



Legislation Details (With Text)

File #: 22-0825 **Version:** 1 **Name:** Amendment No1 to FA for ESSEX PLAZA PRESERVATION TWO LLC
Type: Ordinance **Status:** Adopted
File created: 6/1/2022 **In control:** Economic and Housing Development
On agenda: 7/26/2022 **Final action:** 8/16/2022

Title: AN ORDINANCE CONSENTING TO THE TRANSFER OF THE PROJECT TO ACQUIRE AND SUBSTANTIALLY RENOVATE (12) EXISTING MID-RISE ELEVATOR AND WALK-UP BUILDINGS CONSISTING OF APPROXIMATELY (241) AFFORDABLE HOUSING RENTAL UNITS AND ON-SITE COMMUNITY AMENITIES, TO BE ORIGINALLY LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 31-41 E. KINNEY, 9 SCOTT STREET, 72-76 ORCHARD STREET, 11-31 PENNINGTON STREET, 1078-1082 BROAD STREET, 146-158 ORCHARD STREET, AND 81-83 LINCOLN PARK, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 884, LOTS 1, 3, AND 31, BLOCK 885, LOTS 41, 42, AND 43, BLOCK 893, LOTS 2, 3, 4, 6, 34, 36, 37, AND 38, BLOCK 894, LOTS 1, AND 4, BLOCK 895, LOTS 44, 46, AND 48, AND BLOCK 2826, LOTS 24, AND 25, FROM ESSEX PLAZA OWNER TWO, LLC TO ESSEX PLAZA PRESERVATION TWO, LLC AND AMENDING THE TAX ABATEMENT GRANTED THERETO.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/16/2022	1	Municipal Council	Close on Public Hearing and Adopt	Pass
8/3/2022	1	Municipal Council	Maintained on Public Hearing and Deferred to Special Meeting	Pass
7/26/2022	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE CONSENTING TO THE TRANSFER OF THE PROJECT TO ACQUIRE AND SUBSTANTIALLY RENOVATE (12) EXISTING MID-RISE ELEVATOR AND WALK-UP BUILDINGS CONSISTING OF APPROXIMATELY (241) AFFORDABLE HOUSING RENTAL UNITS AND ON-SITE COMMUNITY AMENITIES, TO BE ORIGINALLY LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 31-41 E. KINNEY, 9 SCOTT STREET, 72-76 ORCHARD STREET, 11-31 PENNINGTON STREET, 1078-1082 BROAD STREET, 146-158 ORCHARD STREET, AND 81-83 LINCOLN PARK, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 884, LOTS 1, 3, AND 31, BLOCK 885, LOTS 41, 42, AND 43, BLOCK 893, LOTS 2, 3, 4, 6, 34, 36, 37, AND 38, BLOCK 894, LOTS 1, AND 4, BLOCK 895, LOTS 44, 46, AND 48, AND BLOCK 2826, LOTS 24, AND 25, FROM ESSEX PLAZA OWNER TWO, LLC TO ESSEX PLAZA PRESERVATION TWO, LLC AND AMENDING THE TAX ABATEMENT GRANTED THERETO.

WHEREAS, on July 20, 2021, the Municipal Council adopted Ordinance 6PSF-i(S), a copy of which is attached hereto as Exhibit A, granting a thirty (30) year tax abatement to Essex Plaza Owner Two, LLC (the "Original Developer") having its principal office at c/o Fairstead, 250 West 55th Street, 35th Floor, New York, New York, 10019, pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, N.J.S.A. 55:14K-1 et seq. (the "HMFA Law"),

for a project to acquire and substantially renovate twelve (12) existing mid-rise elevator and walk-up buildings consisting of approximately (241) affordable housing rental units and on-site community amenities, located on real property commonly known as 31-41 E. Kinney Street, 9 Scott Street, 72-76 Orchard Street, 11-31 Pennington Street, 1078-1082 Broad Street, 146-158 Orchard Street, and 81-83 Lincoln Park, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 884, Lots 1, 3, and 31, Block 885, Lots 41, 42, and 43, Block 893, Lots 2, 3, 4, 6, 34, 36, 37, and 38, Block 894, Lots 1, and 4, Block 895, Lots 44, 46, and 48, Block 2826, Lots 24, and 25 (the "Project"); and

WHEREAS, on or about August 5, 2021, the City of Newark (the "City") entered into a Financial Agreement with the Original Developer, governing the tax abatement for the Project (the "Original Financial Agreement"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Original Financial Agreement does not become effective until such time as the Agency Mortgage, as defined in the Original Financial Agreement, shall become effective, which has not yet occurred; and

WHEREAS, the Original Developer has transferred its interest in the Project to Essex Plaza Preservation Two, LLC (the "Entity"); and

