



Legislation Details (With Text)

File #: 19-2025 **Version:** 1 **Name:** Claremont Newark - 5 year LTTE Extension
Type: Ordinance **Status:** Adopted
File created: 12/31/2019 **In control:** Economic and Housing Development
On agenda: 1/8/2020 **Final action:** 1/22/2020

Title: AN ORDINANCE AMENDING ORDINANCE 6PSF-d, ADOPTED ON NOVEMBER 7, 2019, GRANTING A FIVE (5) YEAR EXTENSION OF THE TAX ABATEMENT TO CLAREMONT NEWARK URBAN RENEWAL, LLC, 1316 MADISON AVENUE, NEW YORK, NEW YORK 10128, FOR THE PROJECT COMMONLY REFERRED TO AS THE "FBI BUILDING" ON REAL PROPERTY KNOWN AS 1-33 CENTRE PLACE AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 129, LOT 1. (CENTRAL WARD)

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
1/22/2020	1	Municipal Council	Close on Public Hearing and Adopt	Pass
1/8/2020	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE AMENDING ORDINANCE 6PSF-d, ADOPTED ON NOVEMBER 7, 2019, GRANTING A FIVE (5) YEAR EXTENSION OF THE TAX ABATEMENT TO CLAREMONT NEWARK URBAN RENEWAL, LLC, 1316 MADISON AVENUE, NEW YORK, NEW YORK 10128, FOR THE PROJECT COMMONLY REFERRED TO AS THE "FBI BUILDING" ON REAL PROPERTY KNOWN AS 1-33 CENTRE PLACE AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 129, LOT 1. (CENTRAL WARD)

WHEREAS, pursuant to Resolution 7Rdd adopted on June 6, 2001, the City and Claremont Newark Urban Renewal, LLC, 1316 Madison Avenue, New York, New York 10128 (the "Entity") previously executed a Financial Agreement providing a fifteen (15) year tax exemption for the Project commonly referred to as the "FBI Building" located at 1-33 Centre Place and identified on the City tax map as Block 129, Lot 1; and

WHEREAS, the Entity has undertaken certain improvements to the Project; and

WHEREAS, the Entity filed an application, prior to the undertaking of any improvements, with the Mayor seeking an extension of the long term tax abatement under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for an additional fifteen (15) year period; and

WHEREAS, the Mayor submitted the application and proposed First Amendment to the Financial Agreement (the "First Amendment") to the Municipal Council with his recommendation for a five (5) year extension of the tax abatement; and

WHEREAS, on November 7, 2019, the Municipal Council determined pursuant to N.J.S.A.

40A:20-11 that the relative benefits of this Project outweigh any costs associated with this tax exemption, and approved the recommended five (5) year extension of the Entity's tax abatement through Ordinance 6PSF-d November 7, 2019; and

WHEREAS, prior to the execution of the First Amendment, it was discovered that the Municipal Council had considered and approved the execution of a draft copy of the First Amendment which was inadvertently uploaded in place of the final copy; and

WHEREAS, there are minor differences between the document approved by the Municipal Council on November 7, 2019 and the final document, and for avoidance of doubt regarding the terms of the First Amendment and the Municipal Council's intention to approve same, it is necessary for the Municipal Council to review and approve the final version of the First Amendment, a copy of which is annexed hereto.

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 and/or his designee, the Acting Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute, on the City's behalf, a First Amendment to the Financial Agreement, in the form attached hereto, granting Claremont Newark Urban Renewal, LLC, 1316 Madison Avenue, New York, New York 10128 (the "Entity"), a five (5) year extension of its tax abatement, in accordance with the recommendation of the Mayor.

2. The tax abatement extension on improvements shall be for a period of five (5) years from the date of expiration of the original Financial Agreement, December 31, 2017, which was approved pursuant to Resolution 7Rdd on June 6, 2001, through December 31, 2022, or the occurrence of a default, whichever is first.

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

4. An executed copy of the First Amendment to the Financial Agreement authorized by this Ordinance shall be filed and maintained with the City Clerk.

5. The Project shall conform with all State laws and Ordinances of the City of Newark relating to its construction and use.

6. 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.

7. The annual service charge for the years 2018 through 2022 shall be equal to \$1,400,000.00 per year as set forth more fully within the First Amendment to the Financial Agreement.

8. The following occurrences and requirements are an express condition 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.
- (b) The Project and all portions thereof shall continue to be utilized by the Federal Bureau of Investigation or other instrumentality of the United States of America for the duration of the tax exemption.
- (c) Entity shall pay both the Annual Service Charge and the land tax payments.
- (d) Entity agrees that it shall be subject to the terms and conditions of the City's Revised Ordinance 10:24-1 et seq., as amended, concerning payroll tax.

9. 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.

10. 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 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.

11. 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.

12. 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 of the City of Newark shall transmit a certified copy of the Ordinance and Financial Agreement to the Chief Financial Officer of the City of Newark, County and to the County Counsel for informational purposes.

13. The City Clerk's Office of the City of Newark shall forthwith submit a certified copy of the Ordinance approving the tax abatement and the proposed Financial Agreement to the Director of the Division of Local Government Services.

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

STATEMENT

This Ordinance corrects Ordinance 6PSF-d, adopted on November 7, 2019, granting a five (5) year extension to the long term tax abatement to Claremont Newark Urban Renewal LLC, 1316 Madison Avenue, New York, New York 10128, under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for the Project commonly referred to as the "FBI Building" located on real property commonly known as 1-33 Centre Place, Newark, New Jersey and identified on the City's tax map as Block 129, Lot 1 (Central Ward), by replacing the draft copy of the First Amendment that was inadvertently approved by the Municipal Council with a final version of the document.