



Legislation Text

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AN ORDINANCE AMENDING ORDINANCE 6PSF-B OCTOBER 18, 2017, GRANTING AMENDMENT #1 TO THE FINANCIAL AGREEMENT OF A TAX ABATEMENT GRANTED TO SOMERSET BROWNSTONES URBAN RENEWAL ASSOCIATES, L.P., 3 EAST STOW ROAD, MARLTON, NEW JERSEY 08053, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW TO CORRECT A TYPOGRAPHICAL ERROR IN SAID ORDINANCE AND IN AMENDMENT #1, TO THE FINANCIAL AGREEMENT FOR AN AFFORDABLE HOUSING PROJECT LOCATED AT 25-49 SOMERSET STREET AND IDENTIFIED ON THE CITY'S TAX MAP AS BLOCK 2556, LOT 1.02. (CENTRAL WARD)

WHEREAS, on April 30, 2012, the Newark Municipal Council adopted Ordinance 6PS&Fb(S) (the "2012 Ordinance", a copy of which is attached hereto as Exhibit A) granting a thirty (30) year tax abatement to Somerset Brownstones Urban Renewal Associates, L.P., a New Jersey Urban Renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Long Term Tax Exemption Law"), 3 East Stow Road, Marlton, Newark, New Jersey 08053 (the "Entity"), for an affordable housing project located at 25-49 Somerset Street and identified on the City tax map as Block 2556, Lot 1.02 (the "Project"); and

WHEREAS, the Parties entered into that certain Financial Agreement, dated August 15, 2012, (the "Original Financial Agreement", a copy of which is attached hereto as Exhibit B) which included an annual service charge of 6.28% of Annual Gross Revenue; and

WHEREAS, in order to comply with the New Jersey Housing and Mortgage Finance Agency ("HMFA") nine percent (9%) Low and Moderate Housing Tax Credit program, the Entity requested an amendment to the Financial Agreement; and

WHEREAS, on October 18, 2017, the Newark Municipal Council adopted Ordinance 6PSF-b (the "2017 Ordinance", a copy of which is attached hereto as Exhibit C), authorizing Amendment No. 1 to Financial Agreement, which amended the annual service charge from 6.28% of Annual Gross Revenue to 5% of Annual Gross Revenue, for Somerset Brownstones Urban Renewal Associates, LLC; and

WHEREAS, the Parties attempted to execute Amendment No. 1 to the Financial Agreement thereafter ("Amendment No. 1", a copy of which is attached hereto as Exhibit D); and

WHEREAS, the 2017 Ordinance and Amendment No. 1 inadvertently identified the Entity as Somerset Brownstones Urban Renewal Associates, LLC as opposed to its correct name, Somerset Brownstones Urban Renewal Associates, L.P., which prevented the parties from executing Amendment No.1; and

WHEREAS, the Parties have agreed to correct the typographical error

in the 2017 Ordinance and Amendment No. 1.

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

1. For all purposes of Ordinance 6PSF-b adopted October 18, 2017, and Amendment No. 1 to Financial Agreement, the Entity shall be identified, described and known as "Somerset Brownstones Urban Renewal Associates, L.P."
2. All other terms and conditions of Ordinance 6PSF-b adopted October 18, 2017, and the Financial Agreement, including Amendment No. 1 to Financial Agreement shall remain the same; the sole purpose of this Ordinance is to correct a typographical error in the entity's name.
3. The correction to the entity's name is ratified from October 18, 2017, to the date of this authorizing Ordinance.
4. The Mayor of the City of Newark is hereby authorized to execute, on the City's behalf, the corrected Amendment No. 1 to Financial Agreement, attached as Exhibit E, which shall replace Amendment No. 1 to Financial Agreement authorized by Ordinance 6PSF-b on October 18, 2017.
5. The Interim Deputy Mayor/Director of the Department of Economic and Housing Development shall file an executed copy of Amendment No. 1 to Financial Agreement, authorized by Ordinance 6PSF-b on October 18, 2017, and this Ordinance, with the City Clerk.
6. 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 Ordinance 6PSF-b adopted October 18, 2017, and Amendment No. 1 to the Financial Agreement to reflect the proper Entity name by changing "Somerset Brownstones Urban Renewal Associates, LLC" to "Somerset Brownstones Urban Renewal Associates, L.P."