

O-18-66

11/7/18

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND 160 EAST 22nd STREET 2-01 REALTY URBAN RENEWAL, LLC FOR THE PROPERTY LOCATED AT 160 EAST 22nd STREET, WHICH PROPERTY IS IDENTIFIED AS BLOCK 464.01, LOT 2.01 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, Block 464.01 Lot 2.01 is located within an Urban Enterprise Zone (a “UEZ”); and

WHEREAS, 160 East 22nd Street 2-01 Realty Urban Renewal LLC is the owner of the property located within the Rehabilitation Area, which is designated as 160 East 22nd Street, and identified as Block 464.01, Lot 2.01 on the official Tax Maps of the City of Bayonne (the “Property”); and

WHEREAS, 160 East 22nd Street 2-01 Realty Urban Renewal LLC proposes to develop a parcel of approximately 1.9 acres with a Project consisting of the development and construction of approximately 21,435 square feet of commercial space and other improvements and community amenities required by the approved site plan; and

WHEREAS, 160 East 22nd Street 2-01 Realty 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, *N.J.S.A. 40A:12a-5 (g)* provides that designation of a property as included in a New Jersey Urban Enterprise Zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to *N.J.S.A. 40A:12A-5* for the purposes of granting tax exemptions under *N.J.S.A. 40A:20-1 et seq.*; 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, **160 East 22nd Street 2-01 Realty 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, **160 East 22nd Street 2-01 Realty 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 **160 East 22nd Street 2-01 Realty 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 **160 East 22nd Street 2-01 Realty 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 a **20** year Financial Agreement with **160 East 22nd Street 2-01 Realty Urban Renewal LLC** at the greater of (a) **12%** of Gross Annual Revenue or **20%** of the otherwise applicable taxes until the **7th** anniversary of the ASC Commencement Date, (b) **13%** of Gross Annual Revenue or **40%** of the otherwise applicable taxes from the first day after the **7th** anniversary to the **13th** anniversary, (c) **13%** of Gross Annual Revenue or **60%** of the otherwise applicable taxes from the first day after the **13th** anniversary to the **18th** anniversary and (d) **14%** of Gross Annual Revenue or **80%** of the otherwise applicable taxes from the first day after the **18th** anniversary to the **20th** anniversary 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 **160 East 22nd Street 2-01 Realty 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 and as set forth above.

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.

JFC/jc/jmd