Obligation to Establish Escrow Account.** Within thirty (30) days after the execution of this Agreement, Developer shall enter into an escrow agreement pursuant to the Municipal Land Use Law for the deposit of monies by Developer in escrow with the Township to be utilized to tender payment of reasonable fees for professional services, including legal, engineering, planning services and construction inspection, that are to be provided in conjunction with the Preliminary Investigation, drafting of the Redevelopment Plan, required Board approvals, and the review and construction inspection of the Overall Development and any on or off site improvements of an initial amount of \$35,000.00, less any existing escrow on deposit with the Township." None of the Developer monies placed in escrow pursuant to this Section shall be used towards any fees associated with the Declaratory Action (though the parties recognize the Redevelopment Plan is required for the DJ Action).

**4.5 Obligation for Infrastructure Improvements.** Developer shall be responsible to construct all on-site improvements necessary to supply each phase of the Overall Development, when needed, with utility services. Developer shall be responsible to construct, maintain and

operate said utility improvements that may be required to be constructed on the Property. Developer shall be responsible for all applicable connection fees other than the connection fees for the affordable housing units in accordance with applicable laws.

As part of any site plan approval for a particular phase of the Overall Development, Developer shall be responsible for contributing its pro rata share towards the cost of reasonable and necessary off-site utility improvements that are necessitated for that particular phase of the Overall development in accordance with N.J.S.A. 40:55D-42 and Moorestown Ordinance §158-9F, Off-tract improvements.

#### ARTICLE V - OBLIGATIONS OF THE TOWNSHIP

**5.1 Redevelopment Designation.** The Township shall comply with the requirements of Article 3 concerning the designation of the Property as a Non-Condemnation Redevelopment Area and adoption of the Redevelopment Plan.

**5.2 Payment in Lieu of Taxes.** The Parties acknowledge that, given the significant costs and improvements associated with the Overall Development and Phase One Development, including the production of a structured parking lot, the development of the Phase One Inclusionary Apartment Building at the Property is appropriate for a payment in lieu of taxes ("*PILOT*") under the LTTE Law. Upon adoption of the Redevelopment Plan, in connection with the Phase One Development, Developer shall submit an application to the Township for a PILOT (also known as a Financial Agreement) under the LTTE Law for a maximum term of 30 years. So long as Developer's PILOT application complies with the requirements of the LTTE Law, the Township shall grant the PILOT application and enter into a PILOT agreement (a.k.a Financial Agreement) with the Developer for the Phase One Development for a maximum term of 30 years, which provides for an annual service charge (as defined in the LTTE Law) of 12.5% of gross revenue, within thirty (30) days following Developer's submission of the PILOT application. As the development plans progress for Phase Two and Phase Three, the Township may, but is not obligated to, consider future PILOT applications by Developer in connection with Phase Two and Phase Three.

**5.3 Obligation To Cooperate:** The Township acknowledges that in order for the Developer to construct the Overall Development on the Property, the Developer will be required to obtain any and all approvals and permits from (1) entities, boards or agencies which have jurisdiction over the Parties to this Agreement and the Development contemplated hereby, and (2) all relevant public entities and utilities; such as, by way of example only, the Township, the Board, the County of Burlington, the Burlington County Planning Board, the New Jersey Department of Environmental Protection, and the New Jersey Department of Transportation (collectively, "*Required Approvals*"). The Township agrees to use all reasonable efforts to assist the Developer in its undertakings to obtain the Required Approvals provided that if such cooperation requires the Township or its boards to retain outside professionals at the request of the Developer, the Developer shall be responsible for all reasonable costs for these services through the escrow account contemplated by Section 4.4 above. The Township further agrees to take all necessary, reasonable steps to ensure that the Development obtains adequate water and sewer, including expediting all municipal endorsements and approvals and to ensure that the Developer's sanitary sewer and potable water facilities receive all appropriate approvals from all relevant agencies for

construction, expansion and upgrading so as to be able to serve the Development consistent with Section 4.5 above. The Township further agrees to not oppose, and to the extent necessary support, any attempts by Developer in securing federal Low Income Housing Tax Credits, and similar governmentally sponsored financial incentives and affirmative measures to facilitate the construction of lower income housing.

**5.4 Obligation to Maintain Proposed Re-Zoning of Property:** The Township agrees that if a decision of a court of competent jurisdiction in Burlington County, or a determination by an administrative agency responsible for implementing the FHA, or an action by the New Jersey Legislature, would result in a calculation of an affordable housing obligation for the Township for the period 1987-2025 that would lower the Township's affordable housing obligation below that established by COAH for the period 1987-1999 and/or the Court for the period 1999-2025, the Township shall nonetheless implement the Redevelopment Plan contemplated by this Agreement and take all steps necessary to support the development of the Development contemplated by this Agreement. Further, after adoption of the Redevelopment Plan, the Township shall not seek to extinguish, amend or change the Redevelopment Plan, without Developer's written consent.

**5.5 Obligation to Refrain From Imposing Cost-Generative Requirements.** The Property shall be exempt from cost generative features of the Township Code pursuant to N.J.A.C. 5:93-10.1.

#### **ARTICLE VI – MUTUAL OBLIGATIONS**

**6.1 Obligation To Comply with State Regulations:** The Parties shall comply with any and all Federal, State, County and local laws, rules, regulations, statutes, ordinances, permits, resolutions, judgments, orders, decrees, directives, interpretations, standards, licenses, approvals, and similarly binding authority, applicable to the Development, or the performance by the Parties of their respective obligations or the exercise by the Parties of their respective rights in connection with this Agreement.

**6.2 Mutual Good Faith, Cooperation and Assistance.** The Parties shall exercise good faith, cooperate, and assist each other in fulfilling the intent and purpose of this Agreement, including, but not limited to, the introduction and adoption of the Redevelopment Plan, the Required Approvals, the development of the Property consistent with the terms hereof, and the defense of any challenge with regard to any of the foregoing.

**6.3 Notices:** Any notice or transmittal of any document required, permitted or appropriate hereunder and/or any transmittal between the Parties relating to the Property or this Agreement ("*Notice[s]*") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or recognized overnight or personal carrier such as, for example, United Parcel Service, with certified proof of receipt, and in addition, where feasible (for example, any transmittal of less than fifty (50) pages), by electronic mail. All Notices shall be deemed received upon the date of delivery set forth in such certified proof, and all times for performance based upon notice shall be from the date set forth therein. Delivery shall be effected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days' notice as provided herein:

**TO DEVELOPER:** Pennsylvania Real Estate Investment Trust  
2005 Market Street, Suite 1000  
Philadelphia, PA 19103  
Attn: Lisa Most, General Counsel

**With a copy to:** Craig M. Gianetti, Esq.  
Day Pitney LLP  
One Jefferson Road  
Parsippany, NJ 07054  
Phone: (973) 966 8053  
E-mail: cgianetti@daypitney.com

**With a copy to:** Marc B. Kaplin, Esquire  
Kaplin Stewart Meloff Reiter & Stein, PC  
910 Harvest Drive  
P.O. Box 3037  
Blue Bell, PA

**TO THE TOWNSHIP:** Township of Moorestown  
c/o Municipal Clerk  
111 West Second Street  
Moorestown, NJ 08057  
Phone: 856-914-3000  
Email: phunt@moorestown.nj.us

**With a Copy to:** Michael Edwards, Esq.  
Surenian, Edwards & Nolan LLC  
707 Union Avenue, Suite 301  
Brielle, NJ 08730  
Phone: (732) 612-3100  
E-mail: mje@surenian.com

In the event any of the individuals identified above has a successor, the individual identified shall name the successor and notify all others identified of their successor.

#### **ARTICLE VII - MISCELLANEOUS**

**7.1 Necessity of Required Approvals:** The Parties recognize that the site plans required to implement the Development provided in this Agreement, and such other actions as may be required of the Board or Township under this Agreement, cannot be approved except on the basis of the independent reasonable judgment by the Board and the Town Council, as appropriate, and in accordance with their duties and the procedures established by law. Nothing in this Agreement is intended to constrain that judgment or to authorize any action not taken in accordance with procedures established by law, it being understood that any such action shall be in accordance with procedures established by law.

**7.2 Court Approval.** The Parties acknowledge that this Agreement requires Court approval following a Fairness Hearing as contemplated by Mount Laurel jurisprudence.

**7.3 Release of Claims.** Provided each party fulfills its obligations under this Agreement, the Developer and the Township release each other from all claims, whether known or unknown, as of the date of this Agreement in connection with this Declaratory Action, except nothing herein shall preclude the Developer of challenging any denial, or approval with unreasonable conditions, by the Township or the Board in connection with any of the Required Approvals associated with the Development.

**7.4 Default.** In the event that any of the Parties shall fail to perform any material obligation on its part to be performed pursuant to the terms and conditions of this Agreement, unless such obligation is waived in writing by all of the other Parties for whose benefit such obligation is intended, such failure to perform shall constitute a default of this Agreement. Upon the occurrence of any default, the non-defaulting Party shall provide notice of the default and the defaulting Party shall have a reasonable opportunity to cure the default within forty-five (45) days or such reasonable period of time as may be appropriate. In the event the defaulting Party fails to cure within forty-five (45) days or such reasonable period of time as may be appropriate, the Party(ies) for whose benefit such obligation is intended shall be entitled to exercise any and all rights and remedies that may be available in equity or under the laws of the State of New Jersey, including the right of specific performance to the extent available.

**7.5 Unseverability:** It is intended that the material provisions of this Agreement are not severable. If any material provision of this Agreement shall be fully adjudged by a court (including all appeals) to be invalid, illegal or unenforceable in any respect, the entire Agreement becomes invalid, illegal or unenforceable and the Parties shall be returned to their respective positions.

**7.6 Successors Bound:** The provisions of this Agreement and the obligations and benefits hereunder shall be binding upon and inure to the benefit of the Parties, their successors, affiliates and assigns, including any person, corporation, partnership or other legal entity which at any particular time may have a fee title interest in the Property which is the subject of this Agreement. This Agreement may be enforced by any of the Parties, and their successors, affiliates and assigns.

**7.7 Governing Law:** This Agreement shall be governed by and construed by the laws of the State of New Jersey.

**7.8 No Modification:** This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties or, in the event of a partial assignment reference above in Section 3.3, signed by the assignee whose rights and obligations are affected by such modification, amendment, or alteration.

**7.9 Effect of Counterparts:** This Agreement may be executed simultaneously in one (1) or more facsimile or PDF counterparts, each of which shall be deemed an original. Any facsimile or PDF counterpart forthwith shall be supplemented by the delivery of an original counterpart pursuant to the terms for notice set forth in this Agreement.

**7.10 Voluntary Agreement:** The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possesses the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth in this Agreement.

**7.11 Interpretation:** Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties, and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (a) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (b) it has conferred due authority for execution of this Agreement upon the person(s) executing it.

**7.12 Schedules:** Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.

**7.13 Entire Agreement:** This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior oral and written agreements between the parties with respect to the subject matter hereof except as otherwise provided.

**7.14 Effective Date:** The effective date ("*Effective Date*") of this Agreement shall be the date upon which the last of the Parties to execute this Agreement has executed and delivered this Agreement.

**7.15 Waiver.** The Parties agree that this Agreement is enforceable. Each of the Parties waives all rights to challenge the validity or the ability to enforce this Agreement. Failure to enforce any of the provisions of this Agreement by any of the Parties shall not be construed as a waiver of these or other provisions.

**7.16 Captions.** The captions and titles to this Agreement and the several sections and subsections are inserted for purposes of convenience of reference only and are in no way to be construed as limiting or modifying the scope and intent of the various provisions of this Agreement.

**7.17 Construction, Resolution of Disputes.** Jurisdiction of any litigation ensuing with regard to this Agreement exclusively shall be in the Superior Court of New Jersey, with venue in Burlington County. Service of any complaint may be effected consistent with the terms hereof for the delivery of "Notices," hereinafter defined. The Parties waive formal service of process. The Parties expressly waive trial by jury in any such litigation.

**7.18 Conflicts.** As to any inconsistencies between the Required Approvals and this Agreement, the Required Approvals shall control.

**7.20 Recitals.** The recitals of this Agreement are incorporated by reference.

[*Signature Pages to Follow.*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be properly executed, their corporate seals affixed and attested and this Agreement to be effective as of the Effective Date.

**MOORESTOWN MALL LLC,**  
a Delaware limited liability company

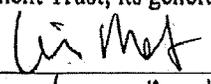
By: PR Moorestown Limited Partnership,  
a Pennsylvania limited partnership, its sole member

By: PR Moorestown LLC,  
a Pennsylvania limited liability company, its general partner

By: PREIT Associates, L.P., its sole member

By: Pennsylvania Real Estate  
Investment Trust, its general partner

Attest:

By:   
Name: Lisa Most  
Title: EVP - General Counsel  
Date: 12/10/2020

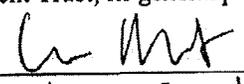
\_\_\_\_\_  
Name:

**PR MOORESTOWN ANCHOR-L&T, LLC,**  
a New Jersey limited liability company

By: PREIT Associates, L.P., its sole member

By: Pennsylvania Real Estate  
Investment Trust, its general partner

Attest:

By:   
Name: Lisa Most  
Title: EVP - General Counsel  
Date: 12/10/2020

\_\_\_\_\_  
Name:

**PR MOORESTOWN ANCHOR-M, LLC,**  
a New Jersey limited liability company

By: PREIT Associates, L.P., its sole member

By: Pennsylvania Real Estate  
Investment Trust, its general partner

Attest:

By: *Lisa Mosh*  
Name: *Lisa Mosh*  
Title: *EVP - General Counsel*  
Date: *12/10/2020*

\_\_\_\_\_  
Name:

Attest:

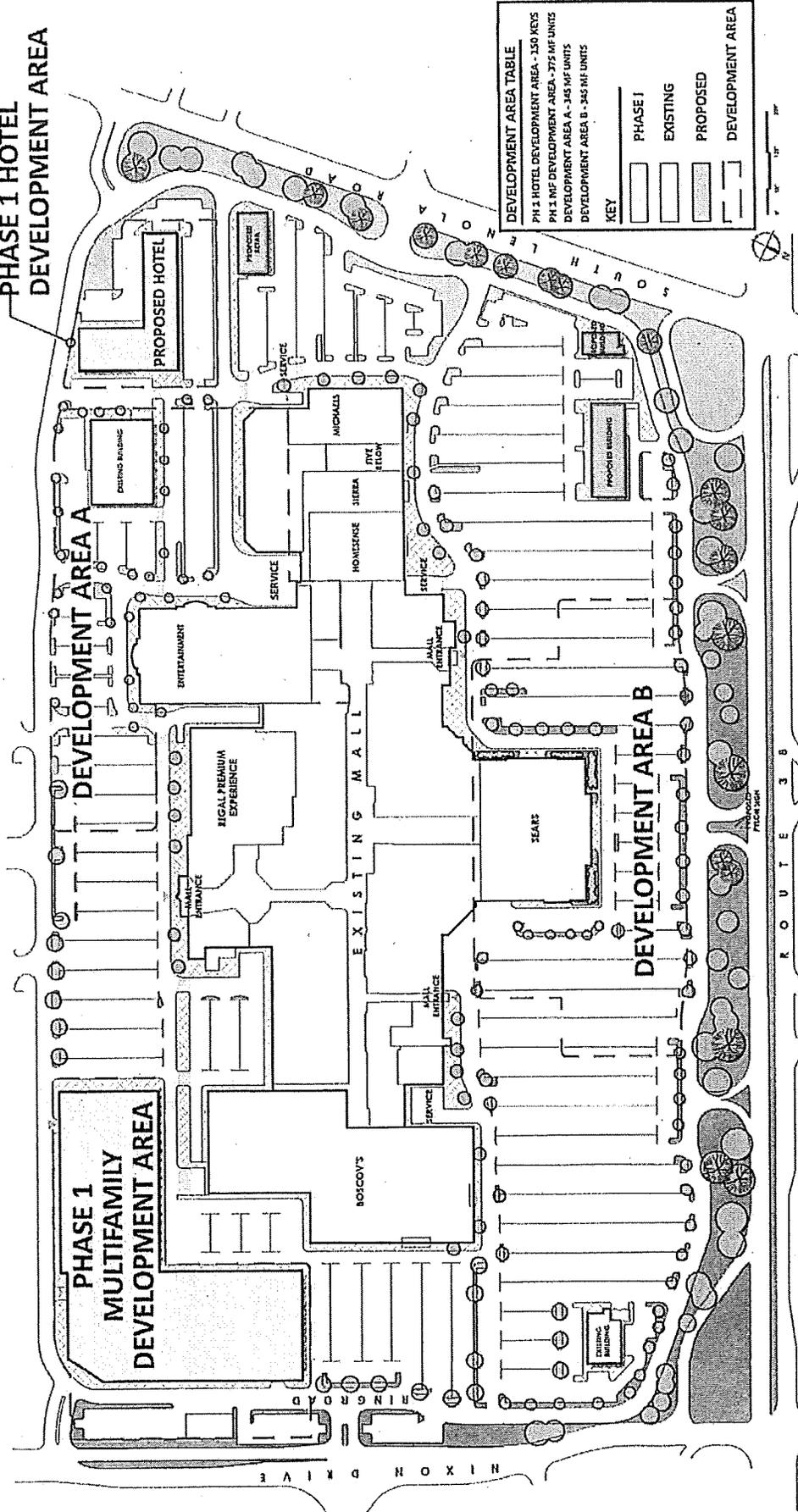
**TOWNSHIP OF MOORESTOWN,**  
A Municipal Corporation of the  
State of New Jersey

*Patricia A. Hunt*  
Name: Patricia Hunt  
Title: Township Clerk

By: *Nicole M. Gillespie*  
Name: Nicole Gillespie  
Title: Mayor  
Date: *December 10*, 2020

**EXHIBIT A**  
to Affordable Housing  
Settlement Agreement

PHASE 1 HOTEL  
DEVELOPMENT AREA

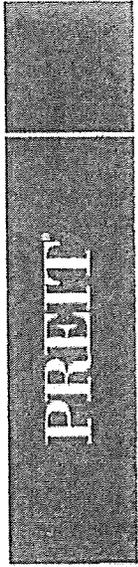


**DEVELOPMENT AREA TABLE**

PH 1 HOTEL DEVELOPMENT AREA - 150 KEYS  
 PH 1 MF DEVELOPMENT AREA - 375 MF UNITS  
 DEVELOPMENT AREA A - 345 MF UNITS  
 DEVELOPMENT AREA B - 345 MF UNITS

