



Legislation Text

File #: 14-0142, Version: 1

AN ORDINANCE AMENDING THE LONG TERM TAX ABATEMENT APPROVAL GRANTED UNDER ORDINANCE 6PSF-b JANUARY 8, 2014 , AN ORDINANCE CANCELLING THE LONG TERM TAX ABATEMENT GRANTED VIA RESOLUTION 7R-CV AUGUST 4, 1976, TO ESSEX PLAZA COMPANY UNDER THE LIMITED DIVIDEND LAW FOR AN AFFORDABLE HOUSING PROJECT LOCATED AT 1056-1070 BROAD STREET AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 892, LOT 1 AND GRANTING A THIRTY (30) YEAR TAX ABATEMENT TO ESSEX PLAZA URBAN RENEWAL, LLC UNDER THE LONG TERM TAX EXEMPTION LAW FOR THE REHABILITATION OF THE RESIDENTIAL RENTAL AFFORDABLE HOUSING PROJECT ON SAID PROPERTY (EAST WARD)

Deferred 6PSF-e 040214

Note: Public Hearing to be held on April 8, 2014.

Deferred 6PSF-a (s) 040814

WHEREAS, on January 8, 2014, the Newark Municipal Council adopted Ordinance 6PSF-b granting a long term tax abatement to Essex Plaza Urban Renewal Company, LLC, an urban renewal entity with an address of c/o Essex Management Company, LLC, 1060 Broad Street, Newark New Jersey 07102 (the "Entity"), for the rehabilitation of a senior citizen residential rental affordable housing project known as Essex Plaza (the "Project") located within the City of Newark at 1056-1070 Broad Street, 1048-1054 Broad Street, 15-25 Camp Street, 107 Orchard Street, 109 Orchard Street, 111 Orchard Street, 113 Orchard Street, 115 Orchard Street, 117 Orchard Street, 119-121 Orchard Street, 123-125 Orchard Street, 127 Orchard Street, 129-131 Orchard Street, 22-30 Pennington Street, 20 Pennington Street, 18 Pennington Street, and 115 Orchard Street (rear), Newark, New Jersey and identified on the official tax map of the City as Block 892, Lots 1, 16, 24, 26, 27, 28, 29, 30, 31, 33, 35, 37, 39, 40, 50, 43, 47, 48 and 53 (the "Property"), with such rehabilitation consisting of the conversion of twenty-three (23) housing units into handicap-adaptable units and the installation of a new boiler and new boiler controls, a generator, and solar, geothermal, and water conservation mechanisms, all as described more fully within the tax abatement application (the "Rehabilitation Project"); and

WHEREAS, Ordinance 6PSF-b 010814 authorized the Mayor to execute, on the City's behalf, a financial agreement for the Project in the form attached to the ordinance (the "Original Financial Agreement"); and

WHEREAS, prior to the execution of the Original Financial Agreement by the parties, the Entity requested revisions to the form of the Original Financial Agreement to, among other things: (i) correct the lot numbers and addresses included within the Project; (ii) identify the date when the Rehabilitation Project was substantially completed and when this abatement shall take effect; (iii) delete the construction deadlines (as the Rehabilitation Project is now complete); (iv) identify the minimum annual service charge for the Project; (v) provide the Entity with a limited right to file a tax appeal contesting any increase in the tax assessment on the Property over the current \$16,750,000.00 adjusted assessment; and (vi) to amend the total project costs for the Rehabilitation

Project and attach a schedule of such costs; and

WHEREAS, the City has determined that these revisions are appropriate and wishes to enter into an Amended and Restated Redevelopment Agreement which will replace and supersede the Original Financial Agreement.

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

1. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, an Amended and Restated Financial Agreement with Essex Plaza Urban Renewal Company, LLC, an urban renewal entity with an address of c/o Essex Management Company, LLC, 1060 Broad Street, Newark New Jersey 07102 (the "Entity") for the Project in the form attached hereto.

