



Legislation Text

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AN ORDINANCE GRANTING A THIRTY (30) YEAR TAX ABATEMENT TO CENTER CITY APARTMENT ASSOCIATES URBAN RENEWAL, LLC, 691 ELIZABETH AVENUE, SUITE 2, NEWARK, NEW JERSEY 07112 FOR A PROJECT TO REHABILITATE THIRTEEN (13) AFFORDABLE HOUSING BUILDINGS, COMMONLY REFERRED TO AS PUEBLO CITY, CENTER CITY 3, AND JOHNSON APARTMENTS CONSISTING OF APPROXIMATELY TWO HUNDRED AND FOURTEEN (214) AFFORDABLE HOUSING UNITS LOCATED AT 12-14 PENNSYLVANIA AVENUE, 17-19 PENNSYLVANIA AVENUE, 15 THOMAS STREET, 23, 25 AND 27-39 JOHNSON AVENUE, 20-30, 32-34, 46-54 AND 60-74 ASTOR STREET, 19-33 MURRAY STREET AND 83-85 BRUNSWICK STREET, NEWARK, NEW JERSEY AND IDENTIFIED ON THE CITY'S TAX MAP AS BLOCK 2826, LOT 28, BLOCK 2824, LOT 40, BLOCK 2826, LOT 39, BLOCK 2669, LOT 14, BLOCK 2674, LOT 56, BLOCK 2675, LOT 1, BLOCK 2803, LOT 1, BLOCK 2803, LOTS 7 AND 8, BLOCK 2808, LOT 14, BLOCK 2808, LOT 21, BLOCK 2811, LOT 1 AND BLOCK 2819, LOT 17 (THE "PROJECT").(EAST AND SOUTH WARDS)

WHEREAS, Center City Apartment Associates Urban Renewal, LLC, (the "Applicant") 691 Elizabeth Avenue, Suite 2, Newark, New Jersey 07112, filed an application with the Mayor seeking a long term tax abatement, for a thirty (30) year term, under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for a project to rehabilitate thirteen (13) affordable housing buildings commonly referred to as Pueblo City, Center City 3 and Johnson Apartments consisting of approximately two hundred fourteen (214) affordable housing units located at 12-14 and 17-19 Pennsylvania Avenue, 15 Thomas Street, 23, 25 and 27-39 Johnson Avenue, 20-30, 32-34, 46-54 and 60-74 Astor Street, 19-33 Murray Street and 83-85 Brunswick Street, Newark, New Jersey and identified on the City's tax map as Block 2826, Lot 28, Block 2824, Lot 40, Block 2826, Lot 39, Block 2669, Lot 14, Block 2674, Lot 56, Block 2675, Lot 1, Block 2803, Lot 1, Block 2803, Lots 7 and 8, Block 2808, Lot 14, Block 2808, Lot 21, Block 2811, Lot 1 and Block 2819, Lot 17 (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 Ordinance 6PSF-a adopted May 4, 2011, Center City Apartment Associates Urban Renewal, LLC has filed a sworn statement with the City that it has not made any contribution in violation of the Ordinance; and

WHEREAS, Center City Apartment Associates Urban Renewal, LLC owns all of the parcels included in the Project, except that certain retail space located at 83-85 Brunswick Street, Newark, New Jersey and identified on the City of Newark's tax map as Block 2819, Lot 17 ("Leased Premises"), which is owned by Thomas Khan LLC, an entity related to the Applicant; and

WHEREAS, Center City Apartment Associates Urban Renewal, LLC executed a Lease Agreement, annexed hereto as Exhibit A, dated January 15, 2020 with Thomas Khan LLC as to the

Leased Premises for the duration of the tax abatement approved by this 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 Center City Apartment Associates Urban Renewal, LLC, 691 Elizabeth Avenue, Suite 2, Newark, New Jersey 07112 (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 Mayor for a project to rehabilitate thirteen (13) affordable housing buildings commonly referred to as Pueblo City, Center City 3 and Johnson Apartments consisting of approximately two hundred fourteen (214) affordable housing units located at 12-14 and 17-19 Pennsylvania Avenue, 15 Thomas Street, 23, 25 and 27-39 Johnson Avenue, 20-30, 32-34, 46-54 and 60-74 Astor Street, 19-33 Murray Street and 83-85 Brunswick Street, Newark, New Jersey and identified on the City's tax map as Block 2826, Lot 28, Block 2824, Lot 40, Block 2826, Lot 39, Block 2669, Lot 14, Block 2674, Lot 56, Block 2675, Lot 1, Block 2803, Lot 1, Block 2803, Lots 7 and 8, Block 2808, Lot 14, Block 2808, Lot 21, Block 2811, Lot 1 and Block 2819, Lot 17 (the "Project").
2. The abatement from taxation on improvements is hereby granted to the Entity for a period of thirty (30) 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 Acting Director of the Department of Economic and Housing Development (the "Director"), are hereby authorized to execute, on the City's behalf, the Financial Agreement in the form attached hereto.
4. The Acting 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 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 a sliding scale of 4.28% - 6.28% of Annual Gross Revenues 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, including the Leased Premises, 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 Acting 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&f, 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.
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. The Entity understands and agrees that all standards and requirements imposed by this ordinance apply, by operation of law and without limitation, to the Leased Premises included in the Project.
15. 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.
16. 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.
17. 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 Center City Apartments Associates Urban Renewal, LLC,

691 Elizabeth Avenue, Suite 2, Newark, New Jersey 07112, for a thirty (30) year term for a project to rehabilitate thirteen (13) affordable housing buildings, commonly referred to as Pueblo City, Center City 3 and Johnson Apartments consisting of approximately two hundred and fourteen (214) affordable housing units located at 12-14 and 17-19 Pennsylvania Avenue, 15 Thomas Street, 23, 25 and 27-39 Johnson Avenue, 20-30, 32-34, 46-54 and 60-74 Astor Street, 19-33 Murray Street and 83-85 Brunswick Street, Newark, New Jersey and identified on the City's tax map as Block 2826, Lot 28, Block 2824, Lot 40, Block 2826, Lot 39, Block 2669, Lot 14, Block 2674, Lot 56, Block 2675, Lot 1, Block 2803, Lot 1, Block 2803, Lots 7 and 8, Block 2808, Lot 14, Block 2808, Lot 21, Block 2811, Lot 1 and Block 2819, Lot 17 (the "Project")(East and South Wards).