**KEY**

[Symbol]	PHASE I
[Symbol]	EXISTING
[Symbol]	PROPOSED
[Symbol]	DEVELOPMENT AREA



WILMINGTON MULTIFAMILY DEVELOPMENT - OVERALL DEVELOPMENT PLAN  
 PREPARED BY  
 PRIME CONSULTANTS  
 2017.05.26

EXHIBIT A

**EXHIBIT B**  
to Affordable Housing  
Settlement Agreement

## **EXHIBIT B**

### Phase One Floor Area Ratio Calculation

**Mall Building = 475,994 SF**

**Boscov's = 202,765 SF**

**Sears = 170,591 SF**

**Sears Auto = 21,555 SF**

**Former Lord & Taylor = 121,200 SF**

**Former Macys = 200,000 SF**

**Existing Out-Parcels = (Good Year) 4,800+ (PEI WEI) 3,010+ (Sprint) 3,934 =  
11,744 SF**

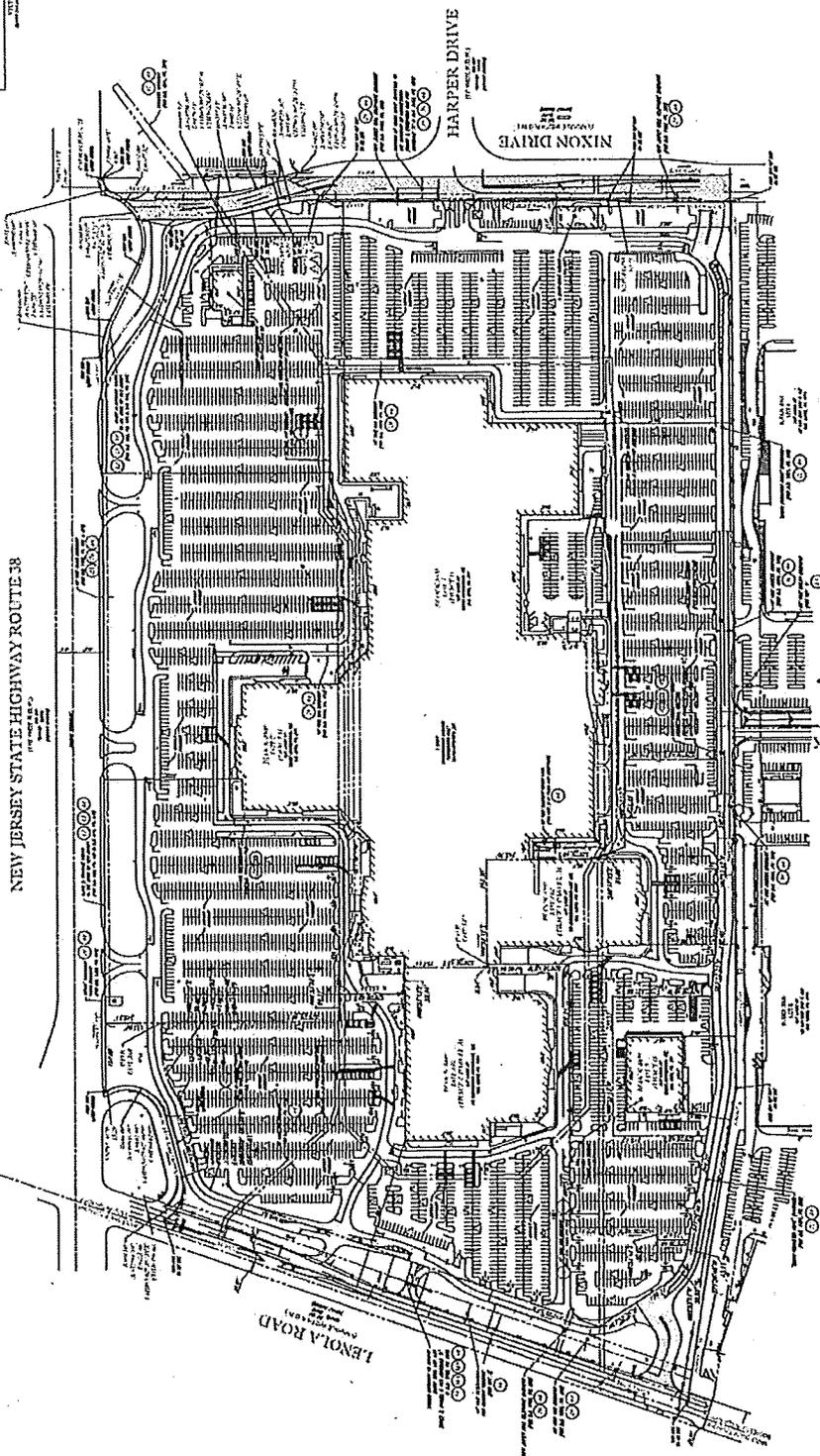
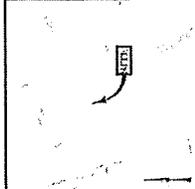
**Approved (not yet built) out-parcels = 25,825+8,025 = 33,850 SF**

**Phase One Hotel = 112,000 SF**

**Phase One Inclusionary Residential Development (375 units) = 412,500 SF**

**Total = 1,845,195 SF**

**Floor Area Ratio: 1,845,195 SF Gross Floor Area / 3,660,477 SF (84.023 acres)  
Lot Area = 0.50**



NEW JERSEY STATE HIGHWAY ROUTE 38

LELORA ROAD

HARPER DRIVE  
NIXON DRIVE

MALL LINK  
ROAD



MOORESTOWN MALL  
MOORESTOWN, N.J.

MOORESTOWN MALL		MOORESTOWN, N.J.	
DATE	1/2/68	SCALE	AS SHOWN
DESIGNED BY	DONALD J. SWEENEY P.E.		
DRAWN BY	DONALD J. SWEENEY P.E.		
CHECKED BY	DONALD J. SWEENEY P.E.		
APPROVED BY	DONALD J. SWEENEY P.E.		
PROJECT NO.	MOORESTOWN MALL		
SHEET NO.	1 OF 2		



MOORESTOWN MALL  
MOORESTOWN, N.J.

DESIGNED BY  
DONALD J. SWEENEY P.E.

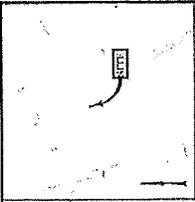
DRAWN BY  
DONALD J. SWEENEY P.E.

CHECKED BY  
DONALD J. SWEENEY P.E.

APPROVED BY  
DONALD J. SWEENEY P.E.

PROJECT NO.  
MOORESTOWN MALL

SHEET NO.  
1 OF 2



1. The first section of the report discusses the general background of the project and the objectives of the study. It also provides a brief overview of the methodology used in the research.

2. The second section of the report describes the data collection process and the results of the initial analysis. It includes a detailed description of the sampling methods and the statistical techniques used to analyze the data.

3. The third section of the report presents the findings of the study and discusses their implications. It highlights the key results and provides a critical evaluation of the study's strengths and limitations.

4. The fourth section of the report concludes the study and offers recommendations for future research. It summarizes the main findings and provides suggestions for how the research can be applied in practice.

5. The fifth section of the report provides a detailed appendix of the data used in the study. It includes a list of all the variables measured and the corresponding values for each observation.

6. The sixth section of the report contains a list of references and a bibliography. It includes all the sources cited in the report and provides a comprehensive overview of the literature related to the study.

7. The seventh section of the report is a glossary of terms. It defines all the key terms and concepts used in the report and provides a clear and concise explanation of their meaning.

8. The eighth section of the report is a list of figures and tables. It includes a detailed description of each figure and table and provides a clear and concise explanation of their content.

9. The ninth section of the report is a list of abbreviations. It includes a detailed description of each abbreviation and provides a clear and concise explanation of its meaning.

10. The tenth section of the report is a list of acronyms. It includes a detailed description of each acronym and provides a clear and concise explanation of its meaning.

11. The eleventh section of the report is a list of symbols. It includes a detailed description of each symbol and provides a clear and concise explanation of its meaning.

12. The twelfth section of the report is a list of units. It includes a detailed description of each unit and provides a clear and concise explanation of its meaning.

13. The thirteenth section of the report is a list of variables. It includes a detailed description of each variable and provides a clear and concise explanation of its meaning.

14. The fourteenth section of the report is a list of parameters. It includes a detailed description of each parameter and provides a clear and concise explanation of its meaning.

15. The fifteenth section of the report is a list of constants. It includes a detailed description of each constant and provides a clear and concise explanation of its meaning.

16. The sixteenth section of the report is a list of functions. It includes a detailed description of each function and provides a clear and concise explanation of its meaning.

17. The seventeenth section of the report is a list of operators. It includes a detailed description of each operator and provides a clear and concise explanation of its meaning.

18. The eighteenth section of the report is a list of keywords. It includes a detailed description of each keyword and provides a clear and concise explanation of its meaning.

19. The nineteenth section of the report is a list of terms. It includes a detailed description of each term and provides a clear and concise explanation of its meaning.

20. The twentieth section of the report is a list of phrases. It includes a detailed description of each phrase and provides a clear and concise explanation of its meaning.

21. The twenty-first section of the report is a list of sentences. It includes a detailed description of each sentence and provides a clear and concise explanation of its meaning.

22. The twenty-second section of the report is a list of paragraphs. It includes a detailed description of each paragraph and provides a clear and concise explanation of its meaning.

23. The twenty-third section of the report is a list of sections. It includes a detailed description of each section and provides a clear and concise explanation of its meaning.

24. The twenty-fourth section of the report is a list of chapters. It includes a detailed description of each chapter and provides a clear and concise explanation of its meaning.

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26. The twenty-sixth section of the report is a list of issues. It includes a detailed description of each issue and provides a clear and concise explanation of its meaning.

27. The twenty-seventh section of the report is a list of pages. It includes a detailed description of each page and provides a clear and concise explanation of its meaning.

28. The twenty-eighth section of the report is a list of lines. It includes a detailed description of each line and provides a clear and concise explanation of its meaning.

29. The twenty-ninth section of the report is a list of words. It includes a detailed description of each word and provides a clear and concise explanation of its meaning.

30. The thirtieth section of the report is a list of characters. It includes a detailed description of each character and provides a clear and concise explanation of its meaning.

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37. The thirty-seventh section of the report is a list of operators. It includes a detailed description of each operator and provides a clear and concise explanation of its meaning.

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41. The forty-first section of the report is a list of variables. It includes a detailed description of each variable and provides a clear and concise explanation of its meaning.

42. The forty-second section of the report is a list of operators. It includes a detailed description of each operator and provides a clear and concise explanation of its meaning.

43. The forty-third section of the report is a list of functions. It includes a detailed description of each function and provides a clear and concise explanation of its meaning.

44. The forty-fourth section of the report is a list of parameters. It includes a detailed description of each parameter and provides a clear and concise explanation of its meaning.

45. The forty-fifth section of the report is a list of constants. It includes a detailed description of each constant and provides a clear and concise explanation of its meaning.

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60. The sixtieth section of the report is a list of constants. It includes a detailed description of each constant and provides a clear and concise explanation of its meaning.

ATLANTA LAND TITLE SERVICE 1100 PHOENIX AVENUE, N.W. UNIT 3100 ATLANTA, GEORGIA 30303 PHONE 525-8800		CONTROL POINT	
PROJECT	1100 PHOENIX AVENUE, N.W.	DATE	11/15/88
CLIENT	ATLANTA LAND TITLE SERVICE	BY	DAVID J. SWENNEY, P.L.S.
NO.	1100 PHOENIX AVENUE, N.W.	SCALE	AS SHOWN
DATE	11/15/88	BY	DAVID J. SWENNEY, P.L.S.
BY	DAVID J. SWENNEY, P.L.S.	DATE	11/15/88
DATE	11/15/88	BY	DAVID J. SWENNEY, P.L.S.
DATE	11/15/88	BY	DAVID J. SWENNEY, P.L.S.



**EXHIBIT C**  
**[Architect Statement of Construction Costs]**



September 3, 2021

Township of Moorestown  
c/o Kevin E. Aberant  
Township Manager  
Municipal Building  
111 West Second Street  
Moorestown, New Jersey 08057

To Whom It May Concern:

We are the Project Architects for the approximately 375-unit multi-family residential development that is proposed on a portion of the property located at 400 Route 38, Moorestown, Burlington County, New Jersey. We estimate the construction costs to be \$121,200,000.00, as set forth in the below chart, or approximately \$323,200.00 per unit.

Land	\$11,968,500
Soft Costs	\$13,509,851
Hard Costs	\$87,966,068
Contingency	\$4,753,303
Financing Costs	\$3,002,278
<b>Total</b>	<b>\$121,200,000</b>

Please feel free to contact us with any additional questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'KL' followed by a long horizontal line.

Kenneth Linehan, AIA  
Architect  
NJ License #21043

**EXHIBIT D**  
**[Fiscal Plan]**

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## Need for Financial Assistance

---

Total Project Cost	\$ 121,200,000
Revenue	\$ 9,828,197
Operating Expenses without Taxes	\$ (2,144,148)
Net Revenue without Taxes	\$ 7,684,050
Cap Rate	5.00%
Effective Tax Rate	2.08%
Total	7.08%

### Conventional Taxes

Value with Conventional Taxes	\$ 108,516,445
Conventional Taxes	\$ (2,258,227)
Net Revenue	\$ 5,425,822
Net Value	\$ (12,683,555)
Yield on Cost	4.48%

PILOT %	12.50%
PILOT Amount	\$ (1,228,525)
Net Revenue	\$ 6,455,525
Value with PILOT	\$ 129,110,497
Net Value	\$ 7,910,497
Yield on Cost	5.33%

### Summary

The project has a net value that is negative \$12.5 million under conventional taxes. It also has a Yield-on-Cost of below 4.5%. Both of these criteria are well below typical underwriting standards and would be unlikely to attract private capital for investment. Under the PILOT, the net value becomes positive and the Yield-on-cost increases to 5.24%. This yield is on the low end of what is typically considered financable.

---

## Total Project Costs

---

Land	11,968,500
Soft Costs	13,509,851
Hard Costs	87,966,068
Contingency	4,753,303
Financing Costs	3,002,278
Total	<hr/> 121,200,000

## Project Revenue and Expenses 10 Year Pro-Forma

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Market Rents	\$ 7,740,552	\$ 7,766,940	\$ 8,036,909	\$ 8,358,385	\$ 8,647,108	\$ 8,906,521	\$ 9,173,717	\$ 9,448,928	\$ 9,732,396	\$ 10,024,368
Affordable Rents	\$ 857,568	\$ 860,491	\$ 890,401	\$ 917,113	\$ 948,793	\$ 977,257	\$ 1,006,574	\$ 1,036,772	\$ 1,067,875	\$ 1,099,911
Utility Reimbursements	\$ 255,545	\$ 273,507	\$ 327,113	\$ 336,926	\$ 347,034	\$ 357,445	\$ 368,169	\$ 379,214	\$ 390,590	\$ 402,308
Parking Income	\$ 535,879	\$ 541,478	\$ 647,606	\$ 667,034	\$ 687,045	\$ 707,657	\$ 728,886	\$ 750,753	\$ 773,275	\$ 796,474
Other Income	\$ 375,607	\$ 386,127	\$ 461,807	\$ 475,661	\$ 489,931	\$ 504,629	\$ 519,748	\$ 535,361	\$ 551,422	\$ 567,964
Vocancy	\$ (5,388,278)	\$ (862,243)	\$ (446,366)	\$ (463,775)	\$ (479,795)	\$ (494,189)	\$ (509,015)	\$ (524,285)	\$ (540,014)	\$ (556,214)
Non-Revenue	\$ (558,878)	\$ (86,274)	\$ (44,637)	\$ (46,377)	\$ (47,980)	\$ (49,419)	\$ (50,901)	\$ (52,428)	\$ (54,001)	\$ (55,621)
Bad Debt	\$ (558,878)	\$ (86,274)	\$ (44,637)	\$ (46,377)	\$ (47,980)	\$ (49,419)	\$ (50,901)	\$ (52,428)	\$ (54,001)	\$ (55,621)
<b>Total</b>	<b>\$ 3,058,617</b>	<b>\$ 8,793,251</b>	<b>\$ 9,828,197</b>	<b>\$ 10,198,590</b>	<b>\$ 10,544,157</b>	<b>\$ 10,860,482</b>	<b>\$ 11,186,296</b>	<b>\$ 11,521,885</b>	<b>\$ 11,867,542</b>	<b>\$ 12,223,568</b>
<b>Expenses</b>										
Property Management	\$ 122,345	\$ 351,730	\$ 393,128	\$ 407,944	\$ 421,766	\$ 434,419	\$ 447,452	\$ 460,875	\$ 474,702	\$ 488,943
Payroll	\$ 420,866	\$ 526,082	\$ 538,775	\$ 554,938	\$ 571,586	\$ 588,734	\$ 606,396	\$ 624,588	\$ 643,326	\$ 662,625
Repairs & Maintenance	\$ 46,972	\$ 93,943	\$ 96,210	\$ 99,096	\$ 102,069	\$ 105,131	\$ 108,285	\$ 111,534	\$ 114,880	\$ 118,326
General and Administrative	\$ 90,186	\$ 112,732	\$ 115,452	\$ 118,916	\$ 122,483	\$ 126,158	\$ 129,942	\$ 133,841	\$ 137,856	\$ 141,991
Marketing	\$ 112,848	\$ 112,732	\$ 115,452	\$ 118,916	\$ 122,483	\$ 126,158	\$ 129,942	\$ 133,841	\$ 137,856	\$ 141,991
Utilities	\$ 300,618	\$ 325,773	\$ 384,839	\$ 396,384	\$ 408,276	\$ 420,524	\$ 433,140	\$ 446,134	\$ 459,518	\$ 473,303
Contract Services	\$ 225,463	\$ 281,829	\$ 288,630	\$ 297,289	\$ 306,208	\$ 315,394	\$ 324,856	\$ 334,601	\$ 344,639	\$ 354,978
Turnover Expense	\$ -	\$ 93,943	\$ 96,210	\$ 99,096	\$ 102,069	\$ 105,131	\$ 108,285	\$ 111,534	\$ 114,880	\$ 118,326
Insurance	\$ 112,732	\$ 112,732	\$ 115,452	\$ 118,916	\$ 122,483	\$ 126,158	\$ 129,942	\$ 133,841	\$ 137,856	\$ 141,991
Real Estate Taxes	\$ 382,327	\$ 632,506	\$ 1,228,525	\$ 1,274,824	\$ 1,318,020	\$ 1,357,560	\$ 1,398,287	\$ 1,440,236	\$ 1,483,443	\$ 1,527,946
	12.50%									
<b>Total Expenses</b>	<b>\$ 1,814,356</b>	<b>\$ 2,695,002</b>	<b>\$ 3,372,673</b>	<b>\$ 3,486,318</b>	<b>\$ 3,597,443</b>	<b>\$ 3,705,366</b>	<b>\$ 3,816,527</b>	<b>\$ 3,931,023</b>	<b>\$ 4,048,954</b>	<b>\$ 4,170,422</b>
<b>NOI</b>	<b>\$ 1,244,261</b>	<b>\$ 6,098,249</b>	<b>\$ 6,455,525</b>	<b>\$ 6,712,272</b>	<b>\$ 6,946,714</b>	<b>\$ 7,155,116</b>	<b>\$ 7,369,769</b>	<b>\$ 7,590,862</b>	<b>\$ 7,818,588</b>	<b>\$ 8,053,146</b>
	1.03%	5.03%	5.33%	5.54%	5.73%	5.90%	6.08%	6.26%	6.45%	6.64%

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## Unit Mix

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<u>Market</u>	<u>Units</u>	<u>SF</u>	<u>Rent/Mo</u>	<u>Rent/SF</u>	<u>Rent/Yr</u>
Studio	32	538	\$ 1,625	\$ 3.02	\$ 624,000
1BR	98	800	\$ 1,886	\$ 2.36	\$ 2,217,780
2BR	153	1,119	\$ 2,347	\$ 2.10	\$ 4,309,164
3BR	17	1,399	\$ 2,890	\$ 2.07	\$ 589,608
	<u>300</u>	<u>290,567</u>	<u>\$ 2,150</u>	<u>\$ 2.22</u>	<u>\$ 7,740,552</u>

<u>Affordable</u>	<u>Units</u>	<u>SF</u>	<u>Rent/Mo</u>	<u>Rent/SF</u>	<u>Rent/Yr</u>
1BR	15	558	\$ 758	\$ 1.36	\$ 136,380
2BR	45	899	\$ 966	\$ 1.07	\$ 521,520
3BR	15	1,229	\$ 1,109	\$ 0.90	\$ 199,668
	<u>75</u>	<u>67,281</u>	<u>\$ 953</u>	<u>\$ 1.06</u>	<u>\$ 857,568</u>

**EXHIBIT E**  
**[Form Financial Agreement]**

**FINANCIAL AGREEMENT**

**THIS FINANCIAL AGREEMENT**, (hereinafter referred to as the "Agreement" or the "Financial Agreement") made this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between MT Residential Urban Renewal LLC, an urban renewal entity qualified to do business under the provisions of the Long-Term Tax Exemption Law, as per, N.J.S.A. 40A:20-1 et. seq., as amended and supplemented, (hereinafter referred to as the "LTTEL"), having its principal office located at 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103 (hereinafter referred to as the "Entity") and the TOWNSHIP OF MOORESTOWN, a municipal corporation in the County of Burlington and the State of New Jersey, having its principal office located at 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057 (hereinafter referred to as the "Township").

