

O-17-09
03/09/17

**ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON,
NEW JERSEY APPROVING A FINANCIAL AGREEMENT WITH
BAYONNE REDEVELOPERS URBAN RENEWAL BLOCK 700, LLC**

WHEREAS, the Municipal Council of the City of Bayonne in its capacity as the redevelopment entity (the “**Municipal Council**”) for the City of Bayonne (the “**City**”) is responsible for implementing redevelopment plans and carrying out redevelopment projects pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”); and

WHEREAS, in accordance with the criteria set forth in the Redevelopment Law, the City identified and designated the Bayonne Military Ocean Terminal (hereinafter referred to as the “**Peninsula**”) as an area in need of redevelopment, including certain property known as Block 700 Lot 1; Block 720, Lot 1; Block 730 Lot 1; Block 731, Lot 1; Block 751, Lot 1; Block 770, Lot 1; Block 780, Lot 1; Block 790, Lot 1; and Block 730, Lot 2, on the official tax map of the City of Bayonne, which is referred to as Harbor Station South (the “**Redevelopment Property**”); and

WHEREAS, on January 20, 2016, the Municipal Council passed Ordinance O-16-01 which adopted the redevelopment plan prepared by the City of Bayonne Division of Planning & Zoning, Department of Municipal Services for the Redevelopment Property in accordance with the Redevelopment Law (the “**Redevelopment Plan**”); and

WHEREAS, the City is the Owner of the Redevelopment Property; and

WHEREAS, the Redevelopment Law authorizes the City to arrange or contract for the planning, construction or undertaking of any development project or redevelopment work in an area designated “as an area in need of redevelopment” pursuant to N.J.S.A. 40A:12A-8; and

WHEREAS, the City approved the subdivision of the Redevelopment Property pursuant to a Final Major Subdivision Plat, prepared by Partner Engineering and Science, Inc., dated November 11, 2015 (the “Major Subdivision Plat”), which modified the existing lots within the Redevelopment Property for future sale and redevelopment purposes, and the Major Subdivision Plat was recorded with the Hudson County Register’s Office on November 14, 2016; and

WHEREAS, by Resolution adopted on April 20, 2016, the City authorized a Request for Qualification for redevelopers to submit proposals for the redevelopment of the Redevelopment Property; and

WHEREAS, Bayonne Redevelopers, LLC (the “**Redeveloper**”), through its affiliate JMF Acquisition Group, L.L.C., informed the City of its interest in acquiring and redeveloping the portion of the Redevelopment Property identified as Block 700, Lot 1, Block 720, Lot 1, and Block 791, Lot 1 on the Final Major Subdivision Plat (the “**Property**”); and

WHEREAS, on October 19, 2016, pursuant to Resolution No. 16-10-19-042, the City authorized the execution of the “Redevelopment and Purchase and Sale Agreement by and between the City as Redevelopment Entity and Bayonne Redevelopers LLC as Redeveloper,” (the “**Redevelopment Agreement**”) authorized the execution of a redevelopment agreement with the Redevelopers for the redevelopment of the Property, and designated Bayonne Redevelopers, LLC, as redeveloper of the Property; and

WHEREAS, on November 28, 2016, the Redevelopment Agreement was fully executed by the City and the Redeveloper; and

WHEREAS, the Redevelopment Agreement sets forth the terms and conditions upon which the Redeveloper will acquire and redevelop the Property; and

WHEREAS, the Redeveloper formed “Bayonne Redevelopers Urban Renewal Block 700, LLC,” (the “**Entity**”) for the purpose of acquiring and redeveloping the portion of the Property identified as Block 700, Lot 1 in accordance with the Redevelopment Plan and the Redevelopment Agreement; and

WHEREAS, the Entity proposes to redevelop Block 700, Lot 1 with approximately 150,000 square feet of commercial/retail space and other site improvements (the “**Project**”); and

WHEREAS, the Entity has applied to the Municipal Council for tax exemption pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. (the “**Exemption Law**”) with respect to the Project; and

WHEREAS, the Municipal Council finds that the requested tax exemptions will benefit the City and its inhabitants by furthering the redevelopment of the Block 700, Lot 1, and that the benefits would substantially outweigh the costs, if any, associated with the tax exemptions; and

WHEREAS, the Municipal Council further finds that the requested tax exemptions are important to the City and that without the incentive of the tax exemptions, it is unlikely that the Project will be undertaken; and

WHEREAS, as part of its application for a tax exemption the Entity has submitted a form of Financial Agreement (the “**Financial Agreement**”) providing for payments in lieu of taxes, a copy of which is attached to this Ordinance as Exhibit A; and

WHEREAS, the Entity has presented to this body certain financial information, copies of which are attached as exhibits to the Financial Agreement; and

WHEREAS, the Municipal Council deems it to be in the best interest of the City to pass an Ordinance authorizing the City to enter into the proposed Financial Agreement with Bayonne Redevelopers Urban Renewal Block 700, LLC on the terms and conditions stated in the applicable form of Financial Agreement attached to this Ordinance.

NOW THEREFORE, be it Ordained that the Municipal Council of the City of Bayonne does hereby adopt the tax exemptions for Bayonne Redevelopers Urban Renewal

Block 700, LLC as follows:

Section 1. The development of the Project is hereby approved for the grant of a tax exemption under the Exemption Law by virtue of, pursuant to, and in conformity with the provisions of the Exemption Law.

Section 2. The Mayor is hereby authorized to execute the Financial Agreement with Bayonne Redevelopers Urban Renewal Block 700, LLC in substantially the form attached hereto and subject to any further review, analysis or modifications that counsel may deem appropriate.

Section 3. During the term of the tax exemption with respect to Bayonne Redevelopers Urban Renewal Block 700, LLC there shall be paid to the City in lieu of any taxes to be paid on the improvements of the Project, an annual service charge determined as provided in the Financial Agreement.

Section 4. Counsel is authorized to prepare, and the Mayor is hereby authorized to execute, any additional documents that may be necessary to implement and carry out the intent of the Financial Agreement.