

TOWN OF WEST NEW YORK
County of Hudson

ORDINANCE # 12/14

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION FOR FIVE (5) STORY MULTI-FAMILING BUILDING CONSTRUCTED BY JACLYN 40, LLC PURSUANT TO THE PROVISIONS OF THE FIVE (5) YEAR EXEMPTION AND ABATEMENT LAW, N.J.S.A. 40-A:21-1 ET. SEQ., AND SECTION 7 OF ORDINANCE 11/07 AN ORDINANCE ENTITLED FIVE YEAR TAX ABATEMENT ORDINANCE.

WHEREAS, Jaclyn 40, LLC, (the “Entity”) owns certain property known as Block 130, Lot 4.01, (the “Property”) on the Official Tax map of the Town of West New York (the “Town”); and

WHEREAS, the Property is located in the Town, and in an area previously found to be in need of redevelopment; and

WHEREAS, the Entity has filed an application (“Application”) for a tax exemption for one (1) project involving the construction of a five (5) story, multi-family building containing 40 residential units, including accessible units, to be offered for rent; and

WHEREAS, the Town is authorized to adopt an ordinance to utilize tax exemptions/abatements pursuant to N.J.S.A. 40-A:21-1 et. seq., the Five (5) Year Exemption and Abatement Law; and

WHEREAS, pursuant to N.J.S.A. 40-A:21-1 et seq., the Town adopted Ordinance 11/07, an Ordinance entitled Five Year Tax Abatement Ordinance (“the Ordinance”) to allow Five (5) Year Tax exemptions which allows the town to enter into a tax agreement with the applicant for the exemption and abatement of local real estate property taxes and the payment of an amount in lieu of full property taxes;

WHEREAS, pursuant to N.J.S.A. 40-A:21-1 et seq., and Section 7 of the Ordinance, a tax exemption for new construction of multiple dwellings is permissible; and

WHEREAS, under the five-year tax exemption, the Entity is required to pay the Town (in addition to the full taxes on the land, which shall continue to be conventionally assessed and taxed) a payment in lieu of taxes for the new improvements on the Property; and

WHEREAS, the application for tax exemption was complete and timely filed; and

WHEREAS, the Property in 2013 generated approximately \$44,887.50 in taxes;
and

WHEREAS, the Town's assessor and its Abatement Consultant have reviewed the application and determined that its contents satisfy the requirements of N.J.S.A. 40A:21-1 et. seq. and Ordinance 11/07; and

WHEREAS, the Board of Commissioners has determined that the proposed Project Improvements are eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and the Ordinance; and

WHEREAS, under the five-year tax exemption, the Entity is required to pay the Town (in addition to the full taxes on the land, which shall continue to be conventionally assessed and taxed) payment in lieu of taxes for the new improvements on the Property, based on an estimated tax otherwise due on the improvements on the completed project of \$133,725.01, as follows:

- (a) In the first full year following substantial completion, no payment on the new improvements;
- (b) In the second full year following completion, an amount equal to 20% of taxes otherwise due on the new improvements, estimated to be \$26,745.00;
- (c) In the third full year of following completion, an amount equal to 40% of taxes otherwise due on the new improvements, estimated to be \$53,490.00;
- (d) In the fourth full year following completion, an amount equal to 60% of taxes otherwise due on the new improvements, estimated to be \$80,235.00;
- (e) In the fifth full year following completion, an amount equal to 80% of taxes otherwise due on the improvements, estimated to be \$106,980.00; and

WHEREAS, upon the expiration of the tax exemption, it is estimated that the Project Improvements for each separate project in total will generate a tax payment of approximately \$133,725.01 based on the current tax rate; and

NOW THEREFORE BE IT ORDAINED by the Major and Board of Commissioners of the Town of West New York, County of Hudson, State of New Jersey as follows:

1. The above recital is incorporated as if fully set forth at length herein.

2. The Application for a five (5) year tax exemption for the full and true value of the Project Improvements for each separate project is hereby approved.
3. The Major or Municipal administrator is hereby authorized to execute a five-year tax exemption agreement (“Tax Agreement”) for each separate project which shall contain, at a minimum, the following terms and conditions:

(a) The payment in lieu of taxes on the Project Improvements shall in total be:

(i) Year 1: the tax year following substantial completion, no payment in lieu of taxes otherwise due.

(ii) Year 2: the second tax year, 20% taxes otherwise due, estimated to be \$26,745.00;

(iii) Year 3: the third tax year, 40% of taxes otherwise due, estimated to be \$53,490.00;

(iv) Year 4: the fourth tax year, 60% of taxes otherwise due, estimated to be \$80,235.00;

(v) Year 5: the fifth tax year, 80% of taxes otherwise due, estimated to be \$106,980.00;

4. The taxes otherwise due for the Project Improvements shall be determined as of the date of completion by the municipal Tax Assessor.
5. The Tax Agreements for each project shall take effect for each project immediately following the completion and occupancy of such project and shall have a duration of five years unless terminated prior thereto.
6. With respect to the transfer 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; and
7. At the termination of each Tax Agreement, the new improvements shall be subject to all applicable real estate 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 the receiving the full benefits of, any other tax preferences provided by law.
8. The Municipal Clerk shall forward a copy of the Tax Agreements to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of the date of execution of each separate Tax Agreement.
 9. The Tax Agreements shall be subject to the provisions of Section 11 of the Ordinance, as may be applicable.
 10. All ordinances and parts of ordinances inconsistent herewith, excepting the Ordinance, are hereby repealed.
 11. This ordinance shall take effect at the time and in the manner provided by law.

Introduced: 8/20/2014

Adopted: 11/24/14