



Legislation Text

File #: 14-2011, Version: 1

AN ORDINANCE GRANTING A TWENTY (20) YEAR TAX ABATEMENT TO HARI NEWARK URBAN RENEWAL, LLC, THE OWNER OF A PROJECT CONSISTING OF THE CONVERSION OF AN EXISTING TWELVE (12) STORY BUILDING INTO A FULL-SERVICE EXTENDED STAY HOTEL WITH 110 ROOMS LOCATED ON PROPERTY KNOWN AS 1136-1166 RAYMOND BOULEVARD AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY AS BLOCK 144.01, LOT 46.01, C1A. (CENTRAL WARD)

WHEREAS, Hari Newark Urban Renewal, LLC, 42 Bellavista Court, Edison, New Jersey 08820, filed an application with the Mayor seeking a long term tax abatement under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. for a twenty (20) year term for a project consisting of the conversion of an existing twelve (12) story building, formerly known as the Catholic Charities building, into a full-service Homewood Suites Hotel by Hilton with approximately 110 rooms on real property commonly known as 1136-1166 Raymond Boulevard, Newark, New Jersey and identified on the City's tax map as Block 144.01, Lot 46.01, C1A (the "Project"); and

WHEREAS, the Mayor has submitted the application and proposed Financial Agreement to the City 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, Hari Newark Urban Renewal, LLC has filed with the City a sworn statement that it has not made any contribution in violation of said ordinance; and

WHEREAS, the City 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 abatement granted herein, the Project would not be undertaken.

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

1. The application of Hari Newark Urban Renewal, LLC, 42 Bellavist Court, Edison, New Jersey 08820, for the development, maintenance and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayor.

2. The abatement from taxation on improvements is hereby granted to Hari Newark Urban Renewal, LLC for a period of twenty (20) years from the date of substantial completion of the Project, pursuant to N.J.S.A. 40A:20-12, and only so long as Hari Newark Urban Renewal, LLC is subject to and complies with the proposed Financial Agreement and the Long Term Tax Exemption Law, as amended and supplemented.

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. Hari Newark Urban Renewal, LLC 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. Hari Newark Urban Renewal, LLC 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 City Council.

9. The annual service charge shall be based on 20.5% of the Annual Gross Revenue for years one through fifteen and shall then increase in phases as set forth more fully within the Financial Agreement.

10. Hari Newark Urban Renewal, LLC 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 9 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 abatement, to be performed by Hari Newark Urban Renewal, LLC, and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) Hari Newark Urban Renewal, LLC shall pay full taxes on the land and improvements of the Project (designated as Block 144.01, Lot 46.01, C1A) until the annual service charge becomes effective;

(b) Hari Newark Urban Renewal, LLC shall not, without prior consent of the City 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) Hari Newark Urban Renewal, LLC has agreed in the Financial Agreement that seventy-five percent (75%) of all non-management 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, shall be dedicated to Newark residents;

(d) Hari Newark Urban Renewal, LLC 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 11(c) above. This employment report shall be filed with the Director of Finance, the Clerk of the City of Newark, and the Deputy Mayor/Director of the Department of Economic and Housing Development;

(e) Hari Newark Urban Renewal, LLC shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this ordinance;

(f) Hari Newark Urban Renewal, LLC 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;

(g) Hari Newark Urban Renewal, LLC shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&FD 102192, as amended;

12. That in any year that Hari Newark Urban Renewal, LLC 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 Hari Newark Urban Renewal, LLC ineligible for any land tax credits against the annual service charge.

13. Hari Newark Urban Renewal, LLC 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 Hari Newark Urban Renewal, LLC to the City shall be determined pursuant to the Financial Agreement to be executed between Hari Newark Urban Renewal, LLC 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 abatement, 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 City Clerk's Office of the City of Newark shall forthwith submit a certified copy of the ordinance approving the tax abatement and the proposed Financial Agreement to the Director of the Division of Local Government Services.

16. 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 Hari Newark Urban Renewal, LLC, 42 Bellavista Court, Edison, New Jersey 08820, who filed an application with the Mayor seeking a long term tax abatement under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. for a twenty (20) year term for a project consisting of the conversion of an existing twelve (12) story building, formerly known as the Catholic Charities building, into a full-service Homewood Suites Hotel by Hilton with approximately 110 rooms on real property commonly known as 1136-1166 Raymond Boulevard, Newark, New Jersey and identified on the City's tax map as Block 144.01, Lot 46.01, C1A. (Central Ward)