

City Clerk File No. Ord. 14.112

Agenda No. 3.J 1st Reading

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



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 14.112

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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 12704, LOT 28.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 532 JERSEY AVENUE

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 new multiple dwelling with commercial space in a six (6) story building with a penthouse level on the Property, which will contain approximately seventy-six (76) residential rental units; approximately 11,011 square feet of ground floor retail/commercial rental space; and a below grade parking garage with thirty-five (35) parking spaces on the Property, is permitted for a period of five (5) years; and

WHEREAS, Jersey Avenue MM, LLC [Entity], is the owner of Property designated as Block 12704, Lot 28.01, on the City's Tax Map and more commonly known by the street address of 532-536 Jersey Avenue and 168-172 Christopher Columbus Drive, Jersey City, NJ; and

WHEREAS, the Entity now plans to construct a multiple dwelling in a new six (6) story building on the Property, which will contain approximately seventy-six (76) residential rental units; approximately 11,011 square feet of ground floor retail /commercial rental space; and a below grade parking garage with thirty-five (35) parking spaces equaling 5,752 square feet, on the Property; and

WHEREAS, construction will be substantially complete within approximately twenty-four (24) months from the adoption of this ordinance, unless otherwise extended by the City under its sole discretion; and

WHEREAS, on March 11, 2014, the Entity filed an application for a five (5) year tax exemption to construct a new mixed use 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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 12704, LOT 28.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 532 JERSEY AVENUE

WHEREAS, Jersey Avenue MM, 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 generating a tax of \$63,207) a tax payment for the new improvements on the property, as follows:

- (a) 2014: the tax year in which the structure will be completed. \$0 taxes;
- (b) 2015: the second tax year, 20% of actual full taxes, estimated to be \$64,541;
- (c) 2016: the third tax year, 40% of actual full taxes, estimated to be \$129,081;
- (d) 2017: the fourth tax year, 60% of actual full taxes, estimated to be \$193,622; and
- (e) 2018: the fifth tax year, 80% of actual full taxes, estimated to be \$258,162;

WHEREAS, the Tax Assessor has determined that this new construction will generate an additional tax payment of \$63,207 for land and \$322,703 for improvements, for a total land and improvement tax of \$385,910 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 as 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 with retail/commercial 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, including both land and improvements, will generate a total tax payment of \$385,910; and

WHEREAS, Jersey Avenue MM, LLC, has agreed to pay the sum of \$139,145 which includes \$1,500 per unit and \$1.50 per square foot of commercial retail space and parking space to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code. This payment is nonrefundable and nontransferrable and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

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 new mixed use six (6) story building with a penthouse level which will contain approximately seventy-six (76) residential rental units; approximately 11,011 square feet of ground floor retail /commercial rental space; and a below grade parking garage with thirty-five (35) parking spaces equaling 5,752 square feet, on the Property, located in Block 12704, Lot 28.01, and more commonly known by the street address of 532-536 Jersey Avenue and 168-172 Christopher Columbus Drive, Jersey City, N.J., is hereby approved.

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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 12704, LOT 28.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 532 JERSEY AVENUE

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:
 - (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 \$64,541;
 - (iii) Year 3: the third tax year, 40% of actual full taxes, estimated to be \$129,081;
 - (iv) Year 4: the fourth tax year, 60% of actual full taxes, estimated to be \$193,622; and
 - (v) Year 5: the fifth tax year, 80% of actual full taxes, estimated to be \$258,162.

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 as 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.J.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 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 tax 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, and 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 and parking space, for a total of \$139,145. This contribution shall be paid in intervals set forth in Section 304-28 of the Municipal Code and according to the tax exemption agreement. This payment is nonrefundable and nontransferrable and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 12704, LOT 28.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 532 JERSEY AVENUE

3. An obligation to execute a Project Employment and Contracting 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 the Project is Substantially Complete (i.e., when a certificate of occupancy is issued) within twenty-four (24) months of the date of adoption of the within Ordinance.
 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. The applicant shall execute the tax exemption agreement within the later of ninety (90) days of receipt of the tax exemption agreement from the City or ninety (90) days of the date of adoption of the herein Ordinance. Unless otherwise extended by the City, failure to comply shall result in the Ordinance being repealed and the tax exemption rescinded.
 6. The actual date of execution of the tax exemption agreement shall not affect, alter or amend the Entity's obligation to make payments according to the intervals set forth in Section 304-28 of the Municipal Code and the tax exemption agreement. Should the Entity fail to make timely payments, interest shall begin to accrue at the rate set forth in the tax exemption agreement.
 7. 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
9/02/14

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED: _____

APPROVED: _____

Business Administrator

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 12704, LOT 28.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 532 JERSEY AVENUE

Initiator

Department/Division	Law Department	Law Department
Name/Title	Joanne Monahan	Asst. Corporation Counsel
Phone/email	(201) 547-4230	joanne@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

Jersey Avenue MM, LLC [Entity], is the owner of Property designated as Block 12704, Lot 28.01, on the City's Tax Map and more commonly known by the street address of 532-536 Jersey Avenue and 168-172 Christopher Columbus Drive, Jersey City, NJ. The Entity plans to construct a multiple dwelling in a new six (6) story building on the Property, which will contain approximately seventy-six (76) residential rental units; approximately 11,011 square feet of ground floor retail /commercial rental space; and a below grade parking garage with thirty-five (35) parking spaces equaling 5,752 square feet, on the Property.

The Entity has applied for a five (5) year tax exemption for the Project.

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

9-10-14

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



ORDINANCE NO. Ord. 14.112

TITLE: 3.J SEP 10 2014 4.A. OCT - 8 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 304-12 of the Municipal Code for property designated as Block 12704, Lot 28.01, on the city's tax map and more commonly known by the street address of 532 Jersey Avenue.

RECORD OF COUNCIL VOTE ON INTRODUCTION SEP 10 2014 9-0											
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 COUNCIL VOTE TO CLOSE PUBLIC HEARING OCT - 8 2014 7-0											
Councilperson <u>OSBORNE</u> moved, seconded by Councilperson <u>LAVARRO</u> to close P.H.				COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN	✓			RIVERA	✓		
RAMCHAL	ABSENT			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

JAYSON BURG

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson <u>OSBORNE</u> moved to amend* Ordinance, seconded by Councilperson <u>LAVARRO</u> & adopted				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 OCT - 8 2014 7-0											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN	✓			RIVERA	✓		
RAMCHAL	ABSENT			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 SEP 10 2014

Adopted on second and final reading after hearing on OCT - 8 2014

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on OCT - 8 2014

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date OCT - 8 2014

APPROVED:

Steven M. Fulop, Mayor

Date OCT 14 2014

Date to Mayor OCT 09 2014