**WITNESSETH:**

**WHEREAS**, on February 8, 2021, the Township's Governing Body designated Block 3000, Lots 2, 3, 3.01, 3.02 and 5 (the "Redevelopment Area") as an Area in Need of Redevelopment pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

**WHEREAS**, on August 9, 2021, the Governing Body adopted the Moorestown Mall Redevelopment Plan (the "Redevelopment Plan"); and

**WHEREAS**, an approximately 6.24 acre portion of Block 3000, Lot 3 (the "Property"), to be subdivided from the remainder of the Redevelopment Area, is in the Redevelopment Area; and

**WHEREAS**, the Entity desires to develop the Property with an inclusionary residential development consisting of approximately 300 market-rate units and 75 affordable units, for a total of approximately 375 residential units (the "Project"); and

**WHEREAS**, the Project is part of the Court-approved Housing Element & Fair Share Plan as well as the Affordable Housing Settlement Agreement for the Township; and

**WHEREAS**, pursuant to and in accordance with the provisions of the LTTEL, the Township is authorized to provide for payment in lieu of taxes within a redevelopment area; and

**WHEREAS**, the Entity was created for the purposes of acquiring, owning, holding, developing, maintaining, financing, mortgaging, improving, operating, leasing, managing, using, refinancing, selling, subdividing, or otherwise dealing with the Property and the Project; and

**WHEREAS**, the Entity submitted an application for the approval of a Project, as such term is used in the LTTEL, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit B); and

**WHEREAS**, the Exemption Application requests a 30-year term for a financial agreement and an annual service charge based on 12.5% of aggregate Gross Revenue (as defined in the LTTEL) for the 30-year term; and

**WHEREAS**, pursuant to the LTTEL, the Township is authorized to enter into a financial agreement with a redeveloper for payment of an annual service charge for municipal services in lieu of taxes for affordable housing projects; and

**WHEREAS**, the Entity has requested that the Township enter into a financial agreement for payment of an annual service charge for municipal services in lieu of taxes (the "Financial Agreement") for the Project; and

**WHEREAS**, the Township and the Entity have reached agreement with respect to, among other things, the terms and conditions relating to the Annual Service Charges and desire to execute a Financial Agreement; and

**WHEREAS**, by the adoption of Ordinance No. 25-2021 on August 9, 2021 (the "Ordinance"), the Township approved findings and the Exemption Application and authorized the execution of the Financial Agreement, a copy of which ordinance is attached hereto as Exhibit A; and

**WHEREAS**, the Township wishes to grant a long-term tax exemption for the Project and to memorialize the terms and conditions of that long-term tax exemption within this Financial Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

#### ARTICLE I GENERAL PROVISIONS

**1.01 Governing Law.** This Agreement shall be governed by the provisions of the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq., as amended and supplemented, the Ordinance authorizing the execution of the Financial Agreement and all other relevant Federal, State and municipal laws, statutes, ordinances, resolutions, rules and regulations (collectively referred to as the "Law"). It is expressly understood and agreed that the Township relies upon the facts, data, and presentations contained in the Application attached hereto in granting this tax exemption.

**1.02 General Definitions.** Unless specifically provided otherwise or the context otherwise requires, the following terms when used in this Financial Agreement shall mean:

Administrative Fee - Shall have the meaning defined in Section 4.07 hereunder.

Affordable Housing Units - The seventy-five (75) rental residential units that will be constructed for occupancy by very low, low or moderate income households as such terms are defined under N.J.S.A. 52:27D-304 and which will have affordability controls as required under the rules of the Council on Affordable Housing, the Court, or any State entity which assumes the statutory obligations previously held by the Council on Affordable Housing (COAH).

Allowable Net Profit - The amount arrived at by applying the Allowable Profit Rate to the Total Project Cost, pursuant to the provisions of N.J.S.A. 40A:20-3(c).

Allowable Profit Rate -The greater of twelve (12%) percent or the percentage per annum arrived at by adding one and one-quarter (1.25%) percent to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, the Allowable Profit Rate shall be the greater of twelve (12%) percent or the percentage per annum arrived at by adding one and one-quarter (1.25%) percent per annum to the interest rate per annum that the

Township determines to be the prevailing rate of mortgage financing on comparable improvements in the County of Burlington. The provisions of N.J.S.A. 40A:20-3(b) are also incorporated herein by reference.

Annual Gross Revenue - The gross revenue of the Project for each year as defined within the provisions of N.J.S.A. 40A:20-3(a) and Section 4.03 of this Agreement.

Annual Service Charge - The amount that the Entity has agreed to pay the Township, pursuant to Article IV herein, for municipal services provided to the Project in lieu of real estate taxes on the improvements, as outlined in the financial plan and other documents required to be submitted with the Application, which is subject to verification and review by the Township Chief Financial Officer and the Township Tax Collector or other municipal department or agency. The Annual Service Charge shall be pro-rated in the year in which the Annual Service Charge begins and the year in which the Annual Service Charge terminates.

Application - The application submitted by the Entity pursuant to N.J.S.A. 40A:20-8 to the Township, seeking a tax exemption for the Project.

Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), the contents which shall include a certification of the Total Project Cost and a proper and accurate computation of Net Profit. The contents of the Auditor's Report shall be prepared in conformity with generally accepted accounting principles and shall contain at a minimum, if applicable, the following: (i) a balance sheet; (ii) a statement of income and expenses; (iii) a statement of retained earnings or changes in stockholder's equity; (iv) statement of cash flows; (v) descriptions of accounting policies; (vi) notes to financial statements; and, (vii) appropriate schedules and explanatory material regarding results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

Certificate of Occupancy - Document issued by the Township authorizing occupancy of an affordable housing unit and/or building, pursuant to N.J.S.A. 52:27D-133.

Default - The breach or failure of the Entity to perform any obligation imposed upon the Entity by the terms of the Financial Agreement.

Entity - MT Residential Urban Renewal LLC, an urban renewal entity formed and qualified pursuant to N.J.S.A. 40A:20-5, having its principal office at 2005 Market Street, Suite 1000, Philadelphia, Pennsylvania 19103, and its authorized assignees.

Excess Net Profit - In any given year, an amount equal to the sum of: (a) the Cumulative Net Profit minus (b) the Cumulative Allowable Net Profit.

Improvements - The buildings, structures and/or fixtures permanently affixed to the Land, as described more fully within the Exemption Application.

In Rem Tax Foreclosure - A summary proceeding by which the Township may enforce the lien for taxes due and owing by a tax sale. Such action shall be governed by N.J.S.A. 54:5-1 et. seq.

Land - The land, but not the Improvements, on the approximately 6.24 -acre parcel as depicted on the Preliminary / Final Site Plans and Minor Subdivision Plan prepared by Bohler Engineering dated

August 24, 2021, 2021, attached hereto as **Exhibit C**, a portion of the property identified on the Official Tax Map of the Township of Moorestown, Burlington County, New Jersey as Block 3000, Lot 3.

Land Taxes - The amount of taxes assessed on the value of the Land on which the Project is located.

Land Tax Payments - Payments made on the quarterly due dates for Land Taxes on the Property as determined by the Tax Assessor and the Tax Collector,

Law - Shall refer to the Long-Term Tax Exemption Law, the Ordinance authorizing the execution of the Financial Agreement, and all other relevant Federal, State and municipal statutes, ordinances, resolutions, rules and regulations.

Long-Term Tax Exemption Law or LTTEL - N.J.S.A. 40A:20-1 et. seq.

Minimum Annual Service Charge - The minimum annual service charge shall be the amount of the total taxes levied against the Property in the last full tax year in which the Property was subject to full taxation. The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 and the Financial Agreement, would be less than the Minimum Annual Service Charge.

Net Profit - The Gross Revenue of the Entity less all operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles and the provisions of N.J.S.A. 40A:20-3(c).

Ordinance - The ordinance adopted by the Township Council adopting the long-term tax exemption for the Property.

Project -- The project to construct an inclusionary residential development consisting of approximately 300 market-rate units and 75 affordable units, for a total of up to 375 residential units on the Property.

Pronouns - Shall mean the masculine, feminine or neuter gender, the singular, as well as, the plural, as proper meaning requires.

Property - The Land and the Improvements, and as otherwise defined in the Recitals.

Redevelopment Plan - The redevelopment plan governing the Property entitled "Moorestown Mall Redevelopment Plan", prepared by Heyer, Gruel & Associates, dated July 26, 2021.

Substantial Completion - The determination by the Township that the Project is ready for the use intended, which ordinarily shall mean the date on which such Project receives, or is eligible to receive, a Certificate of Occupancy. For purposes of this Agreement, the issuance of a Temporary Certificate of Occupancy shall constitute Substantial Completion.

Tax Sale Law - N.J.S.A. 54:5-1 et. seq.

Termination - Any act or omission which by operation of the terms of the Financial Agreement shall cause the Entity to relinquish its tax exemption.

Total Project Cost - The total cost of construction, renovation and/or rehabilitation of the Project as described and set forth in the Application, which shall include all categories of cost provided in N.J.S.A. 40A:20-3(h).

Township - The Township of Moorestown, a municipal corporation of the State of New Jersey, whose principal offices are located at 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057.

**1.03 Exhibits Incorporated.** The Application (including all exhibits to the Application) is attached to this Financial Agreement as Exhibit B and is incorporated herein and made part hereof.

## **ARTICLE II** **APPROVALS**

**2.01 Approval of Tax Exemption.** Pursuant to the Ordinance, any and all Improvements constructed pursuant to this Project shall be exempt from taxation as provided for herein and under the Long-Term Tax Exemption Law. In accordance with the Long-Term Tax Exemption Law, specifically N.J.S.A. 40A:20-12, such tax exemption shall constitute a single continuing exemption from local property taxation for the duration of this Financial Agreement. The Project shall be as described in the Application and the Entity hereby expressly covenants, warrants and represents that the Property, including any Improvements related thereto, shall be under, managed and operated for purposes set forth in the Application and in accordance with the Law.

**2.02 Approval of Entity.** Approval hereunder is granted to the Entity for the contemplated Project which shall in all respects comply and conform to all applicable statutes of the State of New Jersey and Ordinances and Resolutions of Moorestown Township and the Moorestown Township Planning Board as amended and supplemented, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof. The Entity represents that its Certificate of Formation as attached hereto contains all the requisite provisions of law, has been reviewed and approved by the Commissioner of the New Jersey State Department of Community Affairs, and has been filed with, as appropriate, the New Jersey State Department of Treasury, all in accordance with N.J.S.A. 40A:20-5.

## **ARTICLE III** **DURATION AND TERMINATION OF AGREEMENT**

**3.01 Term.** It is understood and agreed by the parties to the Financial Agreement that the tax exemption granted hereunder shall commence on the date of Substantial Completion of the Project and shall remain in effect until the occurrence of the earlier of any of the following events: (i) the expiration of a thirty (30) year period commencing on the date of Substantial Completion of the Project as may be extended; (ii) the Entity's voluntary termination of this Financial Agreement in accordance with the requirements of Section 3.02; or (iii) the occurrence of a Default as set forth within this Financial Agreement. Upon the expiration of the tax exemption provided for herein, all restrictions and limitations of this Financial Agreement imposed upon the Entity and the Property, including the Improvements related thereto, shall terminate upon the end of the fiscal year of the Entity in accordance with N.J.S.A. 40A:20-13 and the Improvements and Land shall thereafter be assessed and taxed according to the general law applicable to other non-exempt property in the Township; provided, however, that: (i) the requirement to make payment of any Annual Service Charge due and owing hereunder; (ii) the requirement to make payment to the Township of any reserves, Net Profit, or Excess Net Profit; and, (iii) any and all related remedies available to the Township shall survive the termination of this Financial Agreement; and further provided that the Entity has rendered, and that the Township has accepted, the Entity's final accounting in accordance with N.J.S.A. 40A:20-12.

**3.02 Voluntary Termination of Agreement by Entity.** At any time after the expiration of one (1) year from the date of Substantial Completion of the Project, the Entity may voluntarily terminate this Financial Agreement and relinquish its status as an urban renewal entity under the Long-Term Tax Exemption Law. If that occurs, the date of termination shall be deemed to be the close of the fiscal year of the Entity and the procedure for the apportionment of any taxes and/or Annual Service Charges, as applicable, shall be the same as would otherwise be applicable to any other property located within the Township upon a change in the exemption or tax status of such property.

#### **ARTICLE IV ANNUAL SERVICE CHARGE**

**4.01 Commencement of Annual Service Charge.** In consideration of the tax exemption, the Entity shall make payment of the Annual Service Charge in the manner and in the amounts set forth herein. In the event that the Entity fails to timely pay any installment, the amount past due shall bear the lesser of the highest rate of interest permitted under applicable New Jersey law of the rate then being generally assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

**4.02 Payment of Annual Service Charge.** The Annual Service Charge shall be due on the first day of the month following the date of Substantial Completion of the Project. The Annual Service Charge will be prorated in the year in which the Annual Service Charge begins and terminates.

**4.03 Annual Gross Revenue.** (a) The Annual Gross Revenue shall be calculated as set forth within N.J.S.A. 40A:20-3(a) and shall include the total of all revenues that would normally be payable to a landlord, less vacancies and utility costs, in the case where the landlord is responsible to pay all costs of operations and maintenance as well as to pay the full cost of the capital required to construct the Project.

(b) If the Entity charges for the parking spaces on the Property, the Entity must report this as other revenue generated from the Project and include it within its annual gross revenue calculations for purposes of paying the Annual Service Charge set forth within Section 4.04 herein.

(c) Annual Gross Revenue from the Project shall include all revenue from the Project for a subject year, including but not limited to revenue from the Affordable Housing Units and revenue from parking.

**4.04 Calculation of Annual Service Charges.** The Annual Service Charge for the initial fifteen (15) years of the Financial Agreement shall be the amount equivalent to 12.5 percent of the Annual Gross Revenue generated from the Project. The Annual Service Charge for the remaining period of the Financial Agreement shall be determined as follows, pursuant to N.J.S.A. 40A:20-12(b)(2):

4.04.1 During year sixteen (16) through year twenty-one (21) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or twenty (20%) of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater;

4.04.2 During year three twenty-two (22) through year twenty-six (26) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or forty (40%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater;

4.04.3 During year twenty-seven (27) through year twenty-eight (28) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or sixty (60%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater; and

4.04.4 During year twenty-nine (29) through year thirty (30) of the Financial Agreement, the Annual Service Charge shall be an amount equal to 12.5 percent of the Annual Gross Revenue generated from the Project or eighty (80%) percent of the amount of the taxes otherwise due on the value of the Land and Improvements, whichever is greater. Thereafter, the Project would be taxed as a regular assessment pursuant to law.

In no event shall the Annual Service Charge, excluding taxes on the Land, in any year after the commencement of the payment of Annual Service Charges be less than the Minimum Annual Service Charge.

**4.05 Land Taxes.** The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity shall be entitled to a credit for the amount, without interest, of the Land Tax Payments made in the last four (4) preceding quarterly installments against the Annual Service Charge.

**4.06 Annual Service Charge Installments.** Payment of the Annual Service Charge shall be paid to the Township on a quarterly basis on February 1, May 1, August 1 and November 1 of each applicable year, subject, nevertheless, to adjustment for over or underpayment within ninety (90) calendar days after the close of each calendar year. In the event that the Entity fails to timely pay any Installment, the amount past due shall bear the rate of interest permitted under applicable New Jersey law and then being assessed by the Township against other delinquent taxpayers in the case of unpaid taxes or tax liens on the land until paid.

**4.07 Administrative Fee.** In addition to the Annual Service Charge, the Entity shall pay to the Township an administrative fee of two (2%) percent of the initial Annual Service Charge for the processing of the tax abatement application in accordance with N.J.S.A. 40A:20-12b. of the Long-Term Exemption Law (the "Administrative Fee"). The Entity shall pay to the Township the Administrative Fee within thirty (30) days of the execution of this Financial Agreement.

**4.08 Material Conditions and Severability.** It is expressly agreed and understood that all payments of Annual Service Charges and any interest payments, penalties or costs of collection due thereon and payment of Land Taxes, if applicable, and water and sewer charges, are material conditions of this Financial Agreement (hereinafter referred to as "Material Conditions"). If any other term, covenant or condition of this Financial Agreement or the Application, as to any person or circumstance shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Financial Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term, covenant or condition of this Financial Agreement shall be valid and enforced to the fullest extent permitted by law.

**4.09 Payments.** Neither the Entity nor the Township may alter the amounts or dates as established in this Article IV, other than as set forth herein.

**4.10 Annual Service Charge as Municipal Lien.** The Annual Service Charge and all other related municipal charges shall be a continuous, municipal lien on the Land and Improvements and any subsequent Annual Service Charge, including any interest, penalties or costs of collection thereof, shall be added and shall relate back to and part of the initial municipal lien. The Entity hereby acknowledges,

understands and agrees that the Annual Service Charge shall constitute an automatic, enforceable and perfected statutory municipal lien for all purposes, including specifically and without limitation, the Federal bankruptcy code, regardless of whether the amount of the Annual Service Charge has been determined.

**4.11 Percentage of Annual Service Charge Paid to County.** Upon receipt, the Township shall remit five (5%) percent of the Annual Service Charge that it collects to Burlington County, pursuant to N.J.S.A. 40A:20-12.

## **ARTICLE V ADDITIONAL PROJECT COVENANTS**

**5.01 Improvements to be Constructed.** The Entity represents that it will construct certain improvements on the Property, consisting of the construction of three hundred seventy-five (375) total rental units, of which seventy-five (75) would be Affordable Housing Units on the Property, all as described more fully within the Application. The Entity represents that it will construct, renovate and/or rehabilitate the Project in accordance with the Redevelopment Plan and with the Project description set forth within the Application.

**5.02 Ownership, Management and Control.** The Entity represents that it shall take title to the Land upon which the Project is to be constructed prior to undertaking any construction thereon and prior to this tax exemption taking effect. Once the Entity takes title to the Land, it shall provide a copy of the recorded Deed to the Township.

**5.03 Obligation to Maintain Affordability Control on Affordable Housing Units.** The Entity warrants and agrees that during the term of this Financial Agreement, it shall maintain the affordability controls on all of the Affordable Housing Units operated as part of this Project. The failure of the Entity to comply with this obligation leading to an uncured event of default following receipt of a Default Notice shall be grounds for termination of this Financial Agreement.

## **ARTICLE VI CERTIFICATE OF OCCUPANCY**

**6.01 Certificate of Occupancy.** It is understood and agreed by the parties that it shall be the obligation of the Entity to make all good faith efforts to obtain a Certificates of Occupancy for the Property and the Improvements related thereto in a timely manner.

**6.02 Filing of Certificate of Occupancy.** It shall be the primary responsibility of the Entity to forthwith file with both the Township Tax Assessor and the Township Tax Collector a copy of the Certificate of Occupancy.

## **ARTICLE VII TOWNSHIP DETERMINATIONS**

**7.01 Benefits and Importance of Tax Exemption.** In accordance with the Long-Term Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the Township finds and determines that this Financial Agreement benefits the health, welfare and financial well-being of the Township and its citizens because it allows for the construction and operation of Affordable Housing Units within the Township, thereby assisting the Township in satisfying its affordable housing obligations.

**7.02 Additional Determinations.** Additionally, the Township has determined that:

**7.02.1** the benefits of the Project, including the construction and operation of the Affordable Housing Units on the Property and the economic benefit that this housing development will have upon the community, outweigh any costs associated with the tax exemption; and

**7.02.2** without the tax exemption granted herein, the Project would not otherwise be undertaken.

## **ARTICLE VIII** **REPORTS AND AUDITS**

**8.01 Accounting System.** The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

**8.02 Total Project Cost Audit.** Within ninety (90) calendar days after the Substantial Completion of the Project, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, supported by a certification of the licensed architect for the Project as required by N.J.S.A. 40A:20-3(h)(4).

**8.03 Annual Audit.** Within ninety (90) calendar days after the close of each fiscal or calendar year, depending on the Entity's accounting basis, that this Financial Agreement shall continue in effect, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised and submit to the Township Council and the Division of Local Government Services of the New Jersey State Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year certified by an independent certified public accountant. The Auditor's Report shall clearly identify and calculate the Annual Gross Revenue and Net Profit for the Entity during the previous year. The Entity agrees to calculate its Net Profit pursuant to N.J.S.A. 40A:20-3(c). The Entity assumes all costs associated with preparation of the annual Auditor's Report.

**8.04 Limitation on Profits and Reserves.** During the period of tax exemption, as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15. Pursuant to N.J.S.A. 40A:20-3(c), this calculation shall be completed in accordance with generally accepted accounting principles.

**8.05 Payment of Dividend and Excess Profit Charge.** In the event the Net Profits of the Entity, in any fiscal year, shall exceed the Allowable Net Profits for such period, then the Entity, within ninety (90) calendar days after the end of such fiscal year, shall pay such excess Net Profits to the Township as an additional service charge. The calculation of Net Profit and Allowable Net Profit shall be made in the manner required pursuant to N.J.S.A. 40A:20-3(c) and N.J.S.A. 40A:20-15. The parties agree that any excess Net Profit will be paid to the Township as an additional Annual Service Charge.

