

City Clerk File No. Ord. 10-012

Agenda No. 3.A 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 10-012

TITLE: **Ordinance Creating Community Services Block Grant Board in the Department of Housing, Economic Development and Commerce.**

Whereas, 42 U.S.C. Sec 9910 requires tripartite boards from public organizations in order to be considered an eligible entity for purposes of administering Community Service Block Grants; and

Whereas, the board is required to be composed of members of low income individual families; elected officials and major groups and interests in the community served; and

Whereas, a public organization such as Jersey City is required to have a minimum of 1/3 of the tripartite board membership comprised of representatives of low income individuals and families.

NOW THEREFORE, the Municipal Council of Jersey City does Ordain:

Section 1. Community Service Block Grant Board.

There is hereby established a Community Service Block Grant Board which shall be reconstituted and continued in the Department of Housing, Economic Development and Commerce.

Section 2. Membership on the Administering Board shall consist of the following three members:

(1) Public Official: An elected member of the City Council or their designee.

(2) Representative of low income individuals and families: The Jersey City Tenants Affairs Board shall be entitled to elect one representative.

(3) Private Representation: One member shall be selected who is representative of major groups and interests in the community served.

Section 3. Appointment of members.

All members other than the representative of the Jersey City Tenants Affairs Board shall be appointed by the Mayor and all members shall serve for a term of two years which may be renewed once, but total service not to exceed 6 years, except public officials who shall serve the term of their elected public offices.

Section 4. Administering Board.

The Administering Board shall have the following powers:

A) To organize itself adopt rules and procedures for its internal organization.

B) To review and make recommendations to the Department of Housing, Economic Development and Commerce to federal, state and private agencies for social services.

C) To review and make recommendations to the Department of Housing, Economic Development and Commerce and the Municipal Council upon existing social services programs under the auspices of the Department of Housing, Economic Development and Commerce.

D) To participate in the development of programs designed to serve low income individuals and families.

E) To advise the Municipal Council in social service policies and standards and program and administrative and financial policies.

F) The Director of the Department of Housing, Economic Development and Commerce is authorized to assist the Administering Board in fulfilling its responsibilities.

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

B. This ordinance shall be a 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 as provided by law.

D. The City Clerk and the 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 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*.

APPROVED AS TO LEGAL FORM

Corporation Counsel

APPROVED: _____

APPROVED: _____
Business Administrator



Certification Required

Not Required

City Clerk File No. Ord. 10-013

Agenda No. 3.B 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-013

TITLE:

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE PERMITTING MEDICAL OFFICE USE IN THE R-1 ZONING DISTRICT ALONG A PORTION OF PALISADE AVENUE

WHEREAS, the Municipal Council, pursuant to N.J.S.A. 40:55D-62, may adopt or amend a zoning ordinance relating to the nature and extent of the uses of land and of buildings and structures thereon; and

WHEREAS, several variances have been granted in past years to allow ground floor medical office use on lots on certain blocks along Palisade Avenue in the vicinity of Christ Hospital; and

WHEREAS, the granting of said use variances has been noted in the Annual Zoning Reports of the Zoning Board of Adjustment for several years along with the recommendation that use standards along this portion of Palisade Avenue be reexamined; and

WHEREAS, the proposed amendments address both the recommendations of the Annual Zoning Reports and are reflective of existing conditions on these certain blocks; and

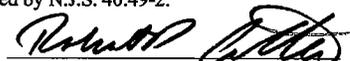
WHEREAS, the Planning Board of Jersey City, at its meeting of January 19, 2010, did discuss and approve a motion recommending that the Municipal Council adopt the amendments contained herein; and

WHEREAS, the amendments to the Land Development Ordinance are attached hereto and made a part hereof, and are available for public inspection at the Office of the City Clerk, City Hall, 280 Grove Street, Jersey City, NJ;

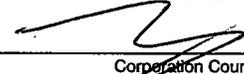
NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey city that the Land Development Ordinance, be and hereby is amended as per the attached document;

BE IT FURTHER ORDAINED THAT:

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. 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 as provided by law.
- D. The City Clerk and the Corporation Council 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 repealers of existing provisions.
- E. The City Clerk is hereby directed to give notice at least ten days prior to hearing on the adoption of this Ordinance to the County Planning board and to all other persons entitled thereto pursuant to N.J.S. 40:55D-15 and N.J.S. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is further directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S. 40:49-2.


Robert D. Cotter, AICP, PP, Director
Division of City Planning

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: 

APPROVED: 

Business Administrator

Certification Required

Not Required

ORDINANCE FACT SHEET

1. Full Title of Ordinance:

**ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY
ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE PERMITTING
MEDICAL OFFICE USE IN THE R-1 ZONING DISTRICT ALONG A PORTION OF
PALISADE AVENUE**

2. Name and Title of Person Initiating the Ordinance, etc.:

Carl S. Czaplicki, Director, Department of Housing, Economic Development, and Commerce

3. Concise Description of the Plan Proposed in the Ordinance:

Amends the R-1 One and Two Family Zoning District of the Land Development Ordinance (Zoning Ordinance) to allow for ground floor medical offices as conditional uses on the west side of Palisade Avenue from St. Paul's Avenue to Waverly Street.

4. Reasons (Need) for the Proposed Program, Project, etc.:

The amendments will facilitate appropriate and compatible development along this portion of Palisade Avenue, which is directly across from the Medical zoning district and where a large number of properties already have ground floor medical uses that existed prior to adoption of the 2001 Land Development Ordinance (LDO), or were approved by variance after adoption of the LDO.

The granting of said use variances has been noted in the Annual Zoning Reports of the Zoning Board of Adjustment for several years along with the recommendation that use standards along this portion of Palisade Avenue be reexamined.

5. Anticipated Benefits to the Community:

Facilitation of more appropriate, compatible development.

6. Cost of Proposed Plan, etc.:

None

7. Date Proposed Plan will commence:

Upon approval

8. Anticipated Completion Date: N/A

9. Persons Responsible for Coordinating Proposed Program, Project, etc.:

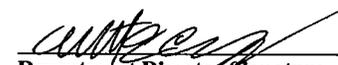
Carl S. Czaplicki, Director, Dept of HEDC
Robert D. Cotter, City Planning Director
Anthony J. Lambiase, Director, Division of Zoning

10. Additional Comments: None

I Certify that all the Facts Presented Herein are Accurate.


Division Director

FEB 2, 2010
Date


Deputy Department Director Signature

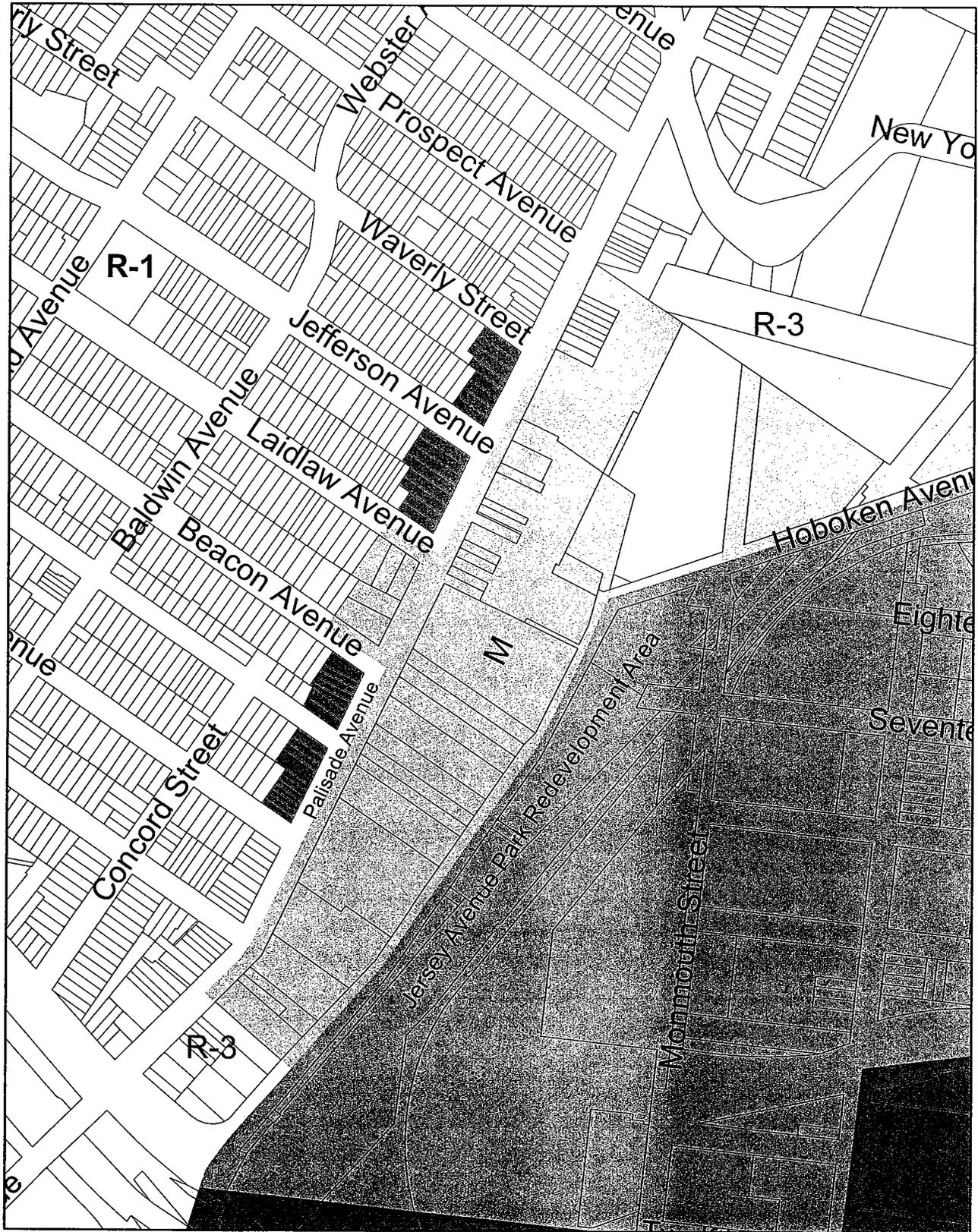
FEB 2, 2010
Date

SUMMARY STATEMENT

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE PERMITTING MEDICAL OFFICE USE IN THE R-1 ZONING DISTRICT ALONG A PORTION OF PALISADE AVENUE

This Ordinance will amend Article V: R-1 One and Two Family Housing of the Land Development Ordinance (Zoning Ordinance) to allow ground floor medical offices as conditional uses on the west side of Palisade Avenue from St. Paul's Avenue to Waverly Street in order to facilitate development that is compatible with the existing neighborhood along that particular part of Palisade Avenue.

Proposed Medical Office Use in the R-1 Zone



Legend

 R-1 Ground Floor Medical Office as Conditional Use



City Clerk File No. Ord. 10-014

Agenda No. 3.C 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-014

TITLE: **ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 12
(MUNICIPAL AUTHORITIES) ARTICLE IV (MUNICIPAL UTILITIES
AUTHORITY)**

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY HEREBY ORDAINS:

A. The following amendments to Chapter 12 (Municipal Authorities) Article IV (Municipal Utilities Authority) are hereby adopted:

MUNICIPAL AUTHORITIES

ARTICLE IV

Municipal Utilities Authority

§12-6. Members.

The Jersey City Municipal Utilities Authority shall consist of members of the Sewerage Authority holding office at the time of this reorganization, together with any successors in such membership appointed as if said Sewerage Authority had originally been created pursuant to the Municipal and County Utilities Authorities Law (N.J.S.A. 40:14B-4).

Commencing immediately upon the date this ordinance is adopted, no board member shall receive compensation of any kind, including but not limited to salary, medical health coverage, life insurance, prescription, optical or dental coverage.

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

C. This ordinance shall be a 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.

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

E. The City Clerk and the 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: New matter is underlined; deleted matter in {brackets} For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

1/27/10

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required

Not Required

2010011

City Clerk File No. Ord. 10-015

Agenda No. 3.D 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-015

TITLE: **ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 12
(MUNICIPAL AUTHORITIES) ARTICLE II (INCINERATOR AUTHORITY)**

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY HEREBY ORDAINS:

A. The following amendments to Chapter 12 (Municipal Authorities) Article II (Incinerator Authority) are hereby adopted:

MUNICIPAL AUTHORITIES

ARTICLE II Incinerator Authority

§12-2. Authority Established; membership.

