Legislation Details (With Text)

File #:	19-2024	**Version:**	3	**Name:**	Ordinance: 155 Washington Street Urban Renewal, LLC
Type:	Ordinance			**Status:**	Adopted
File created:	12/31/2019			**In control:**	Economic and Housing Development
On agenda:	1/14/2020			**Final action:**	3/4/2020

Title: ORDINANCE AUTHORIZING AND APPROVING AN AMENDED AND RESTATED FINANCIAL AGREEMENT, ORIGINALLY APPROVED BY ORDINANCE 6PSF-g ADOPTED ON DECEMBER 19, 2018, WHICH APPROVED AND GRANTED A TAX ABATEMENT TO 155 WASHINGTON STREET URBAN RENEWAL, LLC, 155 WASHINGTON STREET, NEWARK, NEW JERSEY 07102 (C/O L&M, 1865 PALMER AVENUE, SUITE 203, LARCHMONT, NEW YORK 10538) FOR THE EARLIER OF THIRTY (30) YEARS FROM THE DATE OF EXECUTION OF THE FINANCIAL AGREEMENT, OR TWENTY-FIVE (25) YEARS FROM THE DATE OF SUBSTANTIAL COMPLETION OF THE PROJECT, OR THE DATE WHEN NO BOND REMAINS OUTSTANDING, FOR A PROJECT TO CONSTRUCT APPROXIMATELY 249 MARKET RATE RENTAL UNITS, 4,000 SQUARE FEET OF OFFICE SPACE, AND 6,000 SQUARE FEET OF RETAIL SPACE LOCATED ON PROPERTY KNOWN AS 141-149, 151-153, 155, 157-159 WASHINGTON STREET AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 66, LOTS 12, 13, 38, 42, 43, 44, 45, 45-B01, 47, AND 47-B01 (CENTRAL WARD).

Deferred 6PSF-b 012220
Amended 6PSF-a (s) 012820
Deferred 6PSF-c 020520
Deferred 6PSF-a (s) 021120
Amended 6PSF-a 021920

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
3/4/2020	3	Municipal Council	Close on Public Hearing and Adopt	Pass
2/19/2020	2	Municipal Council	Motion to amend	Pass
2/19/2020	2	Municipal Council	maintained on public hearing and adopted as amended	Pass
2/11/2020	2	Municipal Council	Close on Public Hearing and Defer	Pass
2/5/2020	2	Municipal Council	maintained on public hearing and deferred to Special meeting	Pass
1/28/2020	1	Municipal Council	Motion to amend	Pass
1/28/2020	1	Municipal Council	Amend on Public Hearing	Pass
1/22/2020	1	Municipal Council	Defer to a Special Meeting	Pass
1/14/2020	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

ORDINANCE AUTHORIZING AND APPROVING AN AMENDED AND RESTATED FINANCIAL AGREEMENT, ORIGINALLY APPROVED BY ORDINANCE 6PSF-g ADOPTED ON DECEMBER 19, 2018, WHICH APPROVED AND GRANTED A TAX ABATEMENT TO 155 WASHINGTON STREET URBAN RENEWAL, LLC, 155 WASHINGTON STREET, NEWARK, NEW JERSEY 07102

(C/O L&M, 1865 PALMER AVENUE, SUITE 203, LARCHMONT, NEW YORK 10538) FOR THE EARLIER OF THIRTY (30) YEARS FROM THE DATE OF EXECUTION OF THE FINANCIAL AGREEMENT, OR TWENTY-FIVE (25) YEARS FROM THE DATE OF SUBSTANTIAL COMPLETION OF THE PROJECT, OR THE DATE WHEN NO BOND REMAINS OUTSTANDING, FOR A PROJECT TO CONSTRUCT APPROXIMATELY 249 MARKET RATE RENTAL UNITS, 4,000 SQUARE FEET OF OFFICE SPACE, AND 6,000 SQUARE FEET OF RETAIL SPACE LOCATED ON PROPERTY KNOWN AS 141-149, 151-153, 155, 157-159 WASHINGTON STREET AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 66, LOTS 12, 13, 38, 42, 43, 44, 45, 45-B01, 47, AND 47-B01 (CENTRAL WARD).

