

No. 6.F.A. 1st Reading JAN 08 2020

Ordinance

Date to Mayor FEB 07 2020

No. Public Hearing

of the

Date Returned FEB 14 2020

No. 6.P.S.F.A. 2nd Rdg. and Final Passage FEB 05 2020

City of Newark, N.J.

Date Resubmitted to Council

Date Advertised 1st Reading JAN 27 2020

No. Reconsidered

Approved as to Form and Legality on Basis of Facts Set Forth

Final Reading
Factual contents certified to by BA

K. St. John
Corporation Counsel

Allyson Haddad
Title

Council member McIver presents the following Ordinance:

1
2 AN ORDINANCE GRANTING A TWENTY-FIVE (25) YEAR TAX ABATEMENT TO
3 495 WASHINGTON REALTY URBAN RENEWAL COMPANY, LLC, C/O NELSON
4 ESPINOZA, 49 HERMON STREET, NEWARK, NEW JERSEY 07105, FOR A
5 PROJECT TO CONSTRUCT TWENTY-SEVEN (27) MARKET RATE RESIDENTIAL
6 RENTAL UNITS, SEVEN (7) INCOME RESTRICTED UNITS AND THREE (3)
7 COMMERCIAL UNITS LOCATED AT 495-505 WASHINGTON STREET, NEWARK,
8 NEW JERSEY AND IDENTIFIED ON THE CITY'S TAX MAP AS BLOCK 121, LOT 43.
9 (CENTRAL WARD)

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12 WHEREAS, 495 Washington Realty Urban Renewal Company, LLC, c/o Nelson
13 Espinoza, 49 Hermon Street, Newark, New Jersey 07105, filed an application with the
14 Mayor seeking a long term tax abatement under the Long Term Tax Exemption Law,
15 N.J.S.A. 40A:20-1 et seq. for a twenty-five (25) year term for a project to construct
16 twenty-seven (27) market rate residential rental units, seven (7) Income Restricted Units
17 and three (3) commercial units located at 495-505 Washington Street, Newark, New
18 Jersey and identified on the City's tax map as Block 121, Lot 43 (the "Project"); and

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21 WHEREAS, the Mayor has submitted the application and proposed Financial
22 Agreement to the Municipal Council with his recommendation thereof, a copy of which is
23 annexed hereto; and

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26 WHEREAS, in accordance with Ordinance 6PSF-a adopted May 4, 2011, 495
27 Washington Realty Urban Renewal Company, LLC, has filed with the City a sworn
28 statement that it has not made any contribution in violation of said ordinance; and

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31 WHEREAS, the Department of Economic and Housing Development has
32 determined that the relative benefits of this Project outweigh any costs associated with
33 this tax exemption and that without the tax abatement granted herein, the Project would
34 not be undertaken.

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36 NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF
37 THE CITY OF NEWARK, NEW JERSEY, THAT:

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39 1. The application of 495 Washington Realty Urban Renewal Company, LLC,
40 c/o Nelson Espinoza, 49 Hermon Street, Newark, New Jersey 07105 (the "Entity"), for
41 the development, maintenance and operation of the Project described in the application
42 is hereby approved in accordance with the recommendation of the Mayor for a project to
43 construct twenty-seven (27) market rate residential rental units, seven (7) Income
44 Restricted Units and three (3) commercial units located at 495-505 Washington Street,
45 Newark, New Jersey and identified on the City's tax map as Block 121, Lot 43 . (Central
46 Ward)

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49 2. The abatement from taxation on improvements is hereby granted to the
50 Entity for a period of twenty-five (25) years pursuant to N.J.S.A. 40A:20-12, and only so
51 long as the Entity is subject to and complies with the proposed Financial Agreement and
52 the Long Term Tax Exemption Law, as amended and supplemented.

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55 3. The Mayor of the City of Newark is hereby authorized to execute, on the
56 City's behalf, the Financial Agreement in the form attached hereto.
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4. The Acting Director of the Department of Economic and Housing Development shall file an executed copy of the Financial Agreement authorized by this ordinance in the Office of the City Clerk.

5. The Project, when completed, will conform with all State laws and ordinances of the City of Newark relating to its construction and use.

6. The Affirmative Action Program now on file in the Office of the City Clerk is declared to be a material condition of the Financial Agreement authorized by this ordinance.

7. The Entity shall in the operation of the Project comply with all laws so that no person shall be subject to any discrimination because of race, religious principles, color, national origin, or ancestry.

8. The Entity shall file an employment report (herein described below) with the Office of Affirmative Action who shall forthwith after receiving the report send a copy thereof to the City Clerk and the Office of Affirmative Action shall forthwith investigate the matters contained therein and report its findings to the Municipal Council.

