

ORDINANCE #2022-03

**AN ORDINANCE CREATING A SPECIAL
IMPROVEMENT DISTRICT WITHIN THE
MUNICIPALITY OF PRINCETON AND
DESIGNATING A DISTRICT MANAGEMENT
CORPORATION**

WHEREAS, in 1984, the Legislature of the State of New Jersey passed legislation to provide for the establishment of Special Improvement Districts and as outlined in N.J.S.A. 40:56-65(b) they specifically found that: (1) that district management corporations may assist municipalities in promoting economic growth and employment within business districts; (2) municipalities are encouraged to create self-financing, special improvement districts and designated district management corporations to execute self-help programs to enhance their local business and economic climates; and (3) municipalities should be given the broadest possible discretion in establishing by local ordinance the self-help programs most consistent with their local needs, goals and objectives; and,

WHEREAS, it is the public policy of the State of New Jersey to permit the governing body of any municipality to protect the public welfare and health and the interests of the public in the safe and effective movement of persons and to preserve and enhance the function and appearance of the business districts of such municipalities by the adoption of ordinances as set forth in N.J.S.A. 40:56-1 et seq.; and,

WHEREAS, the Municipality of Princeton (“Municipality”) desires to ensure that the Municipality’s entire business community thrive, serve the shopping needs of local residents and attract investment as a competitive regional marketplace; and,

WHEREAS, the Municipality sees partnering with local business and commercial property owners as an important step towards economic growth and development; and,

WHEREAS, the Municipal Council of the Municipality (the “Governing Body”) determined that a Feasibility Study was necessary to investigate and provide recommendations on the use, benefit, and appropriateness of a Special Improvement District (SID); and,

WHEREAS, the Economic Revitalization Steering Committee (the “Steering Committee”) was formed, operating under the auspices of the Municipality, for the purpose of conducting the investigatory work; and,

WHEREAS, the Steering Committee determined that meeting the challenges of maintaining a healthy, vital Business Community and providing economic development and revitalization can best be met by the creation of a Special Improvement District; and,

WHEREAS, the Steering Committee recommended that the Municipality designate The Princeton Business Partnership, Inc., an entity to be formed, as the district management corporation

(DMC) to manage the affairs of the Special Improvement District in accordance with N.J.S.A. 40:56-83; and,

WHEREAS, the Governing Body accepts the recommendation of the Steering Committee.

NOW, THEREFORE, BE IT ORDAINED, by the Governing Body of the Municipality of Princeton, Mercer County, New Jersey that at least (ten) 10 days prior to the date fixed for a public hearing thereon, a copy of this proposed ordinance and notice of the date, time and place of the hearing shall be mailed to the owners of the lots or parcels of land included in the Special Improvement District proposed by the ordinance; and,

BE IT FURTHER ORDAINED, that after review of findings and recommendations of the Steering Committee and the comments made during the public hearing the Governing Body finds:

- (a) The Municipality would be well served by a private/public partnership implemented by a Special Improvement District (the “SID”) and a District Management Corporation (the “DMC”) that would promote economic development and growth, foster and encourage business vitality, improve the business climate and otherwise be in the best interest of the property owners in the SID and in the Municipality.
- (b) The area within the Municipality and as further described by lot and block numbers and by street addresses, as set forth in Schedule A of this ordinance will benefit from being designated as a SID.
- (c) The DMC will provide the administrative, programming and other services to benefit the property owners, businesses, employees, residents and consumers in the Special Improvement District.
- (d) A special assessment shall be imposed and collected by the Municipality with the regular property tax payment or payment in lieu of taxes or otherwise, and that all of these payments shall be transferred to the DMC to effectuate the purposes of this ordinance and to exercise the powers given to it by this ordinance and any amendatory ordinances.
- (e) It is in the best interests of the Municipality and the public to create a SID and to designate a DMC; except that in accordance with N.J.S.A. 40:56-68b(4) the DMC shall not be entitled to receive any funds or to exercise any powers unless the board of directors includes at least one member of the governing body of the Municipality.

BE IT FURTHER ORDAINED, that Chapter _____ (currently reserved) of the Code of the Municipality of Princeton is hereby created to be titled “Special Improvement District” and shall read as follows:

SECTION 1. PURPOSE.

