

O-20-38
07-15/20

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND TFG 117-121 PROSPECT URBAN RENEWAL, LLC FOR THE PROPERTY LOCATED AT 117-121 PROSPECT AVE, WHICH PROPERTY IS IDENTIFIED AS BLOCK 441, LOT 10 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 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, TFG 117-121 PROSPECT URBAN RENEWAL, LLC (the “**Entity**”) is the owner of certain property identified on the Tax Maps of the City as Block 441, Lot 10, including a portion of the 25th Street right of way (the “**Property**”) as more particularly described by the metes and bounds description set forth in the application submitted by the Entity (the “**Application**”); and

WHEREAS, the City Council designated the Property as a non-condemnation area in need of redevelopment (the Redevelopment Area”).

WHEREAS, pursuant to N.J.S.A. 40A:12A-7, on May 16 2018, the City duly adopted an ordinance approving the redevelopment plan entitled “**Redevelopment Plan Block 441, Lot 10**” (the “Redevelopment Plan”);” (and as same may be further amended from time to time, the “**Redevelopment Plan**”) for the Redevelopment Area; and

WHEREAS, on April 18, 2018, the City Council designated the Entity as Redeveloper; and

WHEREAS, the proposed project to be undertaken on the Property consists of the construction of a residential structure containing forty-four (44) residential units and forty six (46) parking spaces as submitted to the City of Bayonne Planning Board (the “**Project**”); and

WHEREAS, the Entity has submitted an Application to the City for approval of an extension of the tax exemption for the Project pursuant to the Exemption Law, which Application is attached hereto 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 live of the projects residents and maintaining the affordability of the property, 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 the Project the Entity is required to contribute to the reconstruction of a pedestrian bridge for the public’s benefit, 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 TFG 117-121 PROSPECT 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 TFG 117-121 PROSPECT 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 TFG 117-121 PROSPECT 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 TFG 117-121 PROSPECT 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.

Project size: 44 units 46 parking spaces

Term is for 20 years

1-6 10%

7-10 11%

10-15 11.5%

16-18 12% or 60% of taxes

19-20 13% or 80% of taxes

They are contributing 250k to the pedestrian bridge and 30K to other improvements to the area ie stormwater, sidewalks, park