9. The annual service charge shall be based on 7.5%-15% of Annual Gross Revenues generated from the Project as further set forth in the Financial Agreement.

10. The Entity shall pay the minimum annual service charge, as calculated pursuant to N.J.S.A. 40A:20-12(b)(2)(e) and the Financial Agreement, in each year in which the annual service charge, as provided in paragraph 9 above, would be less than the minimum annual service charge.

11. The following occurrences and requirements are express conditions of the granting of this tax abatement, to be performed by the Entity and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) The Entity shall not, without prior consent of the Municipal Council of the City of Newark, sell, lease, assign, encumber, subordinate, convey, mortgage or transfer all, or any part of the Project, so as to sever, disconnect or divide the improvements from the land embraced within the Project; and

(b) The Entity shall concomitantly attach an employment report under oath, with particulars, stating the manner and the extent to which it has complied with this requirement. This employment report shall be filed with the Director of Finance, the City Clerk, and the Acting Director of the Department of Economic and Housing Development; and

(c) The Entity shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance; and

(d) The Entity shall submit to the City a copy of its formation documents, as approved by the Department of Community Affairs and filed with the Secretary of State; and

(e) The Entity shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&F-a, adopted October 21, 1992, as amended.

12. That in any year that the Entity shall fail to make four (4) consecutive land tax payments when due and owing in the manner defined in N.J.S.A. 40A:20-12(b)(2)(e), such delinquency shall render the Entity ineligible for any land tax credits against the annual service charge.

13. The Entity understands and agrees that the revenue projections set forth in the application are estimates and that the actual payments in lieu of taxes to be paid

No. 6.P.S.F.-A...

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Date FEB 05 2020

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by the Entity to the City shall be determined pursuant to the Financial Agreement to be executed between the Entity and the City of Newark.

14. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the Financial Agreement, required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby waived, but only with respect to this ordinance.

15. Within 10 calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the City Clerk's Office shall transmit a certified copy of the Ordinance and Financial Agreement to the Chief Financial Officer of the County and to the County Counsel for informational purposes.

16. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This ordinance grants a long term tax abatement to 495 Washington Realty Urban Renewal Company, LLC, c/o Nelson Espinoza, 49 Hermon Street, Newark, New Jersey 07105, under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for a twenty-five (25) year term for a project to construct twenty-seven (27) market rate residential rental units, seven (7) Income Restricted Units and three (3) commercial units located at 495-505 Washington Street, Newark, New Jersey and identified on the City's tax map as Block 121, Lot 43. (Central Ward)

**CERTIFIED TO BY ME THIS
FEB 14 2020**

DO NOT USE SPACE BELOW THIS LINE

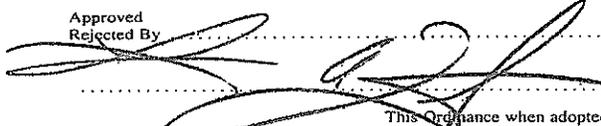
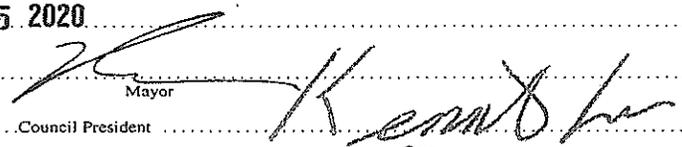
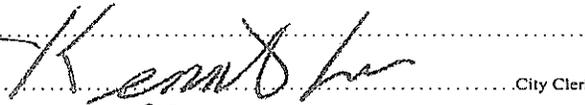
RECORD OF COUNCIL VOTE ON FINAL PASSAGE					RECORD OF COUNCIL VOTE FOR RECONSIDERATION														
Council Member	AYE	NAY	NV	AB	Council Member	AYE	NAY	NV	AB	Council Member	AYE	NAY	NV	AB	Council Member	AYE	NAY	NV	AB
Amador				✓	Osborne	✓				Amador					Osborne				
Gonzalez	✓				Quintana <small>Vice President</small>	✓				Gonzalez					Quintana <small>Vice President</small>				
James	✓				Ramos, Jr.	✓				James					Ramos, Jr.				
McCallum, Jr.	✓				Crump President				✓	McCallum, Jr.					Crump President				
Mclver	✓									Mclver									

✓ - Indicates Vote

AB - Absent

NV - Not Voting

Adopted on first reading at a meeting of the Council of the City of Newark, N.J., on JAN 08 2020
Adopted on second and final reading after hearing on FEB 05 2020

Approved
Rejected By  Council President
Mayor  Mayor
City Clerk  City Clerk