- A. No Change.
- B. No Change.
- C. Commencing immediately upon the date this ordinance is adopted, no board member shall receive compensation of any kind, including but not limited to salary, medical health coverage, life insurance, prescription, optical or dental coverage.
- B. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- C. This ordinance shall be a 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.
- D. This ordinance shall take effect at the time and in the manner as provided by law.
- E. The City Clerk and the 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.

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1/27/10

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: _____

APPROVED: _____
Business Administrator

Certification Required

Not Required

2010010

City Clerk File No. Ord. 10-016

Agenda No. 3.E 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-016

TITLE: ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 53 (PERSONNEL) ARTICLE VI (VACATION LEAVE AND OTHER BENEFITS FOR NONUNION, UNCLASSIFIED PERSONNEL AND NONUNION MANAGERIAL PERSONNEL)

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

A. The following amendments and supplements to Chapter 53 (Personnel) and of the Jersey City Code are adopted.

ARTICLE VI

Vacation Leave and Other Benefits for Nonunion,
Unclassified Personnel and Nonunion Managerial Personnel

§ 53-40. Established Benefits for Managerial Employees.

Notwithstanding any other section of the City Code, and excepting members of the Municipal Council who shall not receive medical health coverage, prescription, optical or dental plan coverage, nonunion managerial personnel shall receive the following benefits:

A.	Medical health coverage.	No Change.
B.	Life insurance.	No Change.
C.	Prescription plan.	No Change.
D.		No Change.
E.	Optical plan.	No Change.
F.	Dental plan.	No Change.
G.	Deferred compensation.	No Change.
H.	Employee Assistance.	No Change.
I.	Sick leave.	No Change.
J.	Annual leave.	No Change.
K.	Personal days.	No Change.
L.	Longevity.	No Change.
M.	Holidays.	No Change.
N.	Tuition reimbursement.	No Change.

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

C. This ordinance shall be a 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.

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

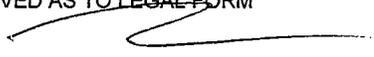
ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 53 (PERSONNEL) ARTICLE VI (VACATION LEAVE AND OTHER BENEFITS FOR NONUNION, UNCLASSIFIED PERSONNEL AND NONUNION MANAGERIAL PERSONNEL)

E. The City Clerk and the 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.

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JM/he
2/2/10

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: _____

APPROVED: _____
Business Administrator

Certification Required

Not Required

City Clerk File No. Ord. 10-017

Agenda No. 10.F 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

TITLE: **CITY ORDINANCE 10-017**
ORDINANCE ESTABLISHING POLICIES AND PROCEDURES FOR JC1TV

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

WHEREAS, the goal of JC1TV is to create greater awareness of local government and facilitate community's participation in local decision making process; and

WHEREAS, the goal is to make public proceedings and events more accessible to Jersey City residents by providing coverage of City Council meetings and other Boards via cable television; and

WHEREAS, JC1TV can promote special events in the community sponsored by the City and civic affiliated organizations; and

WHEREAS, JC1TV can provide supplement public safety and disaster preparedness activities/information pertaining to the City of Jersey City; and

WHEREAS, JC1TV can serve as an invaluable tool to document and archive City events and activities.

THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Jersey City hereby enacts policies and procedures for JC1TV.

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required

Not Required

Whereas, the goal of JC1TV is to create greater awareness of local government and facilitate community's participation in local decision making process

Whereas the goal is to make public proceedings and events more accessible to jersey City residents by providing coverage of city council meetings and other boards via cable television

Whereas, JC1TV can promote special events in the community sponsored by the city and civic affiliated organizations

Whereas JC1TV can provide supplement public safety and disaster preparedness activities/information pertaining to the city of Jersey City

Whereas JC1TV can serve as an invaluable tool to document and archive city events and activities

Therefore, be it resolved, the municipal council of the city of Jersey City hereby enacts policies and procedures for JC1TV

1. INTRODUCTION:
2. OBJECTIVES:
3. PROGRAMMING PRIORITIES:
4. PROGRAMMING FORMATS AND SCHEDULING
5. CHANNEL POLICIES:
 1. NON-EDITORIAL:
 2. NON-POLITICAL:
 3. NEUTRALITY:
 4. NON-COMMERCIAL:
 5. NON-DISCRIMINATORY:
 6. NON-SECTARIAN PROGRAMMING:
 7. LIVE COVERAGE:
 8. ACQUIRED OR PRE-PRODUCED PROGRAMMING:
6. PROGRAMMING RESTRICTION:
7. COPYRIGHT OF PROGRAMS:

1. INTRODUCTION:

JC1TV is a cable channel granted to the City for the purpose of cable casting government television programming, including but not limited to, LIVE gavel-to-gavel coverage of the City Council meetings, and relevant public board meetings.

2. OBJECTIVES:

JC1TV exists to provide citizens of Jersey City with local government information and to assist the City Departments with video production services. Specific objectives include:

1. Providing information about programs and services offered by City departments, agencies, boards, commissions and government-supported agencies.
2. Expanding citizen's awareness of government and its decision-making processes by exposing them to live and tape delayed government meetings and civic events.
3. Enhancing existing public information materials by using cable television as a public information tool.
4. Providing and distributing programming of interest to the residents that will inform, educate and enlighten, as well as encourage participation in government services, activities and decision making.
5. Increasing the cost efficiency of service delivery of departments and agencies.

3. PROGRAMMING PRIORITIES:

1. In the event of an emergency, JC1TV will be available as needed, and emergency information shall have priority over all other programming. JC1TV will work with the Director of Emergency Services to coordinate the use and programming of the channel during emergencies.

2. Coverage of City Council Meetings - gavel to gavel
3. Meetings and programs sponsored by regional, state and federal agencies dealing with topics pertaining to the City of Jersey City and of general interest.
4. The dissemination of information generated by the programs, services and functions of City departments and other governmental agencies.
5. Reoccurring programs and information series or one-time special or non-regular informational programs.
6. Public Service announcements for city services and programs

4 PROGRAMMING FORMATS AND SCHEDULING

- a. City Council Coverage will be televised according to the following guidelines
 - i. Coverage of city council meetings shall be covered live gavel to gavel excluding non public agenda items
 - ii. Public Meeting coverage shall not be edited or subject to editorial comment. Editing for technical difficulties is permitted
 - iii. Coverage will be focused on primarily recognized speaker, and on any visually displayed information that may be showing
 - iv. A city operated character message may indicated the name of the officially recognized speaker and may include the identification of the matter being considered and date of considering
 - v. Public City Council meetings are to be televised at least four times before the next city council meeting and with two showings to be televised between the times 8AM and 5PM and two showings beginning between the times of 6pm and 9pm. Council meetings will take priority over other regular scheduled programming
 - vi. City Council Caucus coverage will be televised at least twice between the time of the caucus and time of the regularly scheduled subsequent council meeting. One Caucus showing will be aired during the times of 9am-5pm and subsequent showing beginning between the times of 6pm-9pm
- b. Programming for Elected Officials
 - i. Due to limited resource of the Cable TV services, and in the interest of fairness, it shall be the policy of the Cable TV office to not provide production services or facilities for an elected official to host their own series programming or show. JC1TV will provide a series magazine-type talk show, with a designated host who is non affiliated with employment by municipal government, whom will be made available to all elected official offices and departments heads generally on a first come first serve basis not to exceed two appearances per year. JC1TV will grant priority to first time visits per elected officials over the repeat visits
- c. Informational and Previously Taped Regularly Scheduled Programming
 - i. Regular schedule based programming consistent with the goals and objectives of JC1TV should be included via notification of the schedule and time slot allotted for approval by Mayor and Council in each Council Agenda

5. CHANNEL POLICIES:

JC1TV shall be guided by the following policies:

- a. **NON-EDITORIAL:** The channel shall provide direct, non-editorial information concerning the operations, services and deliberations of government to the citizens of Jersey City
- b. **NON-POLITICAL:** The channel is not intended as a mechanism for building support for a particular ballot issue or candidate for public office. This provision does not preclude the cable casting of non-partisan programs sponsored by a neutral third party designed to inform the citizens of election issues and candidates.

Declared candidates for any elective office and persons advocating any cause, viewpoint, or proposed policy of a partisan nature will not be eligible to appear on the channel 130 days prior to an election or unless they appear in a forum in which all candidates or sides of an issues are given equal time.

For purposes of policy, a person is considered to be a candidate from the time of announcing publicly for any public office until the election has been held.

This policy does not apply to persons who receive incidental air time as part of a public meeting being cablecast on the channel, nor to officials acting as part of their regular duties when such actions do not involve partisan policies.

- c. **NEUTRALITY:** In any programming concerning subjects that may be interpreted to be materially controversial, the channel will maintain a position of neutrality, providing unbiased information. Requests for presentation of an opposing viewpoint during a legislative meeting will be directed to the appropriate agency for action on their agenda.
- d. **NON-COMMERCIAL:** The channel will not cablecast paid advertising or any program that depicts a product, business and/or service that has the purpose of benefiting a profit-making enterprise.
- e. **NON-DISCRIMINATORY:** The channel shall not discriminate in the delivery of its services on the basis of race, color, creed, national origination, sex, sexual orientation or physical ability.
- f. **NON-SECTARIAN PROGRAMMING:** The channel will not cablecast any programming that exposes or promotes any particular religious group or belief.
- g. **LIVE COVERAGE:** The channel will give priority to live coverage of meetings.
- h. **ACQUIRED OR PRE-PRODUCED PROGRAMMING:** To maximize resources, JC1TV will seek out high quality pre-produced programming that addresses the needs and interests of the citizens of Jersey City and that meets the priorities spelled out in Section III. All pre-produced programming must be sponsored by a government agency to be cablecast on SFGTV

6. PROGRAMMING RESTRICTION:

- a. Any obscene or salacious material.
- b. Any material which violates Federal, State or Local law.

7. COPYRIGHT OF PROGRAMS:

Programs containing copyrighted materials will be used only if copyright clearance has been obtained. The ownership and copyright for any program produced by the City of Jersey City shall be held by the City.

City Clerk File No. Ord. 10-018

Agenda No. 3.6 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE10-018

**TITLE: ORDINANCE TO SUBMIT THE PROPOSITION TO THE VOTERS TO AMEND
THE CITY CHARTER TO HOLD GENERAL ELECTIONS IN NOVEMBER.**

WHEREAS, under current law regular municipal elections, which are nonpartisan are held on the second Tuesday in May; and

WHEREAS, N.J.S.A. 40:69A-25.1 authorizes any municipality governed by the provisions of the "Optional Municipal Charter Law" (Faulkner Act) N.J.S.A. 40:69A-1 et. seq. to choose to amend its Charter to hold regular municipal elections on the day of the general election which is in November; and

WHEREAS, the concurrent November election, where municipal candidates run for office at the same time as other elected officials may assure a better turnout of voters and widespread voter interest; and

WHEREAS, the concurrent November election will provide a cost savings to the municipality; and

WHEREAS, the governing body of the City of Jersey City proposes that the Municipal Charter be amended to provide for the holding of general elections in November and in accordance with N.J.S.A. 40:69A-25.1 submits the proposition to the voters that the Charter be amended to change the election date from May to November.

NOW THEREFORE, the Municipal Council of Jersey City does Ordain:

Section 1. The Municipal Council of the City of Jersey City requests that pursuant to N.J.S.A. 40:69A-25.1 that the Municipal Clerk shall provide for the submission upon the official election ballot to be used in the November 2, 2010 general election the following proposition:

Shall the charter of the City of Jersey City governed by a Mayor Council form of government be amended, as permitted under that plan, to provide for the holding of general elections in November.

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

B. This Ordinance shall be a 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. The City Clerk pursuant to N.J.S.A. 40:69A-25.1 is directed to send a certified copy of this ordinance upon final passage and approval of the ordinance to be placed on the next general election occurring not less than 40 days (September 22, 2010) from the date of final passage and approval to the Hudson County Clerk advising the Hudson County Clerk to place this question on the ballot for the November 2, 2010 election.

D. The Corporation Counsel shall and is hereby directed to prepare an interpretive statement to be placed upon the ballot with the aforementioned proposition.