**8.06 Disclosure Statement.** On each anniversary date of the execution of this Financial Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Township Council, the Township Tax Collector and the Township Clerk, who shall advise those municipal officials required to be advised, a disclosure statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each, and such additional information as the Township may request from time to time.

**8.07 Inspection.** The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project, if deemed appropriate or necessary, by representatives duly authorized by the Township and the Division of Local Government Services, State of New Jersey Department of Community Affairs, pursuant to N.J.S.A. 40A:20-9(e). It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, following reasonable advance written notice, in the presence of an officer or agent designated by the Entity. The Township shall bear its costs incurred associated with the audit or inspection. To the extent reasonably possible, the inspection will not materially interfere with construction or operation of the Project.

#### **ARTICLE IX** **SALE AND/OR ASSIGNMENT PROVISIONS**

**9.01 Approval.** As permitted by N.J.S.A. 40A:20-10, it is understood and agreed that the Township, on written application by the Entity, may consent to a sale of the Project and the transfer of this Financial Agreement provided: (i) the transferee entity does not own any other project subject to long-term tax exemption at the time of transfer; (ii) the transferee entity is an urban renewal entity formed and eligible to operate under the Law; (iii) the Entity is not then in Default of this Financial Agreement or the Law; (iv) the Entity's obligations under this Financial Agreement are fully assumed by the transferee entity; and (v) the transferee entity agrees to abide by all terms and conditions of this Financial Agreement including, without limitation, the filing of an application pursuant to N.J.S.A. 40A:20-8, and any other terms and conditions of the Township in regard to the Project.

**9.02 Prohibition Against Severing of Improvements from Land.** It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Township Council by ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the Improvements from the Lands that are basic to, embraced in or underlying the exempted Improvements.

**9.03 Subordination of Fee Title.** It is expressly understood and agreed that the Entity has the right, subordinate to the lien of the Annual Service Charges and to the rights of the Township hereunder, to encumber and/or assign the fee title to the Land and/or Improvements for the sole purpose of obtaining financing for use in the Project, and that any such encumbrance or assignment shall not be deemed to be a violation of this Financial Agreement.

#### **ARTICLE X** **WAIVER**

**10.01 No Waiver.** Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the Township or the Entity of any rights and remedies provided by the law except for the express waiver herein of certain rights of acceleration and certain rights to terminate the Financial Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery that the Township or the Entity has under law, in equity, or under any provision of this Financial Agreement.

#### **ARTICLE XI** **NOTICE**

**11.01 Notice.** Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, or by commercial overnight courier, as follows:

When sent to the Entity it shall be addressed as follows:

MT Residential Urban Renewal LLC  
2005 Market St, Suite 1000  
Philadelphia, PA 19103

The Entity has an affirmative duty to provide the Township with the new information in the event that the address or the designated party for the Entity changes. The Entity must provide the Township Clerk with the name(s) and address of the registered agent or party authorized to accept service of process on their behalf.

When sent to the Township, it shall be addressed to the Township Clerk and Township Administrator at the Township Municipal Building, 111 West 2<sup>nd</sup> Street, Moorestown, New Jersey 08057, and, if required herein, to the Tax Collector and Tax Assessor, unless prior to the giving of notice the Township shall have notified the Entity otherwise. The notice to the Township shall identify the subject with the tax account numbers of the tax parcels comprising the Property.

## **ARTICLE XII** **COMPLIANCE**

**12.01 Statutes and Ordinances.** The Entity hereby agrees at all times prior to the expiration or other Termination of this Financial Agreement to remain bound by the provisions of Federal and State law and any lawful ordinances and resolutions of the Township, including, but not limited to the Long-Term Tax Exemption Law and the Law. The Entity's failure to comply with such statutes or ordinances shall constitute a violation and breach of the Financial Agreement.

## **ARTICLE XIII** **DEFENSE/INDEMNIFICATION**

**13.01 Defense/Indemnification.** It is understood and agreed that in the event the Township shall be named as party in any action brought against the Township or the Entity challenging the validity of the Ordinance, this Financial Agreement and the Long-Term Tax Exemption granted herein or in any action brought against the Township or the Entity by allegation of any breach, Default or a violation of any of the provisions of this Financial Agreement and/or the provisions of the Long-Term Tax Exemption Law or any other applicable law, the Entity shall, at its sole cost and expense, defend, indemnify and hold the Township harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting directly from the action of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Financial Agreement, except for any gross negligence or intentional misconduct by the Township or any of its officers, officials, employees or agents. However, the Township maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents.

**ARTICLE XIV**  
**DEFAULT**

**14.01 Default.** Default shall be any material and continuing failure of the Entity to conform to the terms of this Financial Agreement and/or any material and continuing failure of the Entity to perform any material obligation imposed upon the Entity by statute, ordinance or lawful regulation beyond any applicable notice, cure or grace period.

**14.02 Cure Upon Default.** Should the Entity be in Default of any obligation under this Financial Agreement, the Township shall notify the Entity in writing of said Default (hereinafter referred to as the "Default Notice"). Said Default Notice shall set forth with particularity the basis of said Default. Except as otherwise limited by law, the Entity shall have thirty (30) days to cure any Default from the date of its receipt of the Default Notice. In the event of any uncured Default, the Township shall have the right to proceed against the Property pursuant to applicable provisions of the Law and the Financial Agreement. Upon any Default in payment of any installment of the Annual Service Charge, the Township shall have the right to proceed to In Rem Tax Foreclosure consistent with the provisions and procedures of the In-Rem Tax Foreclosure Law.

**14.03 Remedies.** In the event of any dispute between the parties, other than a dispute arising from the failure of the Entity to timely pay any portion of the Annual Service Charge or any other financial obligation required by this Financial Agreement, the parties shall submit the dispute for arbitration to a neutral third party to be selected by mutual consent of the parties. In the event of a Default on the part of the Entity to pay any installment of the Annual Service Charge required by Article IV above, the Township in addition to its other remedies, reserves the right to proceed against the Entity's land and premises, in the manner provided by law, including the Tax Sale Law, and any act supplementary or amendatory thereof. Whenever the word "Taxes" appears, or is applied, directly or implied, to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as it is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In either case, however, the Entity does not waive any defense it may have to contest the rights of the Township to proceed in the above-mentioned manner.

**14.04 Remedies Upon Default Cumulative; No Waiver.** Subject to the other terms and conditions of this Financial Agreement, all of the remedies provided in this Financial Agreement to the Township, and all rights and remedies granted to them by law and equity shall be cumulative and concurrent and no determination of the invalidity of any provision of this Financial Agreement shall deprive the Township of any of their remedies or actions against the Entity because of Entity's failure to pay Land Taxes, the Annual Service Charge and/or any applicable water and sewer charges and interest payments. This right shall only apply to arrearages that are due and owing at the time, and the bringing of any action for Land Taxes, Annual Service Charges or other charges, or for breach of covenant or the resort of any other remedy herein provided for the recovery of Land Taxes, Annual Service Charges or other charges shall not be construed as a waiver of the right to proceed with In Rem Tax Foreclosure proceedings consistent with the terms and provisions of this Financial Agreement.

**14.05 Termination Upon Default of the Entity.** In the event the Entity fails to cure or remedy the Default, including without limitation a Default as described in Section 14.01, within the time period provided in Section 14.02, the Township may terminate this Agreement upon thirty (30) calendar days written notice to the Entity (the "Notice of Termination").

**14.06 Final Accounting.** Within ninety (90) calendar days after the date of Termination, the Entity shall provide a final accounting and pay to the Township the reserve, if any, pursuant to the provisions of

N.J.S.A. 40A:20-13 and N.J.S.A. 40A:20-15, as well as any excess Net Profits. For the purposes of rendering a final accounting, the Termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

**14.07 Conventional Taxes.** Upon Termination or expiration of this Financial Agreement, the tax exemption for the Project shall expire and the Land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the Township.

#### **ARTICLE XV MISCELLANEOUS**

**15.01 Oral Representations.** There have been no oral representations made by either of the parties hereto that are not contained in this Financial Agreement. This Financial Agreement, the Ordinance and the Application constitute the entire agreement between the parties regarding the Long-Term Tax Exemption for the Property and there shall be no modifications thereto other than by a written instrument executed by the parties hereto and delivered to each of them.

**15.02 Entire Document.** The Application and all conditions in the Ordinance are hereby incorporated into this Financial Agreement and made a part hereof.

**15.03 Construction.** This Financial Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid or any presumption or other rule requiring construction against the party drawing or causing this Financial Agreement to be drawn since counsel for both the Entity and the Township have had the opportunity to review and approve the Financial Agreement.

**15.04 Good Faith.** The Entity and the Township agree that they shall act in good faith in their dealings with each other.

**15.05 Recording.** At the Township's request, this entire Financial Agreement and the Ordinance may be filed and recorded with the Burlington County Clerk by the Entity at the Entity's expense and the Entity shall provide proof thereof to the Township within fifteen (15) calendar days of such filing.

**15.06 Municipal Services.** The Entity shall make payments for municipal services, including water and sewer charges and any services that create a lien on parity with or superior to the lien for the Land Taxes and Annual Service Charges, as required by law. Nothing herein is intended to release Entity from its obligation to make such payments.

**15.07 Delivery to Tax Assessor.** Upon the full execution of this Financial Agreement, the Clerk of the Township shall deliver to the Tax Assessor a certified copy of the Ordinance along with an executed copy of this Financial Agreement. Such delivery by the Township Clerk to the Tax Assessor shall constitute the certification as required in accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-12. Upon such delivery, the Township Tax Assessor shall implement the tax exemption granted as of the Effective Date and shall continue to enforce the tax exemption, without further certification by the Township Clerk, until the expiration of the tax exemption in accordance with the terms hereof.

**15.08 Financing Matters.** The financial information required by the final paragraph of N.J.S.A. 40A:20-9 are set forth in the Application.

**15.09 Counterparts.** This Financial Agreement may be simultaneously executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**15.10 Amendments.** This Financial Agreement may not be amended, changed, modified, altered and/or terminated without the written consent of the parties hereto and the approval of the Township Council.

**15.11 Authorization.** Each of the Parties hereto which are business entities represent and warrant that each has complied with all necessary formalities and the undersigned signatory has been duly authorized to execute this Financial Agreement on behalf of such entity,

IN WITNESS WHEREOF, the parties have caused this Financial Agreement to be executed the day and year set forth herein.

WITNESS

**TOWNSHIP OF MOORESTOWN**

By: \_\_\_\_\_  
Name: Patricia L. Hunt  
Title: Township Clerk

By: \_\_\_\_\_  
Name: Nicole Gillespie  
Title: Mayor

**MT RESIDENTIAL URBAN RENEWAL LLC**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGMENTS**

STATE OF NEW JERSEY            )  
  )  
COUNTY OF BURLINGTON        )            ss.

I certify that on \_\_\_\_\_, 2021, \_\_\_\_\_ personally came before me and she acknowledged under oath to my satisfaction that (a) she is the municipal clerk of Moorestown Township, the municipal corporation named in this document; (b) she is the attesting witness to the signing of this document by the proper municipal officer who is Nicole Gillespie, Mayor of Moorestown Township, the municipal corporation; (c) this document is signed and delivered by the Township as its voluntary act duly authorized by a proper resolution of the Township; and (d) she knows the proper seal of the Township which was affixed to the document.

\_\_\_\_\_  
Notary Public of the State of New Jersey

STATE OF NEW JERSEY            )  
  )  
COUNTY OF                        )            ss.

I certify that on \_\_\_\_\_, 2021, \_\_\_\_\_ personally came before me and acknowledged under oath to my satisfaction that (a) s/he is the \_\_\_\_\_ of MT Residential Urban Renewal LLC, the company named in this document; and (b) this document is signed and delivered by the company as its voluntary act duly authorized by the company.

\_\_\_\_\_  
Notary Public of the State of New Jersey

EXHIBIT A

Ordinance

EXHIBIT B

PILOT Application

Exhibit C

Subdivision Plat

**EXHIBIT F**  
**[URE Disclosure form submitted to the DCA]**



BOSTON CONNECTICUT FLORIDA NEW JERSEY NEW YORK PROVIDENCE WASHINGTON, DC

LUKE S. PONTIER  
Attorney at Law

One Jefferson Road  
Parsippany, NJ 07054-2891  
T: (973) 966-8714 F: (973) 840-2140  
lpontier@daypitney.com

September 1, 2021

**VIA UPS OVERNIGHT**

Pamela Weintraub  
New Jersey Department of Community Affairs  
Office of Local Planning Services  
101 South Broad Street  
PO Box 813  
Trenton, NJ 08625-0813

Re: MT Residential Urban Renewal, LLC

Dear Ms. Weintraub:

Please be advised that this firm represents MT Residential Urban Renewal, LLC. Please find enclosed one original and dated executed copy of the urban renewal entity disclosure information form and one original dated and executed certificate of formation of MT Residential Urban Renewal, LLC, along with five (5) copies for approval. Please do not hesitate to contact me should you require any additional information.

Very truly yours,

Luke S. Pontier

LSP  
Enclosures

**CERTIFICATE OF FORMATION**

**OF**

**MT RESIDENTIAL URBAN RENEWAL, LLC**

This is to certify that there is hereby formed a limited liability company under and pursuant to the New Jersey Limited Liability Company Act and the Long Term Tax Exemption Law.

FIRST: The name of the limited liability company is:

**MT RESIDENTIAL URBAN RENEWAL, LLC**

SECOND: The address of the initial registered office of the limited liability company in the State of New Jersey is 820 Bear Tavern Road, West Trenton, New Jersey 08628, and the name of the limited liability company's initial registered agent at such address is: C T Corporation System.

THIRD: The limited liability company shall have perpetual existence, unless earlier dissolved pursuant to the New Jersey Revised Uniform Limited Liability Company Act or the operating agreement among its members.

FOURTH: The general character of business for which the Limited Liability Company is organized is as follows:

The purpose for which the limited liability company is formed shall be to operate under the provisions of P.L. 1991, c. 431 (C. 40A:20-1 et seq.) and to initiate and conduct projects for the redevelopment of a redevelopment area pursuant to a redevelopment plan, or projects necessary, useful, or convenient for the relocation of residents displaced or to be displaced by the redevelopment of all or part of one or more redevelopment areas, or low and moderate income housing projects, and, when authorized by financial agreement with the municipality, to acquire, plan, develop, construct, alter, maintain or operate housing, senior citizen housing, business, industrial, commercial, administrative, community, health, recreational, educational or welfare projects, or any combination of two or more of these types of improvements in a single project, under such conditions as to use, ownership,

management and control as regulated pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

FIFTH: So long as the limited liability company is obligated under a financial agreement with a municipality made pursuant to P.L. 1991, c. 431 (C. 40A:20-1 et seq.), it shall engage in no business other than the ownership, operation and management of the project.

SIXTH: The limited liability company has been organized to serve a public purpose. Its operations shall be directed toward: (1) the redevelopment of redevelopment areas, the facilitation of the relocation of residents displaced or to be displaced by redevelopment, or the conduct of low and moderate income housing projects; (2) the acquisition, management and operation of a project, redevelopment relocation housing project, or low and moderate income housing project under P.L. 1991, c. 431 (C. 40A:20-1 et seq.); and (3) that it shall be subject to regulation by the municipality in which the project is situated, and to a limitation or prohibition, as appropriate, on profits or dividends for so long as it remains the owner of a project subject to P.L. 1991, c. 431 (C. 40A:20-1 et seq.).

SEVENTH: The limited liability company shall not voluntarily transfer more than 10% of the ownership of the project or any portion thereof undertaken by it under P.L. 1991, c. 431 (C. 40A:20-1 et seq.), until it has first removed both itself and the project from all restrictions of P.L. 1991, c. 431 (C. 40A:20-1 et seq.) in the manner required by P.L. 1991, c. 431 (C. 40A:20-1 et seq.) and, if the project includes housing units, has obtained the consent of the Commissioner of Community Affairs to such transfer; with the exception of transfer to another urban renewal entity, as approved by the municipality in which the project is situated, which other urban renewal entity shall assume all contractual obligations of the transferor entity under the financial agreement with the municipality. The entity shall file annually with the governing body of the municipality a disclosure of the persons having an ownership interest in the project, and of the extent of the ownership interest of each. Nothing herein shall prohibit any transfer of the ownership interest in the urban renewal entity itself provided that the transfer, if greater than 10 percent, is disclosed to the governing body of the municipality in the annual disclosure statement or in correspondence sent to the municipality in advance of the annual disclosure statement referred to above.

EIGHTH: The limited liability company shall be subject to the provisions of Section 18 of P.L. 1991, c. 431 (C. 40A:20-18) respecting the powers of the municipality to alleviate financial difficulties of the limited liability company or to perform actions on behalf of the limited liability company upon a determination of financial emergency.

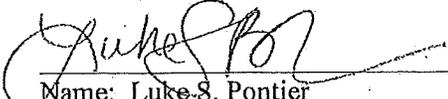
NINTH: Any housing units constructed or acquired by the limited liability company shall be managed subject to the supervision of, and rules adopted by, the Commissioner of Community Affairs.

TENTH: The initial operating agreement of the limited liability company shall be adopted by the members, and the power to make, alter and repeal the operating agreement is reserved to the members.

ELEVENTH: The member has duly appointed Luke S. Pontier, Esq., with offices at One Jefferson Road, Parsippany, New Jersey 07054, as its attorney-in-fact to execute and file this Certificate of Formation on their behalf.

TWLEFTH: This Certificate of Formation shall be effective as of the date of filing with the Treasurer's Office of the State of New Jersey.

IN WITNESS WHEREOF, the undersigned attorney-in-fact has executed this Certificate of Formation, and hereby affirms that to the best of his knowledge and belief, the facts stated herein are true, as of the 1st day of September, 2021.

  
Name: Luke S. Pontier  
Attorney for MT Residential Urban  
Renewal, LLC

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS  
OFFICE OF LOCAL PLANNING SERVICES  
PO BOX 813  
TRENTON, NEW JERSEY 08625-0813

URBAN RENEWAL ENTITIES  
DISCLOSURE INFORMATION

Instructions for Completion: You have filed an application for approval of an urban renewal entity pursuant to the Long Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.). In order for us to process the application, we require that you provide the following information and forward this form to the above address or fax it to (609) 633-6056. This form must be completed prior to DCA approval of the entity. If you have any questions, please call Pamela Weintraub at (609) 633-2133 or email [Pamela.Weintraub@dca.nj.gov](mailto:Pamela.Weintraub@dca.nj.gov).

