



Legislation Text

File #: 23-1480, Version: 1

Dept/ Agency: Economic and Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Resolution Endorsing

Purpose: To provide support of 930 McCarter Urban Renewal, LLC's Aspire Project and community benefits terms.

Additional Information:

RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK SUPPORTING THE 930 MCCARTER URBAN RENEWAL, LLC PROJECT AND APPROVING THE COMMUNITY BENEFITS AGREEMENT TERMS, PURSUANT TO THE ASPIRE PROGRAM.

WHEREAS, 930 McCarter Urban Renewal, LLC (the "Entity") is an urban renewal entity; and

WHEREAS, the Entity is undertaking a redevelopment project located at Block 1, Lot 46.02 (formerly Block 1, Lots 30 and 46) and proposes to redevelop same by constructing thereon a twenty-five (25) story mixed use tower with three hundred thirty-three (333) residential units, twenty percent (20%) of which will be affordable housing, and 3,750 square feet of retail space on the ground floor, along with approximately two hundred forty (240) parking stalls consisting of a total of 57,000 square feet of parking, (collectively, the "Project"); and

WHEREAS, the Project is being undertaken pursuant to a Redevelopment Agreement (the "Redevelopment Agreement") between the City of Newark (the "City") and the Entity dated as of December 19, 2017 and the total costs of the Project are estimated to be in excess of \$140,000,000; and

WHEREAS, on April 20, 2022, the Newark Municipal Council adopted Ordinance 6PSF-a authorizing a long-term tax abatement to 930 McCarter Urban Renewal, LLC, under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for a thirty (30) year term and authorized the execution of a Financial Agreement (the "Financial Agreement") with the City and the issuance and sale of redevelopment area bonds (the "Bonds") and approved the forms and execution of the Trust Indenture, Pledge Agreement, and Bond Purchase Agreement in connection with the issuance of the Bonds for the Project.

WHEREAS, in order to help further fund the Project, the Entity intends to apply to the New Jersey Economic Development Authority ("NJEDA") for tax credits under the New Jersey Aspire Program, Sections 54 through 67 of P.L. 2020, c. 156, as amended by P.L. 2021, c. 160 and P.L. 2023, c. 98 (N.J.S.A. 34:1B-322 through 34:1B-335)(the "Aspire Program"); and

WHEREAS, in furtherance of the Aspire Program, the Project will result in the contribution of \$100,000 to the City, the provision of new affordable housing opportunities, the creation of at least 400 construction jobs and 30 permanent jobs that will comply with the City's first source hiring goals, Affirmative Action Program and local and minority job goals, contributions to and support of the

Riverfront Walkway (collectively, the “Community Benefits”); and

WHEREAS, the City has determined the Project provides the foregoing Community Benefits as well as direct and indirect social and economic benefits to the community that fulfill the purpose of a community benefits requirement under the Aspire Program, which Community Benefits render a separate community benefits agreement unnecessary, and this Resolution (adopted and certified by the City during a public hearing at which the City provided the public with an opportunity to speak regarding the Community Benefits) together with the Redevelopment Agreement will serve in lieu of the community benefits agreement as defined in the Aspire Program.

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

1. The City hereby supports the Project and determines that it shall be a benefit to the City as it increases the City’s housing stock, including much needed affordable housing, provides additional investment in the City’s riverfront infrastructure, and creates local employment and business opportunities, in addition to the Entity’s contribution of \$100,000.

2. The City and the Entity have fully negotiated the terms of the above-referenced Community Benefits in the Redevelopment Agreement and this Resolution, rendering the execution of a community benefits agreement unnecessary and duplicative.

3. The City hereby accepts the Community Benefits to be generated by this Project all of which are fully codified in the Redevelopment Agreement and this Resolution which the City acknowledges and affirms will provide economic and social benefits to the community that fulfill the purposes of N.J.S.A. 34:1B-328(f).

4. The City hereby reaffirms its support of the Project’s NJEDA Aspire Program Application and further agrees that in lieu of the execution of a community benefits agreement, the Redevelopment Agreement together with this Resolution shall satisfy the requirements of the Aspire Program, specifically, N.J.A.C. 19:31-23A.8(e)(1).

5. All prior actions of the City and any official or officer relating to this Project and this Resolution are hereby ratified and affirmed.

6. This Resolution shall take effect immediately.

STATEMENT

This resolution provides the City’s support for the project being constructed by 930 McCarter Urban Renewal, LLC and requests that the New Jersey Economic Development Agency accept the resolution and the Redeveloper Agreement serve as the community benefits agreement under the NJEDA Aspire Program.