E. The City Clerk and the 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*.

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required

Not Required

City Clerk File No. Ord. 10-019

Agenda No. 3.H 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-019

TITLE: ORDINANCE TO SUBMIT THE PROPOSITION TO THE VOTERS AT THE NOVEMBER 2, 2010 GENERAL ELECTION THAT THE CITY OF JERSEY CITY ABANDON THE HOLDING OF RUN-OFF ELECTIONS AS PERMITTED BY THE "UNIFORM NONPARTISAN ELECTIONS LAW".

WHEREAS, the City of Jersey City under current law holds run-off elections which require that a winning candidate receive a majority of all votes cast for that office to be elected; and

WHEREAS, pursuant to N.J.S.A. 40:45-21 a municipality may by referendum, abandon the provisions of a run-off election; and

WHEREAS, pursuant to N.J.S.A. 40:45-21 the question of abandoning those provisions may be submitted to the voters by ordinance of the governing body; and

WHEREAS, any ordinance adopted for that purpose shall state the proposition that run-off elections not be held in the municipality; and

WHEREAS, the abandonment of the run-off election provisions will provide a cost savings to the City of Jersey City and allow a candidate for Mayor or Ward Councilperson and the top three candidates for At-Large Councilpersons to be elected by a plurality of the votes cast for that office at the municipal election; and

WHEREAS, the governing body of the City of Jersey City proposes that run-off elections be abandoned in the municipal election and in accordance with N.J.S.A. 40:45-21 submits the proposition to the voters that the run-off election be abandoned.

NOW THEREFORE THE MUNICIPAL COUNCIL OF JERSEY CITY DOES ORDAIN:

Section 1. The Municipal Council of the City of Jersey City requests that pursuant to N.J.S.A. 40:45-21(b) that the Municipal Clerk provide for the submission upon the official election ballot to be used at the November 2, 2010 general election the following proposition:

*** SHALL THE CITY OF JERSEY CITY ABANDON THE HOLDING OF RUN-OFF ELECTIONS AS PERMITTED BY THE "UNIFORM NONPARTISAN ELECTIONS LAW"?**

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

B. This Ordinance shall be a 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. Pursuant to N.J.S.A. 40:45-21(b) the City Clerk shall provide for the submission of this question at the next general election on November 2, 2010 by adoption of this ordinance which must be not

less than 60 days before said election (prior to September 3, 2010) and is directed to send a certified copy of this ordinance upon adoption to the Hudson County Clerk advising of this request.

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

E. The City Clerk and the 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.

F. The Corporation Counsel shall and is hereby directed to prepare an interpretive statement to accompany the aforementioned proposition on the ballot.

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*.

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required
Not Required

City Clerk File No. Ord. 10-020

Agenda No. 3.1 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-020

TITLE: **ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A MIXED AFFORDABLE AND MARKET RATE RENTAL HOUSING PROJECT TO BE CONSTRUCTED BY AHM HOUSING ASSOCIATES IV, LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.**

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

WHEREAS, AHM Housing Associates IV, LLC, is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; and

WHEREAS, AHM Housing Associates IV, LLC, is the ground lessee of certain property known as Block 1651 Lots 14, 13 and 11 (formerly Lot 6) on City's Tax map and more commonly known by the street address of 320, 324 and 328 Duncan Avenue, Jersey City, New Jersey [Property] for a period coterminous with the term of the tax exemption; and

WHEREAS, AHM Housing Associates IV, LLC, proposes to construct a housing project to be regulated and financed pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq. on the Property; and

WHEREAS, AHM Housing Associates IV, LLC, applied for a 30 year tax exemption to construct certain improvements on the Property to create a total of fifty-six (56) residential rental apartments, consisting of five (5) moderate income units, twenty-nine (29) low income units, sixteen (16) very low income units, for a total of fifty (50) affordable units, and six (6) market rate rental units; and

WHEREAS, AHM Housing Associates IV, LLC, has agreed to pay a service charge estimated to be, based upon 6.28% of annual gross revenue for years 1-10; 10% for years 11-20; and 15% for years 21-30, and

WHEREAS, the work to be performed under the federal assistance program funding this project will be done in accordance with 12 USC 1701 (U) and 24 CFR 135, section 3, which maintains training and employment for low income residents and contracts to be awarded to low income Jersey City residents or businesses; and

WHEREAS, AHM Housing Associates IV, LLC, will also provide employment and other economic opportunities for City residents and businesses in accordance with a Project Employment Agreement; and

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption for the following reasons:

1. The City will apply to receive credit for creating fifty (50) very low, low and moderate income rental housing against the units needed within the City of Jersey City as determined by the New Jersey Council on Affordable Housing and six (6) units will be market units, constituting a typical Hope VI Project; and

ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A MIXED AFFORDABLE AND MARKET RATE RENTAL HOUSING PROJECT TO BE CONSTRUCTED BY AHM HOUSING ASSOCIATES IV, LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.

2. There is an especially compelling need for decent safe and affordable housing for low income families, who are currently paying over 30% of their income for housing; and
3. The project will generate approximately 70 full-time construction jobs and 3 permanent jobs.
4. The construction of the improvements will stabilize the neighborhood and should generate additional tax revenue; and

WHEREAS, the City hereby determines that the tax exemption is necessary to insure the success of the project for the following reasons:

1. The reduced tax payments allow the owner to stable its operating budget, allowing a high level of maintenance to the building over the life of the project;
2. The reduction in taxes makes the Project attractive to investors of low income housing tax credits and makes the project eligible for financing from the New Jersey Housing and Mortgage Finance Agency, needed to fund the Project; and
3. The reduced tax payments will allow the owner to maintain the low and moderate income units at the lowest rents possible within the income guidelines; and

WHEREAS, the Mayor recommends this tax abatement application, which was also approved for recommendation by the Tax Abatement Committee on January 28, 2010.

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

1. The application of AHM Housing Associates IV, LLC, a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; for a tax exemption is hereby approved subject to the following terms and conditions:
 - (a) Term: 30 years or earlier, upon the expiration of the affordability controls or the term of the HMFA mortgage;
 - (b) Service Charge: 6.28% of Annual Gross Revenue, estimated to be \$27,834, based upon 6.28% of annual gross revenue for years 1-10; \$54,028, based upon 10% for years 11-20 and \$98,790, based upon 15% for years 21-30.
 - (c) Project: a total of fifty-six (56) residential rental housing, of which a total of fifty (50) units are low or moderate income to be applied against the units needed within the City of Jersey City as determined by the New Jersey Council on Affordable Housing; and
 - (d) Property: Block 1651, Lots 14, 13 and 11 (formerly Lot 6) on the City's Tax map and more commonly known by the street address of 320, 324 and 328 Duncan Avenue, Jersey City, New Jersey.
2. The Mayor or Business Administrator is authorized to execute a tax exemption Financial Agreement, which includes a Project Employment Agreement in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator and Corporation Counsel deems appropriate or necessary.

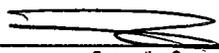
ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A MIXED AFFORDABLE AND MARKET RATE RENTAL HOUSING PROJECT TO BE CONSTRUCTED BY AHM HOUSING ASSOCIATES IV, LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.

- 3. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- 4. 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.
- 5. This ordinance shall take effect at the time and in the manner provided by law.
- 6. 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/he
2/3/10

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: _____

APPROVED: _____
Business Administrator

Certification Required
Not Required

Rev. 2-3-10

Long Term Tax Exemption

HMFA

N.J.S.A. 55:14K-1 et seq.

Re: 320, 324 and 328 Duncan Avenue
Block 1651, Lots 14, 13 and 11 (formerly Lot 6)

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] made this ___ day of _____, 2010, by and between **AHM HOUSING ASSOCIATES IV, LLC**, is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency N.J.S.A. 55:14K-1 et seq., having its principal office at c/o Pennrose Properties, LLC, One Brewery Park, 1301 N. 31st Street, Philadelphia, PA 19121-4495 [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation in the County of Hudson and the State of New Jersey, [City], having its principal office at 280 Grove Street, Jersey City, New Jersey 07302.

RECITALS

WITNESSETH:

WHEREAS, the real property on which the Project is to be located is owned by the Jersey City Housing Authority [JCHA] and is described as Block 1651, Lots 14, 13 and 11 (formerly Lot 6), more commonly known by the street address of 320, 324 and 328 Duncan Avenue, Jersey City, NJ 07306, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, the JCHA has made an application for a subdivision of the property. It is anticipated that, after the subdivision, the property will be located on Block 1651, Lots 14, 13 and 11 (formerly Lot 6) [the Property];

WHEREAS, the Entity has executed a long-term ground lease for the Property with the JCHA and has contracted to construct certain improvements on the Property, to create a total of fifty-six (56) residential rental apartments, consisting of five (5) moderate income units, twenty-nine (29) low income units, sixteen (16) very low income units, for a total of fifty (50) affordable units and six (6) market rate rental units [the "Project"];and

WHEREAS, the City of Jersey City found and determined that the proposed Project will meet existing housing needs.

WHEREAS, on _____, 2010, the Entity's Application for a tax exemption for the Project was approved by the City by the adoption of Ordinance 10-____; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq., Executive Order of E.O. 02-003, and Ordinance 10-____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Agency- The New Jersey Housing and Mortgage Finance Agency.
- ii. Annual Gross Revenue- The total gross income, including any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, or other services, including any Section 8 certificate revenue derived from the Project, including all rent and other income, with an allowable vacancy rate of up to 5%. It also includes the cost of insurance, gas, electricity, water and sewer charges, other utilities, garbage removal and insurance charges even if paid for directly by the Tenant, if such expense is ordinarily paid for by the Landlord.
- iii. Annual Service Charge -Estimated Service Charge: \$27,834 in year one to 10, and increase throughout the term of the abatement to approximately \$54,028, based upon 10% of actual gross revenue in years 11-20; and \$98,790, based upon 15% of

actual gross revenue for years 21-30.

iv. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholder's equity, statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items reasonably required by the City or its auditors. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

v. Certificate of Occupancy - Document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vi. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

vii. Entity - The term Entity within this Agreement shall mean AHM Housing Associates IV, LLC, which Entity is formed and qualified pursuant to Law. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under by Law and the transfer has been duly approved by the City.

viii. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

ix. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

x. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xi. Land Tax Payments - If the law requires, payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xii. Law - Law shall refer to the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq.; Executive Order 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 10-___, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

xiii. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the amount of the total taxes that would have been levied against all real property in the area covered by the Project in the last full tax year preceding the recording of the HMFA mortgage which amount the parties agree would have been \$27,834. The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to the Financial Agreement would be less than the Minimum Annual Service Charge.

xiv. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xv. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

xvi. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 1651, Lots 14, 13 and 11 (formerly Lot 6), more commonly known by the street address of 320, 324 and 328 Duncan Avenue, Jersey City, NJ, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Secretary of State or Office of the Hudson County Clerk.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct certain improvements on the Property to create a total of fifty-six (56) residential rental apartments, consisting of five (5) moderate income units, twenty-nine (29) low income units, sixteen (16) very low income units, for a total of fifty (50) affordable units and six (6) market rate rental units, all of which is more specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled by the Entity.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with

the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Statement of Rental Schedules and Lease Terms

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7, attached hereto.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of: thirty five (35) years from the date of the adoption of Ordinance 10-___, which approved this exemption or thirty (30) years from the date of the recording of the HMFA mortgage as funded and approved by the Agency. The tax exemption shall only be effective only while the Project is owned by an entity formed and operating as a housing sponsor under the Law and subject to an HMFA mortgage. Thereafter, the tax exemption shall expire and the land and improvements thereon shall be assessed and taxed according to the general law applicable to other non-exempt property in the City.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make payment to the City of an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the date this Agreement is executed. The Annual Service Charge or Minimum Annual Service Charge, as the case may be, shall be due on the first day of the month following the Substantial

Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Administrative Fee

The Entity shall also pay an annual administrative fee to the City in addition to the Minimum or Annual Service Charge. This administrative fee shall equal two (2%) percent of the Annual Service Charge and shall be payable and due on or before December 31st of each year and collected in the same manner as the Annual Service Charge.

