

**TOWNSHIP OF NEPTUNE**

**RESOLUTION 26-212**

**AUTHORIZE THE EXECUTION OF A CONDITIONAL DESIGNATION AND INTERIM COST AGREEMENT WITH  
3501 RT 66, LLC AND NEW JERSEY AMERICAN WATER COMPANY, INC**

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

**WHEREAS**, the Township desires that the land located in an area which has been determined to be an area in need of redevelopment in accordance with the Act, currently designated on the Tax Map of the Township of Neptune as Block 3903, Lots 12.01, 13.01 and 13.02 (f/k/a Lots 12 and 13) that is more commonly known as 3501 Route 66, Neptune, New Jersey (referred to herein as the "Redevelopment Area" or "Project Site"), be redeveloped in accordance with the Block 3903 Redevelopment Plan adopted by the Township by Ordinance No. 21-54 on December 20, 2021 (the "Redevelopment Plan") and subsequent amendments thereto; and

**WHEREAS**, the Project Site, which comprises approximately 47.37 acres, is owned by 3501 RT 66, LLC ("3501 RT 66"); and

**WHEREAS**, on or about February 10, 2022, 3501 RT 66 submitted to the Township a Pre-Submission Form seeking to be designated as the Redeveloper of the entirety of the Redevelopment Area and outlining its intention to redevelop the Redevelopment Area in phases to include both warehousing and retail/commercial uses, together with a concept plan (the "Concept Plan"); and

**WHEREAS**, on September 22, 2022, 3501 RT 66 entered into a Conditional Designation and Interim Cost Agreement for the development of the Project Site, with VHF 3501, LLC ("VHF") as the Co-Developers, as authorized by Resolution No. 22-382, dated August 22, 2022 (the "Prior Conditional Designation Agreement"); and

**WHEREAS**, 3501 RT 66 was to develop a portion of the property for retail use ("Retail Parcel") and VHF was to develop a portion of the property for warehouse/distribution center use ("Distribution Center Parcel"); and

**WHEREAS**, after several months of negotiating with the Township and 3501 RT 66, VHF determined not to purchase the Distribution Center Parcel, and on May 13, 2024, by Resolution of the Township Committee, VHF was de-designated as Co-Developer; and

**WHEREAS**, 3501 RT 66 was granted a subdivision of the Project Site into three (3) parcels referred to herein as "Section A" (the land located in the "front" of the property along Rte. 66) ("Lot 13.01") (i.e. the Retail Parcel); "Section B" (the land located in the "rear" of the property) ("Lot 12.01") (i.e. the Distribution Center Parcel); and "Section C" (the land adjacent to the Retail Parcel proposed to be developed as a public park) ("Lot 13.02") (i.e. the "Park Parcel") on August 28, 2024, as set forth in Resolution 24-14; and

**WHEREAS**, 3501 RT 66 determined to proceed with the plans to develop the Retail Parcel and the Distribution Center Parcel; and

**WHEREAS**, by letter dated March 13, 2026, 3501 RT 66 advised the Township that the efforts to sell or lease Lot 12.01 for a distribution center use have been unsuccessful to date, but 3501 RT 66 further advised that it had been approached by New Jersey American Water Inc. (“NJAW”) which was interested in purchasing and redeveloping Lot 12.01 as a water treatment facility; and

**WHEREAS**, 3501 RT 66 has executed an Amended and Restated Real Estate Purchase and Sale Agreement (“Sale Agreement”) for the sale of Lot 12.01 to NJAW, making NJAW the contract purchaser, with the intent to redevelop Lot 12.01 as a water treatment facility, with related improvements, including office space (“Water Treatment Project”); and

**WHEREAS**, 3501 RT 66 intends to redevelop the Section A Parcel itself as one or more retail/commercial uses (“Retail/Commercial Project”) in accordance with the Redevelopment Plan; and

**WHEREAS**, accordingly, NJAW has submitted to the Township an Application for Conditional Designation, seeking to be designated as the Redeveloper of Lot 12.01; and

**WHEREAS**, the Sale Agreement contemplates that NJAW will enter into a separate Redevelopment Agreement with the Township which will more particularly detail the obligations of NJAW for the construction and implementation of the Water Treatment Project on Lot 12.01 to be owned and operated by NJAW (the “Water Treatment Project Redevelopment Agreement”); and

**WHEREAS**, the Sale Agreement also contemplates that 3501 RT 66 will enter into an amendment to the Original Redevelopment Agreement with the Township that will more particularly detail the obligations of 3501 RT 66 for the construction of infrastructure improvements to serve the entire Project Site, including Lot 12.01; and the vertical construction and implementation of a retail project on the Retail Parcel and public park project on the Park Parcel consistent with 3501 RT 66’s prior site plan approval (“Original Planning Board Approval”) for the Project Site dated August 28, 2024 (the “Redevelopment Agreement Amendment”); and

**WHEREAS**, the Township’s Redevelopment Committee has vetted the details comprising the Proposal and has met with both 3501 RT 66 and NJAW to further discuss the Proposal and the implementation of the Redevelopment Plan, generally; and

**WHEREAS**, the Township has determined that both 3501 RT 66 and NJAW possess the necessary experience and qualifications to take the steps necessary in order to implement the Proposal and further, that the Proposal is in the best interest of the community; and

**WHEREAS**, the Township’s Chief Financial Officer has obtained and reviewed certain financial information from 3501 RT 66 as well as from NJAW and has preliminarily determined that 3501 RT 66 possesses the financial strength and capability to finance, construct, and implement the Redevelopment Project and further, that NJAW has the financial strength and operational experience to finance, vertically construct and successfully operate the water treatment facility within the Water Treatment Project;

**WHEREAS**, the Township requires that 3501 RT 66 and NJAW pay the reasonable costs and fees incurred by the Township associated with the review of the Proposal, the drafting and negotiation of Redevelopment Agreements, and all other costs and fees related to this matter prior to the execution of any such Redevelopment Agreement, should a Redevelopment Agreements ultimately be executed, or the determination by the Township that such a Redevelopment Agreements cannot be executed, should that result occur; and

**WHEREAS**, the Township and 3501 RT 66 desire to negotiate a Redevelopment Agreement Amendment and the Township and NJAW desire to negotiate a Redevelopment Agreement in order for 3501 RT 66 and NJAW to implement the Proposal, subject to the provisions herein and further negotiations with the Township; and

**WHEREAS**, the Township shall, during the Interim Period, as that term is defined in the attached Conditional Designation and Interim Cost Agreement, negotiate exclusively with 3501 RT 66 and NJAW with regard to the Proposal for the redevelopment of the Project Site.

**NOW, THEREFORE**, it is hereby resolved by the Township Committee of Neptune as follows:

1. The Mayor is hereby authorized and directed to execute a Conditional Designation and Interim Cost Agreement between the Township of Neptune and 3501 RT 66, LLC and New Jersey American Water, Inc.
2. The Business Administrator and Staff of the Township of Neptune are hereby authorized and directed to take all actions as shall be deemed necessary or desirable to implement this Resolution.
4. This Resolution shall be effective immediately.

#### **CERTIFICATION**

I, William Bray, Township Clerk of the Township of Neptune hereby certify that the foregoing is a true copy of a resolution duly adopted by the Township Committee of the Township of Neptune, Monmouth County, State of New Jersey at a meeting held on May 28, 2026.

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William Bray, RMC, CMR  
Township Clerk