



Legislation Details (With Text)

File #: 23-0925 **Version:** 1 **Name:** Amendment No. 1 to Financial Agreement 40 Clinton Urban Renewal

Type: Ordinance **Status:** First Reading

File created: 6/2/2023 **In control:** Economic and Housing Development

On agenda: 7/10/2024 **Final action:**

Title: AN ORDINANCE AMENDING THE TAX ABATEMENT GRANTED TO 40 CLINTON URBAN RENEWAL, LLC, C/O PARAMOUNT ASSETS, LLC, 45 ACADEMY STREET, 5TH FLOOR, NEWARK, NEW JERSEY 07102, PURSUANT TO ORDINANCE 6PSF-M ADOPTED ON MAY 19, 2021, FOR A PROJECT TO REHABILITATE AN EXISTING BUILDING AND CREATE (27) MARKET-RATE RESIDENTIAL RENTAL UNITS LOCATED AT 36-40 CLINTON STREET, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 145, LOT 62 (CENTRAL WARD), TO CORRECT THE MINIMUM ANNUAL SERVICE CHARGE IN THE FINANCIAL AGREEMENT.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
7/10/2024	1	Municipal Council		
7/10/2024	1	Municipal Council		

AN ORDINANCE AMENDING THE TAX ABATEMENT GRANTED TO 40 CLINTON URBAN RENEWAL, LLC, C/O PARAMOUNT ASSETS, LLC, 45 ACADEMY STREET, 5TH FLOOR, NEWARK, NEW JERSEY 07102, PURSUANT TO ORDINANCE 6PSF-M ADOPTED ON MAY 19, 2021, FOR A PROJECT TO REHABILITATE AN EXISTING BUILDING AND CREATE (27) MARKET-RATE RESIDENTIAL RENTAL UNITS LOCATED AT 36-40 CLINTON STREET, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 145, LOT 62 (CENTRAL WARD), TO CORRECT THE MINIMUM ANNUAL SERVICE CHARGE IN THE FINANCIAL AGREEMENT.

WHEREAS, on May 19, 2021, the Municipal Council adopted Ordinance 6PSF-m, (the “Ordinance”, a copy of which is attached hereto as Exhibit A), granting a twenty-five (25) year tax abatement to 40 Clinton Urban Renewal, LLC, c/o Paramount Assets, LLC, 45 Academy Street, 5th Floor, Newark, New Jersey 07102 (the “Entity”) pursuant to the N.J.S.A. 40A:20-1 et seq., Long Term Tax Exemption Law, for a twenty-five (25) year term, for a project to rehabilitate an existing building and create twenty-seven (27) market rate residential rental units located at 36-40 Clinton Street, Newark, New Jersey and identified on the City’s tax map as Block 145, Lot 62 (East Ward) (collectively, the “Project”); and

WHEREAS, prior to the adoption of the Ordinance, the Entity filed a tax appeal for the 2019 tax year that reduced the taxes on the property from \$99,589.13 to \$51,243.00; and

WHEREAS, pursuant to the Ordinance, on June 18, 2021 the Entity and the City entered into a Financial Agreement, governing the tax abatement for the Project, which reflected a Minimum

Annual Service Charge in the amount of \$99,589.13 in Article I, Section 1.02 (the “Original Financial Agreement”, a copy of which is attached hereto as Exhibit B and together with this Amendment No. 1 to Financial Agreement, the “Financial Agreement”); and

WHEREAS, the Original Financial Agreement did not reflect the reduced amount of taxes per the tax appeal that constitutes the Minimum Annual Service Charge; and

WHEREAS, the Municipal Council of the City of Newark desires to amend the Financial Agreement to reflect the correct Minimum Annual Service Charge based on the reduced taxes that should have appeared in the Original Financial Agreement.

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

1. The Mayor of the City of Newark is hereby authorized to execute, on the City’s behalf, the Amendment No. 1 to Financial Agreement in the form attached hereto as Exhibit C.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development shall file an executed copy of Amendment No. 1 to Financial Agreement authorized by this Ordinance in the Office of the City Clerk.

3. The Project shall conform to all state laws and ordinances of the City of Newark.

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 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.

6. 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.

7. All other terms and conditions of Ordinance 6PSF-m adopted by the Newark Municipal Council on May 19, 2021 (“Original Ordinance”) and the Financial Agreement, which was executed on June 18, 2021 subject to the Original Ordinance shall remain in full force and effect.

8. 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 execution of Amendment No. 1 to Financial Agreement, with 40 Clinton Urban Renewal, LLC, c/o Paramount Assets, LLC, 45 Academy Street, 5th Floor, Newark, New Jersey 07102, for a project located at 36-40 Clinton Street, Newark, New Jersey and identified on the City’s tax map as Block 145, Lot 62, to correct the Minimum Annual Service Charge, Exhibit A.