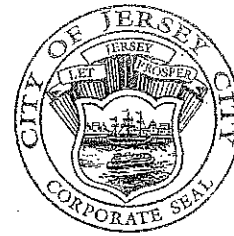


City Clerk File No. Ord. 16.045

Agenda No. 3-A 1st Reading

Agenda No. 4-A 2nd Reading & Final Passage



## ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 16.045

TITLE:

**AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-9 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 1505 LOT 55 COMMONLY KNOWN BY THE STREET ADDRESS OF 54 GRAHAM STREET**

**THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:**

**WHEREAS**, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq., also known as the Five (5) Year Exemption and Abatement Law; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions; and

**WHEREAS**, Five (5) Year Tax Exemptions allow the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

**WHEREAS**, Blue Water Homes, LLC is the owner of Block 1505, Lot 55 on the City's Tax Map and more commonly known by the street address of 54 Graham Street, Jersey City, New Jersey; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-1 et seq. and Section 304-12 of the Municipal Code, Blue Water Homes, LLC has applied for a tax exemption to convert an existing (1) one story warehouse into a four (4) story, twelve (12) unit market-rate residential rental project [the Project]; and

**WHEREAS**, although the Project received the required variances from the Zoning Board of Adjustment on March 20, 2008 and was cleared to proceed, construction of the Project has not yet commenced; and

**WHEREAS**, on January 29, 2016, the owner filed an application with the Tax Assessor to exempt the Project from taxes for five years, a copy of which is attached hereto; and

**WHEREAS**, Blue Water Homes, LLC proposes to pay the City as follows:

- (a) Year 1: the tax year in which the structure will be completed, no taxes on improvements;
- (b) Year 2: the second tax year, twenty percent (20%) of the taxes on the improvements, estimated to be \$5,438;
- (c) Year 3: the third tax year, forty percent (40%) of the taxes on the improvements,

**AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION  
PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ.,  
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estimated to be \$11,094;

(d) Year 4: the fourth tax year, sixty percent (60%) of the taxes on the improvements, estimated to be \$16,974;

(e) Year 5: the fifth tax year, eighty percent (80%) of the taxes on the improvements, estimated to be \$23,085;

**WHEREAS**, the total tax to be paid over the five year term is estimated at \$56,591; and

**WHEREAS**, the Tax Assessor has estimated that the full and true value of the new construction will generate an additional tax payment of \$26,658 a year; and

**WHEREAS**, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

**WHEREAS**, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the newly constructed multiple dwelling is eligible for a tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

**WHEREAS**, upon the expiration of the tax exemption, the total assessment will generate a total annual tax payment of \$39,063, including taxes on the land; and

**WHEREAS**, Blue Water Homes, LLC will pay \$24,000.00 to the City's Affordable Housing Trust Fund at the rate of \$1,500 per residential unit for twelve (12) units ( $\$1,500 \times 12 = \$18,000$ ) and \$1.50 for each square foot of parking (4,000 square feet of parking  $\times \$1.50 = \$6,000$ ); and

**WHEREAS**, on February 16, 2016, the Tax Exemption Committee recommended the approval of the tax exemption to the Mayor.

**NOW, THEREFORE, BE IT ORDAINED** by the Municipal Council of the City of Jersey City that:

1. The application, attached hereto, for a five (5) year tax exemption pursuant to N.J.S.A. 40A:21-1 et seq. and Section 304-12 of the Municipal Code, for the full and true value of the proposed three (3) story addition to a one (1) story industrial building containing a parking garage with twelve (12) parking spaces and twelve (12) market-rate rental residential units located at Block 1505, Lot 55 on the City's Tax Map and more commonly known by the street address of 54 Graham Street, is hereby approved.

