



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 10-158

TITLE: ORDINANCE CONSENTING TO THE SALE AND ASSIGNMENT OF THE TAX EXEMPTION AND FINANCIAL AGREEMENT FROM ESSEX WATERFRONT URBAN RENEWAL ENTITY, LLC, TO LIBERTY TOWERS URBAN RENEWAL LLC, PURSUANT TO SECTION 9.1 OF THE FINANCIAL AGREEMENT AND THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ.

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

WHEREAS, Essex Waterfront Urban Renewal Entity, LLC, is an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. [Entity]; and

WHEREAS, the Entity owns certain property known as Block 34, Lots C-1, E, F, G, H, A, B, N-2, U-1, 19 and 21 [now consolidated and known as Block 34, Lot 26] on the City's Official Tax map, consisting of approximately 1.88 acres, and more commonly known by the street address of 33 Hudson Street, Jersey City, New Jersey [Property], all of which is located within the boundaries of the Colgate Redevelopment Plan; and

WHEREAS, by the adoption of Ordinance 00-023 on April 12, 2000, as amended by the adoption of Ordinance 01-021 on February 28, 2001, the Municipal Council of the City of Jersey City approved the tax exemption and authorized the execution of a financial agreement, with amendments for a mixed use project, consisting of 648 residential units, with a service charge calculated as 15% of annual gross revenue; and

WHEREAS, the Entity and the City executed a Financial Agreement on October 4, 2000 and an amendment thereto, as of March 18, 2001. [Financial Agreement and Amended Financial Agreement], with an estimated annual service charge of \$2,300,000; and

WHEREAS, on November 17, 2010, the Entity applied to the City for its consent to the sale of the project to Liberty Towers Urban Renewal LLC, urban renewal company formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., [the New Entity] which has agreed to assume all obligations of the Entity under the Financial Agreement and its amendment; and

WHEREAS, pursuant to Section 9.1 of the Financial Agreement, upon written application by the Entity, the City is required to consent to the sale or transfer of a tax exemption if: 1) the New Entity does not own any other tax exempt projects; 2) the New Entity is formed and eligible to operate under the Law; 3) the existing Entity is not in default of its financial agreement; and 4) the New Entity agrees to assume all obligations of the existing Entity; and

WHEREAS, in addition, pursuant to Section 9.1 of the Financial Agreement and as permitted under N.J.S.A. 40A:20-22, for agreements negotiated prior to the 2003, an Entity seeking to sell a project, is required to pay the City an amount equal to 1% of the actual sales price, which is ordinarily the consideration stated in the deed to the New Entity; and

ORDINANCE CONSENTING TO THE SALE AND ASSIGNMENT OF THE TAX EXEMPTION AND FINANCIAL AGREEMENT FROM ESSEX WATERFRONT URBAN RENEWAL ENTITY, LLC, TO LIBERTY TOWERS URBAN RENEWAL LLC, PURSUANT TO SECTION 9.1 OF THE FINANCIAL AGREEMENT AND THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ.

WHEREAS, based upon the projected the sales price, 1% of the sales price is estimated to be \$2,800,000, which sum will be paid at closing, anticipated to occur on or before January 10, 2011; and

WHEREAS, the New Entity will continue to pay 15% of annual gross revenue which in 2009 increased to approximately \$2,936,877 (from 2,300,000 in 2000).

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

A. The Application of Essex Waterfront Urban Renewal Entity, LLC, an urban renewal company formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. attached hereto, for Block 34, Lots C-1, E, F, G, H, A, B, N-2, U-1, 19 and 21, [now consolidated and known as Block 34, Lot 26] and more commonly known by the street address of 33 Hudson Street, to sell the project and transfer the tax exemption, is hereby approved, subject to payment to the City of 1% of the actual sales price therefore, estimated to be \$2,800,000.

B. The Mayor or Business Administrator is hereby authorized to execute a consent to assignment and assumption agreement with Liberty Towers Urban Renewal LLC, as well as any other documents appropriate or necessary to effectuate the sale and transfer of the Project and the tax exemption financial agreement, and the purposes of this ordinance.

C. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

D. 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.

E. This ordinance shall take effect at the time and in the manner provided by law.

F. 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*.

JM
11-17-10

APPROVED AS TO LEGAL FORM

Joanne Monahan
Corporation Counsel

APPROVED:

Gregory J. Romano
Business Administrator
ASST.

Certification Required

Not Required

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

ORDINANCE NO. Ord. 10-158
 TITLE: 3.A. NOV 23 2010 4.A. DEC 08 2010



Ordinance consenting to the sale and assignment of the tax exemption and financial agreement from Essex Waterfront Urban Renewal Entity, LLC, to Liberty Towers Urban Renewal, LLC, pursuant to Section 9.1 of the financial agreement and the Long Term Exemption Law N.J.S.A.40A:20-1 et seq.

