



Legislation Text

File #: 21-0751, Version: 1

AN ORDINANCE GRANTING A THIRTY (30) YEAR TAX ABATEMENT TO ESSEX PLAZA OWNER ONE, LLC, HAVING ITS PRINCIPAL OFFICE AT C/O FAIRSTEAD, 250 WEST 55TH STREET, 35TH FLOOR, NEW YORK, NEW YORK, 10019 FOR A PROJECT TO ACQUIRE AND SUBSTANTIALLY RENOVATE AN EXISTING EIGHT (8) STORY BUILDING CONSISTING OF 450 SENIOR AFFORDABLE HOUSING RENTAL UNITS AND ON-SITE COMMUNITY AND MEDICAL FACILITIES, LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 1056-1070 BROAD STREET AND 1048-1054 BROAD STREET, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 892, LOTS 1 AND 16.

WHEREAS, Essex Plaza Owner One, LLC, having its principal office at c/o Fairstead, 250 West 55th Street, 35th Floor, New York, New York, 10019 (the “Entity”) the Entity has applied for a long term tax exemption pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, N.J.S.A. 55:14K-1 et seq. (the “HMFA Law”) for a project to acquire and substantially renovate an existing eight (8) story building consisting of 450 senior affordable housing rental units and on-site community and medical facilities, located on real property commonly known as 1056-1070 Broad Street, Newark, New Jersey and 1048-1054 Broad Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 892, Lots 1 and 16 (collectively, the “Project”); and

WHEREAS, the Mayor of the City of Newark has submitted the application and proposed Financial Agreement to the Municipal Council with his recommendation thereof, a copy of which is annexed hereto; and

WHEREAS, in accordance with Ordinance 6PSF-a adopted on May 4, 2011, the Entity has filed with the City of Newark (the “City”) a sworn statement that it has not made any contribution in violation of said ordinance; and

WHEREAS, the Municipal Council has determined that the relative benefits of this Project outweigh any costs associated with this tax exemption and that without the tax abatement granted herein, the Project would not be undertaken.

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

1. The application of Essex Plaza Owner One, LLC, having its principal office at c/o Fairstead, 250 West 55th Street, 35th Floor, New York, New York, 10019, for the development, maintenance and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayor of the City of Newark for a project to acquire and substantially renovate an existing eight (8) story building consisting of 450 senior affordable housing rental units and on-site community and medical facilities, located on real property commonly known

as 1056-1070 Broad Street, Newark, New Jersey and 1048-1054 Broad Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 892, Lots 1 and 16 (collectively, the "Project").

2. The abatement from taxation on improvements is hereby granted to the Entity for a period of thirty (30) years pursuant to HMFA Law and the Entity shall be subject to the provisions and conditions of the HMFA Law and the Financial Agreement annexed hereto.

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

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

5. The Project, when completed, will conform with all State laws and ordinances of the City of Newark relating to its construction and use.

6. The Affirmative Action Program now on file in the Office of the City Clerk is declared to be a material condition of the Financial Agreement authorized by this ordinance.

7. 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.

8. 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.

9. The annual service charge shall be based on 7.5% of the Annual Gross Revenue generated from the Project as set forth more fully within the Financial Agreement.

10. The Entity shall pay the minimum annual service charge, as calculated pursuant to HMFA Law and the financial agreement, in each year in which the annual service charge would be less than the minimum annual service charge.

11. The following occurrences and requirements are express conditions 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, 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 Entity, pursuant to the Revised City Ordinance 10:24-1 et seq., as amended, shall be deemed to agree that it will in good faith assist the City of Newark in its goal of having 50% of all new jobs arising out of the businesses conducted on the Project site after the issuance of the Certificate of Occupancy and during the continuation of the tax exemption, dedicated to Newark

residents, of which 25% of such all new employees shall be minority residents;

(c) The Entity shall concomitantly, with the submission of the annual report required of it, attach an employment report under oath, with particulars, stating the manner and the extent to which it has complied with 11(b) above. This employment report shall be filed with the Director of the Department of Finance, the City Clerk and the Deputy Mayor/Director of the Department of Economic and Housing Development;

(d) The Entity shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance;

(e) 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;

(f) The Entity shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&F, adopted on October 21, 1992, as amended.

12. That in any year that the Entity shall fail to make four (4) consecutive land tax payments when due and owing such delinquency shall render the Entity ineligible for any land tax credits against the annual service charge.

13. 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.

14. 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.

15. The Entity shall submit to the City's Department of Economic and Housing Development or its assigned agent all documentation which it is required to submit and maintain in accordance with the terms and conditions of the financing to be provided by the HMFA and all other sources of funding received.

16. The Entity shall submit to the City's Law Department and Department of Economic and Housing Development copies of the mortgage and all other loan documents executed between the Entity and the HMFA within thirty (30) days of the closing.

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

STATEMENT

This ordinance grants a long term tax abatement to Essex Plaza Owner One, LLC, having its principal office at c/o Fairstead, 250 West 55th Street, 35th Floor, New York, New York, 10019 under the HMFA Law for thirty (30) years for a project to acquire and substantially renovate an existing eight (8) story building consisting of 450 senior affordable housing rental units and on-site community and medical facilities, located on real property commonly known as 1056-1070 Broad Street, Newark, New Jersey and 1048-1054 Broad Street, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 892, Lots 1 and 16.