Section 4.3 Land Tax Credit

If the Law requires the Entity to pay Land Taxes in addition to the service charges, then the Entity will be entitled to a land tax credit against the service charges. In order to be entitled to the credit, however, the Entity is obligated to make timely Land Tax Payments, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that year. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

Section 4.5 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

Section 5.1 Project Employment Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment & Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner. The failure to secure the Certificates of Occupancy shall subject the property to full taxation.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not mitigate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit(s) for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that this Agreement shall continue in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: Rental schedule of the urban renewal Project, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Total Project Cost Audit: Within ninety (90) days after the Substantial Completion of the Project, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by an independent and qualified architect, utilizing the form attached hereto as Exhibit 9, and as to all other costs, certified its conformance with generally accepted accounting principles, by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

Section 7.3 Mortgage

Within ninety (90) days after the date the Entity closes on its loan with the Agency, the Entity shall file with the City a fully executed copy of the Note and a recorded copy of

the HMFA Mortgage.

Section 7.4 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Interest shall accrue at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity's return on investment shall be limited in accordance with the regulations and conditions imposed by the Agency pursuant to N.J.S.A. 55:14K-7(6) or any other Law applicable.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Prior Approval of Sale

Any change made in the ownership of the Project and sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity is formed and eligible to operate under the Law; 2) the Entity is not then in default of this Agreement or the Law; and 3) the Entity's obligations under this Agreement is fully assumed by the new Entity.

Section 9.2 Transfer or Lease to Tax Exempt Organization or Public Body.

In the event that the Entity transfers, sells, demises, conveys, or in any manner

relinquishes ownership or title, including a lease to the land or improvements, covered by this tax exemption agreement, to a tax exempt non-profit organization or institution, including any public body, during the term of the tax exemption agreement, that would adversely impact the City's anticipated economic interests by reducing in any way taxes or the service charge due the City under this agreement or by law, it is understood and agreed by the Entity that it first obtain the consent of the City to the transfer or lease. It is further understood that it may be grounds for the City to withhold its approval if the City's economic interests are adversely effected thereby.

Section 9.3 Severability.

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Municipal Council by Ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the improvements from the lands which are basic to, embraced in, or underlying the exempted improvements.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 55:14K-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the

Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default failure to pay any charges defined as Material Conditions in Section 4.5, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Additional Consideration or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI Land Taxes or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No determination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Administrative Fees or Additional Consideration. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no determination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Administrative Fees or Additional

Consideration, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting to the City. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the

Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article III, Section 4.8 as Material Conditions.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action (other than an action commenced by the Entity) alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Law, the Entity shall indemnify and hold the City harmless, and the Entity agrees to defend

the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the Entity.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

AHM Housing Associates IV, LLC
c/o Pennrose Properties, LLC
One Brewery Park
1301 N. 31st Street
Philadelphia, PA 19121-4495

and

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

and

Trenk, DiPasquale, Webster,
Della, Fera & Sodono, P.C.
347 Mt. Pleasant Avenue, Suite 300
West Orange, New Jersey 07052
Att: Elnardo J. Webster, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event

of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Initial Rental Schedules and Lease Terms;
8. Project Employment & Contracting Agreement;
9. Architect's Certification of Actual Construction Costs;
10. Written approval of HMFA mortgage loan, including the amount and term thereof.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

ATTEST:

AHM ASSOCIATES IV, L.L.C.

SECRETARY

MEMBER MANAGER

ATTEST:

CITY OF JERSEY CITY

**ROBERT BYRNE
CITY CLERK**

**BRIAN O'REILLY
BUSINESS ADMINISTRATOR**

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the ____ day of _____, 2010, between the **CITY OF JERSEY CITY [City]** and **AHM HOUSING ASSOCIATES IV, LLC**, having its principal office at AHM Housing Associates, LLC c/o Pennrose Properties, LLC, One Brewery Park, 1301 N. 31st Street, Philadelphia, PA 19121-4495. Recipient agrees as follows:

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 121-125 Newark Avenue, Jersey City, NJ 07302, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Acting Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.

9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined as follows:
- a) "African-American" means a person having origins in any of the black racial groups of Africa.
 - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
 - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
 - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.

17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

III. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

IV. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the “Project Employment & Contracting Compliance Officer” to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the “Project Employment & Contracting Compliance Officer” to the employees of the Recipient’s company. An example of this letter can be found in Appendix AZ

V. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance 09-034, approving the tax exemption and terminate the earlier of 35 years from the date of the adoption of that Ordinance or 30 years from the date of Substantial Completion of the Project.

VI. Good Faith Defined:

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The initial manning report should contain an estimate of the total work force to be used at the Project Site, including the work force of any and all Contractors and Subcontractors. It should also describe the specific construction trades and crafts, and indicate the projected use of City residents, City resident Minorities and City resident women. Attached hereto as Appendix B is the Recipient’s Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and

Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Acting Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Acting Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total work hours in each construction trade or craft and the number of hours worked by City residents, including a list of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by employees of the Contractor and each of its Subcontractors. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residency, including gender and ethnic/racial origin of each worker. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

2. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.

- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

3. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

1) Solicitation of Businesses:

a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Acting Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.

b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.

i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.

ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned

business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

4. Summation of Documentation Needed For Compliance with Agreement

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Acting Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

VII. Notices of Violation:

1. **Advisory Notice:** The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. **Violation Notice:** If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. **Correcting the Violation:** Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. **Extension of Time to Correction:** Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation

will be considered not corrected.

5. **Meetings Concerning Violations:** The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. **Interviews Relating to Violations:** The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. **Determination of Violation:** The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

VIII. Damages:

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): Five (5%) percent increase in the annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): Three (3%) percent increase in the annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): Two (2%) percent increase in the annual payment in lieu of taxes.
- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: Five (5%) percent increase in the annual payment in lieu of taxes.

IX. Commercial Tenants at the Project Site:

1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.

2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

X. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

A. Harry Moore Phase IV
AHM Housing Associates IV, LLC
c/o Pennrose Properties, LLC
One Brewery Park
1301 N. 31st Street
Philadelphia, PA 19121-4495

and

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

and

Trenk, DiPasquale, Webster,
Della, Fera & Sodono, P.C.
347 Mt. Pleasant Avenue, Suite 300
West Orange, New Jersey 07052
Att: Elnardo J. Webster II, Esq.

2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor
Department of Administration
Division of Economic Opportunity
121-125 Newark Avenue
3rd Floor
Jersey City, New Jersey 07302

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

XI. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Brian O'Reilly
Business Administrator

WITNESS:

AHM HOUSING ASSOCIATES IV, LLC

Secretary

President

City Clerk File No. Ord. 10-021

Agenda No. 3.J 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-021

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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 60.12, LOT 5, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 359 SKINNER MEMORIAL DRIVE

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., 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 304-1 et seq. of the Municipal Code), and as amended by Ordinance 07-146, to allow Five (5) Year Tax Exemptions which allows 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, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for a new six (6) story Commercial Rental Redevelopment Project containing approximately seventy-five thousand (75,000) square feet of commercial space, is permitted for a period of five (5) years; and

WHEREAS, Jersey City Medical Complex, LLC, is the owner of a newly constructed commercial building, located in Block 60.12, Lot 5 on the City's Tax Map and more commonly known by the street address of 359 Skinner Memorial Drive, Jersey City, N.J.; and

WHEREAS, on January 20, 2010, the owner filed an application to tax exempt the newly constructed commercial building, a copy of which application is attached hereto; and

WHEREAS, as determined by the assessor on October 1st of the year following completion, the owner proposes to pay the City (in addition to \$31,139 in the full taxes on the land, which shall continue to be conventionally assessed and taxed) a tax payment for the new improvements on the property, as follows:

- (a) 2010: the tax year in which the structure will be completed. \$0 taxes;
- (b) 2011: the second tax year, 39% of actual full taxes, estimated to be \$109,299;
- (c) 2012: the third tax year, 59% of actual full taxes, estimated to be \$165,350;

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 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 60.12, LOT 5, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 359 SKINNER MEMORIAL DRIVE

- (d) 2013: the fourth tax year, 79% of actual full taxes, estimated to be \$221,401; and
- (e) 2014: the fifth tax year, 80% of actual full taxes, estimated to be \$224,204;

WHEREAS, the Tax Assessor has determined that the full and true value of the new construction is \$19,445,271 Dollars, that generates an additional tax payment of \$875,950 a year; 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 and commercial space are eligible for 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 be \$19,445,271 Dollars, that will generate a total tax payment of \$875,950; and

WHEREAS, on January 28, 2010, the tax abatement application was considered by the Mayor's Tax Abatement Committee, who voted to recommend approval of the application to the Municipal Council.

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 for the full and true value of the new six (6) story commercial building, located in Block 60.12, Lot 5, and more commonly known by the street address of 359 Skinner Memorial Drive, Jersey City, N.J. [Property or Project], 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) in addition to land taxes, presently \$31,139, the tax payment on the new improvements shall be:
 - (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;
 - (ii) Year 2: the second tax year, 39% of actual full taxes, estimated to be \$109,299;
 - (iii) Year 3: the third tax year, 59% of actual full taxes, estimated to be \$165,350;
 - (iv) Year 4: the fourth tax year, 79% of actual full taxes, estimated to be \$221,401; and
 - (v) Year 5: the fifth tax year, 80% of actual full taxes, estimated to be \$224,204.

(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).

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 60.12, LOT 5, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 359 SKINNER MEMORIAL DRIVE

(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 and every tax year shall become due and payable from the property owner as if no exemption had been granted. 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 conveyance or 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, 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.

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 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*.

JM/he
2/2/10

APPROVED AS TO LEGAL FORM



Corporation Counsel

APPROVED: _____

APPROVED: _____
Business Administrator

Certification Required
Not Required

2-2-10

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this ____ day of _____, 2010, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey, and, **JERSEY CITY MEDICAL OFFICE COMPLEX, LLC** [Applicant], whose principal place of business is 839 North Jefferson Street, Ste. 600, Milwaukee, Wisconsin 53202.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinance 07-146; and

WHEREAS, the Applicant is owner of certain property located at 359 Skinner Memorial Drive, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 60.12, Lot 5, on the Tax Assessor's Map, more commonly known by the street address of 359 Skinner Memorial Drive, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January 20, 2010, the Applicant applied for a five year tax exemption to construct a new Commercial Rental Redevelopment Project on the Property containing approximately seventy-five thousand (75,000) square feet of commercial space [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance ____ on _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the construction of a new Commercial Rental Redevelopment Project containing approximately seventy-five thousand (75,000) square feet of commercial space [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to Law and Ordinance ____ which

authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar year of 2010, no payment in lieu of taxes;
2. For the full calendar year of 2011, thirty-nine (39%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$109,299;
3. For the full calendar year of 2012, fifty-nine (59%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$165,350;
4. For the full calendar year of 2013, seventy-nine (79%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$221,401; and
5. For the full calendar year of 2014, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$224,204.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **\$3,500** to the City on or before the date this Agreement is executed. Failure to make such payment shall cause the tax exemption to terminate.

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax

exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE VIII: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

ARTICLE IX: PROJECT EMPLOYMENT AGREEMENT

In order to provide City residents and businesses with employment and other economic opportunities, the Applicant agrees to comply with the terms and conditions of the Project Employment Agreement which is attached hereto as Exhibit C.

ARTICLE X: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City: Business Administrator
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant: Jersey City Medical Complex, LLC
839 North Jefferson Street, Ste. 600
Milwaukee, Wisconsin 53202

And: George L. Garcia, Esq.
Garcia & Turula, LLC
3 Second Street
Jersey City, NJ 07311

ARTICLE XI: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by an Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

JERSEY CITY MEDICAL COMPLEX, LLC

BY: _____

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____

Brian O'Reilly
Business Administrator

**APPLICATION FOR TAX EXEMPTION
OF**

Jersey City Medical Complex, LLC

In compliance with Executive Order 02-003 of the Mayor of City of Jersey City, the Applicant herewith submits the following information in support of its application for a Five Year Tax Exemption under and pursuant to N.J.S.A. 40A:21-1 et seq.

Applicant: Jersey City Medical Complex, LLC
839 North Jefferson Street, Ste. 600
Milwaukee, Wisconsin 53202

Project: Medical Office Building
Jersey City Medical Center Campus
359 Skinner Memorial Drive
Jersey City, New Jersey
Block 60.12, Lot 5

The medical office building is referred to herein as the "Project."