2. The Amended and Restated Financial Agreement authorized by this ordinance shall (i) correct the lot numbers and addresses included within the Project; (ii) identify the date when the Rehabilitation Project was substantially completed and when this abatement shall take effect; (iii) delete the construction deadlines (as the Rehabilitation Project is now complete); (iv) identify the minimum annual service charge for the Project; (v) provide the Entity with a limited right to file a tax appeal contesting any increase in the tax assessment on the Property over the current \$16,750,000.00 adjusted assessment; and (vi) to amend the total project costs for the Rehabilitation Project and attach a schedule of such costs and once fully executed by the parties, shall be filed by the Acting Director of the Department of Economic and Housing Development with the Office of the City Clerk.

3. The correct lot numbers and addresses included within the Project are identified as follows: 1056-1070 Broad Street, 1048-1054 Broad Street, 15-25 Camp Street, 107 Orchard Street, 109 Orchard Street, 111 Orchard Street, 113 Orchard Street, 115 Orchard Street, 117 Orchard Street, 119-121 Orchard Street, 123-125 Orchard Street, 127 Orchard Street, 129-131 Orchard Street, 22-30 Pennington Street, 20 Pennington Street, 18 Pennington Street, and 115 Orchard Street (rear), Newark, New Jersey and identified on the official tax map of the City as Block 892, Lots 1, 16, 24, 26, 27, 28, 29, 30, 31, 33, 35, 37, 39, 40, 50, 43, 47, 48 and 53 (the "Property")

4. The City Clerk's Office shall forthwith submit a certified copy of this ordinance and the proposed Amended and Restated Financial Agreement to the Director of the Division of Local Government Services.

5. The tax abatement granted hereunder shall commence as of January 1, 2014 and, unless terminated in accordance with the Amended and Restated Financial Agreement, shall continue for a period of thirty (30) years from that commencement date, provided that the Entity is subject to and complies with the Amended and Restated Financial Agreement and the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., as amended and supplemented.

6. The provisions of Paragraph 3 of Ordinance 6PSF-b 010814 are hereby rescinded.

7. All of the other terms and conditions of the approval of the tax abatement for this Project set forth within Ordinance 6PSF-b 010814 shall remain in full force and effect.

8. 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 the approval granted under Ordinance 6PSF-b 010814 for a long term tax abatement for a thirty (30) year term under the Long Term Tax Exemption Law for the rehabilitation of an existing senior citizen residential rental affordable housing project known as Essex Plaza (the "Project") located within the City of Newark at 1056-1070 Broad Street, 1048-1054 Broad Street, 15-25 Camp Street, 107 Orchard Street, 109 Orchard Street, 111 Orchard Street, 113 Orchard Street, 115 Orchard Street, 117 Orchard Street, 119-121 Orchard Street, 123-125 Orchard Street, 127 Orchard Street, 129-131 Orchard Street, 22-30 Pennington Street, 20 Pennington Street, 18 Pennington Street, and 115 Orchard Street (rear), Newark, New Jersey and identified on the official tax map of the City as Block 892, Lots 1, 16, 24, 26, 27, 28, 29, 30, 31, 33, 35, 37, 39, 40, 50, 43, 47, 48 and 53 (the "Property"), such rehabilitation consisting of the conversion of twenty-three (23) housing units into handicap-adaptable units and the installation of a new boiler and new boiler controls, a generator, and solar, geothermal, and water conservation mechanisms, all as described more fully within the tax abatement application (the "Rehabilitation Project"), and authorizes the Mayor to execute an Amended and Restated Financial Agreement in order to, among other things, (i) correct the lot numbers and addresses included within the Project; (ii) identify the date when the Rehabilitation Project was substantially completed and when this abatement shall take effect; (iii) delete the construction deadlines (as the Rehabilitation Project is now complete); (iv) identify the minimum annual service charge for the Project; (v) provide the Entity with a limited right to file a tax appeal contesting any increase in the tax assessment on the Property over the current \$16,750,000.00 adjusted assessment; and (vi) to amend the total project costs for the Rehabilitation Project and attach a schedule of such costs.