

City Clerk File No. Ord. 13-034

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 13-034

TITLE: **ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY PROVOST SQUARE I 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, Provost Square I Urban Renewal, LLC, 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 11506, Lot 1.01, on the City's Official Tax map, consisting of approximately 1.0340 acres, and more commonly known by the street address of 160 Morgan Street, and more specifically described by metes and bounds, in the application [Property]; and

WHEREAS, the Property is located within the Power House Arts District 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 thirty-eight (38) story building with approximately four hundred seventeen (417) residential rental units, approximately sixteen thousand four hundred thirty (16,430) square feet of ground floor retail space and a garage to contain approximately three hundred seventy-one (371) parking spaces located in Block 11506, Lot 1.01, on the City's Tax Map and more commonly known as 160 Morgan Street, Jersey City [Project]; and

WHEREAS, the Project received an amended final site plan approval from the Planning Board on October 25, 2011; 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, Provost Square I Urban Renewal, LLC, 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 \$1,371,657; 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 \$650,145 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 \$51,772 whereas, the Annual Service Charge as estimated, will initially generate revenue of more than \$1,371,657 to the City and an additional sum of approximately \$68,583 to Hudson County;
2. it is expected that the Project will create approximately 415 jobs during construction, 31 new permanent jobs and 12 part time 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 Power House Arts District 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, Provost Square I 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, Provost Square I Urban Renewal, LLC, has agreed to comply with the City of Jersey City's Ordinance 07-123, Requiring Apprenticeships and Project Labor Agreements; and

WHEREAS, on January 24, 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 Provost Square I 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 11506, Lot 1.01, more commonly known by the street address of 160 Morgan Street, more specifically described by metes and bounds in the application is hereby approved.

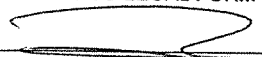
B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement and a Project Employment and Contracting Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:

1. Term: the earlier of 15 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 \$1,371,657 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 \$1,371,657, 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 thirty-eight (38) story building with approximately four hundred seventeen (417) market rate residential rental units, approximately sixteen thousand four hundred thirty (16,430) square feet of ground floor retail space and a garage to contain approximately three hundred seventy-one (371) parking spaces;
 6. Affordable Housing Trust Fund: \$1,500 per unit for 417 units or \$625,500 and \$1.50 per square foot x 16,430 square feet or \$24,645, for a total of \$650,145;
 7. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses.
- 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*.

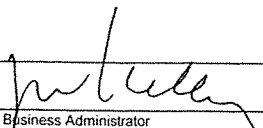
JM/he
3/05/13

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. 13-034
 TITLE: 3.D. MAR 13 2013 4.D. MAR 28 2013



Ordinance approving a 10 year tax exemption for a market rate residential rental Project to be constructed by Provost Square I 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 MAR 13 2013 8-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	ABSENT			FULOP	✓			LAVARRO	✓		
LOPEZ	✓			RICHARDSON	✓			COLEMAN	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING MAR 28 2013 7-0											
Councilperson <u>BRENNAN</u>				moved, seconded by Councilperson <u>SOTTOLANO</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	ABSENT			RICHARDSON	ABSENT			COLEMAN	✓		

✓ Indicates Vote

YVONNE BALCER JAYSON BURG
PHIL CARRINGTON

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				LAVARRO			
LOPEZ				RICHARDSON				COLEMAN			

✓ Indicates Vote

N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE MAR 28 2013 7-1											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP		✓		LAVARRO	✓		
LOPEZ	ABSENT			RICHARDSON	✓			COLEMAN	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on MAR 13 2013
 Adopted on second and final reading after hearing on MAR 28 2013

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on MAR 28 2013

Robert Byrne
 Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Peter M. Brennan
 Peter Brennan, Council President

Date: MAR 28 2013
 APPROVED:

Jerramiah T. Healy
 Jerramiah T. Healy, Mayor

Date APR 01 2013

Date to Mayor APR 01 2013