Name of Urban Renewal Entity: MT Residential Urban Renewal, LLC

**SECTION 1: TYPE OF APPROVAL REQUESTED (check one):**

- Original Certificate (of incorporation, limited partnership, formation, etc.)  
 Amendment to original certificate (of incorporation, limited partnership, formation, etc.). Note: In the case of amendments, please forward a copy of original certificate marked "filed, State Treasurer" or "filed, Secretary of State" with this form.  
 Other (please specify) \_\_\_\_\_

**SECTION 2: PROJECT INFORMATION**

Project Name: Moorestown Mall Redevelopment

Project Street Address: 400 Route 38

Project Block Number(s) 3000 Project Lot Number(s) 3

Municipality in which the Project is located Moorestown, New Jersey

County in which the Project is located Burlington County

**SECTION 3 (For project listed in SECTION 2. Check one.)**

- This project is solely a commercial project (with no housing units) developed in a redevelopment area pursuant to a municipal redevelopment plan.  
 2. This project consists solely of market rate housing units developed in a redevelopment area pursuant to a municipal redevelopment plan.  
 3. The project consists of low and moderate income housing units, which may include senior citizen low and moderate income housing units.  
 4. This project consists of mixed uses (Specify type).  
 Market rate and low and moderate income housing.  
 Commercial and market rate housing.  
 Commercial and low and moderate income housing.  
 Other (please describe). \_\_\_\_\_

NOTE: If you checked 1 or 2, complete **SECTIONS 4, 6, and 7.**  
If you checked 3, complete **SECTION 5, 6, and 7.**  
If you checked 4, complete **SECTIONS 4, 5, 6, and 7.**

**SECTION 4: REDEVELOPMENT PLAN INFORMATION**

Name of Municipal Redevelopment Agency Moorestown Township Council

Citation of municipal ordinance adopting the redevelopment plan Ordinance 25-2021

For housing projects, complete the following:

Specify type and number of units as applicable:

- Condominium units \_\_\_\_\_
- Market rate rental 300
- Low and moderate income in mixed use projects 75
- Senior citizen in mixed use projects \_\_\_\_\_
- Other (please specify) \_\_\_\_\_

Total number of units 375

**SECTION 5: PROJECT FUNDING SOURCES**

The low and moderate income housing project will be financed or insured by which of the following (check all applicable):

- Private funds (Please specify) Lender to be identified
- State or Federal financing or insuring agencies (Please specify below)
- Other (Please specify) Redeveloper Equity / Funds

State or Federal Financing or Insuring Agencies for the Project (check all that apply):

**NJ Department of Community Affairs:**

- Neighborhood Preservation Balanced Housing
- HOME – CHDO Production (Community Housing Development Organizations) Program
- HOME – Housing Production Investment Fund
- National Housing Trust Fund

**NJ Redevelopment Authority:**

- NJ Urban Site Acquisition Program

**US Department of Housing and Urban Development (HUD):**

- Section 811 Supportive Housing for Persons with Disabilities
- Section 202 Supportive Housing for the Elderly
- HOPE VI Grants
- HOME Program

**US Department of Agriculture:**

- Rural Resources Administration (formerly Farmers' Home Administration)

**Other (Please specify):**  
\_\_\_\_\_

**NJ Housing and Mortgage Finance Agency:**

- NJ Community Housing Demo Program (developmental disabilities)
- NJ Supportive Housing Connection Program
- CHOICE Program
- Special Needs Housing Partnership Program
- Multifamily Rental Housing Program
- Multifamily Conduit Bond Program
- Public Housing Construction and Permanent Loan Program
- Sandy Special Needs Housing Fund
- Rental Housing Incentive Finance Fund
- 100% Mortgage Program
- Urban Home Ownership Recovery Program
- Low-Income Housing Tax Credit Allocation Program
- Money Follows the Person Housing Partnership Program
- Section 811 Project Based Rental Assistance Program
- Fund for Restoration of Multifamily Housing (FRM)
- Fund for restoration of Multifamily Housing -Public Housing Authority Set -Aside

List the information of the State or Federal financing or insuring agency's contact person:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department/Agency: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**SECTION 6: PROJECT CONSTRUCTION/OWNERSHIP (check all that apply)**

1. The project is new construction.
2. An existing project is being rehabilitated.  
If rehab, specify name of individual, entity, etc. who is the current owner of the project.  
\_\_\_\_\_
3. Ownership of an existing project is being transferred to the new urban renewal entity.  
If transfer, specify name of individual, entity, etc. from whom the project is being or has been transferred.  
\_\_\_\_\_
- Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Non Profit Housing Corporations and Associations Law, N.J.S.A. 55:16-1 et seq.? (yes or no) \_\_\_\_\_
- Is the transferor entity a limited dividend corporation or association, established pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) \_\_\_\_\_
- Has the project ever been subject to a deed restriction, as a limited dividend project, pursuant to the Limited Dividend and Nonprofit Housing Corporations and Associations Law, N.J.S.A.55:16-1 et seq.? (yes or no) \_\_\_\_\_
- Is the transferor entity an existing urban renewal entity established pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.? (yes or no) \_\_\_\_\_
4. Has this project caused or will this project cause displacement of individuals or businesses? (yes or no) no

**SECTION 7: CERTIFICATION**

NOTE: This certification must be completed by an individual authorized to execute the certificate of incorporation (incorporator), the certificate of limited partnership (general partner), or other similar certificate or statement as may be required by law.

**CERTIFICATION**

I attest that the information stated herein is truthful and accurate to the best of my knowledge and understand that failure to fully and accurately disclose any information may delay processing the application while the Department investigates the application and project. Further, I understand that any project of the urban renewal entity may be subject to additional Department review and approval, pursuant to the requirements of the Limited Dividend and Nonprofit Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., and/or rules governing Limited Dividend and Nonprofit Housing Corporations and Associations and Urban Renewal Entities, N.J.A.C. 5:13-1 et seq.

Sworn to me and subscribed before me this day of  
(mo/day/year)

Sept 1 2021

Sherry L. Janzen  
(notary public/attorney)

**SHERRI L. JANZEN**  
A Notary Public of New Jersey

My Commission Expires March 8, 2026

x [Signature]  
(authorized individual's signature)

LUKE S. PONTIER  
(print name of authorized individual)  
ATTORNEY FOR NT RESIDENTIAL  
URBAN RENEWAL, LLC

**EXHIBIT G**  
**[Certification of Construction Commencement]**

## CERTIFICATION OF CONSTRUCTION COMMENCEMENT

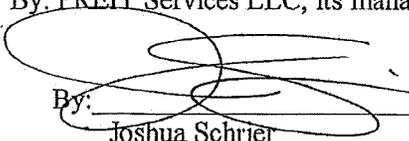
The Applicant being the Developer of the Project hereby certifies that:

1. Construction of the Project, other than demolition or general site preparation, has not and will not commence prior to the final approval and execution of the Financial Agreement between the Township and the Applicant.

2. The foregoing statement made by me this 3<sup>rd</sup> day of September 2021 is true to the best of my knowledge and I understand that the Township of Moorestown is relying on this Certification in considering this Application.

Moorestown Mall LLC, a Delaware limited liability

By: PREIT Services LLC, its managing

By: 

Joshua Schrier  
Senior Vice Prese

**EXHIBIT H**  
**[Diligent Inquiry Certification]**

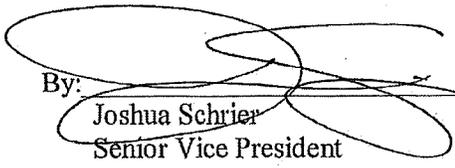
## DILIGENT INQUIRY CERTIFICATION

The Applicant hereby certifies to the Township of Moorestown that all information contained in this Application is true and correct to the best of the Applicant's knowledge, after it has made diligent inquiry to confirm the accuracy of all information contained within the application package.

Moorestown Mall LLC, a Delaware limited liability

By: PREIT Services LLC, its managing agent

Date: 9/3/21

By: 

Joshua Schrier  
Senior Vice President

Exhibit C





## Kevin Aberant

---

**From:** Brian Slaugh <bslaugh@cchnj.com>  
**Sent:** Monday, April 18, 2022 3:43 PM  
**To:** Nicole Gillespie  
**Cc:** Kevin Aberant; Nancy Jamanow  
**Subject:** RE: Demographic Multipliers  
**Attachments:** Pearl Estimated Public Schoolchildren.pdf

Dear Mayor,

As requested, please find attached a .pdf of a worksheet I put together using demographic multipliers from a Rutgers study from 2018 that suggests around 70 public school aged children could be expected to live in the 375 apartments to be built at the Mall. The Rutgers multipliers take into account that some school-aged children will attend private and parochial schools and not the public educational system. Due to Moorestown public school's reputation in South Jersey, however, when I have looked briefly at this issue in the past, I have noticed that public school enrollments in Moorestown compared to population were at a higher ratio than other school districts. For example, Moorestown's 2020 population of 20,474 is very close to Glassboro (20,064) and West Deptford (21,089) in the region, but Moorestown's school enrollment of 3,845 students is almost 1,000 more than West Deptford's 2,904 and positively dwarfs Glassboro's 1,817 students. Next door in Mt. Laurel, the school enrollment is 4,162 students, about 300 students more, but their population is more than twice Moorestown's at 41,443 people in 2020.

In general terms, the taller the building, the lower the number of bedrooms and the more dense the number of units on a given acre, the lower the pupil per unit. Conversely the single family detached unit with 4 or 5 bedrooms typically is the highest generator of schoolchildren, and Moorestown has a lot of that housing. I would suggest that the spreadsheet represents a floor for the school board in planning for transportation. I would not be surprised that the desirability of the education available would increase the number of schoolchildren from the market rate units by half again (say 18 units). This would not occur with the affordable units however, because household size per unit per number of bedrooms is strictly controlled under the UHAC regulations.

If there is anything else I can assist you with, please contact me at your convenience.

Sincerely,

Brian Slaugh

**Brian Slaugh, PP, AICP**

Principal  
T: 609.883.8383, Ext.306  
D: 609.477.7306



**Clarke Caton Hintz** | 100 Barrack Street, Trenton, NJ 08608  
clarkecatonhintz.com | find us on facebook | email  
Architecture | Planning | Landscape Architecture

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**From:** Nicole Gillespie [mailto:NGillespie@moorestown.nj.us]  
**Sent:** Friday, April 15, 2022 12:22 PM  
**To:** Brian Slaugh <bslaugh@cchnj.com>

## Public School Children From the Pearl (Mall - Phase I)

Project Name	Affordable Units			Market Rate Units				
	Total	1BR	2BR	3BR	Total	1BR	2BR	3BR
The Pearl	75	15	45	15	300	130	153	17

Affordable Demographic Multipliers			Market Rate Multipliers					
1BR	2BR	3BR	Pupils	1BR	2BR	3BR	Pupils	Total Pupils
0.088	0.408	1.087		0.018	0.13	0.614		
1.32	18.36	16.305	36	2.34	19.89	10.438	33	69

### AFFORDABLE UNIT MULTIPLIERS

Table I-13. Household Size/Children for Low and Moderate Income Households in NJ, New Housing Units (post 2000)

### MARKET RATE UNITS MULTIPLIERS

Table II-A-3. Public School Children, Newer Housing Units (post 2000)

*Who Lives in NJ Housing?*, Center for Urban Policy Research, Rutgers University, November 2018.

Rental units in buildings with more than 50 units.

**AGREEMENT FOR PAYMENT IN LIEU OF TAXES**

THIS AGREEMENT, made this 15<sup>th</sup> day of June, 2021, between **Community Investment Strategies, Inc.**, a corporation of the State of New Jersey, having its principal office at 1970 Brunswick Avenue, Suite 100, Lawrenceville, NJ 08648 (hereinafter the "Sponsor"), and the **Township of Moorestown**, in the County of Burlington, a municipal corporation of the State of New Jersey (hereinafter the "Municipality").

**WITNESSETH**

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A.55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Township Council of the Municipality (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.
2. The Project is or will be situated on a parcel of land known as Block 8801, Lot 4.03 as shown on the Official Assessment Map of the Township of Moorestown, in the County of Burlington, New Jersey.
3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. Except as set forth in Section 6 of this Agreement, the exemption of the Project from real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.
4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:
  - (1) From the date of the execution of the Agency Mortgage until the date of substantial completion of the Project, the Sponsor shall make payment to the Municipality in an amount equal to \$7,500.00 (pursuant to the HMFA Law, the annual amount may not exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.

(2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to 1.00 percent of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 1.00 percent of Project Revenues, from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less vacancies if any. Project Revenues shall include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 1.0 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.
- (b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to the Municipalities by law just as if said payments constituted

regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9 (a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage; provided however that the tax exemption may be extended after the term of the Agency Mortgage upon terms mutually agreed to between the parties so long as the Project remains subject to the affordability controls set forth in Section 37c of the HMFA Law. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage. This Agreement may be assigned with approval of the Municipality, which shall not be unreasonably withheld.
7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.
8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day in the presence of an officer or agent of the Sponsor or its successors and assigns.
9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:
  - (a) When sent by the Municipality to the Sponsor, it shall be addressed to Community Investment Strategies, Inc., 1970 Brunswick Avenue, Suite 100,

Lawrenceville, New Jersey 08648, with a copy to GluckWalrath LLP, 4 Paragon Way, Suite 400, Freehold, New Jersey 07728, Attention: Christopher M. Walrath, Esq, or to such other address as the Sponsor may hereafter designate in writing; and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Township of Moorestown, Municipal Building, 111 West 2<sup>nd</sup> Street, Moorestown, NJ 08057, with a copy to Taenzer, Ettenson & Aberant, PC, 123 North Church Street, Moorestown, New Jersey 08057, Attention: Kevin E. Aberant, Esq, or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.
11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the day and year set forth below.

**ATTEST:**

*Diana Dabulas*

\_\_\_\_\_

**SPONSOR:**

Community Investment Strategies, Inc.



\_\_\_\_\_  
Barbara K. Schoor, Vice President

**ATTEST:**

*Catrina P. Hunt*

\_\_\_\_\_

**MUNICIPALITY:**

Township of Moorestown

*Vicente M. Muspi*

\_\_\_\_\_

**"EXHIBIT A"**

Projected Payment in Lieu of Taxes  
Based upon 2020 Rent Levels

<b>REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT</b>		
Gross Rents	\$	703,704
Less Vacancy	(-)	49,259
Gross Sheltered Rents	\$	654,445
x Rate	x	1.00
Real Estate Taxes	\$	6,544

**FINANCIAL AGREEMENT PURSUANT TO THE LONG  
TERM TAX EXEMPTION LAW,  
N.J.S.A. 40a:20-1, et seq.  
BETWEEN THE TOWNSHIP OF MOORESTOWN AND  
MOORESTOWN FAMILY APARTMENTS LLC (name to be changed to Moorestown  
Family Apartments Urban Renewal LLC)**

THIS FINANCIAL AGREEMENT (hereinafter, the “Agreement”), is made as of this \_\_\_\_ day of \_\_\_\_\_, 2021, between (CONFIRM NAME) MOORESTOWN FAMILY APARTMENTS LLC (name to be changed to Moorestown Family Apartments Urban Renewal LLC), a limited liability company of the State of New Jersey, having its principal office at 21 East Euclid Avenue, Suite 200, Haddonfield, New Jersey 08033, herein designated as the “Entity,” and the TOWNSHIP OF MOORESTOWN, a municipal corporation of the State of New Jersey, hereinafter designated as the “Township.”

**WITNESSETH:**

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the “Law”). The Entity shall at all times prior to the expiration or other termination of this Agreement remain bound by the provisions of the Law. Operation under this Agreement shall be terminable by the Entity in the manner provided by the Law.

2. The Township has granted and does hereby grant its approval for an urban renewal project, the nature, magnitude and description of which is disclosed below, to be built under the provisions of the Law on the approximately 12.5 acre parcel of land to be subdivided and currently located on a portion of Block 7401, Lots 1 & 2 in the Township of Moorestown,

New Jersey (hereinafter, the “Project”). The Township finds that the development of the Project creates a substantial benefit to the Township when compared to costs, if any, associated with the tax exemption granted herein and, further finds that such tax exemption is of significant importance in obtaining the development of the Project. A summary of the Project follows:

(a) The Project is a one hundred fifty-two (152) unit development consisting of seventy-six (76) income restricted affordable family rental units and seventy-six (76) market rate family rental units to be constructed on an approximately 12.5 acre site fronting on Borton Landing Road and located on a portion of Block 7401, Lots 1 & 2, in Moorestown, New Jersey. Fifty percent (50%) of the rental units will be leased exclusively to tenants whose incomes are at or below sixty percent (60%) of the area median income, and so qualifies as a “low and moderate income housing project” under the provisions of the Law and will be maintained as low and moderate income housing for a period of thirty (30) years from the completion of construction.

(b) The Entity was or will be qualified as an “urban renewal” entity under the Law. The Entity will admit an investor member in connection with the Low Income Housing Tax Credit syndication of the Entity and Project.

(d) The Project’s proposed sources and uses is set forth on Exhibit “A” attached hereto and incorporated herein.

(e) The Project’s proposed operating expenses are set forth on Exhibit “B” attached hereto and incorporated herein.

3. Approval hereunder is granted to the Entity for the undertaking of the Project on the lands referred to above, which shall in all respects comply and conform to all applicable statutes and municipal ordinances, and the lawful regulations made pursuant thereto, governing land, building(s) and the use thereof.

4. The Project to be constructed by the Entity shall be exempt from taxation on its improvements in accordance with the provisions of the Law and in the manner provided by this Agreement for a term of thirty (30) years from the completion of the entire Project but not more than thirty-five (35) years from the execution of this Agreement, and only so long as the Entity and the Project remain subject to the provisions of the Law and complies with this Agreement.

5. In consideration of the aforesaid exemption from taxation on improvement(s), the Entity, its successors and assigns shall make payment to the Township of an annual service charge of a sum equal to six and 28/100 percent (6.28%) for municipal services supplied to the Project (hereinafter the "Annual Service Charge") of the annual gross revenue determined pursuant to N.J.S.A. 40A:20-1, et seq. less project vacancies, if any, calculated from the first day of the month following the substantial completion of the Project. There is hereby established a schedule of Annual Service Charges to be paid over the term of the thirty (30) year exemption period which shall be in stages as follows:

(a) For the first stage of the exemption period, commencing upon substantial completion of the Project and for the fifteen (15) years thereafter (the "Commencement Date"), the Entity shall pay the Township an Annual Service Charge equal to six and 28/100 percent (6.28%) of the annual gross revenue less project vacancies, if any.

For the remainder of the period of the exemption, the Annual Service Charge shall be determined as follows:

(b) For the second stage of the exemption period, which shall be for years sixteen (16) through eighteen (18) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or

twenty percent (20%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(c) For the third stage of the exemption period, which shall be for years nineteen (19) through twenty-one (21) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or forty percent (40%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(d) For the fourth stage of the exemption period, which shall be for years twenty-two (22) through twenty-five (25) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or sixty percent (60%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater;

(e) For the final stage of the exemption period, which shall be for years twenty-six (26) through thirty (30) of the exemption period, the Entity shall pay the Township an amount equal to either the amount determined pursuant to Paragraph 5(a) of this Agreement or eighty percent (80%) of the amount of taxes otherwise due on the value of the land and improvements, whichever shall be greater.

The Annual Service Charge shall be paid to the Township on a quarterly basis in a manner consistent with the Township's tax collection schedule.

Against the Annual Service Charge the Entity shall be entitled to credit for the amount, without interest, of the real estate taxes on the Project's land paid or that would have been due by it or by the owner of the Project's land in the last four (4) preceding quarterly installments. Notwithstanding the provisions of this section of the Agreement, the minimum Annual Service

Charge shall be the amount of the total taxes levied against all the real property covered by the Project in the last full tax year in which the area was subject to taxation, and the minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge calculated pursuant to this section of the Agreement would be less than the minimum Annual Service Charge. Prior to the Commencement Date, the Entity shall pay real estate taxes based on the assessed value of the Project as of the date of this Agreement. The calculation of the proposed Annual Service Charge is set forth on Exhibit "C" attached hereto and incorporated herein.

6. The Annual Service Charge payments for the first year of tax exemption shall be made on a pro rata basis, from the date of commencement of the exemption to the close of that calendar year, and, for the last calendar year of the tax exemption, from the first day of the calendar year to the date of termination of the exemption. Upon the termination of the exemption granted pursuant to the provision of the Law, the Project and all improvements made thereto shall be assessed and subject to taxation as are other taxable properties in the Township. After the date of termination, all restrictions and limitations upon the Entity shall terminate and be at an end upon the Entity's rendering its final accounting to and with the Township.

7. In the event of a breach of the Agreement by either of the parties hereto, or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may, pursuant to N.J.S.A. 40A:20-9f, invoke the rules of the American Arbitration Association for resolution by arbitration (the "AAA Rules"). The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results of the arbitration shall be final and binding upon the parties, with each party paying its own costs of the arbitration and 50% of the costs of the neutral arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof. In

rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of New Jersey. The arbitration shall be held in Moorestown, New Jersey, or at such other place as may be selected by mutual agreement of the parties. The arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Agreement.

In the event of a default on the part of the Entity pursuant to its obligation to pay the Annual Service Charge as defined in Paragraphs 5 and 6 above, the Township may terminate the tax abatement if the default is not remedied within ninety (90) days of the due date of the Annual Service Charge or in the alternative it reserves the right to proceed against the Entity's Project that is the subject of this Agreement, in the manner provided by N.J.S.A. 54:5-1 to 54:5-129 and any act supplementary or amendatory thereof, it being understood and agreed by the parties hereto that throughout N.J.S.A. 54:5-1 to 54:5-129 and any act supplementary or amendatory thereof, whenever the word "taxes" appears, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provision shall be read, as far as is pertinent to this Agreement, as if the Annual Service Charge were taxes or municipal liens on land. In any event, however, the Entity does not waive any defense it may have to contest the right of the Township to proceed in the above-mentioned manner by conventional or in rem tax foreclosure.