2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

(a) estimated tax payment on the new improvements shall be:

(i) Year 1: the tax year in which the structure will be completed, no taxes on improvements;

(ii) Year 2: the second tax year, twenty percent (20%) of the taxes on the improvements, estimated to be \$5,438;

**AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION  
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- (iii) Year 3: the third tax year, forty percent (40%) of the taxes on the improvements, estimated to be \$11,094;
- (iv) Year 4: the fourth tax year, sixty percent (60%) of the taxes on the improvements, estimated to be \$16,974;
- (v) Year 5: the fifth tax year, eighty percent (80%) of the taxes on the improvements, estimated to be \$23,085;

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

- (b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.J.S.A. 40A:21-11(b).
  - (c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.
  - (d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.
  - (e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, and receiving the full benefits of, any other tax preferences provided by law.
  - (f) Affordable Housing Trust Fund: Blue Water Homes, LLC will pay \$24,000.00 to the City's Affordable Housing Trust Fund at the rate of \$1,500 per residential unit for twelve (12) units ( $\$1,500 \times 12 = \$18,000$ ) and \$1.50 for each square foot of parking ( $4,000 \text{ square feet of parking} \times \$1.50 = \$6,000$ ).
  - (g) The Construction Costs of this project are certified to be under \$25 Million and so a Project Labor Agreement (PLA) is not required as per Section 304-33 of the Municipal Code. However Blue Water Homes, LLC will execute a Project Employment and Contracting Agreement (PECA).
3. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.
  4. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the

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Department of Community Affairs within thirty (30) days of execution pursuant to  
N.J.S.A. 40A:21-11(d).

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner provided by law.
- D. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

**NOTE:** All material is new; therefore underlining has been omitted. For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

JJH 3/1/16

APPROVED AS TO LEGAL FORM

Certification Required ☐  
Not Required ☐

APPROVED: \_\_\_\_\_

APPROVED: \_\_\_\_\_

Corporation Counsel

Business Administrator

**ORDINANCE FACT SHEET – NON-CONTRACTUAL**

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

**Full Title of Ordinance**

An Ordinance to Approve A Five-Year Tax Exemption for a Market Rate Residential Rental Project Constructed by Blue Water Homes, LLC. Pursuant to the Short-term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 1505 Lot 55 on the City's Tax Map and known as 54 Graham Street.

**Initiator**

<b>Department/Division</b>	Office of the Mayor	Office of the Deputy Mayor
<b>Name/Title</b>	Marcos D. Vigil	Deputy Mayor
<b>Phone/email</b>	201-547-6542	mvigil@cnj.org

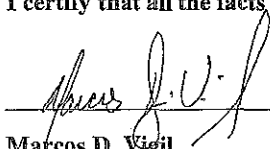
Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

**Ordinance Purpose**

The applicant, Blue Water Homes, LLC, is applying for a five (5) Year tax abatement for a four (4) story twelve (12) unit market rate residential rental project pursuant to N.J.S.A. 40 A: 21-1 et seq. The fee of \$4,200 was paid with the application.

The project is a three (3) story addition over a one (1) story industrial building. The first floor will be a parking garage with twelve (12) spaces. Twelve (12) market rate rental residential units will be equally distributed on the top three (3) floors. Each floor will have two (2) one bedroom units and two (2) two bedroom units.

I certify that all the facts presented herein are accurate.

  
\_\_\_\_\_  
Marcos D. Vigil  
Deputy Mayor

2-17-2016  
\_\_\_\_\_  
Date

# Ordinance of the City of Jersey City, N.J.



ORDINANCE NO. Ord. 16.045  
TITLE: 3.A MAR 9 2016 4.A **MAR 23 2016**

An ordinance approving a five (5) year tax exemption pursuant to the provisions of N.J.S.A. 40A:21-1, et seq., and Section 304-9 of the Municipal Code for property designated as Block 1505 Lot 55 commonly known by the street address of 54 Graham-Street.

RECORD OF COUNCIL VOTE ON INTRODUCTION <b>MAR 09 2016 9-0</b>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING <b>MAR 23 2016 8-0</b>											
Councilperson <u>COLEMAN</u> moved, seconded by Councilperson <u>OSBORNE</u> to close P.H.											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	ABSENT		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

## SPEAKERS:

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson _____ moved to amend* Ordinance, seconded by Councilperson _____ & adopted											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE <b>MAR 23 2016 9-0</b>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on **MAR 09 2016**  
Adopted on second and final reading after hearing on **MAR 23 2016**

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on **MAR 23 2016**

Robert Byrne, City Clerk

\*Amendment(s):

APPROVED:   
Rolando R. Lavarro, Jr., Council President  
Date **MAR 23 2016**

APPROVED:   
Steven M. Fulop, Mayor  
Date **MAR 24 2016**

Date to Mayor **MAR 24 2016**