

City Clerk File No. Ord. 14.020

Agenda No. 3.F 1st Reading

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



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 14.020

TITLE: ORDINANCE APPROVING A 20 YEAR TAX EXEMPTION FOR A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY 360 NINTH STREET 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, 360 Ninth Street 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 is the Contract Purchaser for certain property known as Block 6902, Lot 29, on the City's Official Tax map, consisting of approximately 1.8 acres, and more commonly known by the street address of 364 Ninth Street, and more specifically described by metes and bounds, in the application (Property); and

WHEREAS, the Property is located within the Ninth & Brunswick 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 long term tax exemption to construct a new mixed use, market rate residential rental project, which will consist of a six (6) story building with approximately eighty (80) market rate residential rental units, approximately twenty five thousand, eight hundred ninety six (25,896) square feet of ground floor commercial/retail space and approximately one hundred six (106) on site parking spaces located in Block 6902, Lot 29 on the City's Tax Map and more commonly known as 364 Ninth Street, Jersey City [Project]; and

WHEREAS, the Project received a site plan approval from the Planning Board on December 17, 2013; and

WHEREAS, 360 Ninth Street 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 each year, which sum is estimated to be \$284,157; and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 1% 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 \$158,844 to the City's Affordable Housing Trust Fund; and

6. make a one-time contribution to the City equal to 1.5% of the Project's actual Construction Costs as an element of Total Project Costs as defined in the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., estimated to be \$23,467,500, which sum is estimated to be approximately \$352,013; 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 \$87,651 whereas, the Annual Service Charge as estimated, will initially generate revenue of more than \$284,157 to the City and an additional sum of approximately \$14,208 to Hudson County;
2. it is expected that the Project will create approximately 90 jobs during construction and 9 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 Ninth & Brunswick 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, 360 Ninth Street 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.

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

A. The application of 360 Ninth Street 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 6902, Lot 29, more commonly known by the street address of 364 Ninth 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 25 years from the adoption of the within Ordinance or 20 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 \$284,157 upon Project Completion, whether or not the Project is occupied; or

- (b) 10% of Annual Gross Revenue, which sum is estimated to be \$284,157, and which shall be subject to statutory increases during the term of the tax exemption.
3. Administrative Fee: 1% 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 six (6) story building with approximately eighty (80) market rate residential rental units, approximately twenty five thousand, eight hundred ninety six (25,896) square feet of ground floor commercial/retail space and approximately one hundred six (106) on site parking spaces;
6. Affordable Housing Trust Fund: \$1,500 per unit or \$120,000 and \$1.50 per square foot x 25,896 square feet or \$38,844, for a total of \$158,844;
7. A one-time contribution to the City equal to 1.5% of the Project's actual Construction Costs as an element of Total Project Costs as defined in the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., estimated to be \$23,467,500, which sum is estimated to be approximately \$352,013; and
8. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses;
9. 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
2/04/14

APPROVED AS TO LEGAL FORM

APPROVED: _____

APPROVED: _____

Corporation Counsel

Business Administrator

Certification Required ☐
Not Required ☐

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



ORDINANCE NO. Ord. 14,020

TITLE:

3.F MAR 12 2014 4.F

MAR 26 2014

Ordinance approving a 20 year tax exemption for a market rate mixed use rental project to be constructed by 360 Ninth Street 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 12 2014 7-1											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	ABSENT		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING MAR 26 2014 9-0											
Councilperson <u>COLEMAN</u> moved, seconded by Councilperson <u>LAVARRO</u> to close P.H.											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

JAYSON BURG
YVONNE BALZER
BRIGID D'SOUZA
LAVERN WASHINGTON
MIA SCANGA

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.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMANN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE MAR 26 2014 7-2											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.		✓	

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on **MAR 12 2014**
Adopted on second and final reading after hearing on **MAR 26 2014**

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on **MAR 26 2014**

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date

MAR 26 2014

APPROVED:

Steven M. Fulop, Mayor

Date

MAR 27 2014

Date to Mayor

MAR 27 2014