



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-1794, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Application for Long-Term Tax Abatement

Purpose: To construct 40 units of senior apartments, with 10 set aside for those with special needs

Entity Name: Broadway Genesis Urban Renewal Apartments LP

Entity Address: 5 Hanover Square, 17th Floor, New York, New York 10004

Abatement Period: 30 years

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale () Grant () Sub-recipient (x) n/a

List of Property:

(Address/Block/Lot/Ward)

711-715 Broadway, Block 729, Lots 36.01-36.09, North Ward

Additional Information:

Original tax abatement granted by Resolution 7R3-F(AS) 041812

Original tax abatement amended by Resolution 7R3-D (S)(AS) 043012]

WHEREAS, Broadway Genesis Urban Renewal Apartments, LP, with an address of c/o H.E.L.P. USA, Inc., 5 Hanover Square, 17th Floor, New York, New York 10004, has filed an application with the Mayor seeking a long term tax exemption for a thirty (30) year term for this residential rental affordable housing project on the property identified on the official tax map as Block 727, Lots 36.01, 36.09, more commonly known as 711-715 Broadway, Newark, New Jersey, ("the property") pursuant to 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"); 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 No. 6PSF-a 050411 adopted May 4, 2011, Broadway Genesis Urban Renewal Apartments, LP 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 exemption granted herein, the project would not be undertaken.

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

1. The application of Broadway Genesis Urban Renewal Apartments, LP, **5 Hanover**

Square, 17th Floor, New York, New York 10004 for the development, maintenance and operation of the residential rental affordable housing project described in the application is hereby approved in accordance with the recommendation of the Mayor.

2. The exemption from taxation on improvements is hereby granted to Broadway Genesis Urban Renewal Apartments, LP, for a period of thirty (30) years for this residential rental affordable housing project from the date of substantial completion of the project, pursuant to N.J.S.A. 40A:20-12, and only so long as Broadway Genesis Urban Renewal Apartments, LP is subject to and complies with the proposed Financial Agreement and the Long Term Tax Exemption Law, as amended and supplemented, and upon the further condition that Broadway Genesis Urban Renewal Apartments, LP does not file a petition of tax appeal for the premises on which the project is to be located.

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 residential rental affordable housing 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. Broadway Genesis Urban Renewal Apartments, LP shall in the operation of this residential rental affordable housing 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. Broadway Genesis Urban Renewal Apartments, LP 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 Subject to the requirements of paragraph 11 below, as of the Annual Service Charge Start Date (as defined in the Financial Agreement), Broadway Genesis Urban Renewal Apartments, LP shall pay an estimated quarterly service charge to the City in the amount of \$6,622.25 until the correct amount due from Broadway Genesis Urban Renewal Apartments, LP is determined by the City's Director of Finance based upon the auditor's report that is required to be submitted under the Financial Agreement. The annual service charge shall be based on 6.28% of the annual gross revenue for the affordable housing units and 15% of all other annual gross revenue generated by the project pursuant to the terms of the Financial Agreement. After the auditor's report required under the Financial Agreement has been accepted by the City's Director of Finance, the City and Broadway Genesis Urban Renewal Apartments, LP will adjust any over or under payment so made or needed to be made for the particular period covered by the auditor's report.

10. Broadway Genesis Urban Renewal Apartments, LP 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 10 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 exemption, to be performed by Broadway Genesis Urban Renewal Apartments, LP, and the failure to comply with these requirements will result in the cancellation of the tax exemption:

(a) Broadway Genesis Urban Renewal Apartments, LP shall pay full taxes on the land and improvements of the project (designated as Block 729, Lots 36.01-36.09), until the annual service charge becomes effective;

(b) Broadway Genesis Urban Renewal Apartments, LP 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) Broadway Genesis Urban Renewal Apartments, LP, pursuant to the Revised General Ordinance 10:24-1 et seq., as amended, shall be deemed to agree that if Broadway Genesis Urban Renewal Apartments, LP operates, controls or manages the project 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) Broadway Genesis Urban Renewal Apartments, LP 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 Section 12(c) above. This employment report shall be filed with the Director of Finance, the Clerk of the City of Newark, and the Director of the Department of Economic and Housing Development;

(e) Broadway Genesis Urban Renewal Apartments, LP shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance;

(f) Broadway Genesis Urban Renewal Apartments, LP shall complete the construction of the project within twenty four (24) months of the issuance of a Notice to Proceed by the Deputy Mayor/Director of the Department of Economic and Housing Development; provided, however, that the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions to the construction deadlines set forth within the Financial Agreement and any other timelines and milestones, provided that such deadlines, timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development;

(g) Broadway Genesis Urban Renewal Apartments, LP shall submit any and all non-residential lease agreements and/or subleases entered into with related or third parties for the use and occupancy of space made available by to the Law Department and the Department of Economic

and Housing Development. The obligation to submit lease agreements shall be a continuing obligation during the period of the Financial Agreement. All lease agreements shall be subject to review by the City for the purpose of determining the validity thereof and to ensure that lease agreements are executed as part of an arms length transaction;

(h) Broadway Genesis Urban Renewal Apartments, LP 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;

(i) Broadway Genesis Urban Renewal Apartments, LP shall receive a favorable review and certification from the appropriate municipal departments and agencies, pursuant to Municipal Ordinance 6S&FD 102192, as amended;

(j) Broadway Genesis Urban Renewal Apartments, LP shall secure all financing prior to the commencement of any construction;

(k) Broadway Genesis Urban Renewal Apartments, LP shall acquire title to the Property prior to this tax exemption taking effect. The Deputy Mayor/Director of Economic and Housing Development shall not issue a Notice to Proceed for this project until Broadway Genesis Urban Renewal Apartments, LP provides the Deputy Mayor/Director of Economic and Housing Development with a copy of the recorded deed and such other documents as are reasonably required by the Deputy Mayor/Director of Economic and Housing Development evidencing the transfer of title to the Property to Broadway Genesis Urban Renewal Apartments, LP; and

(l) Broadway Genesis Urban Renewal Apartments, LP shall submit its Certificate of Incorporation and Certificate of DCA approval of the urban renewal entity to the Law Department and to the Deputy Mayor/Director of the Department of Economic and Housing Development prior to this tax exemption taking effect.

12. That in any year that Broadway Genesis Urban Renewal Apartments, LP 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 Broadway Genesis Urban Renewal Apartments, LP ineligible for any land tax credits against the annual service charge.

13. Broadway Genesis Urban Renewal Apartments, LP 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 Broadway Genesis Urban Renewal Apartments, LP to the City shall be determined pursuant to the Financial Agreement to be executed between Broadway Genesis Urban Renewal Apartments, LP and the City of Newark.

14. The City Clerk's Office of the City of Newark shall forthwith submit a certified copy of the ordinance approving the tax exemption and the proposed Financial Agreement to the Director of the Division of Local Government Services.

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

STATEMENT

This grants a long term tax exemption to Broadway Genesis Urban Renewal Apartments, LP, **5 Hanover Square, 17th Floor, New York, New York 10004** for a term of thirty (30) years for the residential rental affordable housing project located on the "Property" under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq.