

O-17-36
7/19/17

**ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON,
NEW JERSEY APPROVING THE APPLICATION AND FINANCIAL
AGREEMENT FOR TAX EXEMPTION WITH SOUTH COVE COMMONS
III URBAN RENEWAL, LLC FOR THE PROPERTY KNOWN AS BLOCK 412,
LOT 2.02 (WHICH HAS BEEN DIVIDED INTO TWO SEPARATE PARCELS:
LOT 2.021 AND LOT 2.022) IN THE CITY OF BAYONNE**

WHEREAS, SOUTH COVE COMMONS III URBAN RENEWAL, LLC is the owner of certain property designated as Block 412, Lot 2.02 (which has been divided into two separate parcels: Lot 2.021 and Lot 2.022) in the City of Bayonne, which is commonly known as being located off of LeFante Way in the City (the “**Property**”); and

WHEREAS, at the discretion of the City Council, the Planning Board prepares and recommended adoption of a proposed redevelopment plan; and

WHEREAS, pursuant to the Redevelopment Law, the Municipal Council adopted Resolution No. 98-02-04-040, designating the entire City as an area in need of rehabilitation in accordance with *N.J.S.A. 40A:12A-14*; and

WHEREAS, pursuant to the provisions of *N.J.S.A. 40A:12A-7(e)* of the Redevelopment Law, the Planning Board, through the City’s staff and/or Planning Board professionals, is permitted to prepare a Redevelopment Plan; and

WHEREAS, the City of Bayonne, Division of Planning & Zoning, Department of Municipal Services, prepared a redevelopment plan for the property located at 171-181 LeFante Way, 77-97 LeFante Way, 101-129 LeFante Way, 131-139 LeFante Way, and 191 LeFante Way, which properties are identified as Block 412, Lots 1.01, 2.01, 2.021, 2.022 and 2.03 (the “**Property**”) titled “South Cove Redevelopment Plan” dated February 14, 2017 (the “**Redevelopment Plan**”); and

WHEREAS, on May 17, 2017, the Municipal Council agreeing and concurring with the Planning Board’s recommendation, adopted Ordinance #O-17-20 adopting the Redevelopment Plan for the Property, and set forth their reasons on the record; and

WHEREAS, SOUTH COVE COMMONS III URBAN RENEWAL, LLC proposes to construct a project that will consist of two separate components: (1) a 135 room hotel with meeting and banquet facilities and (a) 65 residential units located on floors above the hotel; (the “**Project**”); and

WHEREAS, SOUTH COVE COMMONS III 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 development of the property, 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, SOUTH COVE COMMONS III 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, SOUTH COVE COMMONS III 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 SOUTH COVE COMMONS III 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 exemption for SOUTH COVE COMMONS III 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 SOUTH COVE COMMONS III 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 SOUTH COVE COMMONS III 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.