



Legislation Details (With Text)

File #: 16-0851 **Version:** 2 **Name:** Two Center URE Further Revised and Restated Financial Agreement

Type: Ordinance **Status:** Adopted

File created: 5/13/2016 **In control:** Economic and Housing Development

On agenda: 6/23/2016 **Final action:** 7/7/2016

Title: ORDINANCE AMENDING ORDINANCE 6PSF-G, NOVEMBER 18, 2013, AND 6PSF-B, NOVEMBER 17, 2014, AUTHORIZING AN AMENDED AND RESTATED FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF NEWARK AND TWO CENTER STREET URBAN RENEWAL, L.L.C., IN ORDER TO REFLECT CERTAIN CHANGES FROM THE ORIGINAL PROJECT, INCLUDING WITHOUT LIMITATION, THE ADDITION OF AN OFFICE COMPONENT, THE INCREASE IN THE AMOUNT OF RESIDENTIAL UNITS FROM 244 TO 245, THE DECREASE IN THE NUMBER OF PARKING SPACES FROM 543 TO 285, THE INCREASE IN CERTAIN SQUARE FOOTAGE OF COMMON AREA AND RETAIL SPACE AND A CHANGE IN THE CONSTRUCTION SCHEDULE FOR THE PROJECT TO BE CONSTRUCTED TO OCCUR NO LATER THAN MARCH 31, 2017, WITH A COMPLETION DATE NO LATER THAN JUNE 30, 2019, ON PROPERTY KNOWN AS 34-40 PARK PLACE, BLOCK 125, LOT 26. (CENTRAL WARD)

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
7/7/2016	2	Municipal Council	Close on Public Hearing and Adopt	Pass
6/23/2016	1	Municipal Council	Motion to amend	Pass
6/23/2016	1	Municipal Council	Adopted as amended on Communications	Pass
6/23/2016	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

ORDINANCE AMENDING ORDINANCE 6PSF-G, NOVEMBER 18, 2013, AND 6PSF-B, NOVEMBER 17, 2014, AUTHORIZING AN AMENDED AND RESTATED FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF NEWARK AND TWO CENTER STREET URBAN RENEWAL, L.L.C., IN ORDER TO REFLECT CERTAIN CHANGES FROM THE ORIGINAL PROJECT, INCLUDING WITHOUT LIMITATION, THE ADDITION OF AN OFFICE COMPONENT, THE INCREASE IN THE AMOUNT OF RESIDENTIAL UNITS FROM 244 TO 245, THE DECREASE IN THE NUMBER OF PARKING SPACES FROM 543 TO 285, THE INCREASE IN CERTAIN SQUARE FOOTAGE OF COMMON AREA AND RETAIL SPACE AND A CHANGE IN THE CONSTRUCTION SCHEDULE FOR THE PROJECT TO BE CONSTRUCTED TO OCCUR NO LATER THAN MARCH 31, 2017, WITH A COMPLETION DATE NO LATER THAN JUNE 30, 2019, ON PROPERTY KNOWN AS 34-40 PARK PLACE, BLOCK 125, LOT 26. (CENTRAL WARD)

WHEREAS, on November 18, 2013, the Municipal Council of the City adopted Ordinance 6PSF-g, entitled "ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH TWO CENTER STREET URBAN RENEWAL, L.L.C., C/O DRANOFF PROPERTIES, INC., 3180 CHESTNUT STREET, PHILADELPHIA, PENNSYLVANIA 19104, AND OTHER APPLICABLE

DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY OF ITS REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) IN AN AMOUNT SUFFICIENT TO GENERATE UP TO \$1,000,000.00 IN PROJECT COSTS, AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH" (the "2013 Ordinance"), accepting and approving the Exemption Application and authorizing the Mayor to execute, on the City's behalf, a Financial Agreement (the "2013 Agreement") with Two Center Street Urban Renewal, L.L.C., (the "Entity") for a twenty (20) year tax abatement in connection with the construction of a twenty-two (22) story mixed-use rental residential and retail project consisting of approximately 10,000 square feet of common area, approximately 15,000 square feet of retail space, and approximately 244 residential units consisting of studio, one (1) bedroom, two (2) bedroom and three (3) bedroom units (twenty-four (24) of these residential units to be reserved for use and occupancy by households (earning 50% or less of the area median gross household income), together with approximately five hundred and forty-three (543) parking spaces, and also including green building features, landscaping and other site amenities, on property identified as Block 125, Lot 26, on the current tax map of the City (collectively, the "Original Project") to be leased by the Entity pursuant to a ground lease (the "Ground Lease") with New Jersey Performing Arts Center Corporation ("NJ PAC"); and

WHEREAS, the 2013 Financial Agreement approved by the 2013 Ordinance required NJ PAC to sign a limited joinder agreeing, among other things, to the grant of the tax abatement for the Original Project and acknowledging that any enforcement of the tax lien securing the annual service charge payable under the 2013 Financial Agreement extends to the fee interest held by NJ PAC (and not limited to the ground lease interest held by the Entity); and

WHEREAS, NJ PAC created Theater Square Development Company, LLC ("TSDC"), a New Jersey limited liability company whose sole member is NJ PAC, and advised the City that TSDC (rather than NJ PAC) will acquire title to the property and will enter into the Ground Lease with the Entity; and

WHEREAS, on November 17, 2014, the Municipal Council of the City adopted Ordinance 6PSF-b, entitled "ORDINANCE AMENDING ORDINANCE 6PSF-g, NOVEMBER 18, 2013, "ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH TWO CENTER STREET URBAN RENEWAL, L.L.C. AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY OF ITS REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) IN AN AMOUNT SUFFICIENT TO GENERATE UP TO \$1,000,000.00 IN PROJECT COSTS, AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH" BY APPROVING THE EXECUTION OF A REVISED AND RESTATED FINANCIAL AGREEMENT WITH TWO CENTER STREET URBAN RENEWAL, L.L.C., AND THEATER SQUARE DEVELOPMENT COMPANY, LLC (TSDC)" (the "2014 Ordinance" and together with the 2013 Ordinance, the "Prior Ordinances") authorizing the Mayor to execute, on the City's behalf, an Amended and Restated Financial Agreement (the "2014 Financial Agreement") with the Entity to reflect, among other things, that TSDC will be the party executing the limited joinder; and

WHEREAS, the Entity has made certain changes to the Original Project, including without limitation, the addition of an office component, the increase in the amount of residential units from 244 to 245, the decrease in the number of parking spaces from 543 to 285 and the increase in certain square footage of common area and retail space (collectively with the Original Project, the "Project") and has requested changes to the construction schedule to permit commencement of

construction to occur no later than March 31, 2017 with a completion date no later than June 30, 2019; and

WHEREAS, the Deputy Mayor/Director of the Department of Economic and Housing Development wishes to amend the 2014 Financial Agreement to provide for the changes set forth herein.

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

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. All other provisions of the Prior Ordinances not otherwise amended herein shall remain in full force and effect.
3. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, the amended and restated Financial Agreement (the "Financial Agreement") in the form attached hereto.
4. An executed copy of the Financial Agreement authorized by this ordinance shall be filed and maintained with the City Clerk.
5. 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 Office of the City Clerk of the City of Newark shall transmit a certified copy of this Ordinance and the Financial Agreement to the Chief Financial Officer of the County and to the County Counsel for informational purposes.
6. 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 Mayor to execute, on the City's behalf, the amended and restated Financial Agreement with Two Center Street Urban Renewal, L.L.C., having its principal office at c/o Dranoff Properties, Inc., 755 South Broad Street, Philadelphia, Pennsylvania 19147, in order to reflect certain changes from the Original Project, including without limitation, the addition of an office component, the increase in the amount of residential units from 244 to 245, the decrease in the number of parking spaces from 543 to 285, the increase in certain square footage of common area and retail space and a change in the construction schedule for the project to be constructed on property known as Block 125, Lot 26 on the tax map of the City.