

City Clerk File No. Ord. 13-015

Agenda No. 3.D 1st Reading

Agenda No. 4.D 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 13-015

TITLE ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY 70 COLUMBUS URBAN RENEWAL, L.L.C., 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, 70 Columbus Urban Renewal, L.L.C., 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 Condo Unit 3A within a portion of Block 13003, Lot 1, on the City's Official Tax map, consisting of approximately 3.47 acres, and more commonly known by the street address of 70 Columbus Drive, and more specifically described by metes and bounds, in the application [Property]; and

WHEREAS, the Property is located within the Exchange Place North 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 20 year 10% Annual Gross Revenue long term tax exemption for a multiple dwelling, market rate residential rental project, to consist of a fifty (50) story building with approximately five hundred fifty-three (553) residential rental units, approximately seventeen thousand one hundred thirty-five (17,135) square feet of ground floor retail space and approximately two hundred sixty-three (263) on site parking spaces located in Condo Unit 3A within a portion of Block 13003, Lot 1, on the City's Tax Map and more commonly known as 70 Columbus Drive, Jersey City [Project]; and

WHEREAS, the Project received a site plan approval from the Planning Board on July 24, 2012; and

WHEREAS, as the result of negotiations before the Tax Abatement Committee, the Entity agreed to accept a shorter term and an incrementally higher service charge; and

WHEREAS, 70 Columbus Urban Renewal, L.L.C., has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or (ii) 10% of the Annual Gross Revenue for years 1 through 4; 12% of the Annual Gross Revenue for years 5 through 8; and 14% of the Annual Gross Revenue for the final years, 9 and 10, which initial sum is estimated to be \$1,571,461; all of 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; and
3. provide employment and other economic opportunities for City residents and businesses; and

4. pay to the City, for remittance to Hudson County, an amount equal to 5% of the Annual Service Charge upon receipt of that charge; and
5. pay the sum of \$855,203 to the City's Affordable Housing Trust Fund; and

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 generate revenue of only approximately \$52,000 whereas, the Annual Service Charge as estimated, will initially generate revenue of more than \$1,571,461 to the City and an additional sum of approximately \$78,573 to Hudson County;
2. it is expected that the Project will create approximately 350 jobs during construction and 30 new permanent jobs;
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 Exchange Place North Redevelopment Plan;
5. the City's Impact Analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; 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 tenants to the Project and insure the likelihood of the success of the Project; and

WHEREAS, 70 Columbus Urban Renewal, L.L.C., 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, 70 Columbus Urban Renewal, L.L.C., has agreed to comply with the City of Jersey City's Ordinance 07-123, Requiring Apprenticeships and Project Labor Agreements; and

WHEREAS, on January 17, 2013, the Tax Exemption Committee recommended the approval of the tax exemption to the Mayor by a unanimous vote.

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

A. The application of 70 Columbus Urban Renewal, L.L.C., 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 Condo Unit 3A within a portion of Block 13003, Lot 1, more commonly known by the street address of 70 Columbus Drive, 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 13 years from the adoption of the within Ordinance or 10 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 \$1,571,461 upon Project Completion, whether or not the Project is occupied; or
 - (b) 10% of the Annual Gross Revenue for years 1 through 4; 12% of the Annual Gross Revenue for years 5 through 8; and 14% of the Annual Gross Revenue for the final years 9 and 10, which initial sum is estimated to be \$1,571,461, and 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;
 4. County Payment: 5% of the Annual Service Charge to the City for remittance by the City to Hudson County;
 5. Project: A new multiple dwelling, market rate residential rental project, which will consist of a fifty (50) story building with approximately five hundred fifty-three (553) market rate residential rental units, approximately seventeen thousand one hundred thirty-five (17,135) square feet of ground floor retail space and approximately two hundred sixty-three (263) on site parking spaces;
 6. Affordable Housing Trust Fund: \$1,500 per unit or \$829,500 and \$1.50 per square foot x 17,135 square feet or \$25,703, for a total of \$855,203;
 7. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses;
 8. 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*.

APPROVED AS TO LEGAL FORM

JM/the
1/17/13

Corporation Counsel

APPROVED: _____

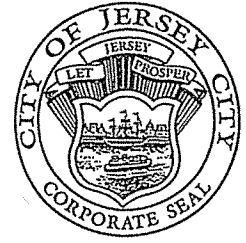
APPROVED: _____

[Signature]
Business Administrator

Certification Required
Not Required

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

ORDINANCE NO. Ord. 13-015
 TITLE: 3.D. FEB 13 2013 4.D. FEB 27 2013



Ordinance approving a 10 year tax exemption for a market rate mixed use rental project to be constructed by 70 Columbus 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 | | | | | | | | | | | |
|--|-----|-----|------|---------------|-----|-----|------|---------------|-----|-----|------|
| FEB 13 2013 9-0 | | | | | | | | | | | |
| COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. |
| SOTTOLANO | ✓ | | | GAUGHAN | ✓ | | | BRENNAN | ✓ | | |
| DONNELLY | ✓ | | | FULOP | ✓ | | | LAVARRO | ✓ | | |
| LOPEZ | ✓ | | | RICHARDSON | ✓ | | | COLEMAN | ✓ | | |

✓ Indicates Vote N.V.-Not Voting (Abstain)

| RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING | | | | | | | | | | | |
|--|-----|-----|------|---|-----|-----|------|---------------|-----|-----|------|
| FEB 27 2013 9-0 | | | | | | | | | | | |
| Councilperson <u>RICHARDSON</u> | | | | moved, seconded by Councilperson <u>GAUGHAN</u> | | | | to close PH. | | | |
| COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. |
| SOTTOLANO | ✓ | | | GAUGHAN | ✓ | | | BRENNAN | ✓ | | |
| DONNELLY | ✓ | | | FULOP | ✓ | | | LAVARRO | ✓ | | |
| LOPEZ | ✓ | | | RICHARDSON | ✓ | | | COLEMAN | ✓ | | |

✓ Indicates Vote N.V.-Not Voting (Abstain)

YVONNE BALCER EDDIE TORRES BRENDA RIVERA ALDRIN SILVE
JAYSON BURG SCOTT Mc ZEAR CHRIS LANGSTON PAT KELLEHER

| 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 | | | | LAVARRO | | | |
| LOPEZ | | | | RICHARDSON | | | | COLEMAN | | | |

✓ Indicates Vote N.V.-Not Voting (Abstain)

| RECORD OF FINAL COUNCIL VOTE | | | | | | | | | | | |
|------------------------------|-----|-----|------|---------------|-----|-----|------|---------------|-----|-----|------|
| FEB 27 2013 7-2 | | | | | | | | | | | |
| COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. | COUNCILPERSON | AYE | NAY | N.V. |
| SOTTOLANO | ✓ | | | GAUGHAN | ✓ | | | BRENNAN | ✓ | | |
| DONNELLY | ✓ | | | FULOP | | ✓ | | LAVARRO | | ✓ | |
| LOPEZ | ✓ | | | RICHARDSON | ✓ | | | COLEMAN | ✓ | | |

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on FEB 13 2013
 Adopted on second and final reading after hearing on FEB 27 2013

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on FEB 27 2013

Robert Byrne
 Robert Byrne, City Clerk

APPROVED:

Peter M Brennan
 Peter M. Brennan, Council President

*Amendment(s):

Date: FEB 27 2013
 APPROVED:

Jerramiah T. Healy
 Jerramiah T. Healy/Mayor

Date: MAR - 1 2013

Date to Mayor FEB 28 2013