



Legislation Text

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AN ORDINANCE AMENDING AN ORIGINAL TAX ABATEMENT GRANTED TO BERGEN STREET REDEVELOPMENT URBAN RENEWAL, LLC, 935 BERGEN STREET, NEWARK, NEW JERSEY 07112, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW TO PROVIDE FOR AN EXTENSION OF TIME TO ACHIEVE SUBSTANTIAL COMPLETION OF TWO (2) NEW APARTMENT BUILDINGS, THE FIRST CONTAINING (32) AFFORDABLE HOUSING UNITS OVER COMMERCIAL SPACE AND THE SECOND CONTAINING TEN (10) AFFORDABLE HOUSING UNITS OVER COMMERCIAL SPACE LOCATED AT 1037-1047 BERGEN STREET AND 1057-1059 BERGEN STREET, NEWARK, NEW JERSEY 07112 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 3661, LOTS 3, 5 AND 8, AND BLOCK 3660, LOT 11 (SOUTH WARD).

Failed 8-b(S)080823

WHEREAS, on July 11, 2018, the Newark Municipal Council adopted Ordinance 6PSF-D (the “Ordinance”, a copy of which is attached hereto as Exhibit A) granting a twenty (20) year tax abatement to Bergen Street Redevelopment Urban Renewal, LLC, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the “Long Term Tax Exemption Law”), with an address of 935 Bergen Street, Newark, New Jersey 07102 (the “Entity”), for a project to construct two (2) new residential apartment buildings, the first containing thirty-two (32) affordable housing units and the second containing ten (10) affordable housing units located at 1037-1047 Bergen Street and 1057-1059 Bergen Street, Newark, New Jersey 07112 and identified on the Official Tax Map of the City of Newark, as Block 3661, Lots 3, 5 and 8, and Block 3660, Lot 11, respectively (collectively, the “Project”); and

WHEREAS, the Parties entered into a certain Financial Agreement, dated as of November 15, 2018 (the “Original Financial Agreement”, a copy of which is attached hereto as Exhibit B), as amended by that certain Amendment #1 to Financial Agreement, dated as of October 28, 2020, and together with Amendment #2 to Financial Agreement, collectively, the “Financial Agreement”; and

WHEREAS, as a result of various unforeseen delays and environmental remedial costs beyond the control of the Entity and to ensure that construction of the Project continues and completion remains feasible, the Entity has requested and the City has agreed to extend the time to complete construction of the Project to January 31, 2025, pursuant to the terms of the Amendment #2 to the Financial Agreement; and

WHEREAS, upon further review of Ordinance 6PSF-d as adopted, it mistakenly granted a twenty (20) year tax abatement to the Entity when the intent of the Municipal Council at the time was to grant a twenty-five (25) year tax abatement as approved by the Tax Abatement Committee prior to that meeting and as evidenced by the execution and delivery by the City of Newark and the Entity of the Original Financial Agreement; and

WHEREAS, the Municipal Council desires to correct this typographical error in the Ordinance

to confirm that the City of Newark granted the Entity a twenty-five (25) year tax abatement as opposed to a twenty (20) year tax abatement consistent with the Tax Abatement Committee's determination and the Original Financial Agreement.

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 is hereby authorized to enter into and execute, on the City's behalf, Amendment #2 to Financial Agreement in the form attached hereto as Exhibit C.

2. An executed copy of Amendment #2 to the Financial Agreement authorized by this Ordinance shall be filed and maintained with the City Clerk.

3. The City is authorized by virtue of the adoption of this Ordinance by the Municipal Council to amend and correct the original Ordinance 6PSF-d adopted on July 11, 2018 to accurately reflect the City of Newark's intent to grant the Entity a twenty-five (25) year tax abatement as opposed to a twenty (20) year tax abatement consistent with the Tax Abatement Committee's determination and the terms of the Original Financial Agreement executed by the Parties.

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 Entity shall submit to the City a copy of its formation documents, as approved by the Department of Community Affairs and filed with the Secretary of State, and current fully executed Operating Agreements, as amended to date.

7. The adoption of this Ordinance is expressly conditioned upon the requirement that the Entity 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 the Entity fails to timely satisfy these requirements, this ordinance and the approval granted herein shall be null and void.

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

STATEMENT

This Ordinance authorizes an amendment to the original tax abatement granted to Bergen Street Redevelopment Urban Renewal, LLC, 935 Bergen Street, Newark, New Jersey 07102, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. to modify certain definitions related to the Project and provide for an extension of time to achieve substantial completion of the Project located at 1037-1047 Bergen Street and 1057-1059 Bergen Street, Newark, New Jersey 07112 and identified on the Official Tax Map of the City of Newark, as Block 3661, Lots 3, 5 and 8, and Block

3660, Lot 11, respectively.