File #: 18-1421, **Version:** 1

AN ORDINANCE GRANTING A TWENTY (20) YEAR TAX ABATEMENT TO 274 CENTRAL AVENUE URBAN RENEWAL LLC, 72 EAST SHERBROOKE PARKWAY, LIVINGSTON, NEW JERSEY 07039, FOR A PROJECT TO REHABILITATE AND CONVERT A VACANT AUTOMOBILE REPAIR SHOP INTO A MULTI-FAMILY RESIDENTIAL USE CONSISTING OF TWENTY- ONE (21) MARKET RATE RENTAL UNITS LOCATED AT 268-272 CENTRAL AVENUE, NEWARK, NEW JERSEY AND IDENTIFIED ON THE CITY'S TAX MAP AS BLOCK 398. LOT 1. (CENTRAL WARD)

WHEREAS, 274 Central Avenue Urban Renewal, LLC, 72 East Sherbrooke Parkway, Livingston, New Jersey 07039, 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 to rehabilitate and convert a vacant automobile repair shop into a multi-family residential use consisting of twenty-one (21) market rate rental units located at 268-272 Central Avenue, Newark, New Jersey and identified on the City's tax map as Block 398, Lot 1 (the "Project"); and

WHEREAS, the Mayor has submitted the application and proposed Financial Agreement to the Municipal Council with his recommendation thereof, a copy of which is annexed hereto; and

WHEREAS, in accordance with Ordinance6PSF-a adopted May 4, 2011, 274 Central Avenue 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 Department of Economic and Housing Development has determined pursuant to N.J.S.A. 40A:20-11 that the relative benefits of this Project outweighs 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 MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The application of 274 Central Avenue Urban Renewal, LLC, 72 East Sherbrooke Parkway, Livingston, New Jersey 07039 (the "Entity"), for the development, maintenance and operation of the Project described in the application is hereby approved in accordance with the recommendation of the Mayo r for a project to rehabilitate and convert a vacant automobile repair shop into a multi-family residential use consisting of twenty-one (21) market rate rental units located at 268-272 Central Avenue, Newark, New Jersey and identified on the City's tax map as Block 398, Lot 1.

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

3. The Mayor and/or his designee, the Director of the Department of Economic and Housing Development (the "Director"), are hereby authorized and directed to enter into and execute, on the City's behalf, the Financial

Agreement in the form attached hereto.

4. The Director of the Department of Economic and Housing Development shall file an executed copy of the Financial Agreement authorized by this ordinance in the Office of the City Clerk.

5. The Project, when completed, will conform with all laws of the State of New Jersey 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. The Entity 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. The Entity 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 Municipal Council.

9. The annual service charge shall be based on ten percent (10%) to fifteen percent (15%) of the Annual Gross Revenue generated from the Project as further set forth in the Financial Agreement.

10. The Entity 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 the Entity and the failure to comply with these requirements will result in the cancellation of the tax abatement:

(a) The Entity shall not, without prior consent of the Municipal 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;

(b) The Entity, pursuant to the Revised City Ordinance 10:24-1 *et seq.*, as amended, shall be deemed to agree that it will in good faith assist the City of Newark in its goal of having 50% of all new 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, dedicated to Newark residents, of which 25% of such all new employees shall be minority residents;

(c) The Entity 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(b) above. This employment report shall be filed with the Director of Finance, the City Clerk, and the Director of the Department of Economic and Housing Development;

(d) The Entity shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance;

(e) The Entity 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;

(f) The Entity shall receive a favorable review and certification from the appropriate City departments and agencies, pursuant to City Ordinance 6S&Fd, adopted October 21, 1992, as amended.

12. That in any year that the Entity 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 the Entity ineligible for any land tax credits against the annual service charge.

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13. The Entity 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 the Entity to the City shall be determined pursuant to the Financial Agreement to be executed between the Entity 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 exemptions, 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. Within ten (10) calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Entity, the City Clerk's Office shall transmit a certified copy of the Ordinance and Financial Agreement to the Chief Financial Officer of the County and to the County Counsel for informational purposes.

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 274 Central Avenue Urban Renewal LLC, 72 East Sherbrooke Parkway, Livingston, New Jersey 07039, for a twenty (20) year term, for a project to rehabilitate and convert a vacant automobile repair shop into a multi-family residential use consisting of twenty-one (21) market rate rental units located at 268-272 Central Avenue, Newark, New Jersey and identified on the City's tax map as Block 398, Lot 1. (Central Ward)

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