8. It is agreed between the parties that the Entity, at any time after the expiration of one (1) year from the completion of the Project, may notify the Township Council that, as of a certain date designated in the notice, it relinquishes its status under the Law, and that the entity has obtained the consent of the Commissioner of the Department of Community Affairs to such a

relinquishment. As of that date, the tax exemption, the service charges, and the profit and dividend restrictions for the Entity shall terminate. The date of termination of tax exemption, whether by relinquishment by the Entity or by terms of this Agreement, shall be deemed to be the close of the fiscal year of the Entity. Within ninety (90) days of that date, the Entity shall pay to the Township the amount of reserve, if any, maintained pursuant to section 15 or 16 of the Law, as well as the excess net profits, if any, payable as of that date.

9. The Entity shall be subject, during the period of this Agreement and tax exemption under the Law, to a limitation of its profits and in addition, in the case of a corporation, of the dividends payable by it. Whenever the net profits of the Entity for the period, taken as one accounting period, commencing on the date on which the construction of the Project is completed and terminating at the end of the last full fiscal year, shall exceed the allowable net profits for the period, the Entity shall, within ninety (90) days of the close of the fiscal year, pay the excess net profits to the Township as an additional service charge. The Entity may maintain during the term of this Agreement a reserve for unpaid rentals, reasonable contingencies and/or vacancies in an amount not exceeding seven percent (7%) of the gross annual revenues of the Entity for the fiscal year preceding the year in which a determination is being made with respect to permitted net profits as provided in N.J.S.A. 40A:20-15. This seven percent (7%) reserve is established as required by the Low Income Housing Tax Credit regulations of the New Jersey Housing and Mortgage Finance Agency.

10. Within ninety (90) days after the date of such termination, the Entity shall pay the Township a sum equal to the amount of the reserve, if any, maintained pursuant to N.J.S.A. 40A:20-15 and 40A:20-16, as well as the excess net profits, if any, payable as of that date.

11. The Entity shall submit annually, within ninety (90) days after the close of each of its fiscal years, its auditor's reports of income and expenses related to the Project to the Township and to the Director of Local Government Services in the Department of Community Affairs having a mailing address of CN-805, Trenton, NJ 08625-0805.

12. The Entity shall, upon request, permit inspection of the Project, equipment, buildings and other facilities of the Entity by authorized representatives of the Township or the State of New Jersey. The Entity shall also permit examination and audit of its books, contracts, records, documents and papers by authorized representatives of the Township or the State at the Entity's expense. Such inspection or examination shall be made during the reasonable hours of the business day, in the presence of an officer or agent of the Entity.

13. After examination of the books, contracts, etc. as set forth in Paragraph 12, the Township, in its reasonable discretion, may, within ninety (90) days after the close of any fiscal or calendar year (depending on the Entity's accounting basis) in which this Agreement remains in effect, require the Entity to submit an auditor's report for the preceding fiscal or calendar year, certified by a certified public accountant, to the Township. Said auditor's report shall include, but not be limited to, such details as may relate to the Project's cost and to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law, as amended and supplemented, and this Agreement, and shall be prepared in a manner consistent with the current standards of the Financial Accounting Standards Board. Said auditor's report shall be submitted to the representatives of the Township mentioned above within 90 days of receipt by the Entity of the Township's request for said auditor's report.

14. The failure on the part of the Entity to make timely payment of all municipal obligations, taxes, fees and charges arising out of this Agreement or in any way arising out of the

affected Project, its land and/or improvements, or failure on the part of the Entity to comply with the requirements of the aforementioned audit, or with any other substantive condition of this Agreement shall permit the Township to exercise such remedies as may be provided by the Law or this Agreement, provided that this Entity shall have received from the Township a Notice of Default and Intent to Terminate, in which case the Entity shall have ninety (90) days in which to cure any default and avoid such termination.

15. Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

(a) When sent by the Township to the Entity it shall be addressed to: Entity, 21 East Euclid Avenue, Suite 200, Haddonfield, New Jersey 08033, unless prior to giving such notice the Entity shall have notified the Township otherwise in writing.

(b) When sent by the Entity to the Township, it shall be addressed to the Township Clerk, Township of Moorestown, 111 W. 2nd Street, Moorestown, New Jersey, 08057, unless prior to giving such notice the Township shall have notified the Entity otherwise in writing.

16. It is understood and agreed that in the event the Township shall be named as a party defendant in any action brought against the Entity by reason of any breach, default, or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1, et seq., the Entity shall indemnify and hold the Township harmless and shall further defend any such action at its own expense. Notwithstanding anything in the Agreement to the contrary, the Entity's liability under this Agreement shall be limited to its interest in the Project. However, the

Township maintains the right to intervene as a party thereto, to which intervention the Entity consents, the expense thereof to be borne by the Township.

17. The Entity shall have and may exercise such of the powers conferred by law on limited liability companies as shall be necessary for the operation of the business of the Entity and as shall be consistent with the provisions of the Law, and, in addition shall have and may exercise the powers set forth in the Law, but only so long as this Agreement, together with any amendments thereto, is in effect with the Township pursuant to the Law.

18. The Township consents to a sale of the Project by the Entity to another urban renewal entity organized pursuant to the Law, their successors, assigns, all owning no other project at the time of the transfer and that, upon assumption by the transferee urban renewal entity of the transferor's then remaining obligations under this Agreement, the tax exemption of the improvements of the Project shall continue and inure to the transferee urban renewal entity, its respective successors or assigns.

However, any change made in the ownership of the Project which, as determined by the Township in its reasonable discretion, would materially affect the terms of this Agreement, shall render this Agreement voidable unless approved by the Township Council by resolution. It is understood and agreed that the Township may, on written application by the Entity, consent to a sale of the Project and the transfer of the Agreement to an urban renewal corporation or association eligible to function under the Law provided the Entity is not in default as respects any performance required of it hereunder and full compliance with the terms and conditions of N.J.S.A. 40A:20-1, et seq. has occurred and the Entity's obligation under this Agreement with the Township is assumed by the transferee.

If the Entity has, with the consent of the Township, transferred its Project to another urban renewal entity which has assumed the then remaining contractual obligations of the Entity with the Township, the Entity shall be discharged from any further obligation under this Agreement, and shall be qualified to undertake another project with the same or a different municipality.

The Township recognizes and acknowledges that the Entity is a New Jersey limited liability company and as such intends to sell membership interests in the Entity through syndication. The Township specifically recognizes and consents to such syndication and sale or resale of partnership interests in the Entity.

19. Where approval or consent of the Township is sought for an assignment of the Agreement, either the Entity or its assignee shall be required to pay to the Township a reasonable fee for the legal services of the Township's legal counsel related to the review, preparation, and/or submission of papers to the Township Council for its appropriate action on the request assignment.

20. Reference to the Long Term Exemption Law shall mean N.J.S.A. 40A:20-1, et seq., as amended and supplemented.

21. The Entity shall, from the time the Annual Service Charge becomes effective, and on the same due dates as scheduled for the payment of land taxes, pay the Township the estimated 1/4 of the Annual Service Charge on the Project's improvements until the correct amount due from the Entity as the Annual Service Charge on the Project's improvements is determined after any review and examination by the Township of the Entity's books and records and for submission to Township of any auditor's reports pursuant to Paragraphs 12 and 13 above.

Within 90 days after the correct amount due from the Entity as the Annual Service Charge on the Project's improvements has been determined by the Township and notice of same given to the Entity, the Township and the Entity will adjust and pay any over or under payment so made, or needed to be made.

22. All conditions in the Ordinance of the Township Council approving this Agreement are hereby incorporated in this Agreement and made a part hereof.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused these presents to be executed the date and year first above written.

WITNESS: MOORESTOWN FAMILY APARTMENTS LLC  
(name to be changed to Moorestown Family Apartments Urban Renewal LLC)

\_\_\_\_\_  
Name: By: \_\_\_\_\_  
Joseph A. Del Duca  
Authorized Member

ATTEST: TOWNSHIP OF MOORESTOWN

\_\_\_\_\_  
Patricia L. Hunt, RMC  
Township Clerk By: \_\_\_\_\_  
Nicole Gillespie  
Mayor

**Exhibit "A"**

**Project Sources and Uses (Projected)**

Moorestown Family Apartments' proposed costs and funding sources are as follows:

DEVELOPMENT BUDGET FUNDING SOURCES

**Exhibit "B"**

**Project Rental Income and Operating Expenses (Projected)**

**A. ANNUAL INCOME & OPERATING SCHEDULES**

**Exhibit "C"**

**Calculation of Annual Service Charge**

a.	Annual Revenue	\$ _____
b.	Less: Vacancy Factor Amount (a * 7%)	(\$)- \$ _____
c.	Equals: Net Income (a-b)	\$ _____
d.	Plus Operating Subsidy (___ units)	\$ _____
e.	Annual Revenue (c+d)	\$ _____
f.	Annual Abatement Percentage Required (cannot exceed 15%)	x 6.28%
g.	Annual Amount of Payment in Lieu of Taxes (e * f)	\$ _____

<b>Sources/Uses of Funds</b>			
	<b>Amount</b>	<b>\$/unit</b>	<b>%</b>
Permanent Mortgage	18,667,378	122,812	50%
LIHTC Equity	16,798,320	110,515	45%
Reinvested Developer Fee	2,216,174	14,580	6%
<b>Total Sources of Funds</b>	<b>\$37,681,872</b>	<b>247,907</b>	
Acquisition/Title Costs	150,001	987	0%
Construction Costs	25,927,064	170,573	69%
Third Party Professional Costs	2,799,510	18,418	7%
Lease-up & Marketing	175,000	1,151	0%
Financing/Loan Fees/Interest	2,051,386	13,496	5%
NJHMFA Fees	731,671	4,814	2%
Capitalized Reserves	1,098,295	7,226	3%
Developer Fee/Overhead	4,748,945	31,243	13%
<b>Total Uses of Funds</b>	<b>\$37,681,872</b>	<b>247,907</b>	

## Moorestown Mixed-Income

### Taxes vs. PILOT

<u>Income Method</u>			<u>Per Apt</u>
Gross Income		\$ 1,727,364	22,728
Other Income		46,480	612
Vacancy	5%	(86,368)	(1,136)
Gross Effective Income		1,687,476	22,204
Expense Ratio	48%	(809,988)	(10,658)
(i) Assessor's Net Operating Income		877,487	11,546
Cap rate/Value	10.0%	8,774,874	115,459
Assessment to market	81.95%	7,191,009	94,619
Tax calculated per		100	
Tax / Mill Rate	2.60	186,966	2,460
Plus Affordable (45Y deed restr)		56,737	788
<b>Est. Taxes</b>		<b>243,704</b>	<b>3,248</b>

### PILOT Taxes

#### **Market**

Gross Income		\$ 1,727,364	22,728
Other Income		46,480	612
Vacancy	5%	(86,368)	(1,136)
Gross Effective Income		1,687,476	22,204
x 6.28%		\$ 105,973	1,472

#### **Affordable**

Gross Income		\$ 921,900	12,130
Vacancy	2%	(18,438)	(243)
Gross Effective Income		903,462	11,888
x 6.28%		\$ 56,737	788

<b>Total Est. PILOT</b>		<b>\$ 162,711</b>	<b>\$ 1,070</b>
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<b>Difference</b>		<b>\$ 80,993</b>	<b>2,178</b>
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## Nicole Gillespie

---

**From:** Nicole Gillespie <[NGillespie@moorestown.nj.us](mailto:NGillespie@moorestown.nj.us)>  
**Sent:** Thursday, March 30, 2023 9:43 PM  
**To:** Mark Villanueva <[mvillanueva@mtps.com](mailto:mvillanueva@mtps.com)>  
**Cc:** Quinton Law <[qlaw@moorestown.nj.us](mailto:qlaw@moorestown.nj.us)>  
**Subject:** Re: Moorestown Public Schools

Hi Mark,

Can you and I find some time to talk? We all want to do what's best for the town, and council members are absolutely willing to discuss what percentage could go to the schools, but there are still some unknowns with the affordable housing PILOTS.

I'm in Camden most days for work, but have some flexibility. Let me know what your schedule is like and we can set up a time to talk on the phone or meet for coffee.

Thanks,  
Nicole

---

**From:** Mark Villanueva <[mvillanueva@mtps.com](mailto:mvillanueva@mtps.com)>  
**Sent:** Thursday, March 30, 2023 6:16:59 PM  
**To:** Nicole Gillespie <[NGillespie@moorestown.nj.us](mailto:NGillespie@moorestown.nj.us)>; Quinton Law <[qlaw@moorestown.nj.us](mailto:qlaw@moorestown.nj.us)>; Sue Mammarella <[smammarella@moorestown.nj.us](mailto:smammarella@moorestown.nj.us)>; Jake VanDyken <[jvandyken@moorestown.nj.us](mailto:jvandyken@moorestown.nj.us)>; Dave Zipin <[dzipin@moorestown.nj.us](mailto:dzipin@moorestown.nj.us)>  
**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>; James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>; Cheryl Makopoulos <[cmakopoulos@mtps.com](mailto:cmakopoulos@mtps.com)>; Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>  
**Subject:** Moorestown Public Schools

Dear Mayor Gillespie, Deputy Mayor Law and Council Members,

Various representatives of the Moorestown Township Public School District and the Board of Education have discussed with members of Council, or with the Township Manager, issues related to the new housing developments in Moorestown. In particular, the School District and the BOE have sought information regarding the PILOT, or "payment in lieu of taxes", arrangements that the municipality has with developers. Our understanding is that PILOT agreements have or will be executed for various locations. While the details of most of those PILOT agreements remain unclear to the School District and BOE, our understanding is that the School District will receive no revenue from those PILOT agreements.

As you know, the School District typically receives over 60% of property taxes to support the schools and our students. Indeed, the vast majority of revenue for the School District's budget is generated by property taxes. But under the PILOT agreements, the School District will receive nothing. These new housing developments will undoubtedly increase student enrollment in the School District, and if there is no accompanying revenue stream to support these students, the School District, students, Moorestown taxpayers, and our Township will suffer.

I've attached a copy of the PILOT agreement that applies to the development at the Moorestown Mall. We had to obtain this independently, despite several requests for the Township to provide a copy of it. Nonetheless, this agreement indicates that the Township will receive in excess of \$50 million of revenue through Phase I of the project at the Mall. The School District and the BOE would like to discuss with Council

an equitable allocation of the revenue stream associated with this and other locations. We look forward to receiving written confirmation of the arrangements that are in place for the other locations, but we understand, through conversations with the Township Manager, that we need to discuss these issues with Town Council.

In addition, we have requested that the Township work with the School District to increase police presence – by way of Class III officers – at our schools. We have had productive conversations with the Township Manager regarding this initiative. We understand the Township Manager will debrief you on this issue and we look forward to working with you in the coming weeks on this important initiative to protect the safety of our students. Our goal is to increase police presence at our schools by July 1, 2023, and look forward to working with the Township to achieve that goal.

I've copied Joe Bollendorf, Interim Superintendent, James Heiser, Business Administrator, and Kevin Aberant, Township Manager, on this email. Please let us know when we can meet to discuss these issues.

Regards,  
Mark Villanueva

## Kevin Aberant

---

**From:** Kevin Aberant  
**Sent:** Tuesday, March 7, 2023 5:27 PM  
**To:** James Heiser  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

James:

Sorry for the delay in responding. I started getting materials together and was interrupted. Still working on getting everything. I should have a reply shortly.

-Kevin

---

**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Tuesday, March 7, 2023 1:50 PM  
**To:** Kevin Aberant <kaberant@moorestown.nj.us>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Just following up here.

Thank you,

### James M. Heiser, CPA

Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

---

**From:** James Heiser  
**Sent:** Saturday, February 25, 2023 10:53 AM  
**To:** 'Kevin Aberant' <kaberant@moorestown.nj.us>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** FW: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Joe and Mark followed up with me after their meeting with you last week. Nancy was helpful with providing additional clarity to the spreadsheet I created; however, I do have follow-up questions as it relates to the PILOTS and/or financial agreements.

1. 307 Harper Drive –
  - a. Resolution 192-2020 indicates “Whereas Township Council believes it would be in the best interest of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B.

## Kevin Aberant

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Friday, March 10, 2023 5:23 PM  
**To:** James Heiser; Kevin Aberant  
**Cc:** Joe Bollendorf  
**Subject:** Re: Affordable Housing Update and PILOT Agreements  
**Attachments:** 2022-11-18 fully executed PILOT and exhibits (004).pdf

Kevin,

Thank you for meeting with Joe and me a few weeks ago. We look forward to receiving more information about the arrangements at the new housing developments that are coming to Moorestown. You said that there were no PILOT agreements in place, and I confirmed that understanding with Deputy Mayor Law. But please see the attached agreement and let us know if this is the financial arrangement in place for the development that is under construction at the Moorestown Mall.

We look forward to hearing from you regarding our other information requests so we can better understand how we can work together to ensure we are providing the best education for our current and future students.

Best,  
Mark

---

**From:** James Heiser  
**Sent:** Tuesday, March 7, 2023 1:49 PM  
**To:** 'Kevin Aberant'  
**Cc:** Joe Bollendorf; Mark Villanueva  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Just following up here.

Thank you,

**James M. Heiser, CPA**  
Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

---

**From:** James Heiser  
**Sent:** Saturday, February 25, 2023 10:53 AM

**To:** 'Kevin Aberant' <kaberant@moorestown.nj.us>

**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>

**Subject:** FW: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Joe and Mark followed up with me after their meeting with you last week. Nancy was helpful with providing additional clarity to the spreadsheet I created; however, I do have follow-up questions as it relates to the PILOTS and/or financial agreements.

1. 307 Harper Drive –
  - a. Resolution 192-2020 indicates “Whereas Township Council believes it would be in the best interest of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B.
  - b. The developer sent us their projections related to the breakdown of total units which I believe would be used for enrollment projection purposes utilizing Rutgers formulas. Please forward any such enrollment projection for this location.
2. Moorestown Mall –
  - a. Ordinance 25-2021 references an Affordable Housing Settlement Agreement which then references, “...the parties have come to a resolution of Developer’s Objection ..... (ii) and enter into a Financial Agreement with the Developer to permit a Payment in Lieu of Taxes on the Property ....” Please forward all financial agreements, PILOT agreements, and any other similar agreements that exist for the Moorestown Mall redevelopment.
  - b. Student enrollment projections have been stated and provided in our spreadsheet, but I would like a copy of the formal projections as well utilizing the Rutgers formulas.
3. AMF-2 – Centerton Road –
  - a. Resolution 165-2021 indicates “Whereas, the Township Council believes it would be in the best interests of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B.
4. AMF-6 – Borton Landing Road – Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment?
5. AMF-7 – Centerton Road - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment?
6. AMF-3 – Lenola Road – Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment?
7. AMF-4 – Route 38 - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment?

If no PILOT and/or other financial agreements exist for any of these locations, please confirm the same. Thank you for working with the schools as we navigate through the potential impact related to the new units.

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

Moorestown NJ 08057

(856) 778-6600 Ext. 18150

Fax (856) 235-0961

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**From:** Nancy Jamanow <njamanow@moorestown.nj.us>

**Sent:** Monday, January 30, 2023 1:24 PM

**To:** James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>; Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>  
**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>; Patty Muscella <[pmuscella@moorestown.nj.us](mailto:pmuscella@moorestown.nj.us)>  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

Good afternoon, James,

As part of the planning board process, student projections are not taken into consideration. I have no student projections for any of the affordable housing projects.

Some of the projects you have listed as Lockheed Martin. None of the sites are related to Lockheed Martin.

I have update the form as best I can. I am not familiar with PILOTS if they are in place or not. I do not think any are at this time. Any development that is inclusionary (AMF- 3, 4, 7) do not have PILOTS.

AMF-5 does not have a PILOT.

I hope this is helpful.

Nancy

*Nancy W. Jamanow, PE, CME, PP*

Director of Community Development

Moorestown Township

856-914-3021

**From:** James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>

**Sent:** Friday, January 27, 2023 7:35 AM

**To:** Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>; Nancy Jamanow <[njamanow@moorestown.nj.us](mailto:njamanow@moorestown.nj.us)>

**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>

**Subject:** Affordable Housing Update and PILOT Agreements

Hi Kevin and Nancy:

Thank you for taking the time to meet with me and Mike and provide updates on the Affordable Housing Developments. It is helpful to make sure we are on the same page and have updated information along the way so we can be ready for the increased student population.

I have attached a spreadsheet that I created to help track the developments. For areas that are highlighted in yellow, I am missing information or need it verified. Can you please review and provide any input on those items? Also, if you could provide an update on the Moorestown Mall construction that would be greatly appreciated since I know it is moving along.