The purposes of this ordinance are to:

- (a) Foster the SID's economic development, encourage its revitalization and strengthen its economic and commercial contributions to residents and property owners of the Municipality.
- (b) Allow all those who live, work or invest in the SID to contribute to the improvement of the district.
- (c) Foster the building of a non-partisan private/public partnership to implement the improvement of the SID.
- (d) Foster and create self-help programs to improve the local business climate.

SECTION 2. DEFINITIONS.

- (a) "Special Improvement District" (also referred to as "SID") means that area within the Municipality, in its entirety and as further described by block and lot numbers and street addresses as set forth in Schedule A and designated by this ordinance as an area in which a special assessment on property within the SID shall be imposed for the purpose of promoting the economic and general welfare of the SID and the Municipality in accordance with N.J.S.A. 40:56-65 et seq.
- (b) "District Management Corporation" (also referred to as "DMC") means The Princeton Business Partnership, Inc., (also referred to as "PBA") created by this ordinance and designated by this ordinance to receive funds collected by a special improvement assessment within the SID, as authorized by this ordinance and any amendatory ordinances in accordance with N.J.S.A. 40:56-83.

SECTION 3. CREATION OF THE DISTRICT

- (a) There is hereby created and designated within the Municipality a SID to be known as The Princeton Business Partnership, Inc. SID consisting of properties designated and listed by tax lot and block number and street addresses on Schedule A attached hereto. All affected properties within the SID shall be subject to special assessments, which assessment shall be imposed by the Municipality and transferred to the DMC for the purposes of promoting the economic and general welfare of the SID and the Municipality.
- (b) All properties within the SID including, but not limited to, all properties classified as 4A, 4B, and 4C in accordance with the New Jersey Property Tax System Qualifications., including those properties in abated/pilot redevelopment areas classified as 15f, except those set forth in subsection (c) of this Section, are deemed included in the assessing provisions of this ordinance and are subject to assessment for SID purposes.
- (c) The following properties are excluded from the assessing provisions of this ordinance and are exempt from any assessment for SID purposes:

- (1) Properties maintained solely for residential use and occupied by the owner or the owner's family that are not designated as 4A, 4B or 4C. For example, multiple family dwelling of four (4) or fewer units or residential condominiums/coops; and
- (2) Properties owned by a non-profit entity and that are completely exempt from real property taxes under Title 54, Chapter 4 of the revised Statutes.

SECTION 4. ASSESSMENTS

It is hereby determined that the operation and maintenance of the SID may involve annual costs relating to services unique to the SID that are distinguished from operation and maintenance services normally provided by the Municipality. Pursuant to this ordinance and N.J.S.A. 40:56-80 et seq. those annual costs shall be assessed to the benefited properties within the SID. The properties to be assessed to provide for the payment of such annual costs are described in Section 4 hereof.

SECTION 5. THE DESIGNATED DISTRICT MANAGEMENT CORPORATION

- (a) The non-profit corporation, The Princeton Business Partnership, Inc., an entity incorporated pursuant to N.J.S.A. 15A: 1-1 et seq., is hereby designated as the DMC for the SID and designated by this ordinance to receive funds collected by a special improvement assessment within the SID. The Princeton Business Partnership, in addition to acting as an advisory board to the Mayor and Municipal Council, shall have all powers necessary and requisite to effectuate the purpose of this ordinance and the SID, subject to annual approval by the Governing Body of the DMC's budget, as specified in N.J.S.A. 40-56-65 et seq. including but not limited to:
 - (1) Adopt bylaws for the regulation of its affairs and conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its function and duties;
 - (2) Employ such persons as may be required, and to fix and pay their compensation from funds available to the DMC;
 - (3) Apply for, accept, administer and comply with the requirements respecting an appropriation of funds or a gift, grant or donation of property or money;
 - (4) Make and execute agreements which may be necessary or convenient to the exercise of the powers and functions of the corporation, including contracts with any person, firm, corporation, governmental agency or other entity;
 - (5) Administer and manage its own funds and accounts and pay its obligations;
 - (6) Borrow money from private lenders and from governmental entities;
 - (7) Fund the improvement of the exterior appearance of properties in the SID through grants or loans;
 - (8) Fund the rehabilitation of properties in the SID;