Applicant's Attorney: Garcia & Turula, LLC
Harborside Plaza 10
3 Second Street
Jersey City, New Jersey 07311
Attn: George L. Garcia, Esq.

LIST OF EXHIBITS

- A. - Description of Property;
- B. - Estimated Cost of Project Construction;
- C. - Estimated Tax Computation;
- D. - Municipal Land Use Approvals;
- E and E-1 - Disclosure Statement and Certificate of Formation;
- F - Certification of Compliance with State and Local laws
- G. - Certification of Diligent Inquiry
- K. - Proposed Tax Agreement

1. Identification of the Property:

The Property is located at Skinner Memorial Drive, Jersey City, New Jersey and is more particularly known as Block 60.12, Lot 5, on the official tax map of the City of Jersey City, State of New Jersey. The Property is more particularly described on Exhibit A attached hereto and made a part hereof.

2. General Statement of the Nature of the Project:

The Project is located within the Jersey City Medical Center Campus. The Project is being constructed on a newly created 29,998 square foot lot. Previously, this parcel was tax exempt and vacant. Once the Project is completed, the newly created parcel shall become tax ratable for the City. The Project consists of a 75,000 square foot medical office building. Primarily, the Project will be leased for medical purposes. The Jersey City Medical Center will be leasing a portion of the Project. The Project is in close proximity to the Light Rail and allows for easy access to the Jersey City Medical Center. It is anticipated that the Project will create valuable synergies for the Jersey City Medical Center.

3. Term of Abatement:

The Applicant requests that the term of the exemption be for five (5) years beginning on the date of completion of the Project (the "Exemption Commencement Date") and ending on the date that is one day prior to the fifth anniversary of the Exemption Commencement Date.

4. Improvements to be Constructed:

The Project is being constructed on a newly create 29,998 square foot lot. Previously, this parcel was tax exempt and vacant. The Project consists of a 75,000 square foot medical office building. Primarily, the Project will be leased for medical purposes.

5. Estimated Total Cost of the Project:

The construction cost of the Project, as indicated on Exhibit B, is estimated to be \$19,445,271.00 is calculated in accordance with the provisions of N.J.S.A. 40A:21-3(j). Construction costs have been estimated based upon the information compiled by the Applicant.

6. Financing Structure:

The Project will be financed through private capital financing and a permanent mortgage through institutional lender.

7. Exemption Requested:

The Applicant seeks a five (5) year tax exemption under and pursuant to N.J.S.A. 40A:21-1, et seq. (the "Five Year Exemption and Abatement Law") for the development of a rental commercial Project. The Applicant requests that the tax agreement be based on the following formula:

Project Taxes During the Term of Exemption

Year One:	\$ 31,139	(Land tax only)
Year Two:	\$140,438	(39% of real estate taxes on improvement)
Year Three:	\$196,489	(59% of real estate taxes on improvement)
Year Four:	\$252,540	(79% of real estate taxes on improvement)
Year Five:	\$255,343	(80% of real estate taxes on improvement)

Following the expiration of the term of the exemption, the Applicant will pay full real estate taxes.

A fiscal plan for the management of the Project and a calculation and breakdown of the aforementioned real estate taxes is set forth in Exhibit C attached hereto.

Based on the above formula it is estimated that the Project will generate real estate taxes payable to the City of Jersey City in the amount of approximately **\$875,950.00** during the term of the exemption.

8. Construction Schedule:

It is anticipated that the construction of the Project will be substantially complete in January 2010.

9. Municipal Land Use Approvals:

On May 13th, 2008, the Applicant obtained amendments to the preliminary and final site plan approved by the Jersey City Planning Board for the Project. A copy of the Planning Board's resolution is attached hereto as Exhibit D.

10. Real Estate Tax Assessments:

The total real estate tax assessment for the Property at which the Project is to be located for the year 2009 was valued as follows: the Land was assessed at \$0.00 and the Improvements were assessed at \$0.00 for a Total Assessment of \$0.00 in the fiscal year of 2009.

11. Real Estate Taxes Levied:

The total payment for the municipal real estate taxes for 2009 was approximately \$0.00.

12. Status of Municipal Taxes and Other Charges:

The Applicant is the Lessee of the Property known as Block 60.12, lot 5 on the official tax map of the City of Jersey City. To the best of the Applicant's knowledge and belief, all real estate taxes and other assessments against the property have been paid in full. The Applicant will pay or cause all real estate taxes or other assessments due on the property to be paid prior to the execution of the Financial Agreement.

13. Disclosure Statement and Certificate of Formation:

A Disclosure Statement is attached hereto as Exhibit E. The Applicant is a limited liability company organized under the laws of the State of New Jersey. A copy of the Certificate of Formation and Amendments thereto are attached hereto as part of Exhibit E-1.

14. Estimated Jobs Created:

The Applicant estimates that construction of the Project will generate more than one hundred (100) jobs over the construction period. The Project will create approximately 100 permanent fulltime: management, clerical, medical and service jobs and positions.

16. Compliance with State and Local Law:

A Certification by the Applicant that the Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City is attached hereto as Exhibit F.

17. Certification of Truthfulness and Diligent Inquiry:

A Certification of the Applicant that all information contained in the application is true and correct to the best of its knowledge after having made diligent inquiry is attached hereto as Exhibit G.

18. Tax Agreement:

The proposed Tax Agreement for the Applicant is attached hereto as Exhibit H.

19. Fee:

The fee for this application is \$3,500.00 and submitted herewith.

EXHIBIT A

LEGAL DESCRIPTION

Address: Skinner Memorial Drive
Jersey City, New Jersey
Block 60.12, Lot 5

(SEE METES AND BOUNDS DESCRIPTION ATTACHED)

EXHIBIT B

Estimated Cost of Project Construction

The Estimated Cost is calculated pursuant to N.J.S.A. 40A:21-3(j) as follows:

Cost¹:

a.	Direct Labor and Materials (inclusive of contractor's fees):	\$18,254,008.00
b.	Architectural:	\$ 836,697.00
c.	Engineering:	\$ 354,566.00
	Estimated Cost:	\$19,445,271.00

¹ N.J.S.A. 40A:21-3(j) states estimated "costs" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. For the foregoing reason the cost differs from the total project costs calculated under the Long Term Tax Exemption Law and set out in the Financial Agreement.

Exhibit C					
		FISCAL PLAN			
		and			
		ESTIMATED TAX COMPUTATION FOR YEAR 2010			
Equalization Ratio			26.75		
Tax Rate (per thousand)			\$60.01		
Potential			Total		
Various office leases			\$1,916,194.00		
Total Gross Income			\$1,916,194.00		
Vacancy (7%)			\$ 134,133.58		
Effective Gross Income			\$ 1,782,060.42		
<i>Operating Expenses</i>					
12% of Effective Gross Income (subject to adj.)			\$ 229,943.28		
Total Operating Expenses			\$ 229,943.28		
Project Net Operating Income			\$ 1,552,117.14	(per projected taxes)	
Market Value - Cap Rate @ 8.00%			\$ 19,401,464.25		
Assessment			\$ 5,189,891.69		
Annual Real Estate Tax Assessment for 2010			\$ 311,393.50		

Exhibit C (cont.)

STIMATED TAX PAYMENTS FOR FIVE (5) YEAR TERM OF EXEMPTION

Based on 2010 Tax Rate and Equalization Ration

YEAR	1	2	3	4	5	Total
Projected Tax Rate	\$60.01	\$60.01	\$60.01	\$60.01	\$60.01	
Land Tax	\$31,139	\$31,139	\$31,139	\$31,139	\$31,139	\$155,695
Tax on Improvement	\$280,255	\$280,255	\$280,255	\$280,255	\$280,255	\$1,401,275
Phase-In	0%	39%	59%	79%	80%	
Exempted Tax	\$280,255	\$139,817	\$83,766	\$27,715	\$24,912	\$556,464
Taxes Payable	\$31,139	\$140,438	\$196,489	\$252,540	\$255,343	\$875,950

EXHIBIT D

ZONING APPROVALS

(SEE ATTACHED)

EXHIBIT E

DISCLOSURE STATEMENT

NAME OF ENTITY: Jersey City Medical Complex, LLC

ADDRESS: 839 North Jefferson Street
Milwaukee, WI 53202

NAME	ADDRESS	PERCENT OWNED
<u>Owner of Jersey City Medical Complex, LLC</u>		
Landmark Healthcare Properties Fund, LLC	839 North Jefferson Street Milwaukee, WI 53202	100%
<u>Owner of Landmark Healthcare Properties Fund, LLC</u>		
Landmark Healthcare Companies, LLC	839 North Jefferson Street Milwaukee, WI 53202	100%
<u>Owners of Landmark Healthcare Companies, LLC</u>		
Joseph W. Checota	839 North Jefferson Street Milwaukee, WI 53202	50%
Nicholas F. Checota	839 North Jefferson Street Milwaukee, WI 53202	30%
Benjamin Checota	839 North Jefferson Street Milwaukee, WI 53202	10%
Ellen Checota	839 North Jefferson Street Milwaukee, WI 53202	10%
Total:		100%

I CERTIFY THAT THE ABOVE REPRESENTS THE NAMES AND ADDRESSES OF ALL MEMBERS IN THE ABOVE LIMITED PARTNERSHIP. IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT WILL PROVIDE THE NAMES AND ADDRESSES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN.

I FURTHER CERTIFY THAT NO OFFICER OR EMPLOYEE OF THE CITY OF JERSEY CITY HAS ANY INTEREST, DIRECT OR INDIRECT, IN THIS ENTITY.

I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

DATE:

Jersey City Medical Complex, LLC

By: 
Nicholas F. Checota, Manager

EXHIBIT E-1

CERTIFICATION OF FORMATION

(SEE ATTACHED)

NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF REGISTRATION

JERSEY CITY MEDICAL COMPLEX LLC
0400198164

The above-named FOREIGN LIMITED LIABILITY COMPANY was duly filed in accordance with New Jersey State Law on 09/27/2007 and was assigned identification number 0400198164. Following are the articles that constitute its original certificate.

1. **Name:**
JERSEY CITY MEDICAL COMPLEX LLC
2. **The Registered Agent:**
CORPORATION SERVICE COMPANY
3. **The Registered Office:**
830 BEAR TAVERN ROAD
WEST TRENTON, NJ 08628
4. **Business Purpose:**
Real Estate
5. **Incorporated Under the Laws of:**
DELAWARE on 09/21/2007
6. **Effective Date of this filing is:**
09/27/2007
7. **Date FLC intends to start business activity in NJ:**
10/01/2007
8. **The Main Business Address:**
839 N. JEFFERSON STREET
SUITE 200
MILWAUKEE, WI 53202

Signatures:
NICHOLAS F. CHECOTA
GENERAL PARTNER

Continued on next page ...

NEW JERSEY DEPARTMENT OF TREASURY
DIVISION OF REVENUE, BUSINESS GATEWAY SERVICES

CERTIFICATE OF REGISTRATION

JERSEY CITY MEDICAL COMPLEX LLC
0400198164



IN TESTIMONY WHEREOF, I have
hereunto set my hand and
affixed my Official Seal
at Trenton, this
09/28/2007

A handwritten signature in cursive script, appearing to read "Michellene Davis".

Michellene Davis
Treasurer of the State of New Jersey

EXHIBIT F

COMPLIANCE WITH STATE AND LOCAL LAWS

CERTIFICATION

The undersigned being a member of Jersey City Medical Complex, LLC, the Applicant under this application, hereby certifies that:

1. The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City for consideration for granting the tax exemption requested in this application.
2. The foregoing statements made by me this 14th day of January, 2010 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Jersey City Medical Complex, LLC

By: 

Nicholas F. Checota, Manager

EXHIBIT G

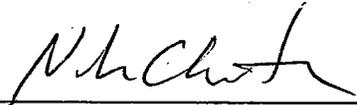
CERTIFICATION

DILIGENT INQUIRY

The undersigned being a member of Jersey City Medical Complex, LLC, the Applicant under this application and the developer of the a proposed Project to be located at 377 Skinner Memorial Drive, Jersey City, New Jersey hereby certifies that:

1. All information contained in the application for the five (5) year tax exemption is true and correct to the developer's knowledge, after he has made diligent inquiry to confirm the accuracy of all information.
2. The foregoing statements made by me this 14th day of January, 2010 are true to the best of my knowledge and I understand that if it is willfully false, I am subject to punishment.

