

City Clerk File No. Ord. 14.036

Agenda No. 3.B 1st Reading

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



## ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 14.036

**TITLE: AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-9 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11608, LOT 1, QUALIFIER C000E, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 65 BAY STREET**

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

**WHEREAS**, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq. the Five (5) Year Exemption and Abatement Law; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions which allows the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for the construction of a fifty (50) story residential tower to be known as the "East Unit", which will contain approximately four hundred forty-seven (447) rental apartments; ten thousand six hundred eleven (10,611) square feet of retail space; and one hundred forty-four (144) additional parking spaces on the Property, is permitted for a period of five (5) years; and

**WHEREAS**, Morgan Street Developers Urban Renewal Company, LLC [Entity], is the owner of Property designated as Block 11608, Lot 1, Qualifier C000E on the City's Tax Map and more commonly known by the street address of 65 Bay Street, Jersey City, N.J.; and

**WHEREAS**, the Entity now plans to construct a fifty (50) story residential tower to be known as the "East Unit", which will contain approximately four hundred forty-seven (447) rental apartments; ten thousand six hundred eleven (10,611) square feet of retail space; and one hundred forty-four (144) additional parking spaces on the Property, which shall be adjacent to the existing tower known as "West Unit" of Trump Plaza Jersey City; and

**WHEREAS**, construction is expected to be completed within thirty (30) months from the date of adoption of this ordinance; and

**WHEREAS**, on November 25, 2013, the Entity filed an application for a five (5) year tax exemption to construct a new multiple dwelling Project, a copy of which application is attached hereto; and

**AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-9 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11608, LOT 1, QUALIFIER C000E, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 65 BAY STREET**

**WHEREAS**, Morgan Street Developers Urban Renewal Company, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of \$92,843.44) a tax payment for the new improvements on the property, as follows:

- (a) Year 1: the tax year in which the structure will be completed. \$0 taxes;
- (b) Year 2: the second tax year, 20% of actual full taxes, estimated to be \$552,817;
- (c) Year 3: the third tax year, 40% of actual full taxes, estimated to be \$1,105,634;
- (d) Year 4: the fourth tax year, 60% of actual full taxes, estimated to be \$1,658,451; and
- (e) Year 5: the fifth tax year, 80% of actual full taxes, estimated to be \$2,211,268;

**WHEREAS**, the Tax Assessor has determined that the full and true value of the new construction will generate an additional tax payment of \$2,764,085 a year; and

**WHEREAS**, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

**WHEREAS**, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the multiple dwelling Project is eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

**WHEREAS**, upon the expiration of the tax exemption, the total assessment will generate a total tax payment of \$2,764,085; and

**WHEREAS**, Morgan Street Developers Urban Renewal Company, LLC, has agreed to pay the sum of \$686,417 to the City's Affordable Housing Trust Fund.

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

1. The application, attached hereto, for a five (5) year tax exemption for the full and true value of a fifty (50) story residential tower to be known as the "East Unit", which shall adjacent to the existing tower known as Trump Plaza, which will contain approximately four hundred forty-seven (447) rental apartments; ten thousand six hundred eleven (10,611) square feet of retail space; and one hundred forty-four (144) additional parking spaces, located in Block 11608, Lot 1, Qualifier C000E, and more commonly known by the street address of 65 Bay Street, Jersey City, N.J., is hereby approved.

2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

- (a) tax payment on the new improvements shall be:

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.I.S.A. 40A:21-1, ET SEQ., AND SECTION 304-9 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11608, LOT 1, QUALIFIER C000E, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 65 BAY STREET

- (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;
- (ii) Year 2: the second tax year, 20% of actual full taxes, estimated to be \$552,817;
- (iii) Year 3: the third tax year, 40% of actual full taxes, estimated to be \$1,105,634;
- (iv) Year 4: the fourth tax year, 60% of actual full taxes, estimated to be \$1,658,451; and
- (v) Year 5: the fifth tax year, 80% of actual full taxes, estimated to be \$2,211,268.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.I.S.A. 40A:21-11(b).

(c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith and the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

(d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.

(e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, or receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: \$1,500 per unit and \$1.50 per square foot of commercial retail space, for a total of \$686,417.

3. An obligation to execute a Project Employment and Contracting Agreement and Project Labor Agreement to insure employment and other economic benefits to City residents and businesses.
4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within thirty-six (36) months of the date of adoption of the within Ordinance.

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-9 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 11608, LOT 1, QUALIFIER C000E, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 65 BAY STREET

- 5. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.
- 6. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40a:21-11(d).
  - A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
  - B. 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.
  - C. This ordinance shall take effect at the time and in the manner provided by law.
  - D. 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*.

DJ/he  
3/25/14

APPROVED AS TO LEGAL FORM

\_\_\_\_\_  
Corporation Counsel

Certification Required   
Not Required

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

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

\_\_\_\_\_  
Business Administrator

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



ORDINANCE NO. Ord. 14.036

TITLE: 3.B MAR 26 2014 4.B APR 09 2014

An ordinance approving a five (5) year tax exemption pursuant to the provisions of N.J.S.A. 40A:21-1, et seq and Section 304-9 of the Municipal Code for property designated as Block 11608, Lot 1, Qualifier C000E on the city's tax map and more commonly known by the street address of 65 Bay Street.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
MAR 26 2014 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
APR 09 2014 8-0											
Councilperson <u>OSBORNE</u>				moved, seconded by Councilperson <u>COLEMAN</u>				to close P.H.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	ABSENT		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER  
LAVERN WASHINGTON  
KABILI TAYARI  
PAT KELLEHER  
JAYSON BURG  
KEVIN BROWN  
KELMI GONZALEZ  
WILLIAM O'DEA  
EUGENE PAOLINO

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				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE											
APR 09 2014 9-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
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 26 2014  
Adopted on second and final reading after hearing on APR 09 2014

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on APR 09 2014

Robert Byrnes  
Robert Byrnes, City Clerk

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date APR 09 2014

APPROVED:

Steven M. Fulop, Mayor

Date APR 11 2014

Date to Mayor APR 10 2014

\*Amendment(s):