Ordinance #2025-14

AN**ORDINANCE** \mathbf{BY} THE MUNICIPALITY OF PRINCETON AUTHORIZING THE LEASE OF A PORTION OF THE COMMUNITY PARK SOUTH TENNIS FACILITY FOR A PUBLIC PURPOSE TO PRINCETON TENNIS PROGRAM **PURSUANT** TO THE LANDS AND BUILDINGS LAW, N.J.S.A. 40A:12-14(c) AND N.J.S.A. 40A:12-15(i).

WHEREAS, Princeton is the owner of property known as Princeton Community Park South and designated on the Princeton Tax Map as Block 69.02, Lot 2 ("Property"); and

WHEREAS, a portion of the Property, known as the Community Park South Tennis Facility, houses fifteen tennis courts and appurtenant facilities including a structure known as the "tennis shed" ("Facility"); and

WHEREAS, the Facility has for many years been successfully operated for tennis programming and education by Princeton Tennis Program on behalf of Princeton; and

WHEREAS, Princeton Tennis Program is a nonprofit organization pursuant to New Jersey law and section 501(c)(3) of the I.R.S. Code, whose mission is to serve and connect the community of central New Jersey to the sport of tennis; and

WHEREAS, Princeton Tennis Program desires to continue to operate twelve of the tennis courts at the Facility on Princeton's behalf for purposes of encouraging, fostering and operating a tennis program at the Facility; and

WHEREAS, Princeton wishes to continue to have the twelve courts and tennis shed at the Facility utilized for the operation of tennis programming ("Leased Premises"); and

WHEREAS, Princeton is in the planning stages of a project for reconstruction of the twelve tennis courts and tennis shed ("Project"), as well as for additional upgrades and improvements to the remainder of the Facility; and

WHEREAS, Princeton Tennis Program has offered to make capital contributions up to \$600,000 to Princeton towards the cost of the Project, in exchange for a new, multi-year Lease Agreement to cover Princeton Tennis Program's use and operation of the Facility after the Project's completion in or around 2026; and

WHEREAS, the New Jersey Local Lands and Buildings Law (and in particular N.J.S.A. 40A:12-14(c) and N.J.S.A. 40A:12-15(i)), authorizes Princeton to lease property not then needed for public use to a nonprofit corporation for a public purpose, including, but not limited to, any activity for the promotion of the health, safety, morals and general welfare of the community of any nonprofit corporation; and

WHEREAS, Princeton Council hereby finds that Princeton Tennis Program's activities for which they will be using the Leased Premises promote and serve the health, safety, morals and general welfare of Princeton and the entire community; and

WHEREAS, at this time, the Leased Premises is not needed for municipal use.

NOW, THEREFORE, BE IT ORDAINED by Princeton Council as follows:

<u>Section 1.</u> The factual recitals contained in the foregoing "Whereas" clauses are incorporated herein as if fully restated.

Section 2. Pursuant to N.J.S.A. 40A:12-14(c) and N.J.S.A. 40A:12-15(i), Princeton Council does hereby authorize Princeton to enter into a lease agreement with Princeton Tennis Program ("PTP") for the lease of a portion of Princeton Community Park South (Block 69.02, Lot 2), known as the Community Park South Tennis Facility ("Facility"), and more specifically twelve

tennis courts and structure known as the "tennis shed" at said Facility (the "Leased Premises"). Said agreement shall be subject to the following essential terms:

- a. The initial term of PTP's use of the Leased Premises shall be five years, to commence on January 1st following the date on which the new tennis courts and tennis shed are constructed ("Project"). Subject to the approval of the Department of Environmental Protection (as may be necessary) and applicable laws and regulations, the lease shall be renewable for up to three additional renewal terms of five years each (referred to as the first, second and third optional five-year renewal terms). The total lease term, including any renewal terms, shall not exceed twenty years.
- b. In consideration for use of the Leased Premises, PTP shall pay Princeton capital contributions up to \$600,000, to be paid as follows: (1) \$30,000 due when Princeton commences construction of the Project (i.e., at ground-breaking); (2) \$270,000 due when Princeton completes construction of the Project (i.e., at issuance of required certificate of occupancy); (3) \$150,000 due at commencement of the second optional five-year renewal term (if elected); and (4) \$150,000 due at commencement of the third optional five-year renewal term (if elected).
- c. Pursuant to N.J.S.A. 40A:12-14(c), PTP will submit to Princeton, no later than June for the prior twelve-month period, a written report setting forth:

 (1) the uses to which the leasehold was put during that year; (2) the activities that PTP undertook in furtherance of the public purposes for which the leasehold was granted, including but limited to social equity programming;

(3) the approximate value or cost, if any, of such activities; and (4) an

affirmation of PTP's continued tax-exempt status pursuant to both State and

Federal law.

d. The lease will be subject to and comply in all respects with the requirements

of the Department of Environmental Protection, Green Acres Program, as

set forth at N.J.A.C. 7:36-25.13.

Section 3. Pursuant to the requirements of N.J.S.A. 40A:12-14(c), the Princeton

Recreation Director (or his designee) is hereby designated as the authorized representative of

Princeton, responsible for enforcing the terms and conditions of the lease.

Section 4. The Mayor and Clerk are hereby authorized and directed to sign the lease

attached hereto as Exhibit A, or such other substantially similar agreement, the terms and form of

which shall be reviewed and approved by the Municipal Attorney in consultation with the

Administrator and Recreation Director.

Section 5. The Mayor, Clerk, Administrator, Recreation Director and other

appropriate staff and officials are hereby authorized and directed to undertake any and all other

acts proper and necessary to effectuate the terms hereof.

Section 6. This ordinance will take effect upon final adoption and publication, as

provided for by law.

Dawn M. Mount, Clerk

Mark Freda, Mayor

Ordinance Introduced:

Ordinance Adopted:

This ordinance authorizes the Municipality of Princeton to execute a lease agreement with Princeton Tennis Program ("PTP"), a nonprofit organization, to lease a portion of Princeton's property, known as the Community Park South Tennis Facility ("Facility"), for the purpose of

providing tennis programming to the Princeton community. Princeton is in the process of planning the Facility's reconstruction, including the twelve courts and the tennis shed currently leased to PTP. The new lease will go into effect immediately, but use of the Facility thereunder will not commence until January 1st after the date on which the reconstruction of the twelve tennis courts and tennis shed is complete. The initial term is five years and the lease is subject to up to three optional renewal terms of five years each (for up to a total term of twenty years). In consideration for use of the Facility, PTP will contribute up to a total of \$600,000 to Princeton for use in reconstructing the courts and shed, with \$30,000 to be paid when Princeton commences construction of the courts and shed, \$270,000 to be paid at the commencement of the second optional five-year renewal term (if exercised) and \$150,000 to be paid at the commencement of the third optional five-year renewal term (if exercised).