RECORD OF COUNCIL VOTE ON INTRODUCTION											
NOV 23 2010 7-1											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP		✓		FLOOD	ABSENT		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING											
DEC 08 2010 8-0											
Councilperson <u>SOTTOLANO</u>				moved, seconded by Councilperson <u>GAUGHAN</u>				to close PH.			
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY	✓			FULOP	ABSENT			FLOOD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

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.
SOTTOLANO				GAUGHAN				BRENNAN			
DONNELLY				FULOP				FLOOD			
LOPEZ				RICHARDSON				VELAZQUEZ			

✓ Indicates Vote N.V.-Not Voting (Abstain)

RECORD OF FINAL COUNCIL VOTE											
DEC 08 2010 7-1											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
SOTTOLANO	✓			GAUGHAN	✓			BRENNAN	✓		
DONNELLY		✓		FULOP	ABSENT			FLOOD	✓		
LOPEZ	✓			RICHARDSON	✓			VELAZQUEZ	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on NOV 23 2010
 Adopted on second and final reading after hearing on DEC 08 2010

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on DEC 08 2010

Robert Byrne
 Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Peter M. Brennan
 Peter M. Brennan, Council President

Date: DEC 08 2010

APPROVED:

J. Healy
 Jerramiah T. Healy, Mayor

Date: DEC 09 2010

Date to Mayor DEC 09 2010

**CONSENT TO ASSIGNMENT OF FINANCIAL AGREEMENT
AND
ASSUMPTION OF FINANCIAL AGREEMENT,
BETWEEN
LIBERTY TOWERS URBAN RENEWAL, LLC
AND
THE CITY OF JERSEY CITY**

THIS AGREEMENT dated the ____ day of _____, 201_, between the **CITY OF JERSEY CITY [City]**, located at 280 Grove Street, Jersey City, New Jersey 07302 and **LIBERTY TOWERS URBAN RENEWAL, LLC**, a New Jersey limited liability company having an office at _____

WHEREAS, pursuant to N.J.S.A. 40A:20-1 et seq., and Ordinance 00-023 adopted on April 12, 2000, the City approved a Long Term Tax Exemption and the execution of a Financial Agreement with Essex Waterfront Urban Renewal Company, LLC [Entity], for the construction of six hundred forty-eight (648) market rate residential rental units, twenty-four thousand (24,000) square feet of commercial/retail space above an eight (8) story parking structure, and more particularly described as Block 34, Lots C-1, E, F, G, H, A, B, N-2, U-1, 19 and 21 [now consolidated and known as Block 34, Lot 26], on the official Tax Map of the City of Jersey City [Project]; and

WHEREAS, the City and Essex Waterfront Urban Renewal Company, LLC, entered into a financial agreement dated October 4th, 2000, as amended by the adoption of Ordinance 01-021 on February 28, 2001 and executed on March 18th, 2001, [Financial Agreement]; and

WHEREAS, pursuant to an Agreement of Sale Essex Waterfront Urban Renewal Company, LLC, as seller agreed to sell the Project and assign the Financial Agreement to Liberty Towers Urban Renewal, LLC [the New Entity]; and

WHEREAS, the Financial Agreement provides that any sale of the Project or Assignment of the Financial Agreement is null and void unless approved by the City in advance; and

WHEREAS, by application dated November 17, 2010, Essex Waterfront Urban Renewal Company, LLC, formally requested that the City give its consent and approval to Essex Waterfront Urban Renewal

Company, LLC, sale of the Project and assignment of the Financial Agreement to Liberty Towers Urban Renewal, LLC; and

WHEREAS, by adoption of Ordinance _____ on _____, the Municipal Council of the City of Jersey City: consented to a sale of the Project from Essex Waterfront Urban Renewal Company, LLC to Liberty Towers Urban Renewal, LLC; consented to the assignment and continuation of all rights and obligations under the Financial Agreement in Liberty Towers Urban Renewal, LLC; and authorized the City Business Administrator to execute any documents necessary and appropriate to effectuate the foregoing; and

WHEREAS, the parties hereto now seek to memorialize the consent of the City to the assignment of the Financial Agreement and the assumption of all right and obligations of the Financial Agreement by Liberty Towers Urban Renewal, LLC;

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

1. The City hereby authorizes, approves and consents to the Assignment by Essex Waterfront Urban Renewal Company, LLC, of the Financial Agreement to Liberty Towers Urban Renewal, LLC and the continuation of all rights and obligations under the Financial Agreement in Liberty Towers Urban Renewal, LLC;

2. Liberty Towers Urban Renewal, LLC, hereby assumes all of the rights and obligations of the Entity (as that term is defined in the Financial Agreement) in the Financial Agreement.

3. The City acknowledges that as of the date hereof, the names and the addresses of the parties entitled to receive notice under and pursuant to paragraph 9.1 of the Financial Agreement shall be as follows:

Liberty Towers Urban Renewal, LLC

4. Pursuant to Section 9.1 of the Financial Agreement, upon written application by the Entity, the City is required to consent to the sale or transfer of a tax exemption if: 1) the New Entity does not own any other tax exempt projects; 2) the New Entity is formed and eligible to operate under the Law; 3) the

existing Entity is not in default of its financial agreement; and 4) the New Entity agrees to assume all obligations of the existing Entity.

5. In addition, pursuant to Section 9.1 of the Financial Agreement and as permitted under N.J.S.A. 40A:20-22, for agreements negotiated prior to the 2003, an Entity seeking to sell a project, is required to pay the City an amount equal to 1% of the actual sales price, which is ordinarily the consideration stated in the deed to the New Entity.

6. The original Financial Agreement dated October 4, 2000, and its amendment dated March 18, 2001, hereby remain in full force and effect.

Any and all capitalized terms in this Agreement shall be defined in accordance with and by reference to the Financial Agreement and/or N.J.S.A. 40A:20-1 et seq.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first set forth above.

ATTESTED:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

JOHN KELLY
BUSINESS ADMINISTRATOR

WITNESS:

ESSEX WATERFRONT URBAN RENEWAL,
LLC

WITNESS:

By:

LIBERTY TOWER URBAN RENEWAL, LLC

By: