



## Legislation Text

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**AN ORDINANCE GRANTING A FIFTEEN (15) YEAR TAX ABATEMENT TO NEW SPRING URBAN RENEWAL PROPERTIES, LLC, 573 SPRING STREET, ELIZABETH, NEW JERSEY 07201, THE OWNER OF A PROJECT CONSISTING OF A SONIC DRIVE-IN RESTAURANT LOCATED ON PROPERTY KNOWN AS 189-237 SPRINGFIELD AVENUE AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 2502, LOT 1 AND BLOCK 2515, LOT 23 (CENTRAL WARD).**

**WHEREAS**, New Spring Urban Renewal Properties, LLC, 573 Spring Street, Elizabeth, New Jersey 07201, filed an application with the Mayor seeking a long term tax abatement under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. for a fifteen (15) year term for a project consisting of a Sonic Drive-In Restaurant on real property commonly known as 189-237 Springfield Avenue, Newark, New Jersey and identified on the City's tax map as Block 2502, Lot 1 and Block 2515, Lot 23 (the "Project"); and

**WHEREAS**, the Mayor 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 May 4, 2011, New Spring Urban Renewal Properties, LLC has filed with the City a sworn statement that it has not made any contribution in violation of said ordinance; and

**WHEREAS**, the Municipal Council has determined pursuant to N.J.S.A. 40A:20-11 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 New Spring Urban Renewal Properties, LLC, 573 Sprig Street, Elizabeth, New Jersey 07201, for the development, maintenance and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayor, consisting of a Sonic Drive-In Restaurant, 189-237 Springfield Avenue, Newark, New Jersey.

2. The abatement from taxation on improvements is hereby granted to New Spring Urban Renewal Properties, LLC for a period of fifteen (15) years from the date of substantial completion of the Project, pursuant to N.J.S.A. 40A:20-12, and only so long as New Spring Urban Renewal Properties, LLC is subject to and complies with the proposed Financial Agreement and the Long Term Tax Exemption Law, as amended and supplemented.

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. New Spring Urban Renewal Properties, LLC 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. New Spring Urban Renewal Properties, LLC 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 2% of Total Project Costs for years one through ten and shall then increase in phases as set forth more fully within the Financial Agreement.

10. New Spring Urban Renewal Properties, LLC shall pay the minimum annual service charge, as calculated pursuant to N.J.S.A. 40A:20-12(b)(2)(e) and the financial agreement, in each year in which the annual service charge, as provided in paragraph 9 above, 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 New Spring Urban Renewal Properties, LLC, and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) New Spring Urban Renewal Properties, LLC shall pay full taxes on the land and improvements of the Project (designated as Block 2502, Lot 1 and Block 2515, Lot 23) until the annual service charge becomes effective;

(b) New Spring Urban Renewal Properties, LLC shall not, without prior consent of the Municipal Council of the City of Newark, 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;

(c) New Spring Urban Renewal Properties, LLC, pursuant to the Revised General 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;

(d) New Spring Urban Renewal Properties, LLC shall concomitantly, with the

submission of the annual report required of it by N.J.S.A. 40A:20-9(d), attach an employment report under oath, with particulars, stating the manner and the extent to which it has complied with 11(c) above. This employment report shall be filed with the Director of Finance, the City Clerk and the Deputy Mayor/Director of the Department of Economic and Housing Development;

(e) New Spring Urban Renewal Properties, LLC shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance;

(f) New Spring Urban Renewal Properties, LLC 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;

(g) New Spring Urban Renewal Properties, LLC shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&Fd October 21, 1992, as amended.

12. That in any year that New Spring Urban Renewal Properties, LLC shall fail to make four (4) consecutive land tax payments when due and owing in the manner defined in N.J.S.A. 40A:20-12 (b)(2)(e), such delinquency shall render New Spring Urban Renewal Properties, LLC ineligible for any land tax credits against the annual service charge.

13. New Spring Urban Renewal Properties, LLC 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 New Spring Urban Renewal Properties, LLC to the City shall be determined pursuant to the Financial Agreement to be executed between New Spring Urban Renewal Properties, LLC 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 City Clerk's Office of the City of Newark shall forthwith submit a certified copy of the ordinance approving the tax abatement and the purposed Financial Agreement to the Director of the Division of Local Government Services.

16. 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 New Spring Urban Renewal Properties, LLC, 187 River Road, Flanders, New Jersey 07836, under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for a fifteen (15) year term for a project consisting of a Sonic Drive-In Restaurant on real property commonly known as 189-237 Springfield Avenue, Newark, New Jersey and identified on the

City's tax map as Block 2502, Lot 1 and Block 2515, Lot 23.(Central Ward)