

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND CEI-HB URBAN RENEWAL LLC FOR THE PROPERTY LOCATED AT 103-143 EAST 22ND STREET AND 43-75 MECHANIC STREET, WHICH PROPERTY IS IDENTIFIED AS BLOCK 451, LOTS 1.01 AND 2.05 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF BAYONNE (KENS MARINE)

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 9802-04-040, 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, the CEI-HB URBAN RENEWAL, LLC (the “Entity”) is or will be the long term Owner/Lessee of the property identified on the Tax Maps of the City as Block 451, Lot 1.01 and a portion of Lot 2.05 (the “Property”), as more particularly described in the tax exemption application and its exhibits (the “Application”) submitted by the Entity to the City; and

WHEREAS, the City has designated the Property as an area in need of redevelopment (the “Redevelopment Area”) pursuant to *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented (the “Local Redevelopment and Housing Law”); and

WHEREAS, the City adopted a redevelopment plan for the Property and on December 18, 2019, the City Council adopted an amended redevelopment plan for the Property, entitled “Amended and Restated Redevelopment Plan, Ken’s Marine, Block 451, Lots 1.01 and 2.05”, dated December 11, 2019 (the “Redevelopment Plan”); and

WHEREAS, on July 18, 2018 and February 19, 2020, by Resolutions, the City Council designated and re-affirmed Lehigh Realty Co., Inc. as the redeveloper (the “Redeveloper”) to undertake the necessary redevelopment of the Property with the construction of one (1) multi-family residential building containing 354 residential apartments and 436 on-site parking spaces, as well as related improvements, in accordance with the Redevelopment Plan (the “Project”); and

WHEREAS, on those same dates and within those same Resolutions, the City Council authorized the negotiation and execution of a Redevelopment Agreement between Lehigh Realty Co., Inc. and the City (the “Redevelopment Agreement”); and

WHEREAS, Lehigh Realty Co., Inc. has or will transferred and assigned its designation as Redeveloper and its Redevelopment Agreement with all of its rights, interests and obligations

therein, to the Entity herein, which transfer and assignment is permitted under Applicable Law and under the Redevelopment Agreement; and

WHEREAS, the Entity has submitted the Application to the City for the approval of an exemption for the Project pursuant to the Long Term Tax Exemption Law, which Application and all its Exhibits are attached as **Exhibit A**; and

WHEREAS, the Entity 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 and the Entity reviewed the request and adjusted the terms of the Financial Agreement, and

WHEREAS, the City Council finds that the requested tax exemptions will benefit the City and its inhabitants by furthering and improving the quality like of the projects residents and maintaining the affordability of the property, and reclaiming an empty parcel and that the benefits would substantially outweigh the costs, if any, associated with the tax exemptions;

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, 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; and

WHEREAS, the Entity 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 CEI-HB 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 CEI-HB 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 CEI-HB 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 CEI-HB 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.