Please provide copies of the PILOT agreements that are associated with the properties.

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

Moorestown NJ 08057

(856) 778-6600 Ext. 18150

Fax (856) 235-0961

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**MOORESTOWN TOWNSHIP PUBLIC SCHOOLS**  
Affordable Housing Update  
As of October 4, 2022

Site	Block / Lot	Developer	Total Units	Student Projections	Anticipated Student Date	PILOT (Yes / No)	Status	Notes
AMF-1 - 307 Harper Drive	3201 / 3	Pennrose	75	Need info	2024 - Fall	Yes	Site Plan Approval	Resolution 192-2020
Moorestown Mall (Pearl)	3000 / 3	Bel Cantio	375 / 75 affordable	70	2025 - Spring	Yes	Site Plan Approval	Resolution 215-2020, Resolution 35-2020, Ordinance 25-2021. Cooper purchased Sears so Phase 2 and 3 of original plans likely won't happen.
AMF-6 - Borton Landing Road - UES	7401 / 1.02	Walters	152 / 76 affordable	Need info	2025 - Summer	Yes	Preliminary Site Plan Approval	In Litigation currently and no funding yet as of August 2022. Funding approved Fall 2022.
AMF-7 - Centerton Road / Diocese of Trenton	8801 / 3.01	N/A	84 / 16 affordable	May not be readily available	No estimate	No	Zoned; No Site Approval	Not sure on townhouses vs. condos. Plan submitted for 76 units. This may have been moved to Bridgeboro Road. Need to confirm.
AMF-3 - Lenola Road & Glen Ave	100 / 1.09	N/A	36 affordable	May not be readily available	No estimate	No	Zoned; No Site Approval	Ryan Homes is looking at the site.
AMF-4 - Route 38	4801 / 17, 18, 20	MRD	35 affordable	May not be readily available	No estimate	No	Zoned; No Site Approval	Water & sewer are not readily available
AMF-5 - Centerton Road / Parkers Bend Retirement Community LLC	8801 / 4.02	Cameron General Contractors	NO affordable units- 130 luxury senior apartments	0	N/A	No	Approved. Construction ongoing.	Senior Citizen Housing. Construction is already happening.
AMF-2 - Centerton Road / Parkers Bend Retirement Community LLC	8801 / 4.03	Community Investment Strategies	81 unit senior affordable housing	0	N/A	Believe so, need to confirm	Approved. Conformance Plans and funding not in place	Resolution 165-2021. Senior Citizen Housing - 81 senior apartments and 1 caretaker unit. Total of 82 units.

**MOORESTOWN TOWNSHIP PUBLIC SCHOOLS**  
Affordable Housing Update  
As of October 4, 2022

<u>Site</u>	<u>Block / Lot</u>	<u>Developer</u>	<u>Total Units</u>	<u>Student Projections</u>	<u>Anticipated Student Date</u>	<u>PILOT (Yes / No)</u>	<u>Status</u>	<u>Notes</u>
AMF-1 - 307 Harper Drive	3201 / 3	Pennrose	75	Need info	2024 - Fall	Yes	Site Plan Approval	Resolution 192-2020
Moorestown Mall (Pearl)	3000 / 3	Bell Center	375 / 75 affordable	70	2025 - Spring	Yes	Site Plan Approval	Cooper purchased Sears so Phase 2 and 3 of original plans likely won't happen
AMF-6 - Borton Landing Road - UES	7401 / 1	Walters	152 / 76 affordable	Need info	2025 - Summer	Yes	Preliminary Site Plan Approval	In Litigation currently and no funding yet as of August 2022
AMF-7 - Centerton Road / Lockheed Martin	8801 / 4.02	N/A	84 / 16 affordable	May not be readily available	No estimate	Need info	Zoned; No Site Approval	Not sure on townhouses vs. condos. Plan submitted for 76 units. This may have been moved to Bridgeboro Road. Need to confirm.
AMF-3 - Lenola Road & Glen Ave	100 / 1-1.07	N/A	36 affordable	May not be readily available	No estimate	Need info	Zoned; No Site Approval	Ryan Homes is looking at the site.
AMF-4 - Strawbridge / Fellowship Road	Unclear	N/A	35 affordable	May not be readily available	No estimate	Need info	Zoned; No Site Approval	Water & sewer are not readily available
AMF-5 - Centerton Road / Lockheed Martin	8801 / 4.03	Community Investment Strategies	82 affordable	0	N/A	Yes	Approved. Construction ongoing.	Senior Citizen Housing. Construction is already happening.
AMF-2 - Centerton Road / Lockheed Martin	8801 / 4.02	Believe it may be CIS, need to confirm	Need info	0	N/A	Believe so, need to confirm	Approved. Construction ongoing.	Senior Citizen Housing

## Kevin Aberant

---

**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Friday, January 27, 2023 8:58 AM  
**To:** Kevin Aberant  
**Cc:** Joe Bollendorf  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

Thank you.

James M. Heiser, CPA  
Business Administrator / Board Secretary  
Moorestown Board of Education  
803 N Stanwick Road  
Moorestown NJ 08057  
(856) 778-6600 Ext. 18150  
Fax (856) 235-0961

---

**From:** Kevin Aberant <kaberant@moorestown.nj.us>  
**Sent:** Friday, January 27, 2023 8:51 AM  
**To:** James Heiser <jheiser@mtps.com>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

James:  
I will discuss with Nancy (she is out today) and get back to you next week.

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004  
Fax 856-914-3066

---

**From:** James Heiser <jheiser@mtps.com>  
**Sent:** Friday, January 27, 2023 7:35 AM  
**To:** Kevin Aberant <kaberant@moorestown.nj.us>; Nancy Jamanow <njamanow@moorestown.nj.us>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>  
**Subject:** Affordable Housing Update and PILOT Agreements

Hi Kevin and Nancy:

Thank you for taking the time to meet with me and Mike and provide updates on the Affordable Housing Developments. It is helpful to make sure we are on the same page and have updated information along the way so we can be ready for the increased student population.

I have attached a spreadsheet that I created to help track the developments. For areas that are highlighted in yellow, I am missing information or need it verified. Can you please review and provide any input on those items? Also, if you could provide an update on the Moorestown Mall construction that would be greatly appreciated since I know it is moving along.

Please provide copies of the PILOT agreements that are associated with the properties.

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

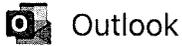
Moorestown NJ 08057

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**Fwd: Bedroom Counts for new Developments:**

---

**From** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Date** Thu 7/18/2024 10:13 AM  
**To** jbollendorf@mtps.com <jbollendorf@mtps.com>

FYI

---

**From:** Kevin Aberant <kaberant@moorestown.nj.us>  
**Sent:** Wednesday, July 17, 2024 6:26:09 PM  
**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Subject:** Bedroom Counts for new Developments:

Mayor:  
Below is the breakdown of bedrooms you have requested for recently approved developments:

**Pearl (At the Mall) Total Unit Count- 375:**  
Studio – 60 Units (15 of which are affordable)  
1 Bedroom – 84 Units  
2 Bedroom – 199 Units (45 of which are affordable)  
3 Bedroom – 32 Units (15 of which are affordable)

**Borton Landing Road Total Unit Count- 152:**  
1 Bedroom- 51 Units (15 of which are affordable)  
2 Bedroom- 79 Units (45 of which are affordable)  
3 Bedroom- 22 Units (16 of which are affordable)

Kevin E. Aberant, Township Manager  
Township of Moorestown  
111 W. Second Street  
Moorestown, NJ 08057  
Tel. 856-914-3004  
Fax 856-914-3066



---

**Re: Moorestown Public Schools**

---

**From** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Date** Thu 3/30/2023 10:06 PM  
**To** Mark Villanueva <mvillanueva@mtps.com>  
**Cc** Quinton Law <qlaw@moorestown.nj.us>

Sounds good. How about Turning Point at 8am?

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Thursday, March 30, 2023 10:04 PM  
**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Cc:** Quinton Law <qlaw@moorestown.nj.us>  
**Subject:** Re: Moorestown Public Schools

Let's grab coffee next Tuesday. My morning is wide open, so you name the time and place.

Mark

---

**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Sent:** Thursday, March 30, 2023 9:58 PM  
**To:** Mark Villanueva  
**Cc:** Quinton Law  
**Subject:** Re: Moorestown Public Schools

Hi Mark,  
I can talk at 9 or 1 tomorrow, or meet next Tuesday morning coffee. Do you have a preference?

My cell is 609-502-8381.

thanks,  
Nicole

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Thursday, March 30, 2023 9:54 PM  
**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Cc:** Quinton Law <qlaw@moorestown.nj.us>  
**Subject:** Re: Moorestown Public Schools

Thanks, Nicole. I'm free tomorrow by phone between 9:00-11:00 a.m. and between 1:00-2:00 p.m. I could grab breakfast or coffee next Tuesday morning as well.

Best,

Mark

---

**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>

**Sent:** Thursday, March 30, 2023 9:43 PM

**To:** Mark Villanueva

**Cc:** Quinton Law

**Subject:** Re: Moorestown Public Schools

Hi Mark,

Can you and I find some time to talk? We all want to do what's best for the town, and council members are absolutely willing to discuss what percentage could go to the schools, but there are still some unknowns with the affordable housing PILOTs.

I'm in Camden most days for work, but have some flexibility. Let me know what your schedule is like and we can set up a time to talk on the phone or meet for coffee.

Thanks,  
Nicole

---

**From:** Mark Villanueva <mvillanueva@mtps.com>

**Sent:** Thursday, March 30, 2023 6:16:59 PM

**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>; Quinton Law <qlaw@moorestown.nj.us>; Sue Mammarella <smammarella@moorestown.nj.us>; Jake VanDyken <jvandyken@moorestown.nj.us>; Dave Zipin <dzipin@moorestown.nj.us>

**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; James Heiser <jheiser@mtps.com>; Cheryl Makopoulos <cmakopoulos@mtps.com>; Kevin Aberant <kaberant@moorestown.nj.us>

**Subject:** Moorestown Public Schools

Dear Mayor Gillespie, Deputy Mayor Law and Council Members,

Various representatives of the Moorestown Township Public School District and the Board of Education have discussed with members of Council, or with the Township Manager, issues related to the new housing developments in Moorestown. In particular, the School District and the BOE have sought information regarding the PILOT, or "payment in lieu of taxes", arrangements that the municipality has with developers. Our understanding is that PILOT agreements have or will be executed for various locations. While the details of most of those PILOT agreements remain unclear to the School District and BOE, our understanding is that the School District will receive no revenue from those PILOT agreements.

As you know, the School District typically receives over 60% of property taxes to support the schools and our students. Indeed, the vast majority of revenue for the School District's budget is generated by property taxes. But under the PILOT agreements, the School District will receive nothing. These new housing developments will undoubtedly increase student enrollment in the School District, and if there is no accompanying revenue stream to support these students, the School District, students, Moorestown taxpayers, and our Township will suffer.

I've attached a copy of the PILOT agreement that applies to the development at the Moorestown Mall. We had to obtain this independently, despite several requests for the Township to provide a copy of it. Nonetheless, this agreement indicates that the Township will receive in excess of \$50 million of revenue through Phase I of the project at the Mall. The School District and the BOE would like to discuss with Council an equitable allocation of the

revenue stream associated with this and other locations. We look forward to receiving written confirmation of the arrangements that are in place for the other locations, but we understand, through conversations with the Township Manager, that we need to discuss these issues with Town Council.

In addition, we have requested that the Township work with the School District to increase police presence – by way of Class III officers – at our schools. We have had productive conversations with the Township Manager regarding this initiative. We understand the Township Manager will debrief you on this issue and we look forward to working with you in the coming weeks on this important initiative to protect the safety of our students. Our goal is to increase police presence at our schools by July 1, 2023, and look forward to working with the Township to achieve that goal.

I've copied Joe Bollendorf, Interim Superintendent, James Heiser, Business Administrator, and Kevin Aberant, Township Manager, on this email. Please let us know when we can meet to discuss these issues.

Regards,  
Mark Villanueva

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---

**Re: Following up**

---

**From** Nicole Gillespie <NGillespie@moorestown.nj.us>

**Date** Wed 4/5/2023 9:48 PM

**To** Mark Villanueva <mvillanueva@mtps.com>; Cheryl Makopoulos <cmakopoulos@mtps.com>; Quinton Law <qlaw@moorestown.nj.us>; mweeks@mtps.com <mweeks@mtps.com>; lromano@mtps.com <lromano@mtps.com>; cmorano@mtps.com <cmorano@mtps.com>; bmailhiot@mtps.com <bmailhiot@mtps.com>; marcaroburns@mtps.com <marcaroburns@mtps.com>; jfallowsmacaluso@mtps.com <jfallowsmacaluso@mtps.com>; damiller@mtps.com <damiller@mtps.com>

**Cc** Kevin Aberant <kaberant@moorestown.nj.us>; James Heiser <jheiser@mtps.com>; Joe Bollendorf <jbollendorf@mtps.com>

Hi Mark,

Thank you for your email and the opportunity to continue this conversation.

Kevin sent copies of all four PILOT agreements in his email to you, Mr. Bollendorf and Mr. Heiser dated 3/30, so to save on email clutter I am not resending those here. We have executed those agreements for the development at the mall and with CIS (you have signed copies). We have not yet signed the agreements with Pennrose and Walters, but they are nonetheless final. Council has passed resolutions authorizing me to sign them, and the amounts were agreed to as part of our affordable housing settlement. The PILOT amounts were not arbitrary, but rather are required by HFMA for tax credit funding. If we were to attempt to renegotiate those agreements after having received a judgment of compliance, not only would we lose that funding (which has already been awarded for the Walters and Pennrose developments, and is pending for CIS) thereby considerably increasing the burden on Moorestown taxpayers, but would risk reopening the entire settlement agreement. For those reasons, we will not be attempting to renegotiate any of the 4 PILOT agreements for affordable housing developments.

I can confirm that Memorial Field is currently covered by Township insurance policies. I understand that it is your opinion that the district still owns Memorial Field, but based on the records that the district shared with us and the records Kevin shared with you, we have been advised otherwise. Once your attorney has reviewed all the records, I assume he will be in contact with our attorney, Doug Heinold. We will await word from Doug as to next steps.

I've copied the full BOE here (my apologies to Jill, Melissa and Danielle for getting their email addresses wrong in my last email) and will ask Kevin to share with the rest of council.

all the best,  
Nicole

**Nicole M. Gillespie, PhD**

Mayor

Township of Moorestown

111 West Second Street

Moorestown, New Jersey 08057

856-914-3001

<https://www.moorestown.nj.us/>

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**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Tuesday, April 4, 2023 11:31 PM  
**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>; Cheryl Makopoulos <cmakopoulos@mtps.com>; Quinton Law <qlaw@moorestown.nj.us>  
**Cc:** Kevin Aberant <kaberant@moorestown.nj.us>; James Heiser <jheiser@mtps.com>; Joe Bollendorf <jbollendorf@mtps.com>  
**Subject:** Re: Following up

Nicole,

Thank you for your email and for taking the time to meet this morning. I agree that we had a productive conversation on a variety of issues, and look forward to continuing to work with Council on these important and complex matters. I'm loathe to re-cap in writing the entirety of our conversation, so please understand that this isn't intended to be a comprehensive summary.

With respect to the new affordable housing developments, I understand that the only PILOT agreement that has been executed is the 11.18.2021 agreement between MT Residential Urban Renewal, LLC and the Township. This agreement applies to the development currently under construction at the Mall. We are evaluating this agreement and look forward to discussing with Council an allocation of revenue to support current and future students. Thank you for agreeing to keep us apprised of the developers' revenue projections and other data that will help us estimate the potential number of students that may reside at this location. We would appreciate receiving similar data for other affordable housing locations, to the extent it exists. As I mentioned, the BOE may engage its own expert to analyze the impact new housing may have on student population, and we will share such data with Council.

We would appreciate written confirmation that the 11.18.2021 agreement is the only PILOT agreement in place for the currently anticipated affordable housing developments, and if others are in place, we ask that Council provide copies of such agreements. To the extent PILOT or other financial arrangements have not been finalized at other developments, we ask that Council consider including the BOE in discussions before finalizing the financial arrangements with the developers.

As to Memorial Field, at this point I don't necessarily agree that we need to "clean up ownership issues." Our counsel is reviewing a variety of documents, including those Kevin provided to us last Thursday. I don't think ownership is in dispute; it is BOE property based on the records and documents that I have seen. But we are continuing to review documents and look forward to further discussing this issue. In the interim, we understand that Memorial Field is covered under the Township's liability, property, and other insurance policies. Please let us know if that is incorrect.

With respect to working with the BOE to increase police officer presence at our buildings, we very much appreciate Council's engagement. Joe Bollendorf, our Interim Superintendent, has been leading this initiative for the District and will be in touch to continue moving the ball forward. Thank you for your partnership on this critical initiative.

Finally, with regard to parking, I've asked Joe to have his team evaluate whether moving the busses during the day is a feasible solution. If it is logistically and economically feasible, I agree that it would be great to provide additional parking to relieve some of the concerns in neighborhoods adjacent to the High School campus.

I've removed a quorum of the BOE to avoid OPMA issues, but will ensure each member receives this email. I very much enjoyed our discussion this morning and look forward to working with Council to do what is best for our children and residents. I share in your commitment to work together on the issues that face our Town.

Regards,  
Mark

---

**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Sent:** Tuesday, April 4, 2023 8:36 PM  
**To:** Mark Villanueva; Cheryl Makopoulos; Mick Weeks; Melissa Arcaro Burns; Lauren Romano; Jill Fallows Macaluso; Claudine Morano; Daniel Miller; Brooke Mailhiot; Quinton Law  
**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf  
**Subject:** Following up

Mark,

Thanks for taking the time to meet with me this morning. I wanted to follow up in writing both to express my gratitude and to keep everyone in the loop. I am copying the rest of the BOE, the Superintendent and the BA, as well as the Deputy Mayor and Manager here. I will ask Kevin to forward this to the other councilmembers to avoid any OPMA issues. If you think I've misrepresented anything or left out anything important from our conversation, please let me know. And if you run into any future difficulties with getting documents or other information you need from the Township, please don't hesitate to let me or other councilmembers know.

Following our conversation, I am confident - and hope you are as well - that Council and the BOE will be able to work together for the good of Moorestown on the issues we discussed. As I mentioned, we share your concerns about the influx of new students from affordable housing development in the next few years and understand that PILOT agreements can have a significant impact on the school's budget. We are absolutely willing to discuss an appropriate allocation to the district, but first the township needs to get a better estimate of what the actual gross revenue is likely to be from Pearl at the mall. The projections in the agreement are based on the developer's 10-year proforma, and include an assumption of 3% annual growth in revenue. We don't yet know the number of bedrooms in the 300 market-rate units, but have asked the developer to provide us with an update and will keep you informed. Knowing the number of bedrooms will allow us to make a better estimate of annual gross revenues from that property (and hence annual PILOT revenues), as well as how many students could potentially reside there.

While council recognizes that additional students will result in additional costs to the district, we also have to consider the significant costs the township is going to incur in order to comply with our affordable housing settlement agreement. I am hopeful that both governing bodies can take a holistic approach, consider all anticipated costs and revenues and the overall impact on Moorestown taxpayers, not just on our respective budgets.

As to Memorial Field, I think we both agreed that we need to clean up any ownership issues there. I understand that both the district and the township attorneys are currently reviewing the documents, so we'll wait for their recommendations as to next steps.

With respect to the district's plan for school resource officers, I don't anticipate any objection to the shift from 1 full-time officer for 10 months to 3 part-time class III SLEOs. The manager is currently interviewing for a new chief and/or director and that person would be responsible for hiring those officers. I understand that the district will likely have some specific recommendations to consider with regards to the SRO hires. Chief is already looking into what, if any, additional equipment and vehicle costs might come with that change.

Last, I talked with Kevin about the possibility of parking buses on Township property during the school day to potentially allow additional student parking on high school property (the two properties that I thought of are behind the police station, and/or at Wesley Bishop field.) He will discuss that with the chief and other staff to determine if it's workable. If we can make that work, hopefully we can relieve some of the issues with student parking in the neighborhoods surrounding the high school.

