Legislation Details (With Text)

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Title:	AN ORDINANCE AMENDING TITLE X, FINANCE AND TAXATION, CHAPTER 24, SECTION 8 AND 10, "PROCEDURES FOR APPLICATION, APPROVAL, AND ADMINISTRATION OF LONG TERM TAX EXEMPTIONS" FOR TRANSFORMATIVE CORPORATE HEADQUARTERS PROJECTS.				
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Date	Ver.	Action By	Action	Result
8/8/2018	1	Municipal Council	Close on Public Hearing and Adopt	Pass
7/17/2018	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE AMENDING TITLE X, FINANCE AND TAXATION, CHAPTER 24, SECTION 8 AND 10, "PROCEDURES FOR APPLICATION, APPROVAL, AND ADMINISTRATION OF LONG TERM TAX EXEMPTIONS" FOR TRANSFORMATIVE CORPORATE HEADQUARTERS PROJECTS.

WHEREAS, the City of Newark has the infrastructure to attract major corporate development opportunities, which can create thousands of job opportunities; and

WHEREAS, large corporations have approached the City with proposed development projects indicating the creation and economic development and employment opportunities for the City residents and the greater metropolitan area; and

WHEREAS, the Department of Economic and Housing Development has determined that it is in the City's economic interest to encourage such development opportunities within the City of Newark; and

WHEREAS, Mayor of the City of Newark, the Director of the Department of Economic and Housing Development, and the Director of Finance, proposes an amendment to Title X, Chapter 24, Section 8 and Section 10 to include a new Sub-section for Transformative Corporate Headquarters Projects.

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

Section 1. Title X, Chapter 24, Section 1 entitled "Definitions" is hereby amended to include a new definitions pursuant to N.J.S.A. 34:1B-257 for "Transformative Corporate Headquarters," "Capital Investment," ""Eligible position or full-time job," and "Qualified Business Facility" as follows:

A “Transformative Corporate Headquarters” means the corporate headquarters of a business that is a qualified business facility at which the business intends to create at least 30,000 new full-time jobs and make at least Three Billion Dollars and Zero Cents ($3,000,000,000.00) in capital investment in the City of Newark.

“Capital investment” in a Transformative Corporate Headquarters means expenses by a business or any affiliate of the business incurred after application for:

a. site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property; and

b. obtaining and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods subject to bonus depreciation under Sections 168 and 179 of the federal Internal Revenue Code (26 U.S.C. s.168 and s.179), for the operation of a business on real property or in a building, structure, facility, or improvement to real property.

In addition to the foregoing, if a business acquires or leases a Transformative Corporate Headquarters, the capital investment made or acquired by the seller or owner, as the case may be, if pertaining primarily to the premises of the Transformative Corporate Headquarters, shall be considered a capital investment by the business and, if pertaining generally to the Transformative Corporate Headquarters being acquired or leased, shall be allocated to the premises of the Transformative Corporate Headquarters on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the Transformative Corporate Headquarters. The capital investment described herein may include any capital investment made or acquired within 24 months prior to the date of application so long as the amount of capital investment made or acquired by the business, any affiliate of the business, or any owner after the date of application equals at least 50 percent of the amount of capital investment, allocated to the premises of the Transformative Corporate Headquarters being acquired or leased on the basis of the gross leasable area of the premises in relation to the total gross leasable area in the Transformative Corporate Headquarters made or acquired prior to the date of application.

“Eligible position” or “full-time job” means a new full-time position at a transformative corporate headquarters, which the business has filled with a full-time employee of that business.

“Qualified business facility” means within any building, complex of buildings or structural components of buildings, and all machinery and equipment, at one or more sites zoned for that purpose located anywhere within this State, used in connection with the operation of a business.

Section 2. Title X, Chapter 24, Section 8, entitled “Tax Exemption Eligibility and Duration” is hereby amended to include a new Section as follows:

A Transformative Corporate Headquarters Project shall be entitled to a thirty (30) years term from the completion of the entire project, or not more than thirty-five (35) years from the execution of the Financial Agreement.

Section 3. Title X, Chapter 24, Section 10, entitled “Annual Service Charge for Tax Exempt Projects” is hereby amended to include a new Section as follows:

A Transformative Corporate Headquarters shall be granted an annual service charge determined by the City of Newark in accordance with the provisions of the Long Term Tax Exemption Law, (N.J.S.A. 40A:20-1 et seq.).

Section 4. If any Section, paragraph, Subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provisions to be adjudicated, and the remainder of the Ordinance shall be deemed valid and effective.

Section 5. Any ordinances or parts thereof in conflict with the provisions of this Ordinance are repealed to the extent of such conflict.

Section 6. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance Amends Title X "Finance and Taxation, Chapter 24, Procedures for Application, Approval, and Administration" for Transformative Corporate Headquarters Projects

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