Jersey City Medical Complex, LLC

By: 

Nicholas F. Checota, Manager

EXHIBIT H

**PROPOSED TAX AGREEMENT
FOR
JERSEY CITY MEDICAL COMPLEX, LLC**

(SEE ATTACHED)

DRAFT

9-15-03

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____ day of _____, 2010, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey, and, **JERSEY CITY MEDICAL COMPLEX, LLC**, [Applicant], whose principal place of business is 839 North Jefferson Street, Ste. 600 Milwaukee, Wisconsin 53202.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance _____; and

WHEREAS, the Applicant is owner of certain property located at Skinner Memorial Drive, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 60.12, Lot 5, on the Tax Assessor's Map, more commonly known by the street address of Skinner Memorial Drive, Jersey City, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about January 19th, 2010, the Applicant applied for a five year tax exemption for a new medical office building on the Property [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Ordinance 08-062; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

DRAFT

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for the construction of a new Multiple Dwelling [Improvements] on the Property, as further described in the Application, attached hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar year of _____, no payment in lieu of taxes;
2. For the full calendar year of _____, thirty-nine (39%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$ _____ ;
3. For the full calendar year of _____, fifty-nine (59%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$ _____ ;
4. For the full calendar year of _____, seventy-nine (79%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$ _____ ; and
5. For the full calendar year of _____ eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$ _____

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **\$3,500.00** to the City before the execution of this Agreement. Failure to make such payment shall cause the tax exemption to terminate.

DRAFT

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The Improvements were constructed in accordance with all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering the Property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VII: OPERATION OR DISPOSITION OF PROPERTY

In the event that during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the Conditions for Qualifying, as set forth under N.J.S.A. 40A:21-1, et seq., for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for that year, but not previous years, shall become due and payable from the Applicant as if no exemption had been granted. However, with respect to the disposal of the property, in the event it is determined that the new owner will continue to use the property pursuant to the Conditions for Qualifying the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

DRAFT

ARTICLE VIII: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

ARTICLE IX: PROJECT EMPLOYMENT AGREEMENT

Not applicable as Project has been completed.

ARTICLE X: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:	Business Administrator City Hall, 280 Grove Street Jersey City, New Jersey 07302
Notice to Applicant:	Jersey City Medical Complex, LLC 839 North Jefferson Street, Ste. 600 Milwaukee, Wisconsin 53202
With a copy to:	Garcia Turula, LLC Harborside Plaza X, Suite 1201 3 Second Street Jersey City, New Jersey 07311 Attn.: George L. Garcia, Esq.

DRAFT

ARTICLE XI: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by any Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

Jersey City Medical Complex, LLC

BY: _____
, Manager

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____
Brian O'Reilly
Business Administrator

City Clerk File No. Ord. 10-022

Agenda No. 3.K 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-022

TITLE: ORDINANCE APPROVING 1) AN \$8,000,000 LOAN TO THE CITY OF JERSEY CITY TO BE GUARANTEED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PURSUANT TO §108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, AND 2) A RE-LOANING OF THE PROCEEDS TO STATUE OF LIBERTY HARBOR NORTH REDEVELOPMENT URBAN RENEWAL, LLC

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

WHEREAS, pursuant to a Resolution adopted on December 19, 2007, the City of Jersey City (City) applied for a loan guarantee from the Secretary (Secretary) of the United States Department of Housing and Urban Development (HUD) pursuant to §108 of the Housing and Community Redevelopment Act of 1974 (Loan Guarantee) to be given in accordance with a certain contract for loan guarantee assistance under §108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5308 (the HUD Contract) in order to help fund costs associated with the construction of a full service hotel consisting of approximately 300 rooms with approximately 248,000 square feet of space all to be located in the City of Jersey City, County of Hudson, State of New Jersey (the Project); and

WHEREAS, the City obtained approval for a loan (Section 108 Loan) in the aggregate amount of Eight Million (\$8,000,000) Dollars by issuing one or more nonrecourse promissory note(s) (the HUD Guaranteed Notes) having a maximum term of twenty (20) years, to be guaranteed by the Loan Guarantee, which enables the City to borrow from and sell the HUD Guaranteed Notes to lending institutions and/or to the public through underwritten public offerings; and

WHEREAS, the proceeds to be obtained from the HUD Guaranteed Notes are to be re-lent (Developer's Loan) by the City to Statue of Liberty Harbor North Redevelopment Urban Renewal, LLC (Developer) to finance costs associated with construction of the Project, under the same repayment terms of the HUD Guaranteed Notes, pursuant to the terms and conditions of a certain Loan Agreement by and between the City and the Developer (the Loan Agreement); and

WHEREAS, the Section 108 Loan from the City to the Developer is to be evidenced by a promissory note in favor of the City and secured in a manner as hereinafter described (Developer's Note); and

WHEREAS, federal law requires that the City pledge to the Secretary its entitlement of certain Community Development Block Grant monies (CDBG monies) as security for the Loan Guarantee so that if the Secretary is required to pay under the Loan Guarantee on account of a default by the City under HUD Guaranteed Notes, the Secretary can be reimbursed out of the pledged CDBG monies (the City's pledge); and

WHEREAS, as a condition of, and security for, the loan from the City to the Developer, the Developer shall provide, or cause to be provided a 2nd mortgage in favor of the City, to be subject only to a 1st mortgage of no more than Twenty One Million Five Hundred Thousand (\$21,500,000) Dollars and One Million Two Hundred Fifty (\$1,250,000) Dollars as a debt service reserve as permitted by 24 CFR 570; and an agreement to pay off the loan in full on or before the date the Developer receives its permanent construction financing for the Project; and

WHEREAS, payments by the Developer under the Developer's Note are to be used by the City to service the HUD Guaranteed Notes, with such proceeds shall be to the extent required by HUD, paid to, or over to, a Fiscal Agent (the Fiscal Agent) acting for the City under and pursuant to the terms of a certain Fiscal Agency Agreement to be entered into by the City and the Fiscal Agent (the Fiscal Agency Agreement); and

2010017

ORDINANCE APPROVING 1) AN \$8,000,000 LOAN TO THE CITY OF JERSEY CITY TO BE GUARANTEED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PURSUANT TO §108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, AND 2) A RE-LOANING OF THE PROCEEDS TO STATUE OF LIBERTY HARBOR NORTH REDEVELOPMENT URBAN RENEWAL, LLC

WHEREAS, as additional security for the City's obligation to repay the HUD Guaranteed Notes, the City shall assign to HUD, in accordance with the terms of a certain Collateral of Assignment of Security Documents (the Collateral of Assignment of Security Documents), without recourse, certain of its rights, title and interest in, among other things, the Developer's Note, the Loan Agreement, the Mortgage and One Million Two Hundred Fifty Thousand (\$1,250,000) Dollars of the debt service reserve to be funded by the Developer from sources other than the loan proceeds (collectively together with the Collateral of Assignment of Security Documents, the Security Documents) all of which shall be held by a financial institution selected by the City acceptable by HUD (the Custodian) in accordance with a certain Custodian Agreement (the Custodian Agreement) between the Custodian and City; and

WHEREAS, the project will assist the City in obtaining its economic development objectives including the expansion of economic opportunities for low and moderate income residents of the City by creating new jobs, the creation of additional revenues for the City, and the indirect benefits associated with the project, and in connection with such objectives and other HUD requirements, the Developer and the City shall enter into a certain project labor agreement (the Project Labor Agreement) and a certain subgrantee agreement (the Subgrantee Agreement).

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

1. The 108 Loan to the City of Jersey City be and it is hereby approved.
2. The acceptance of the Loan Guarantee be and it is hereby approved.
3. The making of a Developer's Loan be and it is hereby approved.
4. The Mayor or the Business Administrator on behalf of the City be and hereby is authorized, to finalize, execute and deliver:
 - (A) the HUD contract including all attachment and exhibits thereto, if any and which is incorporated reference herein pursuant to which among other things, the City and HUD shall agree to the terms by which HUD shall guarantee the HUD Guaranteed Notes;
 - (B) To the extent HUD required by the Fiscal Agency Agreement, including all attachments and exhibits thereto, if any, which is incorporated by reference pursuant to which among other things, collections and advances with respect to the HUD Guaranteed Notes shall be administered by the Fiscal Agent;
 - (C) The Loan Agreement, dated December 23, 2009, including any amendments or addendums, and all attachments and exhibits thereto, if any, and which is incorporated by reference pursuant to which the City shall extend to the Developer's loan to the Developers;
 - (D) The Collateral of Assignment Security Documents, including all attachments and exhibits thereto, if any, and which is incorporated by reference, pursuant to which certain of the City's rights, title and interest in, among other things, Developers Note, the Loan Agreement, 2nd mortgage, which shall be subject only to a first mortgage in a maximum sum of \$Twenty One Million two Hundred Thousand (\$21,500,000) Dollars and the One Million Two Hundred Fifty Thousand (\$1,250,000) Dollars of the debt service reserve to be funded by the Developer from sources other than the loan proceeds, which shall be assigned to HUD.
 - (E) The Custodian Agreement, including all attachments and exhibits thereto, if any, and which is incorporated by reference, pursuant to which, among other things, the City shall deposit with the Custodian the Security Documents.
 - (F) The Project Labor Agreement and the Subgrantee Agreement, including all attachments and exhibits thereto, if any, and which are incorporated by reference, pursuant to which collectively, the Developer shall agree to comply with the employment objectives and other HUD requirements with respect to the project.

ORDINANCE APPROVING 1) AN \$8,000,000 LOAN TO THE CITY OF JERSEY CITY TO BE GUARANTEED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PURSUANT TO §108 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED, AND 2) A RE-LOANING OF THE PROCEEDS TO STATUE OF LIBERTY HARBOR NORTH REDEVELOPMENT URBAN RENEWAL, LLC

- (G) Any and all documents, certificates and instruments deemed appropriate or necessary by the Mayor, the Business Administrator and the Corporation Council of the City of Jersey City in connection with the transaction contemplated herein and by the documents described in (A) through (F) above.
- 4. All agreements shall be substantially in the form of the copy which is on file in the Office of the City Clerk, subject to such modification as the Corporation Counsel or Business Administrator deems appropriate or necessary.
- 5. All of the above terms and conditions, shall be 1st subject to the approval of the United States Department of Housing and Urban Development (HUD).
- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect in the manner as prescribed by law.
- D. The City Clerk and the 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 new material is underlined; words in ~~[brackets]~~ are omitted. For purposes of advertising only, new matter is indicated by **boldface** and repealed matter by *italic*.

JM/he
2/4/10

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required
Not Required



CITY OF JERSEY CITY

Office of the Corporation Counsel

280 Grove Street
Jersey City, New Jersey 07302
Telephone: (201) 547-4667
Fax: (201) 547-5230

Jerramiah Healy, Mayor
Brian O'Reilly, Business Administrator

Bill Matsikoudis, Corporation Counsel

February 3, 2010

Council President and Members of the Municipal Council
City Hall-280 Grove Streets
Jersey City, NJ 07302

**Re: Ordinance Authorizing the City to Borrow \$8 Million Dollars in
CDBG Funds and to Distribute those funds to the Statue of Liberty
Harbor North Redevelopment Urban Renewal, LLC**

Dear Council President and Members of the Municipal Council:

The above referenced Ordinance was tabled at a previous council meeting due to concerns that Statue of Liberty Harbor North Urban Renewal, LLC ("Developer") was not required to post adequate security to protect the City's interest in the loan and property. Since then, the Administration has negotiated an additional \$1,250,000 of security to protect the City's interest to be funded by separate funds, not from loan proceeds.

The Developer purchased 2.2 acres of property [located at the foot of Marin Blvd., along the waterfront], for \$15,640,000 (plus \$667,500 for riparian rights). Thus, the JCRA was paid over \$16 million. The Developer also obtained site plan approval for a project consisting of 470 residential units and a 300 room first class hotel.

The property is contaminated and needs to be remediated in order for the project to proceed. A portion of the \$8 million dollar loan proceeds will be utilized for remediation. The Developer has entered into an \$3.9 million dollar remediation contract and has received DEP approval of its remediation plans. The \$8 million in loan proceeds are to be coupled with \$1.9 million dollars in federal grants that collectively will be utilized for the remediation and development of the property. The City will not be able to utilize the \$1.9 million federal dollars in grant proceeds if this loan is not executed.