- (9) Accept, purchase, rehabilitate, sell, lease or manage property in the SID;
 - (10) Enforce the conditions of any loan, grant, sale or lease made by the DMC;
 - (11) Provide security, sanitation and other services to the SID, supplemental to those provided normally by the Municipality;
 - (12) Undertake improvements designed to increase the safety or attractiveness of the SID to businesses which may wish to locate in the Municipality or to visitors to the SID, including, but not limited to, litter cleanup and control, landscaping, parking areas and facilities, recreational and rest areas and facilities, pursuant to pertinent regulations of the Municipality;
 - (13) Publicize the SID and the businesses included within the SID boundaries;
 - (14) Recruit new businesses to fill vacancies in, and to balance the business mix of, the SID with the goal of having a balanced representation of minority and women owned businesses;
 - (15) Organize special events in the SID;
 - (16) Provide special parking arrangements for the SID;
 - (17) Provide temporary decorative lighting in the SID;
- (b) In order to receive any funds or exercise any of the powers granted herein, the Board of Trustees of The Princeton Business Partnership, Inc., shall include at least one member of the Governing Body chosen by the Governing Body.

SECTION 6. MUNICIPAL POWERS RETAINED.

- (a) Notwithstanding the creation of a SID, the Municipality expressly retains all its powers and authority over the area designated as being within the SID.
- (b) Nothing contained herein shall accomplish or be interpreted or construed to be the creation or a vacation, in whole or in part, of any municipal street or right of way or part thereof, or to amend any zoning ordinance requirement or to limit any other rule or law of general application.
- (c) The DMC shall not make or enter into any contracts for the improvement of any publicly owned or operated facility or property within the SID, unless the Governing Body delegates to the DMC, by separate ordinance, the contracting of work to be done on any street or streets or on any other municipal property within the SID, and provided the DMC, as the contracting unit, complies with the New Jersey Local Public Contracts Law, Public Law 1971, Chapter 198 (C. 40A: 11-1 et seq.) and provided the plans specifications and bid requirements as applicable for the work contracted shall be approved by the municipal engineer and the Governing Body, by

resolution, prior to initiation of any action for the awarding of a contract under the Local Public Contracts Law.

- (d) The DMC shall comply with all applicable ordinances or regulations of the Municipality and the County of Mercer, State of New Jersey and Federal Government.
- (e) No employee or contractor of the DMC shall be considered an employee or contractor of the Municipality, and the Municipality shall not be or become a co-employer or co-contractor of any DMC employee or contractor.

SECTION 7. FISCAL YEAR AND ANNUAL BUDGET

- (a) The fiscal year of the DMC shall be the same as the Municipality.
- (b) The DMC shall submit to the Governing Body a detailed annual budget for each upcoming fiscal year no later than December 31st of the preceding year together with a report which explains how the budget contributes to the goals and objectives for the SID.
- (c) The budget shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the Governing Body. The procedure shall be as follows:
 - (1) Introduction and approval;
 - (2) Public advertising;
 - (3) Public hearing;
 - (4) Amendments and public hearings, if required;
 - (5) Adoption.
- (d) The budget shall be introduced in writing at a meeting of the Governing Body. Approval thereof shall constitute a first reading, which may be by title. Upon the approval of the budget by the Governing Body, it shall fix the time and place for the holding of a public hearing upon the budget.
- (e) The budget shall be advertised after introduction approval. The advertisement shall contain a copy of the budget and shall set forth the date, the time and place of the hearing. It shall be published at least 10 days prior to the date fixed therefor in a newspaper published and circulating in the Municipality, if there be one, and, if not, in a newspaper published in the county and circulating in the Municipality.
- (f) No budget shall be adopted until a public hearing has been held thereon and all persons having an interest therein shall have been given an opportunity to present objections. The hearing shall be held not less than 28 days after the approval of the budget.

- (g) The public hearing shall be held at the time and place specified in the advertisement thereof but may be adjourned from time to time until the hearing is closed. The budget, as advertised, shall be read at the public hearing, in full, or it may be read by its title, if:

(1) At least one week prior to the date of the hearing, a complete copy of the approved budget, as advertised:

(a) shall be posted in a public place where public notices are customarily posted in the principal municipal building of the Municipality, but if there is no principal municipal building, then in that public place where notices are usually posted in the Municipality; and

(b) is made available to each person requesting the same, during that week and during the public hearing; and

(2) The Governing Body shall, by resolution passed by not less than a majority of the full membership, determine that the budget shall be read by its title and declare that the conditions set forth in paragraph (1) have been met. After closing the hearing, the Governing Body may adopt the budget by title, without amendments, or may approve amendments, as provided in subsection h. of this section, before adoption.

