



Legislation Text

File #: 18-0822, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Waiving 20 day period for an ordinance to take effect

Purpose: This resolution hereby authorizes an emergency to be declared and further authorizes Ordinance 6PSF-b, granting amendment of the Original Financial Agreement, dated January 8, 2014, as amended and supplemented, by and between the City and TDAF I Springfield Avenue Holding Urban Renewal Company, LLC, 799 Central Avenue, Suite 300, Highland Park, Illinois 60035, to add Springfield Avenue Grocer Urban Renewal Company, LLC and University Heights Residential Urban Renewal Company, LLC, as parties and allocate the obligations under the Original Financial Agreement for the Project located at Block 236, Lots 1.03, 2-26 Jones Street, "Residential Component" and Block 236, Lots 1.04 and 1.05, 82-110 South Orange Avenue, 206-208 Springfield Avenue, "Grocery Component" on the City Tax can meet the deadline to close on the financing

Additional Information:

WHEREAS, on October 17, 2013, the Municipal Council of the City of Newark adopted Ordinance 6PSF-j entitled "Ordinance Approving the Execution of a Financial Agreement with TDAF I Springfield Avenue Holding Urban Renewal Company, LLC and other applicable documents related to the authorization and issuance by the New Jersey Economic Development Authority of not to exceed \$6,600,000.00, Redevelopment Area Bonds (non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith", approving and authorizing the execution and delivery of a Financial Agreement with TDAF I Springfield Avenue Urban Renewal Company, LLC ("TDAF 1 Springfield Avenue URE"); and

WHEREAS, on January 8, 2014, the City and TDAF I Springfield Avenue URE entered into a Financial Agreement, as amended and supplemented (the "Original Financial Agreement"), which provided for a tax exemption and payments in lieu of taxes in respect to a portion of Block 236, Lots 1.03, Lot 1.04 and Lot 1.05 (collectively, the "Parcel"), a project consisting of (i) the construction of a building of approximately 66,806 square feet for use as a grocery store and associated parking (the "Grocery Component") and (ii) the construction of a residential apartment complex of approximately 150,000 square feet containing approximately 152 apartment units and associated parking (the "Residential Component", which together with the Grocery Component and the acquisition of the Parcel shall be collectively be referred to as the "Project"); and

WHEREAS, TDAF I Springfield Avenue URE has further represented that it desires to amend the Original Financial Agreement to provide, in substance, for (i) the overall tax abatement and overall annual service charge to be allocated between the Grocery Parcel and the Grocery Component (as to which a portion of the Annual Service Charge, as determined herein, shall thenceforth be applicable) and the Residential Parcel and the Residential Component (as to which the remaining portion of the annual service charge shall thenceforth be applicable), (ii) the tax abatements for the Grocery Parcel and the Residential Parcel as thenceforth being separate tax

abatements, independent from one another, (iii) the establishment of separate schedules of annual service charges, Pledged Annual Service Charges and Unpledged Annual Service Charges (as such terms are defined in the Original Financial Agreement) for each of the Grocery Parcel and the Residential Parcel, (iv) the ability of TDAF I Springfield Avenue URE to assign to the Springfield Avenue Grocer Urban Renewal Company, LLC (the "Grocery URE") all of TDAF I Springfield Avenue URE's right, title and interest in and to the Original Financial Agreement insofar as the same applies to the Grocery Parcel and the Grocery Component, and (v) the ability of TDAF I Springfield Avenue URE to assign to the University Heights Residential Urban Renewal Company, LLC (the "Residential URE") all of TDAF I Springfield Avenue URE's right, title and interest in and to the Original Financial Agreement insofar as the same applies to the Residential Parcel and the Residential Component; and

WHEREAS, TDAF I Springfield Avenue URE, the Grocery URE and the Residential URE (collectively, the "Applicant") have jointly submitted correspondence to the Mayor with respect to the foregoing request (the "Submission"); and

WHEREAS, the above Amendment to the Financial Agreement was advanced and adopted on first reading by the Municipal Council on May 23, 2018 through Ordinance 6F-d and is scheduled for a public hearing, second reading and final passage, as Ordinance 6PSF-b, on June 7, 2018; and

WHEREAS, the closing of the financing must take place before June 20, 2018; and

WHEREAS, in order for the Redeveloper to meet the financing deadline, the above amendment must be effective prior to the closing; and

WHEREAS, there is an exigent need for the amendment to the tax abatement to take immediate effect so that the Redeveloper can meet the financing deadline; and

WHEREAS, the Project is essential to address needs in the community; and

WHEREAS, N.J.S.A. 40:69A-181(b) authorizes a Governing Body to adopt a resolution declaring an emergency and authorizing that an Ordinance take immediate effect so long as at least two-thirds of all the members of the Governing Body vote in favor of such resolution; and

WHEREAS, the Municipal Council recognizes the exigent need for this amendment to the tax abatement to take immediate effect so that the Redeveloper can meet the financing deadline; and

WHEREAS, the Municipal Council has determined that it is therefore necessary and appropriate to adopt this resolution pursuant to N.J.S.A. 40:69A-181(b) declaring an emergency and determining that Ordinance 6PSF-b if adopted on June 7, 2018 shall take immediate effect upon the Mayor's signature and publication.

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

As a result of the reasons set forth herein and the important public policies enunciated, an emergency is hereby declared to exist and Ordinance 6PSF-b, authorizing an amendment of the Original Financial Agreement, dated January 8, 2014, as amended and supplemented, by and between the City and TDAF I Springfield Avenue Holding Urban Renewal Company, LLC, 799 Central Avenue, Suite 300, Highland Park, Illinois 60035, to add Springfield Avenue Grocer

Urban Renewal Company, LLC and University Heights Residential Urban Renewal Company, LLC, as parties and allocate the obligations under the Original Financial Agreement for a Project located at Block 236, Lots 1.03, 2-26 Jones Street, "Residential Component" and Block 236, Lots 1.04 and 1.05, 82-110 South Orange Avenue, 206-208 Springfield Avenue, "Grocery Component" to become effective, once adopted by the Municipal Council after second reading and final passage, in accordance with N.J.S.A. 40:69A-181(b) due to the exigent need for the Redeveloper to meet the deadline to close on financing by June 20, 2018.

STATEMENT

This resolution hereby authorizes an emergency to be declared and further authorizes Ordinance 6PSF-b, granting amendment of the Original Financial Agreement, dated January 8, 2014, as amended and supplemented, by and between the City and TDAF I Springfield Avenue Holding Urban Renewal Company, LLC, 799 Central Avenue, Suite 300, Highland Park, Illinois 60035, to add Springfield Avenue Grocer Urban Renewal Company, LLC and University Heights Residential Urban Renewal Company, LLC, as parties and allocate the obligations under the Original Financial Agreement for the Project located at Block 236, Lots 1.03, 2-26 Jones Street, "Residential Component" and Block 236, Lots 1.04 and 1.05, 82-110 South Orange Avenue, 206-208 Springfield Avenue, "Grocery Component" on the City Tax can meet the deadline to close on the financing.