

ORDINANCE OF THE CITY OF ELIZABETH,
COUNTY OF UNION, NEW JERSEY APPROVING
AN APPLICATION FOR A LONG TERM TAX
EXEMPTION AND AUTHORIZING THE
EXECUTION OF A FINANCIAL AGREEMENT
WITH ELIZABETH GENERAL URBAN RENEWAL,
LLC, FOR AN URBAN RENEWAL PROJECT WITH
RESPECT TO THE PROPERTY LOCATED AT 901-
931 EAST JERSEY STREET (BLOCK 7, LOT 312).

WHEREAS, the City Council of the City of Elizabeth, in the County of Union, State of 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, in accordance with the criteria set forth in the Redevelopment Law, the City identified and designated the property commonly known as Block 7, Lot 312 on the tax map of the City as an "area in need of redevelopment" (the "Redevelopment Area"); and

WHEREAS, the City adopted a redevelopment plan for the Redevelopment Area prepared by Harbor Consultants, Inc., dated March 28, 2017, of the former Elizabeth General Hospital located at 901-931 East Jersey Street, (as may be amended and supplemented from time to time, the "Redevelopment Plan"); and

WHEREAS, the redevelopment of the Redevelopment Area (the "Project") shall conform to the Redevelopment Plan and will be in conformance with the master plan of the City; and

WHEREAS, despite Elizabeth General Urban Renewal, LLC's (the "Redeveloper") substantial investment of equity and borrowed funds, such amounts are insufficient to pay for all of the costs associated with the development and construction of the Project; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Redeveloper has submitted an application for the approval of the Project (the "Exemption Application") and a form of financial agreement (the "Financial Agreement") to the City for the approval of an urban renewal project, all in accordance with the Long Term Tax Exemption Law (the "LTTE Law"), specifically *N.J.S.A. 40A:20-8*; and

WHEREAS, pursuant to *N.J.S.A. 40A:20-8*, the Mayor has reviewed the Exemption Application and the Mayor has submitted the Exemption Application and Financial Agreement to the City Council with his recommendation for approval, subject to the condition that the Redeveloper pay, in lieu of tax payments on the Project, an annual service charge, such that the combined tax payment on the land and the annual service charge paid by the Redeveloper each year shall be no less than the amount of the total property taxes that the City has received from the Redevelopment Area, prior to redevelopment; and

WHEREAS, upon review of the proposed Project, the Exemption Application and the Mayor's recommendation, the City has made the following findings with respect to the Project pursuant to *N.J.S.A. 40A:20-11*:

1. The Redevelopment Area is not currently developed to its maximum potential. The Redevelopment Area is sparsely developed and underutilized and generates minimal taxes for the City. Development in the Redevelopment Area is financially infeasible without financial assistance. Upon expiration of the exemption, the Project shall be fully assessed and conventionally taxed. The former Elizabeth General Hospital Site is envisioned as a mixed-use residential project with community outdoor open space components incorporated into the site. The site will be organized to enable the collaboration of first-floor commercial and retail uses with residential uses above, along with attractive public spaces, strategically placed and amply provided parking, and a safe and efficient circulation pattern.

The site is proposed to be initially redeveloped with buildings mainly along East Jersey Street and Lafayette Street. The existing parking structure along Lafayette Street can be utilized to provide parking for residential uses above. On the other end of the site, along East Jersey Street, commercial and retail uses on the first floor will help to create pedestrian activity on the street during the day and reinvigorate the neighborhood community with a variety of uses. In addition, structured parking located on the first floors of the building will provide parking for the residential uses.

2. The interior of the site is envisioned to both preserve open space, as well as provide both active and passive uses that will serve both the site. In particular, a community garden, which is an activity that is mostly used for growing vegetables and flowers between May and August, will serve as a way to bring people together and beautify the site. The community garden is anticipated to be located at the back of the retail spaces, off the main circulation paths and away from the main outdoor activity areas. This location also offers places against the building for the storage bins needed for garden tools and supplies and for compost bins. The garden will be complemented by pedestrian amenities in the remainder of the open space which include well-lit decorative paths, landscaping, a trellis, and patio space. No other tax exemption is being enjoyed for the Project.
2. Given the costs as well as the uncertainty and instability of current economic and market conditions as well as aggressive competition within the region, the investment risk makes the financing of the Project infeasible in the absence of a tax exemption provided by the City;
3. The construction of the Project will result in the remediation of the Redevelopment Area, substantial improvements to the infrastructure on the site as well as community benefits in the form of increased jobs and ratables;
4. The Project is consistent with the Redevelopment Plan, will further its objectives and will contribute to the economic growth of the City;
5. The Financial Agreement was a material inducement to the Redeveloper to undertake the Project in the City and facilitate the redevelopment of the Redevelopment Area; and,

WHEREAS, in accordance with the provisions of the LITTE Law, the City desires to approve the Project and authorize the execution of the Financial Agreement; now, therefore,

BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF ELIZABETH, NEW JERSEY AS FOLLOWS:

SECTION 1. - The forgoing recitals are incorporated herein as if set forth in full.

SECTION 2. - The Redeveloper is hereby approved as the redeveloper to implement the Project.

SECTION 3. - An exemption from taxation as set forth in the Exemption Application is hereby approved and granted to the Redeveloper, with respect to the Project in the Redevelopment Area in accordance with the term set forth in the Financial Agreement; provided that in no event shall the term of the Financial Agreement exceed the earlier of (i) thirty-five (35) years from the date of execution of the Financial Agreement or (ii) to the extent permitted by the LTTE Law, thirty (30) years from the Redeveloper's receipt of a Certificate of Occupancy (as defined in the Financial Agreement) for the Project and only so long as the Redeveloper remains subject to and in compliance with the Financial Agreement and the LTTE Law.

SECTION 4. - The form of Financial Agreement submitted by the Redeveloper, now on file in the City Clerk's Office, is hereby approved in accordance with Section 8 of the LTTE Law in substantially the same form subject to.

SECTION 5. - The Mayor, in consultation with counsel to the City, is hereby authorized to execute the Financial Agreement and prepare, amend or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

SECTION 6. - The Clerk of the City is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the City upon such document.

SECTION 7. - The executed copy of the Financial Agreement shall be certified by and filed with the Office of the City Clerk. Further, the Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the City and to the chief financial officer and county counsel of Union County in accordance with Section 12 of the LTTE Law.

SECTION 8. - The Project shall conform with all federal, state and City laws, ordinances and regulations relating to its construction and use.


SECTION 9. - The Entity shall, in the operation of the Project, comply with all laws so that no person of race, religious principles, color, national origin or ancestry will be subject to discrimination.

SECTION 10. - All ordinances or parts of ordinance inconsistent with the provisions of this ordinance be and the same are hereby repealed.

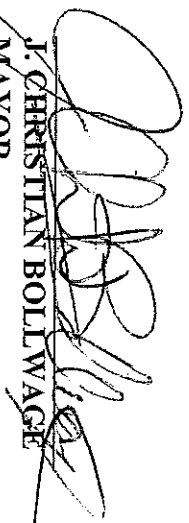
SECTION 11. - If any portion or clause of this ordinance is declared invalid for any reason whatsoever, same shall not affect the validity or constitutionality of any other part or portion of this ordinance.

SECTION 12. - 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: 9-12-17


CARLOS L. TORRES
PRESIDENT OF CITY COUNCIL

APPROVED: 9/13/17


J. CHRISTIAN BOLLWAGE
MAYOR

ATTEST:


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