WHEREAS, the Original Financial Agreement, states that the City may, on written application, consent to a sale, transfer or other conveyance of all or a portion of the Project and the transfer of this Agreement; and

WHEREAS, the Entity has submitted a request (the "Application") seeking consent to transfer the Project and amend the Financial Agreement; and

WHEREAS, the Entity has requested that the property addresses of the Project be clarified as follows:

- 31-33 East Kinney Street/Block 884/Lot 1/Central Ward;
- 35-41 East Kinney Street/Block 884/Lot 3/Central Ward;
- 9 Scott Street/Block 884/Lot 31/Central Ward;
- 76 Orchard Street/Block 885/Lot 41/Central Ward;
- 74 Orchard Street/Block 885/Lot 42/Central Ward;
- 72 Orchard Street/Block 885/Lot 43/Central Ward;
- 11 Pennington Street/Block 893/Lot 2/East Ward;
- 13 Pennington Street/Block 893/Lot 3/East Ward;
- 15-17 Pennington Street/Block 893/Lot 4/East Ward;
- 19-31 Pennington Street/Block 893/Lot 6/East Ward;
- 1082 Broad Street/Block 893/Lot 34/East Ward;
- 1080 ½ Broad Street/Block 893/Lot 36/East Ward;
- 1080 Broad Street/Block 893/Lot 37/East Ward;
- 1078 ½ Broad Street/Block 893/Lot 38/East Ward;
- 146-152 Orchard Street/Block 894/Lot 1/East Ward;
- 158 Orchard Street/Block 895/Lot 44/East Ward;
- 156 Orchard Street/Block 895/Lot 46/East Ward;
- 154 Orchard Street/Block 895/Lot 48/East Ward;
- 81 Lincoln Park/Block 2826/Lot 24/East Ward; and
- 83 Lincoln Park/Block 2826/Lot 25/East Ward; and

WHEREAS, the City hereby consents to the transfer of the Project from the Original Developer

to the Entity and the clarification of the property addresses of the Project; and

WHEREAS, the Parties have agreed to amend the Original Financial Agreement to reflect the transfer of the Project and the changes thereto.

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

1. The City of Newark hereby consents to the transfer of the Project from Essex Plaza Owner Two, LLC to Essex Plaza Preservation Two, LLC, 250 West 55th Street, 35th Floor, New York, New York 10019.

2. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are authorized to enter into and execute, on the City's behalf, the Amendment #1 to Financial Agreement, in the form attached hereto as Exhibit C, with the Essex Plaza Preservation Two, LLC (the "Entity"), amending the name of the Entity and clarifying the property addresses of the Project as follows:

31-33 East Kinney Street/Block 884/Lot 1/Central Ward;
35-41 East Kinney Street/Block 884/Lot 3/Central Ward;
9 Scott Street/Block 884/Lot 31/Central Ward;
76 Orchard Street/Block 885/Lot 41/Central Ward;
74 Orchard Street/Block 885/Lot 42/Central Ward;
72 Orchard Street/Block 885/Lot 43/Central Ward;
11 Pennington Street/Block 893/Lot 2/East Ward;
13 Pennington Street/Block 893/Lot 3/East Ward;
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1080 Broad Street/Block 893/Lot 37/East Ward;
1078 ½ Broad Street/Block 893/Lot 38/East Ward;
146-152 Orchard Street/Block 894/Lot 1/East Ward;
158 Orchard Street/Block 895/Lot 44/East Ward;
156 Orchard Street/Block 895/Lot 46/East Ward;
154 Orchard Street/Block 895/Lot 48/East Ward;
81 Lincoln Park/Block 2826/Lot 24/East Ward; and
83 Lincoln Park/Block 2826/Lot 25/East Ward.

3. All other terms and conditions of Ordinance 6PSF-i(s) adopted on July 20, 2021, and the Original Financial Agreement shall remain in full force and effect.

4. 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.

5. The adoption of this Ordinance is expressly conditioned upon the requirement that the Entity pay the City all outstanding taxes and/service charges, and water/sewer charges within thirty (30) days of the date of the adoption of this Ordinance. If the Entity fails to timely satisfy these requirements, this Ordinance and the approval granted herein shall be null and void.

6. The Deputy Mayor/Director of the Department of Economic and Housing Development shall

file an executed copy of Amendment #1 to Financial Agreement, authorized by this Ordinance, with the Office of the City Clerk.

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

STATEMENT

This Ordinance authorizes the transfer of that certain project to acquire and substantially renovate twelve (12) existing mid-rise elevator and walk-up buildings consisting of (241) affordable housing rental units and on-site community amenities, from Essex Plaza Owner Two, LLC to Essex Plaza Preservation Two, LLC, 250 West 55th Street, 35th Floor, New York, New York 10019, and the amendment to the Financial Agreement, governing the terms of the tax abatement granted thereto, to include clarification of the property addresses of the Project.

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