

ORDINANCE OF THE CITY OF ELIZABETH,  
COUNTY OF UNION, NEW JERSEY APPROVING  
THE APPLICATION FOR A TAX EXEMPTION AND  
THE EXECUTION OF A FINANCIAL AGREEMENT  
WITH THE GRAND AT MURRAY STREET URBAN  
RENEWAL, LLC, FOR AN URBAN RENEWAL  
PROJECT WITH RESPECT TO THE PROPERTY  
LOCATED AT 57-77 MURRAY STREET (BLOCK 6,  
LOT 1600.B)

WHEREAS, The Grand at Murray Street Urban Renewal, LLC, located at Engel Gardens, 415 North Broad Street, Elizabeth, NJ 07208, the Entity, is about to become the owner of property located at 57-77 Murray Street (Block 6, Lot 1600.B); and

WHEREAS, the proposes to construct 80 market rate residential apartments and associated amenities, 5,040 square feet of street-level rental commercial space, and 87 on-site parking spaces. The entire building will be approximately 115,788 square feet in size. The site is currently vacant land that is owned by the City of Elizabeth. A visual rendering of the building to be constructed is attached to the application as Exhibit 15; and

WHEREAS, the construction of the Project will result in the creation of approximately 80 construction jobs. Upon completion the project would create approximately 6 full-time permanent jobs associated with the operation of the apartment units and 20 full-time permanent jobs associated with the retail space to be located at the subject property; and

WHEREAS, the Entity has submitted an application for the approval of the Project and a form of financial agreement to the City for the approval of the Project all in accordance with the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* (the "LTTE Law"), specifically N.J.S.A. 40A:20-8; and

WHEREAS, the Entity has stated that the Project shall conform to the Redevelopment Plan and will be in conformance with the master plan of the City; and

WHEREAS, despite the Entity's 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, pursuant to N.J.S.A. 40A:20-8, the Mayor has reviewed the Exemption Application and recommended the application be approved and requested that he be authorized to enter into a Financial Agreement for the payment in lieu of taxes on the Project, an annual service charge, which financial agreement shall not take effect until approved by ordinance of the City Council; 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 Project Site is not currently developed to its maximum potential. The Project Site is vacant and underutilized and generates minimal taxes for the City.
2. The financing of the Project is such that it is infeasible in the absence of a tax exemption provided by the City for the Project to be undertaken thereby leaving the property vacant and underutilized.
3. The construction of the Project will result in the creation of approximately 80 construction jobs. Upon completion the project would create approximately 6 full-time permanent jobs associated with the operation of the apartment units and 20 full-time permanent jobs associated with the retail space to be located at the subject property.

4. The Project conforms to all applicable municipal ordinances. It meets an existing need for housing and is in accord with the current Master Plan and Redevelopment Plan. The Project will further their objectives and will contribute to the economic growth of the City.
5. The Project will result in the productive redevelopment of a vacant parcel.
6. The Financial Agreement is a material inducement to the Entity to undertake the Project in the City and facilitate the redevelopment of the Project Site.
7. The tax exemption is an integral part of the development and is required so that the Project can compete on an equitable footing with comparable industrial buildings in the City and surrounding Port Elizabeth/Port Newark industrial market. It is also necessary due to the high costs of environmental remediation and site preparation costs. Prologis, the current owner, has established relationships with important local, regional and global clientele that they hope to attract to this facility.
8. The benefits of the Project outweigh the costs to the City. There will be significant job creation both during construction and operation. The City of Elizabeth is the current owner of the vacant land and is undeveloped. The tax exemption will enable the project to move forward and the municipal services associated with this development when completed will be minimal compared to the significant benefits generated consisting of jobs as well as increased revenue to the City. Currently, as City-owned land, the subject property generates no revenue for the City. Upon completion, the project would yield a combined annual service charge and administrative fee of more than \$175,000 and total revenue of more than \$1.7 million over the term of the tax exemption.

**WHEREAS**, attached to the Application is a proposed Financial Agreement, which conforms to the requirements of N.J.S.A. 40A:20-9 and which fully sets forth the understanding between the Applicant and the City of Elizabeth regarding the payment of an annual service charge to the City in lieu of taxes; and

**WHEREAS**, in accordance with the provisions of the LTTE Law, the City desires to approve the Financial Agreement for the Project; now, therefore, be it

**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 Project and the Exemption Application are hereby approved in accordance with the terms of the LTTE Law and the form of Financial Agreement submitted by the Entity is hereby approved.

**SECTION 3.** - The Mayor, in consultation with counsel to the City, is hereby authorized to execute the Financial Agreement in the form substantially as is attached to the Application and prepare, amend or execute any other agreements necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

**SECTION 4.** - 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 5.** - Any exemption from taxation as set forth in the Financial Agreement is hereby granted to the Entity, with respect to the Project for 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 Entity's receipt of a Certificate of Occupancy (as defined in the Financial Agreement) for the Project and only so long as the Entity remains subject to and in compliance with the Financial Agreement and the LTTE Law.

SECTION 6. - The Project shall conform with all federal, state and City laws, ordinances and regulations relating to its construction and use.

SECTION 7. - 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 8. - All ordinances or parts of ordinance inconsistent with the provisions of this ordinance be and the same are hereby repealed.

SECTION 9. - 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 10. - 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:

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