

**AN ORDINANCE AUTHORIZING TAX ABATEMENT AND PILOT AGREEMENT WITH PAC Urban Renewal North Avenue II, LLC**

**WHEREAS**, PAC Urban Renewal North Avenue II, LLC (the Sponsor) having a principal place of business at Prologis, Metropolitan Center, One Meadowlands Plaza, Suite 100, East Rutherford, New Jersey 07073 has, pursuant to *N.J.S.A. 40A:20-8*, filed an application, including a form of financial agreement, which is on file in the office of the Clerk of the City of Elizabeth (Application) for a long term tax exemption on property located at Rear 2-90 North Avenue East, Elizabeth, NJ and being Block 1, Lot 1314R2 (the Property); and

**WHEREAS**, *N.J.S.A. 40A:20-1*, et seq., permits the City to grant such tax abatement and enter into a PILOT agreement with an urban renewal entity for an industrial project as described in the application and Financial Agreement; and

**WHEREAS**, there is on file in Office of the City Clerk a proposed Financial Agreement which sets forth the obligations of both the Sponsor and the City with regard to the tax exemption including the anticipated annual service charge; and,

**WHEREAS**, the Project is an industrial project located within Elizabeth to construct certain improvements on the Property consisting of a state of the art industrial warehouse/office building with a total of approximately 204,256 square feet,

**WHEREAS**, the Sponsor has presented to the City Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project; and

**WHEREAS**, the City Council believes that it is in the best interests of the City to grant the requested tax abatement and enter into a PILOT agreement with the Sponsor in order to provide it with a long-term tax exemption pursuant to *N.J.S.A. 40A:20-1*, et seq., so as to develop and maintain the Project as low- and moderate-income housing; and

**WHEREAS**, pursuant to *N.J.S.A. 40A:20-9* the PILOT agreement shall not take effect until approved by ordinance of the municipality; and

**WHEREAS**, the City Council has by resolution approved the project and authorized the Mayor to enter into a Financial Agreement with the Sponsor; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELIZABETH, COUNTY OF UNION, STATE OF NEW JERSEY:**

**SECTION 1.** – The City Council hereby authorizes a tax abatement pursuant to Long-Term Tax Exemption Law (*N.J.S.A. 40A:20-1*, et seq.) for the Project.

**SECTION 2.** – The City Council hereby further approves the agreement between the Sponsor and the City of Elizabeth for a payment in lieu of taxes (PILOT) agreement pursuant to the Long-Term Tax Exemption Law (*N.J.S.A. 40A:20-1*, et seq.).

**SECTION 3.** – The PILOT agreement shall be substantially in the form that is on file in the City Clerk's office authorizing an in lieu tax payment fixed at varying percentages of gross revenue of the Project for a period of twenty years, which shall be subject to statutory staged increases over the term of the tax exemption; and,

**SECTION 4.** – The Mayor shall be and is hereby authorized to execute the agreement and any and all documents necessary to enter into said agreement.

**SECTION 5.** - All ordinances or parts of ordinance inconsistent with the provisions of this ordinance be and the same are hereby repealed.

PRESENTED to the Mayor for  
APPROVAL or DISAPPROVAL on

APR 26 2017  
City Clerk

**SECTION 6.** - If any clause, sentence, paragraph, section or part of this ordinance or any other codes or ordinances incorporated herein shall be adjudged by any court of competent jurisdiction to be invalid, such judgement shall not affect, impair or invalidate the remainder hereof, but shall be confined in its operation of the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which said judgment shall have been rendered.

**SECTION 7.** - The effective date of this ordinance shall be twenty (20) days after its final passage by City Council and approval by the Mayor at the time and in the manner provided by law.

PASSED: 4/25/17

  
CARLOS I. TORRES  
PRESIDENT OF CITY COUNCIL

APPROVED: 4-22-17

  
J. CHRISTIAN BOLLWAGE  
MAYOR

ATTEST:

  
YOLANDA M. ROBERTS, R.M.C.  
MUNICIPAL CLERK