Under the previously proposed agreement, the Developer would have established a security reserve of \$1 million dollars *from the \$8 million dollars in loan proceeds*. Under the new negotiated agreement, the \$8 million dollars in loan proceeds will be completely dedicated to the remediation and development of the site and the Developer will have to create a security account of \$1,250,000 of its own proceeds.

City of Jersey City
Office of the Corporation Counsel

The Developers primary loan on the property will be capped at \$21 million dollars. The City's interest to secure the \$8million loan will be in a secondary position. A recent appraisal, which is available to the Council, values the property, with approvals, at over \$50 million dollars. Accordingly, the City's interest should be adequately protected.

The Developer has agreed to provide significant additional security. The City's security interest should be adequately protected. These loan proceeds will enable the environmental remediation of an important piece of waterfront property and also support an extremely beneficial project for the City. Accordingly, the Administration strongly recommends that the City Council approve this Ordinance at this time. In the event that this Ordinance is rejected, the City stands to lose \$1.9 million federal dollars for to the environmental remediation of the property which would at best, seriously delay its remediation. Moreover, we would lose the opportunity to see 470 residential units and a \$88 million dollar 300 room hotel to be developed, which will provide hundreds of construction jobs as well as approximately 250 long term jobs. Finally, the City will receive significant tax revenue when the hotel is completed both from real estate taxes and the hotel tax.

For these reasons, we respectfully request that the City Council approve this Ordinance.

Very truly yours,



**WILLIAM MATSIKLOUDIS
CORPORATION COUNSEL**

WM/igp

- c: Brian O'Reilly, Business Administrator
- Rosemary McFadden, Deputy Mayor
- Robert Byrne, City Clerk
- Joanne Monahan, First Assistant Corporation Counsel
- Robert Antonicello, Executive Director, JCRA

City Clerk File No. Ord. 10-023

Agenda No. 3. L 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-023

TITLE: **ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A LOW INCOME AFFORDABLE AND MARKET RATE HOUSING PROJECT TO BE CONSTRUCTED BY THE SUMMIT AVENUE CENTER FOR OPPORTUNITY, LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.**

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

WHEREAS, Summit Avenue Center for Opportunity, LLC, is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; and

WHEREAS, Summit Avenue Center for Opportunity, LLC; is the contract purchaser and will become the owner no later than July, 2010, of certain property known as: Block 1917, Lots 8E, 8C, 9A, 10A & 11A (to be known as Lot 19), on City's Tax map and more commonly known by the street address of 136 and 140-142 Summit Avenue and 55 Clifton Place (to be known as 145 Fairmount Avenue), Jersey City, New Jersey [Property]; and

WHEREAS, Summit Avenue Center for Opportunity, LLC, proposes to construct a housing project to be regulated and financed pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq. on the Property; and

WHEREAS, on January 26, 2010, Summit Avenue Center for Opportunity, LLC, applied for a 30 year tax exemption to construct certain improvements on the Property to create a total of 60 units of rental housing, [2 units of rental market rate housing, and 58 units of moderate income rental housing units]; and 2,140 square feet of retail space with a 42 car parking garage; and

WHEREAS, Summit Avenue Center for Opportunity, LLC, has agreed to pay a service charge of 6.28%, estimated to be \$33,537 or approximately \$550 per unit for years 1-15, and 15%, estimated to be \$124,800 for years 16-30; and to provide employment and other economic opportunities for City residents and businesses in accordance with a Project Employment Agreement; and

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption for the following reasons:

1. The City will apply to receive credit for creating 58 units of low or moderate income family rental housing against the units needed within the City of Jersey City as determined by the New Jersey Council on Affordable Housing;
2. There is an especially compelling need for decent safe and affordable housing for low or moderate income families, especially for senior citizens who are currently paying over 30% of their income for housing; and
3. The construction of the improvements will generate 3 permanent jobs and 100 construction jobs, stabilize the neighborhood and should generate additional tax revenue; and

WHEREAS, the City hereby determines that the tax exemption is necessary to insure the success of the project for the following reasons:

ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A LOW INCOME AFFORDABLE AND MARKET RATE HOUSING PROJECT TO BE CONSTRUCTED BY THE SUMMIT AVENUE CENTER FOR OPPORTUNITY, LLC, A QUALIFIED HOUSING SPONSOR UNDER THE NEW JERSEY MORTGAGE HOUSING FINANCE AGENCY LAW N.J.S.A. 55:14K-1 ET SEQ.

1. The reduced tax payments allow the owner to stable its operating budget, allowing a high level of maintenance to the building over the life of the project;
2. The reduction in taxes makes the Project attractive to investors of low income housing tax credits and makes the project eligible for financing from the New Jersey Housing and Mortgage Finance Agency, needed to fund the Project; and
3. The reduced tax payments will allow the owner to maintain the low and moderate income units at the lowest rents possible within the income guidelines; and

WHEREAS, the Mayor recommends this application, based upon the approval of the Tax Abatement Committee, which met on February 3, 2010.

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

1. The application of Summit Avenue Center for Opportunity, LLC, a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency Law N.J.S.A. 55:14K-1 et seq.; for a tax exemption is hereby approved subject to the following terms and conditions:

- (a) Term: 30 years;
- (b) Service Charge: 6.28% of Annual Gross Revenue, estimated to be \$33,537 for years 1-15; and 15% of Annual Gross Revenue, estimated to be \$124,800 for years 16-30;
- (c) Project: 60 units of rental housing, [2 units of market rate housing, and 58 units of low or moderate income rental housing units]; and 2,140 square feet of retail space with a 42 car parking garage; and
- (d) Property: Block 1917, Lots 8E, 8C, 9A, 10A & 11A (to be known as Lot 19), more commonly known by the street address of 136 and 140-142 Summit Avenue and 55 Clifton Place (to be known as 145 Fairmount Avenue), Jersey City, New Jersey.

2. The Mayor or Business Administrator is authorized to execute a tax exemption Financial Agreement, which includes a Project Employment Agreement in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator and Corporation Counsel deems appropriate or necessary.

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

4. 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.

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

6. 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/he
2/4/10

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required

Not Required

Rev. 1-28-10
HMFA
N.J.S.A. 55:14K-1 et seq.

Re: Block 1917, Lots 8E, 8C, 9A, 10A & 11A
Summit and Fairmount Redevelopment Plan Area

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] made this ____ day of _____, 2010, by and between **SUMMIT AVENUE CENTER FOR OPPORTUNITY, LLC**, is a qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency N.J.S.A. 55:14K-1 et seq., having its principal office c/o The Doe Fund, Inc., 345 East 102nd Street – 3rd Floor, New York, NY 10029, and the **CITY OF JERSEY CITY**, a Municipal Corporation in the County of Hudson and the State of New Jersey, [City], having its principal office at 280 Grove Street, Jersey City, New Jersey 07302.

RECITALS

WITNESSETH:

WHEREAS, by deed dated July, 2010, the Entity is the Owner of certain property designated as Block 1917, Lots 8E, 8C, 9A, 10A & 11A (to be known as Lot 19), more commonly known by the street address of 136 and 140-142 Summit Avenue and 55 Clifton Place (to be known as 145 Fairmount Avenue), Jersey City, NJ, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Summit and Fairmount Redevelopment Plan Area; and

WHEREAS, the Entity plans to construct certain improvements on the Property to create a total of 60 units of rental housing, [2 units of rental market rate housing, and 58 units of moderate income rental housing units]2,140 sq. ft. of retail space and a 42 car parking garage [Project]; and

WHEREAS, on _____, 2010, the Entity's Application for a tax exemption for the Project was approved by the City by the adoption of Ordinance _____; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as

follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq., Executive Order of E.O. 02-003, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Agency- The New Jersey Housing and Mortgage Finance Agency.
- ii. Annual Gross Revenue- The total gross income, including any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, or other services, including any Section 8 certificate revenue derived from the Project, including all rent and other income, with an allowable vacancy rate of up to 5%. It also includes the cost of insurance, gas, electricity, water and sewer charges, other utilities, garbage removal and insurance charges even if paid for directly by the Tenant, if such expense is ordinarily paid for by the Landlord.
- iii. Annual Service Charge-Estimated Service Charge: \$1,006,110 over the 30 year term of the tax exemption, calculated as follows:
 - (1) Years 1 through 15, a total of \$33,537 each year, based upon:
 - A) 6.28% of annual gross revenue;
 - (2) Years 16-30, a total of \$124,800 each year, based upon:
 - A) 15% of annual gross revenue.
- iv. Auditor's Report - A complete financial statement outlining the

financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholder's equity, statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items reasonably required by the City or its auditors. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

v. Certificate of Occupancy - Document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vi. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

vii. Entity - The term Entity within this Agreement shall mean Summit Avenue Center for Opportunity, LLC, which Entity is formed and qualified pursuant to Law. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under by Law and the transfer has been duly approved by the City.

viii. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

ix. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

x. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements.

Agreement is executed. The Annual Service Charge or Minimum Annual Service Charge, as the case may be, shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Administrative Fee

The Entity shall also pay an annual administrative fee to the City in addition to the Minimum or Annual Service Charge. This administrative fee shall equal two (2%) percent of the Annual Service Charge and shall be payable and due on or before December 31st of each year and collected in the same manner as the Annual Service Charge.

Section 4.3 Land Tax Credit

If the Law requires the Entity to pay Land Taxes in addition to the service charges, then the Entity will be entitled to a land tax credit against the service charges. In order to be entitled to the credit, however, the Entity is obligated to make timely Land Tax Payments, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that year. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge,

the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

Section 4.5 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

Section 5.1 Project Employment Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment & Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner. The failure to secure the Certificates of Occupancy shall subject the property to full taxation.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not mitigate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit(s) for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that this Agreement shall continue in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: Rental schedule of the urban renewal Project, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year.

B. Total Project Cost Audit: Within ninety (90) days after the Substantial Completion of the Project, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by an independent and qualified architect, utilizing the form attached hereto as Exhibit 9, and as to all other costs, certified its conformance with generally accepted accounting principles, by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

Section 7.3 Mortgage

Within ninety (90) days after the date the Entity closes on its loan with the Agency, the Entity shall file with the City a fully executed copy of the Note and a recorded copy of the HMFA Mortgage.

Section 7.4 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Interest shall accrue at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity's return on investment shall be limited in accordance with the regulations and conditions imposed by the Agency pursuant to N.J.S.A. 55:14K-7(6) or any other Law applicable.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Prior Approval of Sale

Any change made in the ownership of the Project and sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity is formed and eligible to operate under the Law; 2) the Entity is not then in default of this Agreement or the Law; and 3) the Entity's obligations under this Agreement is fully assumed by the new Entity.

Section 9.2 Transfer or Lease to Tax Exempt Organization or Public Body.

In the event that the Entity transfers, sells, demises, conveys, or in any manner relinquishes ownership or title, including a lease to the land or improvements, covered by this tax exemption agreement, to a tax exempt non-profit organization or institution, including any public body, during the term of the tax exemption agreement, that would adversely impact the City's anticipated economic interests by reducing in any way taxes or the service charge due the City under this agreement or by law, it is understood and agreed by the Entity that it first obtain the consent of the City to the transfer or lease. It is further understood that it may be grounds for the City to withhold its approval if the City's economic interests are adversely effected thereby.

Section 9.3 Severability.

