

O-19-08
01/16/19

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND MHP 33 PROSPECT AVENUE URBAN RENEWAL, LLC FOR THE PROPERTY LOCATED AT 33 PROSPECT AVENUE, WHICH PROPERTY IS IDENTIFIED AS BLOCK 455, LOT 1- 3 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF BAYONNE

WHEREAS, the City of Bayonne, in the County of Hudson, New Jersey (the “**City**”), a public body corporate and politic of the State of New Jersey (the “**State**”), is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”), to determine whether certain parcels of land within the City constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, the Municipal Council of the City (the “**Municipal Council**”) adopted 98-02-04-040, which designated the entire City of Bayonne as an area in need of rehabilitation in accordance with the provisions of *N.J.S.A. 40A:12A-14* of the Redevelopment Law; and

WHEREAS, on March 16, 2005, the City Council adopted Resolution 05-03-16-048 authorizing and directing the Planning Board of the City of Bayonne to conduct a preliminary investigation to determine whether certain scattered sites in locations through the City, which include the properties located at 27-31 Prospect Avenue and 33-39 Prospect Avenue, which properties are identified as Block 455, Lots 1, 2 and 3, as shown on the official Tax Map of the City, constituted an area in need of redevelopment in accordance with the Redevelopment Law; and

WHEREAS, by Resolution 05-12-14-064, dated December 14, 2005, the City Council designated Block 455, Lots 1 and 2 as an area in need of redevelopment in accordance with the provisions of *N.J.S.A. 40A:12A-6* of the Redevelopment Law; and

WHEREAS, on September 13, 2017, the City Council authorized and directed the Planning Board to conduct a preliminary investigation to determine if certain property located at 41 Prospect Avenue, which property is designated as Block 455, Lot 3 on the official Tax Map of the City, constituted an area in need of redevelopment in accordance with the provisions of *N.J.S.A. 40A:12A-6* of the Redevelopment Law; and

WHEREAS, on December 13, 2017, the City Council designated Block 455, Lot 1, 2 and 3 as an area in need of redevelopment; and

WHEREAS, by Ordinance ~~O~~-18-09, on February 14, 2018, the City Council adopted a Redevelopment Plan [as defined in the New Jersey Local Redevelopment and Housing Law, *N.J.S.A. 40a:12A-1*, et seq.] titled “Redevelopment Plan Madison Hill II Block 455, Lots 1, 2, & 3” dated January 17, 2018 (the “Redevelopment Plan”); and

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WHEREAS, on February 14, 2018, by Resolution, the City Council designated the Redeveloper (under its previous name of MHP 33 Prospect Avenue, LLC) to undertake the necessary development and construction of the Property for the construction of a five story multi-family residential building with 76 residential apartments and seventy seven (77) on-site parking spaces, as well as related improvements, in accordance with the Redevelopment Plan (the “Project”); and

WHEREAS, Redeveloper has prepared a site plan and architectural elevations for the Project, which plan and elevations are attached hereto as **Exhibit A as part of the application**; and

WHEREAS, on April 3, 2018, MHP 33 Prospect Avenue, LLC became MHP 33 Prospect Avenue Urban Renewal, LLC via an Amendment to the Certificate of Formation filed with the State of New Jersey; and

WHEREAS, MHP 33 Prospect Avenue Urban Renewal, LLC has applied to the City 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 City Council finds that the requested tax exemptions will benefit the City and its inhabitants by furthering the redevelopment of the property which had remained underutilized and in disrepair for many years, and that the benefits would substantially outweigh the costs, if any, associated with the tax exemptions; and

WHEREAS, the City 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, MHP 33 Prospect Avenue Urban Renewal, LLC 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; and

WHEREAS, MHP 33 Prospect Avenue Urban Renewal, LLC has presented to this body certain financial information, copies of which are attached as exhibits to this Ordinance; and

WHEREAS, the City 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 MHP 33 Prospect Avenue Urban Renewal, 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 City Council of the City of Bayonne does hereby adopt the tax exemptions for MHP 33 Prospect Avenue Urban Renewal, 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 MHP 33 Prospect Avenue Urban Renewal, 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 MHP 33 Prospect Avenue Urban Renewal, 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.