

O-20-15
02-19-20

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND 23RD STREET URBAN RENEWAL JOF AAI III, LLC FOR THE PROPERTY LOCATED AT NJ STATE HIGHWAY ROUTE 440 AND EAST 22ND STREET (A/K/A 43-47 MECHANIC STREET), WHICH PROPERTY IS IDENTIFIED AS BLOCK 451, LOT 2.05 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, the Municipal Council directed the Planning Board, to prepare and review a redevelopment plan for various properties located throughout the City including property located at **43-75 Mechanic Street** which is identified as **Block 451 Lot 2.05** as shown on the official tax map of the City of Bayonne (the “**Property**”) and make recommendations to the Municipal Council in accordance with the Redevelopment Law; and

WHEREAS, the City of Bayonne, Division of Planning & Zoning, Department of Administration has prepared a redevelopment plan for the Property (the “**Redevelopment Plan**”) which included improvements to **Block 451 Lot 2.05**; and

WHEREAS, the Planning Board reviewed the Redevelopment Plan and recommended the adoption of the Redevelopment Plan to the Municipal Council and concluded that said Redevelopment Plan is consistent with the Master Plan of the City of Bayonne; and

WHEREAS, upon receipt and review of the Planning Board’s recommendations relating to the Redevelopment Plan, the Municipal Council by Ordinance adopted the Redevelopment Plan in order to effectuate a plan that is consistent with the goals and objectives of the City for the redevelopment of the Property; and

WHEREAS, 23RD STREET URBAN RENEWAL JOF AAI III, LLC, (the “Redeveloper”) wishes to develop a portion of the Redevelopment Area identified as **Block 451, Lots 2.05** and use it for the purpose of implementing the Redevelopment Plan; and

WHEREAS, on December 18, 2019 **23RD STREET URBAN RENEWAL JOF AAI III, LLC** was designated redeveloper of the Property known as 306-322 Avenue E, Block 440, Lots 3.01 and 4 by Resolution of this Municipal Council; and

WHEREAS, 23RD STREET URBAN RENEWAL JOF AAI III, LLC LOFTS ON AVENUE E URBAN RENEWAL ENTITY I, LLC proposes to construct a five story, approximately 124,960 square foot self storage facility with associated improvements, together with related site improvements as required by the Redevelopment Plan; and

WHEREAS, 23RD STREET URBAN RENEWAL JOF AAI III, 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, **23RD STREET URBAN RENEWAL JOF AAI III, 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, 23RD STREET URBAN RENEWAL JOF AAI III, 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 **23RD**

STREET URBAN RENEWAL JOF AAI III, 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 **23RD STREET URBAN RENEWAL JOF AAI III, 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 **23RD STREET URBAN RENEWAL JOF AAI III, 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 **23RD STREET URBAN RENEWAL JOF AAI III, 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. Legal 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