Thanks again for your time this morning. I know both council and the BOE are committed to doing what's right for Moorestown and I look forward to working with you to resolve these complex issues.

all the best,  
Nicole

**Nicole M. Gillespie, PhD**  
Mayor  
Township of Moorestown  
111 West Second Street  
Moorestown, New Jersey 08057  
856-914-3001  
<https://www.moorestown.nj.us/>

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**Fw: Affordable Housing Update and PILOT Agreements**

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**From** Nicole Gillespie <NGillespie@moorestown.nj.us>

**Date** Fri 4/7/2023 10:07 AM

**To** mvillanueva@mtps.com <mvillanueva@mtps.com>; jbollendorf@mtps.com <jbollendorf@mtps.com>; jheiser@mtps.com <jheiser@mtps.com>; cmakopoulos@mtps.com <cmakopoulos@mtps.com>; jfallowsmacaluso@mtps.com <jfallowsmacaluso@mtps.com>; marcaroburns@mtps.com <marcaroburns@mtps.com>; lromano@mtps.com <lromano@mtps.com>; damiller@mtps.com <damiller@mtps.com>; Mick Weeks <mweeks@mtps.com>; cmorano@mtps.com <cmorano@mtps.com>; bmailhiot@mtps.com <bmailhiot@mtps.com>

**Cc** Kevin Aberant <kaberant@moorestown.nj.us>; Quinton Law <qlaw@moorestown.nj.us>

Hi Mark,

I'm guessing this may have gotten stuck somewhere given the number of attachments, so I am forwarding the 3/30 email from Kevin that I referenced in my last email, but have uploaded all the attachments that he originally sent sent to this Google folder instead  
: [https://drive.google.com/drive/folders/10dasWmmbAPvEfQSC7TUTc46ODNHEq8vn?usp=share\\_link](https://drive.google.com/drive/folders/10dasWmmbAPvEfQSC7TUTc46ODNHEq8vn?usp=share_link)

Please let me know if this worked for you.

Safe travels - hope you and your family have a wonderful trip.

all the best,  
Nicole

**Nicole M. Gillespie, PhD**

Mayor

Township of Moorestown

111 West Second Street

Moorestown, New Jersey 08057

856-914-3001

<https://www.moorestown.nj.us/>

---

**From:** Kevin Aberant <kaberant@moorestown.nj.us>

**Sent:** Thursday, March 30, 2023 1:07 PM

**To:** James Heiser <jheiser@mtps.com>

**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>

**Subject:** RE: Affordable Housing Update and PILOT Agreements

James:

Please see replies below in red.

Please let me know if you have any further questions.

Kevin E. Aberant, Township Manager

Township of Moorestown

111 W. Second Street

Moorestown, NJ 08057

Tel. 856-914-3004

Fax 856-914-3066

**From:** James Heiser  
**Sent:** Saturday, February 25, 2023 10:53 AM  
**To:** 'Kevin Aberant' <kaberant@moorestown.nj.us>  
**Cc:** Joe Bollendorf <jbollendorf@mtps.com>; Mark Villanueva <mvillanueva@mtps.com>  
**Subject:** FW: Affordable Housing Update and PILOT Agreements

Hi Kevin:

Joe and Mark followed up with me after their meeting with you last week. Nancy was helpful with providing additional clarity to the spreadsheet I created; however, I do have follow-up questions as it relates to the PILOTS and/or financial agreements.

1. 307 Harper Drive –
  - a. Resolution 192-2020 indicates “Whereas Township Council believes it would be in the best interest of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B. See attached file named 1A Pennrose PILOT
  - b. The developer sent us their projections related to the breakdown of total units which I believe would be used for enrollment projection purposes utilizing Rutgers formulas. Please forward any such enrollment projection for this location. No student enrollment projection for this development has ever been prepared by or provided to the township.
2. Moorestown Mall –
  - a. Ordinance 25-2021 references an Affordable Housing Settlement Agreement which then references, “...the parties have come to a resolution of Developer’s Objection ..... (ii) and enter into a Financial Agreement with the Developer to permit a Payment in Lieu of Taxes on the Property ....” Please forward all financial agreements, PILOT agreements, and any other similar agreements that exist for the Moorestown Mall redevelopment. See attached file named 2A PREIT Agreement and PILOT. There was lengthy, contentious litigation between the township and PREIT about this property which resulted in this agreement and PILOT. This is the only non-tax credit funded development with a PILOT agreement.
  - b. Student enrollment projections have been stated and provided in our spreadsheet, but I would like a copy of the formal projections as well utilizing the Rutgers formulas. See attached file named 2B Pearl Student Enrollment Projection by Slauch. This is the only development for which an enrollment projection has been prepared; this was prepared as a follow up to a request by a school board member to our Mayor.
3. AMF-2 – Centerton Road –
  - a. Resolution 165-2021 indicates “Whereas, the Township Council believes it would be in the best interests of the Township to assist the Sponsor in obtaining financing, and to that end, the Township Council of the Municipality is desirous to authorize the execution of a PILOT Agreement in substantially the form attached hereto as Exhibit B.” Please forward all attachments referenced as Exhibit A and/or Exhibit B. This is a senior citizen tax credit funded development which will not generate any students. See attached file named 3A CIS PILOT.
4. AMF-6 – Borton Landing Road – Do student enrollment projections exist for this site? No student enrollment projection for this development has ever been prepared by or provided to the township. Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? Please note this development is receiving tax credit financing as a “mixed income” 50% affordable development. A PILOT agreement is required for this financing. Please see attached file named 4 Walters PILOT.
5. AMF-7 – Centerton Road - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20%

- three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.
6. AMF-3 – Lenola Road – Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20% three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.
  7. AMF-4 – Route 38 - Do student enrollment projections exist for this site? Are there any documents that refer to a unit breakdown that could be used for projecting student enrollment? No student enrollment projection exists for this inclusionary (20% affordable) development. There is no unit breakdown available for the entire development. There is only a required unit breakdown for the affordable units, which is 20% one bedroom, 60% two bedrooms, and 20% three bedroom. The market rate units (80% of the total) do not have any unit breakdown requirement.

If no PILOT and/or other financial agreements exist for any of these locations, please confirm the same. There are no PILOT or other type of financial agreement other than what is noted above. Thank you for working with the schools as we navigate through the potential impact related to the new units.

## James M. Heiser, CPA

Business Administrator / Board Secretary  
 Moorestown Board of Education  
 803 N Stanwick Road  
 Moorestown NJ 08057  
 (856) 778-6600 Ext. 18150  
 Fax (856) 235-0961

**From:** Nancy Jamanow <[njamanow@moorestown.nj.us](mailto:njamanow@moorestown.nj.us)>  
**Sent:** Monday, January 30, 2023 1:24 PM  
**To:** James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>; Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>  
**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>; Patty Muscella <[pmuscella@moorestown.nj.us](mailto:pmuscella@moorestown.nj.us)>  
**Subject:** RE: Affordable Housing Update and PILOT Agreements

Good afternoon, James,

As part of the planning board process, student projections are not taken into consideration. I have no student projections for any of the affordable housing projects.

Some of the projects you have listed as Lockheed Martin. None of the sites are related to Lockheed Martin.

I have update the form as best I can. I am not familiar with PILOTS if they are in place or not. I do not think any are at this time. Any development that is inclusionary (AMF- 3, 4, 7) do not have PILOTS. AMF-5 does not have a PILOT.

I hope this is helpful.

Nancy

## Nancy W. Jamanow, PE, CME, PP

Director of Community Development  
 Moorestown Township  
 856-914-3021

**From:** James Heiser <[jheiser@mtps.com](mailto:jheiser@mtps.com)>  
**Sent:** Friday, January 27, 2023 7:35 AM  
**To:** Kevin Aberant <[kaberant@moorestown.nj.us](mailto:kaberant@moorestown.nj.us)>; Nancy Jamanow <[njamanow@moorestown.nj.us](mailto:njamanow@moorestown.nj.us)>  
**Cc:** Joe Bollendorf <[jbollendorf@mtps.com](mailto:jbollendorf@mtps.com)>  
**Subject:** Affordable Housing Update and PILOT Agreements

Hi Kevin and Nancy:

Thank you for taking the time to meet with me and Mike and provide updates on the Affordable Housing Developments. It is helpful to make sure we are on the same page and have updated information along the way so we can be ready for the increased student population.

I have attached a spreadsheet that I created to help track the developments. For areas that are highlighted in yellow, I am missing information or need it verified. Can you please review and provide any input on those items? Also, if you could provide an update on the Moorestown Mall construction that would be greatly appreciated since I know it is moving along.

Please provide copies of the PILOT agreements that are associated with the properties.

Thank you,

**James M. Heiser, CPA**

Business Administrator / Board Secretary

Moorestown Board of Education

803 N Stanwick Road

Moorestown NJ 08057

(856) 778-6600 Ext. 18150

Fax (856) 235-0961

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## Vicki Gough

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**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Thursday, March 30, 2023 6:17 PM  
**To:** Nicole Gillespie; Quinton Law; Sue Mammarella; Jake VanDyken; Dave Zipin  
**Cc:** Joe Bollendorf; James Heiser; Cheryl Makopoulos; Kevin Aberant  
**Subject:** Moorestown Public Schools  
**Attachments:** 2022-11-18 fully executed PILOT and exhibits (004).pdf

Dear Mayor Gillespie, Deputy Mayor Law and Council Members,

Various representatives of the Moorestown Township Public School District and the Board of Education have discussed with members of Council, or with the Township Manager, issues related to the new housing developments in Moorestown. In particular, the School District and the BOE have sought information regarding the PILOT, or “payment in lieu of taxes”, arrangements that the municipality has with developers. Our understanding is that PILOT agreements have or will be executed for various locations. While the details of most of those PILOT agreements remain unclear to the School District and BOE, our understanding is that the School District will receive no revenue from those PILOT agreements.

As you know, the School District typically receives over 60% of property taxes to support the schools and our students. Indeed, the vast majority of revenue for the School District’s budget is generated by property taxes. But under the PILOT agreements, the School District will receive nothing. These new housing developments will undoubtedly increase student enrollment in the School District, and if there is no accompanying revenue stream to support these students, the School District, students, Moorestown taxpayers, and our Township will suffer.

I’ve attached a copy of the PILOT agreement that applies to the development at the Moorestown Mall. We had to obtain this independently, despite several requests for the Township to provide a copy of it. Nonetheless, this agreement indicates that the Township will receive in excess of \$50 million of revenue through Phase I of the project at the Mall. The School District and the BOE would like to discuss with Council an equitable allocation of the revenue stream associated with this and other locations. We look forward to receiving written confirmation of the arrangements that are in place for the other locations, but we understand, through conversations with the Township Manager, that we need to discuss these issues with Town Council.

In addition, we have requested that the Township work with the School District to increase police presence – by way of Class III officers – at our schools. We have had productive conversations with the Township Manager regarding this initiative. We understand the Township Manager will debrief you on this issue and we look forward to working with you in the coming weeks on this important initiative to protect the safety of our students. Our goal is to increase police presence at our schools by July 1, 2023, and look forward to working with the Township to achieve that goal.

I’ve copied Joe Bollendorf, Interim Superintendent, James Heiser, Business Administrator, and Kevin Aberant, Township Manager, on this email. Please let us know when we can meet to discuss these issues.

Regards,  
Mark Villanueva

XXXXXXXXXXXXXXXXXXXX

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## Vicki Gough

---

**From:** Mark Villanueva <mvillanueva@mtps.com>  
**Sent:** Wednesday, April 05, 2023 11:33 PM  
**To:** Nicole Gillespie; Cheryl Makopoulos; Quinton Law; Mick Weeks; Lauren Romano; Claudine Morano; Brooke Mailhiot; Melissa Arcaro Burns; Jill Fallows Macaluso; Danielle Miller (Board Member); Sue Mammarella; Jake VanDyken; Dave Zipin  
**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf  
**Subject:** Re: Following up

Nicole,

Thank you. We met with Kevin in person on March 30th, and while he handed us various documents related to Memorial Field, none of them related to the PILOTS. I have no record of receiving an email from Kevin on March 30 attaching the PILOT agreements, nor did he mention them in our meeting. As you know, we were repeatedly advised that no PILOTS were executed, and that the anticipated PILOTS would result in approximately \$10,000 per year of revenue, per location, to the Township. We independently obtained a copy of the November 2021 agreement for the Mall which projects a substantial amount of revenue - in excess of \$50 million - to the Township. Perhaps Kevin's March 30th email did not transmit, so I ask that you or he kindly resend it, as this is the first I've been advised that there are other executed agreements in place.

With respect to Memorial Field, if you, Kevin or Council are aware of documents that convey the property to the municipality, please share them. I don't see a need to burden our emails with a recitation of the record, as I'm sure you are aware of the land records, ordinances, resolutions, and recent documents from the Township confirming the BOE's ownership interest. But as discussed, we look forward to discussing issues related to Memorial Field after we and our respective counsel have had an opportunity to analyze the issue.

As I mentioned yesterday, I'm traveling tomorrow through April 16 to the Philippines with family. I will almost certainly be delayed in responding to emails, so I apologize in advance.

All the best,  
Mark

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**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>  
**Sent:** Wednesday, April 5, 2023 9:48 PM  
**To:** Mark Villanueva; Cheryl Makopoulos; Quinton Law; Mick Weeks; Lauren Romano; Claudine Morano; Brooke Mailhiot; Melissa Arcaro Burns; Jill Fallows Macaluso; Danielle Miller (Board Member)  
**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf  
**Subject:** Re: Following up

Hi Mark,

Thank you for your email and the opportunity to continue this conversation.

Kevin sent copies of all four PILOT agreements in his email to you, Mr. Bollendorf and Mr. Heiser dated 3/30, so to save on email clutter I am not resending those here. We have executed those agreements for the development at the mall and with CIS (you have signed copies). We have not yet signed the agreements with Penrose and Walters, but they are nonetheless final. Council has passed resolutions authorizing me to sign

them, and the amounts were agreed to as part of our affordable housing settlement. The PILOT amounts were not arbitrary, but rather are required by HFMA for tax credit funding. If we were to attempt to renegotiate those agreements after having received a judgment of compliance, not only would we lose that funding (which has already been awarded for the Walters and Pennrose developments, and is pending for CIS) thereby considerably increasing the burden on Moorestown taxpayers, but would risk reopening the entire settlement agreement. For those reasons, we will not be attempting to renegotiate any of the 4 PILOT agreements for affordable housing developments.

I can confirm that Memorial Field is currently covered by Township insurance policies. I understand that it is your opinion that the district still owns Memorial Field, but based on the records that the district shared with us and the records Kevin shared with you, we have been advised otherwise. Once your attorney has reviewed all the records, I assume he will be in contact with our attorney, Doug Heinold. We will await word from Doug as to next steps.

I've copied the full BOE here (my apologies to Jill, Melissa and Danielle for getting their email addresses wrong in my last email) and will ask Kevin to share with the rest of council.

all the best,  
Nicole

**Nicole M. Gillespie, PhD**  
Mayor  
Township of Moorestown  
111 West Second Street  
Moorestown, New Jersey 08057  
856-914-3001

<https://www.moorestown.nj.us/>

---

**From:** Mark Villanueva <mvillanueva@mtps.com>

**Sent:** Tuesday, April 4, 2023 11:31 PM

**To:** Nicole Gillespie <NGillespie@moorestown.nj.us>; Cheryl Makopoulos <cmakopoulos@mtps.com>; Quinton Law <qlaw@moorestown.nj.us>

**Cc:** Kevin Aberant <kaberant@moorestown.nj.us>; James Heiser <jheiser@mtps.com>; Joe Bollendorf <jbollendorf@mtps.com>

**Subject:** Re: Following up  
Nicole,

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With respect to the new affordable housing developments, I understand that the only PILOT agreement that has been executed is the 11.18.2021 agreement between MT Residential Urban Renewal, LLC and the Township. This agreement applies to the development currently under construction at the Mall. We are

evaluating this agreement and look forward to discussing with Council an allocation of revenue to support current and future students. Thank you for agreeing to keep us apprised of the developers' revenue projections and other data that will help us estimate the potential number of students that may reside at this location. We would appreciate receiving similar data for other affordable housing locations, to the extent it exists. As I mentioned, the BOE may engage its own expert to analyze the impact new housing may have on student population, and we will share such data with Council.

We would appreciate written confirmation that the 11.18.2021 agreement is the only PILOT agreement in place for the currently anticipated affordable housing developments, and if others are in place, we ask that Council provide copies of such agreements. To the extent PILOT or other financial arrangements have not been finalized at other developments, we ask that Council consider including the BOE in discussions before finalizing the financial arrangements with the developers.

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With respect to working with the BOE to increase police officer presence at our buildings, we very much appreciate Council's engagement. Joe Bollendorf, our Interim Superintendent, has been leading this initiative for the District and will be in touch to continue moving the ball forward. Thank you for your partnership on this critical initiative.

Finally, with regard to parking, I've asked Joe to have his team evaluate whether moving the busses during the day is a feasible solution. If it is logistically and economically feasible, I agree that it would be great to provide additional parking to relieve some of the concerns in neighborhoods adjacent to the High School campus. I've removed a quorum of the BOE to avoid OPMA issues, but will ensure each member receives this email. I very much enjoyed our discussion this morning and look forward to working with Council to do what is best for our children and residents. I share in your commitment to work together on the issues that face our Town.

Regards,  
Mark

---

**From:** Nicole Gillespie <NGillespie@moorestown.nj.us>

**Sent:** Tuesday, April 4, 2023 8:36 PM

**To:** Mark Villanueva; Cheryl Makopoulos; Mick Weeks; Melissa Arcaro Burns; Lauren Romano; Jill Fallows Macaluso; Claudine Morano; Daniel Miller; Brooke Mailhiot; Quinton Law

**Cc:** Kevin Aberant; James Heiser; Joe Bollendorf

**Subject:** Following up

Mark,

Thanks for taking the time to meet with me this morning. I wanted to follow up in writing both to express my gratitude and to keep everyone in the loop. I am copying the rest of the BOE, the Superintendent and the BA,

as well as the Deputy Mayor and Manager here. I will ask Kevin to forward this to the other councilmembers to avoid any OPMA issues. If you think I've misrepresented anything or left out anything important from our conversation, please let me know. And if you run into any future difficulties with getting documents or other information you need from the Township, please don't hesitate to let me or other councilmembers know.

Following our conversation, I am confident - and hope you are as well - that Council and the BOE will be able to work together for the good of Moorestown on the issues we discussed. As I mentioned, we share your concerns about the influx of new students from affordable housing development in the next few years and understand that PILOT agreements can have a significant impact on the school's budget. We are absolutely willing to discuss an appropriate allocation to the district, but first the township needs to get a better estimate of what the actual gross revenue is likely to be from Pearl at the mall. The projections in the agreement are based on the developer's 10-year proforma, and include an assumption of 3% annual growth in revenue. We don't yet know the number of bedrooms in the 300 market-rate units, but have asked the developer to provide us with an update and will keep you informed. Knowing the number of bedrooms will allow us to make a better estimate of annual gross revenues from that property (and hence annual PILOT revenues), as well as how many students could potentially reside there.

While council recognizes that additional students will result in additional costs to the district, we also have to consider the significant costs the township is going to incur in order to comply with our affordable housing settlement agreement. I am hopeful that both governing bodies can take a holistic approach, consider all anticipated costs and revenues and the overall impact on Moorestown taxpayers, not just on our respective budgets.

As to Memorial Field, I think we both agreed that we need to clean up any ownership issues there. I understand that both the district and the township attorneys are currently reviewing the documents, so we'll wait for their recommendations as to next steps.

With respect to the district's plan for school resource officers, I don't anticipate any objection to the shift from 1 full-time officer for 10 months to 3 part-time class III SLEOs. The manager is currently interviewing for a new chief and/or director and that person would be responsible for hiring those officers. I understand that the district will likely have some specific recommendations to consider with regards to the SRO hires. Chief is already looking into what, if any, additional equipment and vehicle costs might come with that change.

Last, I talked with Kevin about the possibility of parking buses on Township property during the school day to potentially allow additional student parking on high school property (the two properties that I thought of are behind the police station, and/or at Wesley Bishop field.) He will discuss that with the chief and other staff to determine if it's workable. If we can make that work, hopefully we can relieve some of the issues with student parking in the neighborhoods surrounding the high school.

Thanks again for your time this morning. I know both council and the BOE are committed to doing what's right for Moorestown and I look forward to working with you to resolve these complex issues.

all the best,  
Nicole

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