



## Legislation Text

File #: 22-0687, Version: 1

**AN ORDINANCE CONSENTING TO THE TRANSFER OF (15%) OWNERSHIP FROM 535 MLK BLVD URBAN RENEWAL, LLC, OF NEWARK, NEW JERSEY 07114 TO EL 535 MLK BLVD URBAN RENEWAL, LLC, OF KEY WEST, FLORIDA 33040 OF THE PROJECT TO CONSTRUCT A NEW BUILDING CONSISTING OF APPROXIMATELY (32) MARKET RATE RESIDENTIAL RENTAL UNITS, (8) AFFORDABLE HOUSING RENTAL UNITS, (600) SQUARE FEET OF COMMERCIAL SPACE AND (36) PARKING SPACES, LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 535-541 MLK BOULEVARD, NEWARK, NEW JERSEY 07102 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2497, LOT 39 AND AMENDING THE TAX ABATEMENT TO ALLOW THE PROJECT TO BE OWNED AS TENANTS IN COMMON.**

**WHEREAS**, on September 15, 2021, the Municipal Council adopted Ordinance 6PSF-f, (a copy of which is attached hereto as Exhibit A), granting a long term tax abatement to 535 MLK Blvd Urban Renewal, LLC (the "Original Entity") located at 90 Clinton Avenue, Suite 101, Newark, New Jersey 07114, pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for the construction of a new building consisting of approximately thirty-two (32) market rate residential rental units, eight (8) affordable housing rental units, six hundred (600) square feet of commercial space and thirty-six (36) parking spaces, located on real property commonly known as 535-541 MLK Boulevard, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 2497, Lot 39 (collectively, the "Project"); and

**WHEREAS**, on October 26, 2021, the City of Newark (the "City") and the Original Entity entered into that certain Financial Agreement (the "Original Financial Agreement") (a copy of which is attached hereto as Exhibit B), and together with this Amendment #1 to Financial Agreement (the "Financial Agreement") governing the Project; and

**WHEREAS**, the Original Entity is participating in a 1031 like-kind exchange with EL 535 MLK Blvd Urban Renewal, LLC (the "Additional Entity") and shall transfer fifteen percent (15%) of its ownership interest in the Project to the Additional Entity; and

**WHEREAS**, the Original Entity and the Additional Entity shall own the Project as Tenants in Common; and

**WHEREAS**, the Parties have agreed to amend the Original Financial Agreement to reflect the ownership structure of the Project.

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

1. The City hereby consents to the transfer of fifteen percent (15%) of the ownership of the Project from 535 MLK Blvd Urban Renewal, LLC (the "Original Entity") located at 90 Clinton Avenue,

Suite 101, Newark, New Jersey 07114 to EL 535 MLK Blvd Urban Renewal, LLC, 1115 Georgia Street, Key West, Florida 33040, the Additional Entity, as Tenants in Common.

2. The Mayor of the City of Newark is hereby authorized to enter into and execute, on the City's behalf, the 1<sup>st</sup> Amendment to Financial Agreement in the form attached hereto as Exhibit C.

3. An executed copy of the Amendment #1 to Financial Agreement and all other ancillary documents authorized by this Ordinance shall be filed and maintained with the Acting City Clerk.

4. The Entities shall ensure that in the operation of the Project it complies with all laws so that no person shall be subject to any discrimination because of race, religious principles, color, national origin, or ancestry.

5. The Entities 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 Acting City Clerk and the Office of Affirmative Action shall forthwith investigate the matters contained therein and report its findings to the Municipal Council.

6. The adoption of this Ordinance is expressly conditioned upon the requirement that the Entities 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 Entity fails to timely satisfy these requirements, this Ordinance and the approval granted herein shall be null and void.

### **STATEMENT**

This Ordinance authorizes the transfer of fifteen percent (15%) of ownership from 535 MLK Blvd Urban Renewal, LLC, 90 Clinton Avenue, Suite 101, Newark, New Jersey 07114 to EL 535 MLK Blvd Urban Renewal, LLC, 1115 Georgia Street, Key West, Florida 33040, authorizing and amending the tax abatement to allow the property/project to be owned as Tenants in Common, located on real property commonly known as 535-541 MLK Boulevard, Newark, New Jersey 07102 and identified on the Official Tax Map of the City of Newark, as Block 2497, Lot 39, to construct a new building consisting of approximately thirty-two (32) market rate residential rental units, eight (8) affordable housing rental units, six hundred (600) square feet of commercial space and thirty-six (36) parking spaces.