- (h) The Governing Body may amend the budget during or after the public hearing. No amendment by the Governing Body shall be effective until taxpayers and all persons having an interest therein shall have been granted a public hearing thereon, if the amendment shall:

(1) Add a new item in an amount in excess of 1% of the total amount as stated in the approved budget; or

(2) Increase or decrease any item by more than 10%; or

(3) Increase the amount to be raised pursuant to section 16 of P.L.1972, c. 134 (C. 40:56-80) or section 19 of this amendatory and supplementary act by more than 5%, unless the same is made pursuant to an emergency temporary appropriation only.

Notice of hearing on an amendment shall be advertised at least three days before the date set therefor. The amendment shall be published in full in the same manner as an original publication and shall be read in full at the hearing and before adoption.

- (i) Final adoption shall be by resolution, adopted by a majority of the full membership of the Governing Body, and may be by title.

SECTION 8. FISCAL REQUIREMENTS, ANNUAL REPORTS, AUDIT.

- (a) Monies appropriated and collected for the annual costs of operating and maintaining the SID shall be credited to a special account. The Municipality may incur the annual costs of operating and maintaining the SID during a fiscal year, though not specifically provided for by line item or other category in an approved estimate for such fiscal year, if in its discretion it shall be deemed necessary to provide for such operation or maintenance prior to the succeeding fiscal year and so long as the total amount of the account approved for that year is not exceeded by that expenditure. For the avoidance of doubt, this provision permits the Municipality to cover any costs incurred in billing and collecting of SID assessments. Any balances to the credit of the account and remaining unexpended at the end of the fiscal year shall be maintained and applied towards the financial requirements of the SID for the succeeding year.
- (b) The Municipality shall not be obligated to pay over to the DMC any funds not received by the Municipality.
- (c) The DMC shall cause an annual audit of its books, accounts and financial transactions to be made and filed with the Governing Body, and for that purpose the DMC shall employ a certified public accountant of New Jersey. The annual audit shall be completed and filed with the governing body within four (4) months after the close of the fiscal year of the DMC.
- (d) The DMC shall, within thirty (30) days after the close of each fiscal year, make an annual report of its activities for the preceding fiscal year to the Governing Body.

SECTION 9. NO MUNICIPAL GUARANTEE OF DMC DEBTS OR OBLIGATIONS

The Municipality shall not be responsible for any debt or obligation of the DMC and shall not pledge its full faith and credit thereto, except as it shall choose to do so in specific instances in accordance with all applicable laws.

SECTION 10. NO LIMITATION OF POWER.

Nothing contained herein shall prevent the Governing Body at any time, subsequent to the adoption of this ordinance, from, by ordinance:

- (1) abandoning the operation of the SID, changing the extent of the SID, supplementing or amending the description of the SID to be specially assessed or taxed for annual costs of the SID, changing or repealing any plan, rules, requisitions or limitations adopted for the operation of the SID, as set forth in N.J.S.A. 40:56-75; or
- (2) rescinding the designation, re-designating, or designating a new district management corporation to receive funds collected by a special improvement assessment within the SID, and to exercise the powers granted to the district management corporation by this ordinance and any amendatory ordinances.

SECTION 11. TERMINATION

The SID shall continue in existence for five (5) years from the effective date of this Ordinance after which it shall automatically terminate, and the Municipality shall acquire title to the assets and assume the liabilities of the DMC, unless the Municipality extends the term of the SID by an amendment of this Ordinance in accordance with applicable law and notice to all property owners in the SID and then subject to a special assessment.

SECTION 12. SEVERABILITY

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such holding shall not affect other provisions or applications of the act and to this and the provisions of this act are severable.

SECTION 13. REPEALER

All prior ordinances or parts of ordinances, which are inconsistent with any provisions of this ordinance, are hereby repealed solely to the extent of such inconsistencies.

SECTION 14. EFFECTIVE DATE

This ordinance shall take effect upon passage and publication as required by law.

Delores A. Williams, Clerk

Hon. Mark Freda, Mayor

Ordinance Introduced: January 24, 2022

Ordinance Adopted: February 28, 2022

NEWSPAPER PUBLICATIONS:

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Final Insertion: March 4, 2022