



# ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE  
offered and moved adoption of the following ordinance:

## CITY ORDINANCE 11-109

**TITLE:** **ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A MARKET RATE RESIDENTIAL CONDOMINIUM PROJECT TO BE CONSTRUCTED BY COMMUNITY ASSET PRESERVATION ALLIANCE OF JERSEY CITY #2 URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ.**

### **THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:**

**WHEREAS**, Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. (Entity); and

**WHEREAS**, the Entity owns certain property known as Block 2052, Lot ADUP.99, on the City's Official Tax map, and more commonly known by the street address of 305 Whiton Street, Jersey City, and more specifically described by metes and bounds, in the application [Property], also commonly known as All Saints School; and

**WHEREAS**, the Property is located within the Morris Canal Redevelopment Plan Area as required by N.J.S.A. 40A:20-4 and N.J.S.A. 40A:12A-5(g); and

**WHEREAS**, the Entity has applied for a 30 year long term tax exemption to rehabilitate an existing school on the Property to create approximately four (4) low and moderate income and 21 emerging market (i.e., market rate) owner occupied residential condominium units, and four (4) on-site parking spaces (Project); and

**WHEREAS**, the owner received the site plan approval for the Project from the Planning Board on July, 2011; and

**WHEREAS**, Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or (ii) 8% of Annual Gross Revenue for the low and moderate units; 14% for years 1 through 5, and 16% for years 6 through 30 of Annual Gross Revenue for the emerging market units; and 15% of Annual Gross Revenue of the parking revenue, which total sum is estimated to be \$53,357 (in year 1); and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 2% of each prior year's Annual Service Charge as an Administrative Fee or \$1,067; and
3. pay to City for remittance to Hudson County, an equal to 5% of the Annual Service Charge upon receipt of that charge or \$2,668; and
4. provide employment and other economic opportunities for City residents and businesses;

**WHEREAS**, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption, for the following reasons:

1. the current real estate taxes presently generate \$0.00 revenue, whereas, the Annual Service Charge as estimated, will generate revenue of more than \$53,357 to the City and an additional sum of approximately \$2,668 to Hudson County;
2. it is expected that the Project will create approximately 75 jobs during construction and one (1) new permanent job;
3. the Project will stabilize and contribute to the economic growth of businesses in the surrounding area;
4. the Project will further the overall redevelopment objectives of the Morris Canal Redevelopment Plan Area;
5. The benefits of the Project outweigh its costs notwithstanding that the City's impact analysis, on file with the Office of the City Clerk, indicates that the costs to the City exceed the amount of the Service Charge; and

**WHEREAS**, the City hereby determines that the tax exemption is important in obtaining development of the project and influencing the locational decisions of probable occupants for the following reasons:

1. the relative stability and predictability of the Annual Service Charges will make the Project more attractive to investors needed to finance the Project;
2. the relative stability and predictability of the Annual Service Charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract purchasers to the Project and insure the likelihood of the success of the Project; and

**WHEREAS**, Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, has initially complied with Executive Order 2002-005 concerning "Disclosure of Lobbyist Representative Status" by filing an appropriate letter in the Office of the City Clerk; and

**WHEREAS**, Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, does not need to comply with the City of Jersey City's Ordinance 07-123 requiring Apprenticeships and Project Labor Agreement since it is affordable housing and total construction costs are only \$3.6 million; and

**WHEREAS**, on August 19, 2011, the Tax Exemption Committee reviewed the application and voted to recommend the approval of the tax exemption to the Mayor.

**NOW, THEREFORE, BE IT ORDAINED** by the Municipal Council of the City of Jersey City that:

A. The application of Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. a copy of which is on file in the office of the City Clerk, for Block 2052, Lot ADUP.99, more commonly known by the street address of 305 Whiton Street, Jersey City, and more specifically described by metes and bounds in the application, is hereby approved.

B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement and a Project Employment and Contracting Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:

1. Term: the earlier of 35 years from the adoption of the within Ordinance or 30 years from the date the project is Substantially Complete;

2. Annual Service Charge: each year the greater of:
  - (a) the Minimum Annual Service Charge equal to taxes on land only would be \$2,840; or
  - (b) 8% of Annual Gross Revenue for the low and moderate income units; 14% for years 1 through 5, and 16% for years 6 through 30 of Annual Gross Revenue for the emerging market (i.e., market rate) units; and 15% of Annual Gross Revenue for the parking, which sum is estimated to be \$53,357 (in year 1), which shall be subject to statutory increases during the term of the tax exemption.
3. Administrative Fee: 2% of the prior year's Annual Service Charge or \$1,067;
4. County Payment: an additional 5% of the Annual Service Charge for remittance by the City to Hudson County or \$2,668;
5. Project: rehabilitate an existing school on the property to create approximately 25 low, moderate and emerging market residential condominium units, of which (4) units will be affordable to families of low and moderate income, and 21 units will be owner occupied emerging market units, and four (4) on-site parking spaces;
6. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses;
7. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project begins within two (2) years of the adoption of the within Ordinance.

C. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

D. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

E. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

F. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

G. This ordinance shall take effect at the time and in the manner provided by law.

H. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

**NOTE:** All material is new; therefore underlining has been omitted. For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JM/he  
8/19/11

APPROVED AS TO LEGAL FORM

  
Corporation Counsel

APPROVED: \_\_\_\_\_

APPROVED:   
Business Administrator

Certification Required

Not Required

# Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 11-109

TITLE: 3.B 8/31/11 4.B SEP 14 2011



Ordinance approving a 30-year tax exemption for a market rate residential condominium project to be constructed by Community Asset Preservation Alliance of Jersey City #2 Urban Renewal, LLC, an urban renewal entity, pursuant to the long term tax exemption law N.J.S.A. 40a:20-1 et seq.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
AUG 31, 2011 <u>9-0</u>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
SEP 14 2011 <u>8-0</u>											
Councilperson <u>RICHARDSON</u>				moved, seconded by Councilperson <u>SOTTOLANO</u>				to close P.H.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	<u>ABSENT</u>		

✓ Indicates Vote

YVONNE BALZER  
ESTHER WINTNER

N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson _____ moved to amend* Ordinance, seconded by Councilperson _____ & adopted											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO				GAUGHAN				BRENNAN			
DONNELLY				FULOP				AHMAD			
LOPEZ				RICHARDSON				VELAZQUEZ			

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE											
SEP 14 2011 <u>8-0</u>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	✓			AHMAD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	<u>ABSENT</u>		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on AUG 31 2011

Adopted on second and final reading after hearing on SEP 14 2011

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on SEP 14 2011

Robert Byrne, City Clerk

APPROVED:

Peter M. BRENNAN, Council President

Date: SEP 14 2011

APPROVED:

Jerfemiah T. Healy, Mayor

Date: SEP 19 2011

Date to Mayor SEP 15 2011