



## Legislation Text

File #: 13-2237, Version: 2

**Dept/ Agency:** Economic & Housing Development

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

**Type of Service:** Application for an extension of a Long-Term Tax Abatement

**Purpose:** Amending original abatement granted under the Limited Dividend Law to extend for an additional 3 years

**Entity Name:** Wesley Towers Corporation

**Entity Address:** 227 Market Street, Newark, New Jersey 07102

**Abatement Period:** Extend term of tax abatement an additional 3 years for a total of 50 years

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ

( ) Private Sale ( ) Grant ( ) Sub-recipient ( ) n/a

**List of Property:**

**(Address/Block/Lot/Ward)**

444 Mt. Prospect Avenue/Block 629/Lot 7/ North Ward

**Additional Information:**

Resolution 7RX 021765; granted tax abatement

Resolution 7Rj 100566; authorized execution of financial agreement for tax abatement

Resolution 7Rbs 040391; rescinded tax abatement for nonpayment of pilot and authorized a payment plan

Resolution 7Rdv(AS) 080196; reinstated tax abatement amended pilot formula from 15% to 7.4% of gross shelter rents

**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 (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 “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**WHEREAS**, the Limited Dividend Law was repealed in 1992 and was replaced by the Long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**, the tax abatement for this Project is currently due to expire on December 31, 2013; 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 filed an application with the City seeking to extend its existing tax abatement for the Project for an additional three (3) years, so that that it will receive a tax abatement for a full fifty (50) year term as authorized under the Limited Dividend Law; 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 (including whether the Project may qualify for a tax abatement under another law); and

**WHEREAS**, the Mayor has submitted the application to the Municipal Council with his recommendation thereof, a copy of which is annexed hereto; and

**WHEREAS**, in accordance with Ordinance No. 6PSF-a 050411 adopted May 4, 2011 (the Redeveloper Pay-to-Play Ordinance), Wesley Towers has filed with the City a sworn statement that it has not made any contribution in violation of said ordinance; and

**WHEREAS**, based upon the representations made by Wesley Towers in its application, the Municipal Council has determined that it is in the public interest to grant Wesley Towers a three (3) year extension to its existing tax abatement for the Project and to authorize the Mayor to execute the First Amendment to the Financial Agreement on behalf of the City.

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

1. The application of 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 three (3) year 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 (the "Project") is hereby approved and, consequently, the tax abatement for the Project shall be extended to December 31, 2016.

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

3. The First Amendment to the Financial Agreement, once fully executed, shall be filed by the Acting Deputy Mayor/Director of the Department of Economic and Housing Development with the

Office of the City Clerk.

4. The adoption of this resolution is expressly conditioned upon the requirement that (i) Wesley Towers pay the City all outstanding water/sewer charges within twenty (20) days of the date of the adoption of this resolution, and (ii) that Wesley Towers pay the City all outstanding taxes and/or service charges within ten (10) days of its receipt of adjusted tax bills from the Tax Collector's office. If Wesley Towers fails to timely satisfy these requirements, this resolution and the approval granted herein shall be null and void.

5. This resolution shall take effect immediately.

### **STATEMENT**

This resolution grants the application of 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 three (3) year 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 (the "Project") and authorizes the Mayor to execute, on behalf of the City, a First Amendment to the Financial Agreement for the Project. (North Ward)