

**TOWN OF WEST NEW YORK  
HUDSON COUNTY, NEW JERSEY**

**ORDINANCE #10/24**

**AN ORDINANCE APPROVING A FIVE (5) YEAR TAX ABATEMENT FOR NEW  
CONSTRUCTION OF COMMERCIAL OR INDUSTRIAL STRUCTURES OR  
MULTIPLE DWELLINGS BY TAX ABATEMENT FOR A PROJECT CONSTRUCTED  
AT 574 56<sup>th</sup> STREET, PURSUANT TO THE PROVISION OF THE FIVE (5) YEAR  
EXEMPTION AND ABATEMENT LAW, N.J.S.A. 40A:21-1 ET SEQ. AND SECTION  
364-14 OF THE CODE OF THE TOWN OF WEST NEW YORK**

**WHEREAS**, the owner of certain property known as Block 120, Lot 59 on the Town's Official Tax Map (the "Property"), commonly known as 574 56<sup>th</sup> Street has filed an application for a tax exemption ("Application") for a project involving the new construction of commercial or industrial structures or multiple dwellings at the Property (the "Project").

**WHEREAS**, the Property is located in the Town of West New York, within an area declared to be in need of rehabilitation; and

**WHEREAS**, the Town of West New York is authorized to adopt an ordinance to utilize tax exemptions/abatements pursuant to N.J.S.A. 40A:21-1 et. seq., the Five (5) Year Exemption and Abatement Law in an area declared to be in need of rehabilitation pursuant to the N.J.S.A. 40A:12A-14, and N.J.S.A. 40A:21-1 et seq.; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-1 et seq., the Town of West New York adopted Ordinances 11/07 an Ordinance entitled Five Year Tax Abatement Ordinance amended by Ordinance 23/16 ("the Ordinance") to allow Five (5) Year Tax exemptions which permits the town to enter into a tax agreement with an applicant for the exemption and abatement of local real estate property taxes and the payment of an amount in lieu of full property taxes; and

**WHEREAS**, pursuant to N.J.S.A. 40A:21-1 et seq., and Section 364-14 of the Ordinance as codified and as amended, a tax exemption for new construction of multiple dwellings is permissible; and

**WHEREAS**, under the five-year tax exemption, the Owner is required to pay the Town (in addition to the full taxes on the land and existing improvements, 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 completed as required by the Ordinance; and

**WHEREAS**, the Property in 2022 generated approximately **\$3,881.00** in taxes, approximately **\$3,881.00** of which represented taxes on the land and **\$0** of which represented taxes on the existing improvements; and

**WHEREAS**, upon review of the application, 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 would be required to pay the Town full taxes on the land and existing improvements, which shall continue to be conventionally assessed and taxed and which are estimated to be **\$3,881.00** per year; and

**WHEREAS**, in addition, under the five-year tax exemption, the Entity would also pay the Town a payment in lieu of taxes for the new improvements on the Property, based on an approximate estimated tax otherwise due on the improvements on the completed Project of approximately **\$220,500.00**, as follows:

- (i) In the first full year following substantial completion, no payment on the new improvements;
- (ii) In the second full year following completion, an amount equal to 20% of taxes otherwise due on the new improvements;
- (iii) In the third full year following completion, an amount equal to 40% of taxes otherwise due on the new improvements;
- (iv) In the fourth full year following completion, an amount equal to 60% of taxes otherwise due on the new improvements;
- (v) In the fifth full year following completion, an amount equal to 80% of taxes otherwise due on the new improvements; and

**WHEREAS**, as the five-year tax exemption will begin in the first full year following substantial completion, the Project will be subject to an added assessment during the year of substantial completion, **to be determined by the tax assessor or other appropriate official**; and

**WHEREAS**, upon the expiration of the tax exemption, it is estimated that the Project Improvements in total will generate a tax payment of approximately **\$20,996.21**, including taxes on land and existing improvements, based upon the current tax rate; and

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

**SECTION ONE:**

1. The above recitals are 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 is hereby approved.

3. The Mayor or Municipal Administrator is hereby authorized to execute a five-year tax exemption agreement ("Tax Agreement") for the Project which shall contain, at a minimum, the following terms and conditions:

- a. The Owner will continue to be responsible for full taxes on the land and existing improvements, which shall continue to be conventionally assessed and taxed.
- b. The payment in lieu of taxes on the Project Improvements shall in total be:
  - i. In the first full year following substantial completion, no payment on the new improvements;
  - ii. In the second full year following completion, an amount equal to 20% of taxes otherwise due on the new improvements, estimated to be **\$3,423.04**;
  - iii. In the third full year following completion, an amount equal to 40% of taxes otherwise due on the new improvements, estimated to be **\$6,846.08**;
  - iv. In the fourth full year following completion, an amount equal to 60% of taxes otherwise due on the new improvements, estimated to be **\$10,269.13**;
  - v. In the fifth full year following completion, an amount equal to 80% of taxes otherwise due on the new improvements, estimated to be **\$13,692.17**.
- c. The taxes otherwise due for the Project Improvements shall be determined as of the date of completion by the Municipal Tax Assessor.
- d. The Tax Agreement for the Project shall take effect on January 1 of the tax year immediately following the completion of the Project and shall have a duration of five years unless terminated prior thereto.
- e. The Project shall be subject to an added assessment during the year of substantial completion as provided by State law and local ordinance.
- f. With respect to the transfer of the Property during the term of the Tax Agreement, 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.
- g. At the termination of the Tax 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 the Project, at the termination of an agreement, from qualifying for, and receiving the full benefits of, any other tax preferences provided by law.

- h. In the event the Project is converted to a condominium, then the Tax Agreement shall terminate, and the Project will be assessed conventionally as of the date of the recording of the master deed.

4. The Tax Agreement shall be subject to the provisions of Section 364-19 of the Ordinance as codified. This Section shall be incorporated in the Tax Agreement by reference as if fully set forth therein.

5. 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 the Tax Agreement.

#### **SECTION TWO:**

**Severability.** If any term or provision of this Ordinance is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, in whole or in part, such determination shall not affect the validity of the remaining terms and provisions of this Ordinance.

#### **SECTION THREE:**

**Repealer.** To the extent that any provision of the Code of the Town of West New York is found to conflict with this Ordinance, in whole or in part, this Ordinance shall control.

#### **SECTION FOUR:**

In order to avoid accidental repeal of existing provisions, the Town Clerk and the Corporation Counsel are hereby authorized to change any chapter numbers, article numbers and/or section numbers in the event that the codification of this Ordinance reveals that there is a conflict between those numbers and the existing Code.

#### **SECTION FIVE:**

This Ordinance shall take effect upon passage and publication as required by law.

**Introduced: March 20, 2024**

#### **Notice**

The foregoing Ordinance was adopted for first reading by the Mayor and Board of Commissioners of the Town of West New York, New Jersey, on **March 20, 2024** and ordered published, for consideration before final passage at a public hearing on **April 17, 2024 at 6:30 p.m.** held remotely or in person. Instructions regarding attendance and participation in the meeting will be posted on the Town's website: <http://www.westnewyorknj.org/>. A copy of this Ordinance has been posted on the bulletin board upon which public notices are customarily posted on in the Town Hall of the Town of West New York, and a copy (at no charge) is available up to and including the time of such meeting to the members of the public of the Town who shall request such copies, at the Office of the Town Clerk in said Town Hall in West New York, N.J.