

# AGENDA

**September 20, 2023 ~ 7:00 PM**

**Borough of Hawthorne, Passaic County, NJ**

*Watch Live: Altice (Cablevision) Ch. 77, Verizon Fios Ch. 28*

*Facebook: Borough Hawthorne NJ Group <https://www.facebook.com/groups/1135979460070290>*



**ROLL CALL**

**FLAG SALUTE**

**STATEMENT**

Adequate notice of this meeting has been provided by the Annual Schedule of Regular Meetings heretofore adopted and posted on the Public Bulletin Board at the Municipal Building, emailed to The Herald News, The Record, The Gazette and all persons who have requested the mailing of such since December 7, 2022.

**APPROVAL OF MINUTES:** Minutes for the Regular Meetings of August 16 and September 6, 2023.

**PUBLIC COMMENT:** (Agenda Items Only – 5 minute limit)

**OLD BUSINESS / NEW BUSINESS**

**ADMINISTRATIVE AGENDA PRESENTED BY MAYOR LANE**

**PROCLAMATION:** Domestic Violence Awareness Month

**REPORTS:** Attorney Michael J. Pasquale, Engineer Dr. Stephen T. Boswell, Administrator Eric Maurer

\*\*\*\*\*

**INTRODUCTION OF ORDINANCE 2324-23:**

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH SPGM HAWTHORNE URBAN RENEWAL, LLC**

**RESOLUTIONS: CONSENT AGENDA: R 144-23 through R 150-23:**

- R 144-23 Hawthorne Day Performers
- R 145-23 Govdeals Online Auction
- R 146-23 Change Order1, 5<sup>th</sup> Ave Sewer Repairs
- R 147-23 Engineering Services for Kiddie Pool Improvements
- R 148-23 Engineering Services for Downtown Streetscape Phase III
- R 149-23 Engineering Services for Franklin Field Bleachers
- R 150-23 Agreement with Passaic County for Tree Planting along County Roads

**REPORTS OF SPECIAL COUNCIL COMMITTEES**

**BILLS**

**PUBLIC COMMENT**

**ADJOURNMENT**

**THE NEXT COUNCIL MEETING IS  
WEDNESDAY, OCTOBER 4, 2023 AT 7 PM**

**ORDINANCE 2324-23****AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH SPGM HAWTHORNE URBAN RENEWAL, LLC**

**WHEREAS**, on June 19, 2020, the Borough of Hawthorne (the “Borough”), the Borough of Hawthorne Planning Board and 3 Ronson, LLC entered into a settlement agreement (the “Settlement Agreement”), resolving disputes between the Parties in the legal action captioned In the Matter of the Borough of Hawthorne, Docket No. PAS-L-2412-15 (the “Legal Action”), relating to the Borough’s fair share affordable housing obligation and the proposed residential development of the property owned by 3 Ronson, LLC located at 542 Goffle Road, and identified on the Borough Tax Map as Block 89, Lot 6 and Block 90, Lots 2.01, 2.02 and 1 (the “Property”); and

**WHEREAS**, 3 Ronson, LLC formed an affiliate entity named SPGM Hawthorne Urban Renewal, LLC (“SPGM”), as authorized by the Settlement Agreement, for the purpose of implementing the development of the Property, pursuant to the Settlement Agreement, and has secured site plan approval from the Planning Board for the development of the Property with 116 residential apartments, of which 17 will be “affordable units”, pursuant to the Settlement Agreement (the “Project”); and

**WHEREAS**, Section 4(e) of the Settlement Agreement provides that the Borough and 3 Ronson, LLC will negotiate in good faith an agreement providing for a twenty (20) year payment in lieu of taxes (“PILOT”) at a rate of ten percent (10%) of gross rental income; and

**WHEREAS**, the Borough and SPGM entered into a redevelopment agreement in December 2021, designating SPGM as redeveloper for the Property and setting forth the agreements and obligations between Borough and SPGM for the development of the Project (the “Redevelopment Agreement”); and

**WHEREAS**, pursuant to Section 2.06(a) of the Redevelopment Agreement, SPGM would submit an application for approval of a PILOT for a term of at least twenty (20) years but not more than thirty (30) years; and

**WHEREAS**, on January 27, 2023, SPGM submitted an application and proposed form of financial agreement to the Borough, pursuant to N.J.S.A. 40A:20-8 of the Long Term Tax Exemption Law (“LTTE Law”), seeking approval of a PILOT at ten percent (10%) of gross revenue for a term of thirty (30) years (the “Application”); and

**WHEREAS**, the Borough and SPGM engaged in negotiations concerning the proposed thirty (30) year PILOT, in connection with which the Borough determined that it was in the Borough’s interest to approve the Application and a financial agreement for a thirty (30) year PILOT; and

**WHEREAS**, the Borough determined that it was necessary to amend the Settlement Agreement, which did not provide for a thirty (30) year PILOT but contemplated a twenty (20) year PILOT; and

**WHEREAS**, on August 16, 2023, the Borough adopted a Resolution R 122-23, approving the amendment to the Settlement Agreement to provide for a thirty (30) year PILOT; and

**WHEREAS**, the Borough Council, based upon recommendation by the Administration, wishes to approve the Application and has determined that it is appropriate to enter into the proposed financial agreement submitted with the Application for the Project for a term of thirty (30) years (the “Financial Agreement”) and to accept annual service charges from SPGM in lieu of real property taxes associated with the Project Site; and

**WHEREAS**, the parties have negotiated the Financial Agreement, and the Mayor and Council have determined that it is appropriate to approve the execution of the Financial Agreement between it and the Entity; and

**WHEREAS**, the Borough makes the following findings in accordance with Section 11 of the LTTE Law with respect to the Project (as hereinafter defined):

1. **Relative Benefits of the Project:** In accordance with the LTTE Law, specifically N.J.S.A. 40A:20-11(a), the Borough hereby finds and determines that the Financial Agreement is to the direct benefit of the health, safety, welfare and financial well-being of the Borough and its citizens. The Project will accelerate the redevelopment of the Property, provide for affordable housing in furtherance of the Borough’s regional fair share housing obligation, generate jobs and increase tax ratables. The Borough finds that the costs associated with the tax exemption, if any, are outweighed by the benefits of granting the exemption.

2. **Assessment of the Importance of the Tax Exemption:** In accordance with LTTE Law, specifically N.J.S.A. 40A:20-11(a), the Borough hereby finds and determines that the Financial Agreement is a critical incentive for SPGM in obtaining development of the Project and influencing the locational decisions of the probable occupants of the Project: The tax exemption permits the development of the Project by reducing the expenses associated with the development of the Project on a site that has remained vacant and for which the Borough has sought to encourage redevelopment. Reduced expenses assist in subsidizing the inclusion of affordable units and allows market rents to be set at competitive levels which would not be the case as a result of costs incurred as part of development were required to be recovered through rents. As a result, the locational decisions of the probable tenants (residential and retail) will be influenced positively by the tax exemption.

**NOW, THEREFORE, BE IT ORDAINED** by the Municipal Council of the Borough of Hawthorne, County of Passaic and State of New Jersey as follows:

**Section 1.** The findings set forth above are hereby adopted and made part of this Ordinance.

**Section 2.** Pursuant to the authority granted to the Borough under the LTTE Law, this Ordinance approves the Application and authorizes the execution of the Financial Agreement with SPGM Hawthorne Urban Renewal, LLC for a 30-year tax exemption with respect to the construction of a residential Project on the Property, pursuant to the Settlement Agreement and the and Redevelopment Agreement.

**Section 3.** The Mayor and Clerk are hereby authorized to execute the Financial Agreement in substantially the form attached to the Application.

**Section 4.** This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law.

Frank E. Matthews  
Council President

Attest:  
Lori Fernandez, RMC, CMC  
Borough Clerk

## NOTICE OF PENDING ORDINANCE

The Ordinance published herewith was introduced and passed upon first reading at a meeting of the Municipal Council of the Borough of Hawthorne, in the County of Passaic, New Jersey, held on September 20, 2023. It will be further considered for final passage after public hearing thereon, at a meeting of said Municipal Council to be held in the Municipal Building, 445 Lafayette Avenue, in said Borough on October 18, 2023 at 7:00 p.m., at which time and place all interested members of the public who desire will be given an opportunity to be heard in connection with said Ordinance, and during the week prior to and up to and including the date of such meeting, copies of said Ordinance will be made available at the Borough of Hawthorne website, [www.hawthornenj.org](http://www.hawthornenj.org) and through the Clerk's Office in said Municipal Building at no cost to the members of the general public who shall request the same.