



## Legislation Text

File #: 24-0926, Version: 1

**AN ORDINANCE GRANTING A THIRTY (30) YEAR TAX ABATEMENT UNDER THE HMFA LAW TO SPRINGVIEW DEVELOPMENT GROUP, LLC, 1212 SPRINGFIELD AVENUE, IRVINGTON, NEW JERSEY 07111, FOR A PROJECT TO CONSTRUCT A NEW FIVE-STORY BUILDING CONSISTING OF (63) RESIDENTIAL UNITS, OF WHICH (5) UNITS RESERVED FOR HOMELESS SHALL HAVE A MAXIMUM RENTAL INCOME OF UP TO 20% OF AREA MEDIAN INCOME (“AMI”), (2) UNITS SHALL HAVE A MAXIMUM RENTAL INCOME OF UP TO 30% AMI, AND (56) UNITS SHALL HAVE A MAXIMUM RENTAL INCOME OF UP TO 60% AMI, AND RESIDENT AMENITY SPACE, A COMMUNITY ROOM, A FITNESS CENTER, AND APPROXIMATELY 2,304 SQUARE FEET OF GROUND LEVEL RETAIL/COMMERCIAL SPACE AND ON-SITE PARKING FOR (32) SPACES, LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 569 SPRINGFIELD AVENUE, 565-567, SPRINGFIELD AVENUE, 563 SPRINGFIELD AVENUE, 559-561 SPRINGFIELD AVENUE, 643-653 SOUTH 11TH STREET, AND 644-646 SOUTH 12TH STREET, NEWARK, NEW JERSEY 07103 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2618, LOTS 1, 2, 3, 5, 7, 12, 13, 14, 15, 16, AND 17.**

**WHEREAS**, Springview Development Group, LLC, having its principal office at 1212 Springfield Avenue, Irvington, New Jersey 07111 (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 construct a new five-story mixed-use building, consisting of sixty-three (63) residential units consisting of twelve (12) one-bedroom units, thirty-five (35) two-bedroom units and sixteen (16) three-bedroom units, of which five (5) units reserved for homeless shall have a maximum rental income of up to 20% of Area Median Income (“AMI”), two (2) units shall have a maximum rental income of up to 30% AMI, and fifty-six (56) units shall have a maximum rental income of up to 60% AMI, and resident amenity space, a community room, a fitness center, and approximately 2,304 square feet of ground level retail/commercial space and on-site parking for thirty-two (32) spaces, located on real property commonly known as 569 Springfield Avenue, 565-567 Springfield Avenue, 563 Springfield Avenue, 559-561 Springfield Avenue, 643-653 South 11<sup>th</sup> Street, and 644-646 South 12<sup>th</sup> Street, Newark, New Jersey 07103 and identified on the Official Tax Map of the City of Newark, as Block 2618, Lots 1, 2, 3, 5, 7, 12, 13, 14, 15, 16 and 17 (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 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 Springview Development Group, LLC, having its principal office at 1212 Springfield Avenue, Irvington, New Jersey 07111 (the "Entity"), for the development, maintenance and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayor for a project to construct a new five-story mixed-use building, consisting of sixty-three (63) residential units consisting of twelve (12) one-bedroom units, thirty-five (35) two-bedroom units and sixteen (16) three-bedroom units, of which five (5) units reserved for homeless shall have a maximum rental income of up to 20% of Area Median Income ("AMI"), two (2) units shall have a maximum rental income of up to 30% AMI, and fifty-six (56) units shall have a maximum rental income of up to 60% AMI, and resident amenity space, a community room, a fitness center, and approximately 2,304 square feet of ground level retail/commercial space and on-site parking for thirty-two (32) spaces, located on real property commonly known as 569 Springfield Avenue, 565-567 Springfield Avenue, 563 Springfield Avenue, 559-561 Springfield Avenue, 643-653 South 11<sup>th</sup> Street, and 644-646 South 12<sup>th</sup> Street, Newark, New Jersey 07103 and identified on the Official Tax Map of the City of Newark, as Block 2618, Lots 1, 2, 3, 5, 7, 12, 13, 14, 15, 16, and 17 (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 Office of 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 6.28% 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 filed with the Secretary of State; and

(f) The Entity shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to pursuant to the Revised City Ordinance 10:24-1 et seq., 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 Springview Development Group, LLC, having its principal office at 1212 Springfield Avenue, Irvington, New Jersey 07111 under the HMFA Law for thirty (30) years for a project to construct a new five-story mixed-use building, consisting of (63) residential units consisting of (12) one-bedroom units, (35) two-bedroom units and (16) three-bedroom units, of which (5) units reserved for homeless shall have a maximum rental income of up to 20% of Area Median Income ("AMI"), (2) units shall have a maximum rental income of up to 30% AMI, and (56) units shall have a maximum rental income of up to 60% AMI, and resident amenity space, a community room, a fitness center, and approximately 2,304 square feet of ground level retail/commercial space and on-site parking for (32) spaces, located on real property commonly known as 569 Springfield Avenue, 565-567, Springfield Avenue, 563 Springfield Avenue, 559-561 Springfield Avenue, 643-653 South 11<sup>th</sup> Street, and 644-646 South 12<sup>th</sup> Street, Newark, New Jersey 07103 and identified on the Official Tax Map of the City of Newark, as Block 2618, Lots 1, 2, 3, 5, 7, 12, 13, 14, 15, 16, and 17.