



## Legislation Text

File #: 18-0661, Version: 2

**ORDINANCE AMENDING ORDINANCE 6PSF-J, OCTOBER 17, 2013, WHICH APPROVED A LONG TERM TAX ABATEMENT FOR TWENTY (20) YEARS AND THE EXECUTION OF A FINANCIAL AGREEMENT WITH TDAF I SPRINGFIELD AVENUE HOLDING URBAN RENEWAL COMPANY, LLC, C/O TUCKER DEVELOPMENT CORPORATION, 799 CENTRAL AVENUE, SUITE 300, HIGHLAND PARK, ILLINOIS 60035, TO ADD SPRINGFIELD AVENUE GROCER URBAN RENEWAL COMPANY, LLC AND UNIVERSITY HEIGHTS RESIDENTIAL URBAN RENEWAL COMPANY, LLC, BOTH C/O TUCKER DEVELOPMENT CORPORATION, 799 CENTRAL AVENUE, SUITE 300, HIGHLAND PARK, ILLINOIS 60035, AS PARTIES TO THE FINANCIAL AGREEMENT AND ESSENTIALLY ALLOCATE THE OBLIGATIONS UNDER THE FINANCIAL AGREEMENT FOR A PROJECT LOCATED AT BLOCK 236, LOTS 1.04 AND 1.05 "GROCERY PARCEL" AND BLOCK 236, LOT 1.03, 82-110 SOUTH ORANGE AVENUE, 206-208 SPRINGFIELD AVENUE, "RESIDENTIAL COMPONENT" ON THE CITY TAX MAP. (CENTRAL WARD).**

**WHEREAS**, on October 17, 2013, the Municipal Council of the City adopted Ordinance 6PSF-j entitled "Ordinance Approving the Execution of a Financial Agreement with TDAF I Springfield Avenue Holding Urban Renewal Company, LLC and other applicable documents related to the authorization and issuance by the New Jersey Economic Development Authority of not to exceed \$6,600,000.00, Redevelopment Area Bonds (non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith", approving and authorizing the execution and delivery of a Financial Agreement with TDAF I Springfield Avenue Urban Renewal Company, LLC ("TDAF 1 Springfield Avenue URE"); and

**WHEREAS**, on January 8, 2014, the City and TDAF I Springfield Avenue URE entered into a Financial Agreement, as amended and supplemented (the "Original Financial Agreement"), which provided for a tax exemption and payments in lieu of taxes in respect to a portion of Block 236, Lots 1.03, Lot 1.04 and Lot 1.05 (collectively, the "Parcel"), a project consisting of (i) the construction of a building of approximately 66,806 square feet for use as a grocery store and associated parking (the "Grocery Component") and (ii) the construction of a residential apartment complex of approximately 150,000 square feet containing approximately 152 apartment units and associated parking (the "Residential Component", which together with the Grocery Component and the acquisition of the Parcel shall be collectively be referred to as the "Project"); and

**WHEREAS**, pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(a), the New Jersey Economic Development Authority, a public body constituting an instrumentality of the State (the "Authority"), created and existing under and by virtue of the New Jersey Economic Development Authority Act, constituting Chapter 80 of the Pamphlet Laws of 1974 of the State, and the acts amendatory thereof and supplemental thereto (the "Authority Law", as codified in N.J.S.A. 34:1B-1 et seq.), has heretofore issued its \$2,490,000.00 Redevelopment Area Taxable Bonds (Springfield Avenue Marketplace Grocer - 2016 Project), Series

A (the "Series A Bonds") and its \$4,070,000.00 Redevelopment Area Taxable Bonds (24 Jones Residential - 2016 Project), Series B (the "Series B Bonds"), which Series A Bonds and Series B Bonds (collectively, the "Bonds") are secured by a portion of the Annual Service Charge; and

**WHEREAS**, TDAF I Springfield Avenue URE has represented that construction of the Project has been completed, and that the Parcel has been legally subdivided between (i) a portion of the Parcel, consisting of Block 236, Lot 1.04 and Lot 1.05 (the "Grocery Parcel"), containing the Grocery Improvements but not the Residential Improvements and (ii) the remaining portion of the Parcel, consisting of Block 236, Lot 1.03 (the "Residential Parcel"), containing the Residential Improvements but not the Grocery Improvements; and

**WHEREAS**, TDAF I Springfield Avenue URE has further represented that it desires to amend the Original Financial Agreement to provide, in substance, for (i) the overall tax abatement and overall annual service charge to be allocated between the Grocery Parcel and the Grocery Component (as to which a portion of the Annual Service Charge, as determined herein, shall thenceforth be applicable) and the Residential Parcel and the Residential Component (as to which the remaining portion of the annual service charge shall thenceforth be applicable), (ii) the tax abatements for the Grocery Parcel and the Residential Parcel as thenceforth being separate tax abatements, independent from one another, (iii) the establishment of separate schedules of annual service charges, Pledged Annual Service Charges and Unpledged Annual Service Charges (as such terms are defined in the Original Financial Agreement) for each of the Grocery Parcel and the Residential Parcel, (iv) the ability of TDAF I Springfield Avenue URE to assign to the Springfield Avenue Grocer Urban Renewal Company, LLC (the "Grocery URE") all of TDAF I Springfield Avenue URE's right, title and interest in and to the Original Financial Agreement insofar as the same applies to the Grocery Parcel and the Grocery Component, and (vi) the ability of TDAF I Springfield Avenue URE to assign to the University Heights Residential Urban Renewal Company, LLC (the "Residential URE") all of TDAF I Springfield Avenue URE's right, title and interest in and to the Original Financial Agreement insofar as the same applies to the Residential Parcel and the Residential Component; and

**WHEREAS**, TDAF I Springfield Avenue URE, the Grocery URE and the Residential URE (collectively, the "Applicant") have jointly submitted correspondence to the Mayor with respect to the foregoing request (the "Submission"); and

**WHEREAS**, the Applicant has represented that, except as noted above and in the Submission and the original exemption application, including specifically the general description of the Project and the estimated project costs for the Project, all as set forth in the Original Financial Agreement, remain unchanged.

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

1. The Submission of the Applicant is hereby approved.

2. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, the First Amendment to Financial Agreement in the form attached hereto as Exhibit A.

3. An executed copy of the First Amendment to Financial Agreement authorized by this ordinance shall be filed and maintained with the City Clerk.

4. The adoption of this ordinance is expressly conditioned upon the requirement that TDAF I Springfield Avenue URE pay the City all outstanding taxes and/service charges, and water/sewer charges within thirty (30) days of the date of the adoption of this ordinance. If the TDAF I Springfield URE fails to timely satisfy these requirements, this ordinance and the approval granted herein shall be null and void.

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

### **STATEMENT**

This Ordinance authorizes the amendment of the Original Financial Agreement, dated January 8, 2014, as amended and supplemented, by and between the City and TDAF I Springfield Avenue Holding Urban Renewal Company, LLC, 799 Central Avenue, Suite 300, Highland Park, Illinois 60035, to add Springfield Avenue Grocer Urban Renewal Company, LLC and University Heights Residential Urban Renewal Company, LLC, as parties and allocate the obligations under the Original Financial Agreement for a Project located at Block 236, Lots 1.03, 1.04 and 1.05, 82-110 South Orange Avenue, 206-208 Springfield Avenue, "Residential Component" on the City Tax Map.

### **EXHIBIT A**

#### **FIRST AMENDMENT TO FINANCIAL AGREEMENT**