



Legislation Details (With Text)

File #: 16-1674 **Version:** 1 **Name:** Tax Abatement Extension - Wesley Towers Corporation

Type: Ordinance **Status:** Adopted

File created: 10/25/2016 **In control:** Economic and Housing Development

On agenda: 12/7/2016 **Final action:** 12/21/2016

Title: AN ORDINANCE AMENDING ORIGINAL TAX ABATEMENT GRANTED TO WESLEY TOWERS CORPORATION UNDER THE LIMITED DIVIDEND LAW FOR AN ADDITIONAL FIVE (5) YEARS AND FOUR (4) MONTHS FOR AN AFFORDABLE HOUSING PROJECT LOCATED AT 444 MT. PROSPECT AVENUE AND IDENTIFIED ON THE CITY'S TAX MAPS AS BLOCK 629, LOT 7 (NORTH WARD).

Sponsors: Anibal Ramos, Jr., Carlos M. Gonzalez

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
12/21/2016	1	Municipal Council	Close on Public Hearing and Adopt	Pass
12/7/2016	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE AMENDING ORIGINAL TAX ABATEMENT GRANTED TO WESLEY TOWERS CORPORATION UNDER THE LIMITED DIVIDEND LAW FOR AN ADDITIONAL FIVE (5) YEARS AND FOUR (4) MONTHS FOR AN AFFORDABLE HOUSING PROJECT LOCATED AT 444 MT. PROSPECT AVENUE AND IDENTIFIED ON THE CITY'S TAX MAPS AS BLOCK 629, LOT 7 (NORTH WARD).

WHEREAS, on February 17, 1965, the Newark Municipal Council adopted Resolution 7Rx granting a long term tax abatement to Wesley Towers Corporation ("Wesley Towers"), a non-profit corporation with an address of 227 Market Street, Newark, New Jersey 07102, formed and operating under the Limited Dividend Non-Profit Housing Corporations or Associations law, N.J.S.A. 55:16-1 et seq. (the "Limited Dividend Law"), for a senior affordable housing project located at 444 Mt. Prospect Avenue and identified on the City tax map as Block 629, Lot 7 (North Ward) (the "Project"); and

WHEREAS, on October 5, 1966, the Municipal Council adopted Resolution 7Rj authorizing the Mayor to execute a financial agreement with Wesley Towers for the Project; and

WHEREAS, the City and Wesley Towers subsequently executed a financial agreement governing the Project on February 9, 1966 (the "Original Financial Agreement"); and

WHEREAS, although the Limited Dividend Law authorized municipalities to grant tax abatements for a term of up to fifty (50) years, the tax abatement granted by the City to Wesley Towers was only for a term of forty-seven (47) years; and

WHEREAS, the Limited Dividend Law was repealed in 1992 and was replaced by the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "LTTE Law"), but the LTTE Law explicitly

saved from repeal and ratified all existing tax abatements granted under the Limited Dividend Law; and

WHEREAS, on April 3, 1991, the Newark Municipal Council adopted Resolution 7Rbs rescinding the Financial Agreement; and

WHEREAS, on August 1, 1996, the Newark Municipal Council adopted Resolution 7Rdv(AS) reinstating the tax abatement and Financial Agreement; and

WHEREAS, during the period of April 3, 1991 through August 1, 1996, the Project was not subject to a tax abatement; and

WHEREAS, on December 18, 2013, the Newark Municipal Council adopted Resolution 7R3-f, extending the tax abatement and Financial Agreement until December 31, 2016 (the "First Amendment" and together with the Original Financial Agreement, the "Financial Agreement"); and

WHEREAS, due to the rescission of the Original Financial Agreement, the Project has not received the full fifty (50) year benefit of the tax abatement as authorized under the Limited Dividend Law; and

WHEREAS, the Project provides necessary affordable housing to senior citizens in the community and Wesley Towers has represented that the Project cannot continue to provide these services without a tax abatement; and

WHEREAS, Wesley Towers has requested that the tax abatement and Financial Agreement be extended for an additional five years and four months until May 1, 2021; and

WHEREAS, this extension will allow Wesley Towers to continue to provide affordable housing to senior citizens in the short term while it explores its long term options for the financing and operation of the Project.

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

1. The application of Wesley Towers for a five (5) year, four (4) month extension to the existing tax abatement for the Project is hereby approved and, consequently, the tax abatement for the Project shall be extended to May 1, 2021.

2. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, the Second Amendment to Financial Agreement in the form attached hereto.

3. An executed copy of the Second Amendment to Financial Agreement authorized by this ordinance shall be filed and maintained with the City Clerk.

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 Wesley Towers 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 Wesley Towers fails to timely satisfy these requirements, this ordinance and the approval granted herein shall be null and void.

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 amends and grants the application of Wesley Towers Corporation (“Wesley Towers”), a non-profit corporation 227 Market Street, Newark, New Jersey 07102, formed and operating under the Limited Dividend Non-Profit Housing Corporations or Associations law, N.J.S.A. 55:16-1 et seq. (the “Limited Dividend Law”), for a five (5) year, four (4) month extension to the tax abatement for the senior affordable housing project located at 444 Mt. Prospect Avenue and identified on the City tax map as Block 629, Lot 7 (North Ward).