Deferred 6PSF-b 012220
Amended 6PSF-a (s) 012820
Deferred 6PSF-c 020520
Deferred 6PSF-a (s) 021120
Amended 6PSF-a 021920

WHEREAS, on December 19, 2018, the Newark Municipal Council adopted Ordinance 6PSF-g(S) (the "Ordinance") which: (a) granted a long term tax abatement to 155 Washington Street Urban Renewal, LLC (the "Entity"), 155 Washington Street, Newark, New Jersey 07102 (c/o L&M, 1865 Palmer Avenue, Suite 203, Larchmont, New York 10538), for the earlier of thirty (30) years from the date of the execution of the Financial Agreement, or twenty-five (25) years from the date of substantial completion of the Project, or the date when no bond remains outstanding, for a Project to rehabilitate and renovate an existing 220,000 square feet building that will house up to 220 market rate residential units, up to 4,000 square feet of non-residential, institutional space, up to 6,000 square feet of retail; and a new construction element of up to 30,000 square feet resulting in up to 29 market rate residential units located on property known as 141-149, 151-153, 155, 157-159 Washington Street and identified on the Official Tax Map of the City as Block 66, Lots 12, 13, 38, 42, 43, 44, 45, 45-B01, 47, and 47-B01 (the "Project"); and (b) approved a Financial Agreement and authorized the issuance of Redevelopment Area Bonds in an amount not to exceed $1,250,000.00; and

WHEREAS, the City and the Entity subsequently executed a Financial Agreement on February 22, 2019 (the "Original Financial Agreement") governing the Project; and

WHEREAS, the Entity previously entered into a ground lease agreement ("Ground Lease Agreement") with the then-owner of the Property, Rutgers, the State University ("Rutgers"), creating a ground leasehold interest in the Property ("Ground Leasehold Interest"), for a term no less than the term of the exemption granted by the Original Financial Agreement and by the Ordinance; and

WHEREAS, subsequent to the City's adoption of the Ordinance and approval of the Original Financial Agreement, the Entity and Rutgers agreed to the Entity's acquisition of fee simple title to the Property; and

WHEREAS, initially the Entity proposed to redevelop the Property by adaptively reusing the existing 220,000 square feet building to house up to 220 market rate apartments, up to 4,000 square feet of non-residential, institutional space (for use by Rutgers), up to 6,000 square feet of retail; and a new construction element of up to 30,000 square feet, resulting in up to 29 market rate residential

units, on a currently underused surface parking lot (collectively, the "Project"); and

WHEREAS, the Entity has requested that the Original Financial Agreement be revised to reflect the conversion of the Entity's leasehold interest in the Property to one in fee simple; and

WHEREAS, the City and the Entity have agreed to enter into and execute an Amended and Restated Financial Agreement, in the form attached hereto, to memorialize these revisions to the Original Financial Agreement.

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

1. The Amended and Restated Financial Agreement containing the revisions described herein, in the form attached hereto, is approved.

2. The Mayor and/or his designee, the Director of the Department of Economic and Housing Development, are hereby authorized to execute and deliver, on the City's behalf, the Amended and Restated Financial Agreement, for the property commonly known as 141-149, 151-153, 155, 157-159 Washington Street and identified on the Official Tax Map of the City as Block 66, Lots 12, 13, 38, 42, 43, 44, 45, 45-B01, 47, and 47-B01, which reflects revisions to the construction of up to 220 apartments, up to 4,000 square feet of non-residential, institutional space (for use by Rutgers), up to 6,000 square feet of retail; and a new construction element of up to 30,000 square feet resulting in up to 29 market rate residential units, by 155 Washington Street, LLC, which shall hold title to the Property, in fee simple, pursuant to an agreement to purchase the Property from Rutgers, the State University ("Rutgers").

3. An executed copy of the Amended and Restated Financial Agreement authorized by this ordinance shall be filed and maintained with the Office of the City Clerk. The previously executed Original Financial Agreement is hereby determined to be null and void and is hereby rescinded as of the date of the validity of the within ordinance.

4. The Entity shall, in the operation of the Project as amended, comply with all laws so that no person shall be subject to any discrimination because of race, religious principles, color, national origin, or ancestry.

5. The Entity shall file an employment report (herein described below) with the Office of Affirmative Action that shall send a copy of the report to the City Clerk. The Office of Affirmative Action shall forthwith investigate the matters contained therein and report its findings to the Municipal Council.

6. Except as specifically amended hereby, all other provisions of the Original Ordinance shall remain in full force and effect.

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

STATEMENT

This Ordinance approves the form of an Amended and Restated Financial Agreement which agreement amends and restates the Original Financial Agreement executed on February 22, 2019 by and between the City of Newark and 155 Washington Street Urban Renewal, LLC (the “Entity”), 155 Washington Street, Newark, New Jersey 07102 (c/o L&M, 1865 Palmer Avenue, Suite 203, Larchmont, New York 10538), for a long term tax abatement for the earlier of thirty (30) years from the date of the execution of the Financial Agreement or twenty-five (25) years from the date of substantial completion of the Project located on property known as 141-149, 151-153, 155, 157-159 Washington Street and identified on the Official Tax Map of the City as Block 66, Lots 12, 13, 38, 42, 43, 44, 45, 45-B01, 47, and 47-B01 (Central Ward) to reflect changes in the ownership structure of the Property from a ground lease to a fee simple interest.

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