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Municipal Council by Ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the improvements from the lands which are basic to, embraced in, or underlying the exempted improvements.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 55:14K-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default failure to pay any charges defined as Material Conditions in Section 4.5, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No determination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no determination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge or Administrative Fees, or for breach of

covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting to the City. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed

and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.5 as Material Conditions.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action (other than an action commenced by the Entity) alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Law, the Entity shall indemnify and hold the City harmless, and the Entity agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party

thereto, to which intervention the Entity consents; the expense thereof to be borne by the Entity City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

Summit Avenue Center for Opportunity, LLC
c/o The Doe Fund, Inc.
345 East 102nd Street – 3rd Floor
New York, NY 10029
Attn: Richard Roberts

with a copy to:

Connell Foley, LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311-4029
Attn: Nancy A. Skidmore, Esq.

and

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Initial Rental Schedules and Lease Terms;
8. Project Employment & Contracting Agreement;
9. Architect's Certification of Actual Construction Costs;
10. Written approval of HMFA mortgage loan, including the amount and term thereof.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

ATTEST:

**SUMMIT AVENUE CENTER FOR
OPPORTUNITY, LLC**

SECRETARY

MEMBER MANAGER

ATTEST:

CITY OF JERSEY CITY

**ROBERT BYRNE
CITY CLERK**

**BRIAN O'REILLY
BUSINESS ADMINISTRATOR**

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made on the ___ day of _____, 2010, between the **CITY OF JERSEY CITY** [City] and **SUMMIT AVENUE CENTER FOR OPPORTUNITY, LLC**, having its principal office at c/o The Doe Fund, Inc., 345 East 102nd Street – 3rd Floor, New York, NY 10029. Recipient agrees as follows:

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into a contract with the City to implement, in whole or in part, this agreement.
2. "Construction Contract" means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway, or other improvement on a Project Site.
3. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 1 Journal Square Plaza, 2nd Floor, Jersey City, NJ 07306, Telephone #(201) 547-5611. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or exemption for a property or project which requires approval of the Municipal Council and which reduces the annual amount of taxes otherwise due, by \$25,000 or more in the aggregate;
6. "Employment" means any job or position during the construction and operational phase of the project. It includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. "Local Business" means a bona fide business located in Jersey City.
8. Mayor Jerramiah T. Healy's Business Cooperative Program means the group within DEO under the Department of Administration responsible for collecting local and minority business contracts and capability information. This group operates the Supplier Alert service which is to be used by the Recipient to meet their good faith business contracting and construction subcontracting goals.

9. "Minority" means a person who is African, Hispanic, Asian, or American Indian defined as follows:
- a) "African-American" means a person having origins in any of the black racial groups of Africa.
 - b) "Hispanic" means a person of Mexican, Puerto Rican, Cuban, Central or South American or other Latino culture or origin, regardless of race, excluding, however, persons of European origin.
 - c) "Asian" means a person having origins in any of the original people of the Far East, Southeast Asia, and subcontinent India, Hawaii or the Pacific Islands.
 - d) "American Indian" means a person having origins in any of the original people of North America who maintains cultural identification through tribal affiliation or community recognition.
10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" is a member of the DEO staff under the Department of Administration who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Project Employment & Contracting Coordinator.
15. The "Project Employment & Contracting Monitor" or "Monitor" is a member of the DEO staff under the Department of Administration directly under the command of the Project Employment & Contracting Coordinator, who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting housekeeping as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.

17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a list maintained by the City or its designee of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.
21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose:

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

III. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient will not be required to comply with the interviewing or reporting obligations set forth in Section VI 1., A-L (Construction Jobs) and Section VI, 2., A-J (Permanent Jobs). All goals for Construction Jobs shall be calculated as a percentage of the total number of work hours in each trade from the beginning of the project to its completion.

1. **Employment:** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.

2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

IV. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient should send a letter of introduction regarding the “Project Employment & Contracting Compliance Officer” to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix A. This principle officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the “Project Employment & Contracting Compliance Officer” to the employees of the Recipient’s company. An example of this letter can be found in Appendix AZ

V. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____ approving the tax exemption and terminate the earlier of 35 years from the date of the adoption of that Ordinance or 30 years from the date of Substantial Completion of the Project.

VI. Good Faith Defined:

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient’s Initial Manning Report.

- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.
- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Jerramiah T. Healy's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

2. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will sit down with the head of the Registry to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.

- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed by the Registry.

1. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix E.

2. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 2.A(I-vi).

3. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors above in Section VI 2.A.

B. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix J.

C. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the Registry with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the Registry to refer qualified applicants to the Recipient.

D. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the Project Employment & Contracting Coordinator in DEO under the Department of Administration with a copy of this advertisement.

E. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it from the Registry, to be maintained by the City or its designee. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

F. Semi-Annual Employment Reports: The Recipient will submit written semi-annual employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will describe the job, whether the job is held by a City resident, minority resident or woman resident. The report will explain in writing the reasons why any qualified applicant referred by the Registry (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired. An example of this report is found in Appendix K.

G. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.

H. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the semi-annual reports.

I. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.

J. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

3. Business Contracting

Good Faith shall mean compliance with all of the following conditions:

1) Solicitation of Businesses:

a) One month before accepting bids for goods and services, the Recipient must forward a letter with requests for quotation or bid to Mayor Jerramiah T. Healy's Business Cooperative Program for local and local minority vendors for any construction or building operating goods, services and subcontracting opportunities. An example of this letter can be found in Appendix D.

b) After submission of bids, the Recipient will document whether the bid was accepted or rejected, and state the reason why. An example of this documentation can be found in Appendix D2.

i) Semi-Annual Purchasing Reports: The Recipient will submit written semi-annual purchasing reports which will include a list of all contracts awarded over a six month period and the dollar amounts of these contracts. The reports will specify the number and dollar amount of contracts awarded to Local Businesses and Minority or Women Owned Local Businesses. An example of these reports can be found in Appendix L.

ii) No Utilization of Local and Local Minority Vendors As Conduits For Vendors That Are Not Local Or Minority Owned:

The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by DEO under the Department of Administration of a Recipient, either knowingly or unknowingly, using the masthead of a local or minority owned

business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

4. Summation of Documentation Needed For Compliance with Agreement

1. Letter Designating Project Employment & Contracting Officer (Appendix A)
2. Letter designating Project employment & Contracting Officer to Recipient's Employees (App.) AZ
3. Example of Initial Manning Report (Appendix B)
4. Letter Of Acceptance of Initial Manning Report (Appendix C)
5. Letter From Developer Forwarding Requests for Quotation or Bid for Minority and Residential Vendors from Mayor Jerramiah T. Healy's Business Cooperative Program (Appendix D)
6. Documentation of Bid Submission (Appendix D2)
7. Letter Expressing Project Employment & Contracting Obligations to Contractors/ Subcontractors (Appendix E)
8. Union Statement of Best Efforts (Appendix F)
9. Example of Monthly Manning Report (Appendix G)
10. Example of Monthly Certified Payroll Report (Appendix H)
11. Example of Bi-Weekly Site Visit Report (Appendix I)
12. Example of Documentation of Hiring Plan (Appendix J)
13. Example of Semi-Annual Employment Report (Appendix K)
14. Example of Semi-Annual Purchasing Report (Appendix L)

VII. Notices of Violation:

1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have four (4) working days to correct the violation. An example of an Advisory Notice can be found in Appendix M.
2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City within four (4) working days, the City shall then issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation. An example of a Violation Notice can be found in Appendix N.
3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation

will be considered not corrected.

5. Meetings Concerning Violations: The City may provide an opportunity for a meeting with the Recipient, his Contractors or Subcontractors in an effort to achieve compliance; or may respond to Recipient's request for a meeting after the Recipient has made timely submission of a written explanation pursuant to the above. The meeting shall be requested no later than two days after the alleged violator has submitted the written explanation.
6. Interviews Relating to Violations: The City may conduct interviews and may request additional information from appropriate parties as is considered necessary to determine whether the alleged violation has occurred.
7. Determination of Violation: The City shall issue a determination of whether the Recipient is in violation of this agreement as soon as possible but not later than thirty days after the delivery of the Violation Notice to the Recipient. If the City determines that the Recipient is in violation, the City shall be entitled to the liquidated damages provided below.

VIII. Liquidated Damages/Interest:

While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration of any period to correct the violation, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- a) failure to file Initial Manning Reports (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracting): an amount equal to a Five (5%) percent increase in the estimated annual payment in lieu of taxes;
- b) failure to conduct Pre-hiring Interviews or submit Compliance Statement (Construction Jobs) or Solicit Bids (Business Contracting): an amount equal to Three (3%) percent increase in the estimated annual payment in lieu of taxes;
- c) failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Two (2%) percent increase in the estimated annual payment in lieu of taxes.
- d) the use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Five (5%) percent increase in the estimated annual payment in lieu of taxes. Interest shall be charged on any damages at the legal rate of interest as calculated by the Tax Collector.
- e) the late payment of any liquidated sum shall accrue interest at the rate of 8%.

IX. Commercial Tenants at the Project Site:

1. The Recipient shall send all tenants of commercial space within the Project Site a letter and a Tenant Employment Services Guide in the form attached as Appendix O.
2. The Recipient shall solicit information from tenants of commercial space about the composition of the work force of each tenant. The information solicited will be submitted to the Project Employment & Contracting Monitor, which shall provide the Recipient with a questionnaire in the form attached as Appendix P.
3. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than October 31 of each year.
4. The Recipient shall send all tenants of commercial space within the Project Site a Supplier Alert Service Registration Package in the form attached as Appendix Q.

X. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

2. When sent by the Recipient to the City, it shall be addressed to:

Project Employment & Contracting Monitor
Department of Administration
Division of Economic Opportunity
1 Journal Square Plaza
2nd Floor
Jersey City, New Jersey 07306

with separate copies to the Mayor and the Business Administrator; unless prior to giving of such notice, the City or the Recipient shall have notified the other in writing.

XI. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Brian O'Reilly
Business Administrator

WITNESS:

**SUMMIT AVENUE CENTER FOR
OPPORTUNITY, LLC**

Secretary

President

**APPLICATION FOR TAX EXEMPTION
OF
SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC**

In compliance with Executive Order #S-02-003 of the Mayor of the City of Jersey City, the Applicant herewith submits the following information in support of its application for a Tax Exemption under and pursuant to the New Jersey Housing and Mortgage Finance Agency Law (N.J.S.A. 55:14K-1, et seq.)

Applicant: Summit Avenue Center for Opportunity LLC
c/o the Doe Fund, Inc.
345 East 102nd Street, 3rd Floor
New York, New York 10029

Property: Block 1917, Lots 8E, 8C, 9A, and 10A
136 and 140-142 Summit Avenue and 55 Clifton Place
Jersey City, New Jersey

Project: Summit Avenue Center for Opportunity , a residential project
commonly known as 136 and 140-142 Summit Avenue and 55 Clifton Place
Jersey City, New Jersey

Applicant's Architect: LWDMR & Assoc.
140 Bay Street, Suite 4
Jersey City, New Jersey 07302

Applicant's Attorney: Nancy A. Skidmore, Esq.
Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311
(201) 521-1000

LIST OF EXHIBITS:

Exhibit

- A. Description of Property
- B. Description of Leases
- C. Annual Gross Revenue Computation
- D. Total Project Cost
- E. Projected Statement of Property Operations
- F. Proposed Financial Agreement
- G. Certificate of Formation and Disclosure Statement for Summit Avenue Center for Opportunity LLC

APPLICATION

1. Identification of the Property:

The land upon which the Project is located is Block 1917, Lots 8E, 8C, 9A, and 10A on the Tax Map of the City of Jersey City, more commonly known as 136 and 140-142 Summit Avenue and 55 Clifton Place in Jersey City, New Jersey (the "Property"). The metes and bounds description of the land where the Project is located is attached hereto as Exhibit A.

2. Type of Project:

This Project will consist of a residential rental project, which will contain 60 residential rental apartments, parking for 42 cars, and approximately 2,140 square feet of ancillary retail space. Ninety seven (97 %) percent of these apartments, or 58 units, will be affordable housing units. The number, size, and rent for the affordable apartments will be as follows:

Number of Apts.	Number of Bedrooms/Baths	Square Footage	Monthly Rent
8	1/1	650	\$298/\$655
31	2/1	800	\$780/340
19	3/1.5	1100	\$387/895
Total . 58			

The affordable housing units will be available only to those who qualify under the relevant federal and state guidelines which are as follows: Persons/families must have a combined income of less than 60% of the area's median income which is a maximum of \$73,950 annually (4.5 person household). The ratio of annual rent to annual income for these persons/families must not exceed 30%. Thus, all of the affordable units are expected to be available to persons/families with annual incomes from a range of approximately \$22,185 to \$44,370 annually.

The Doe Fund, Inc., a not-for-profit corporation and an affiliate of the Applicant, will serve as the property manager and will qualify potential residents of the affordable housing units in accordance with federal and state guidelines. The Doe Fund formerly operated a transitional housing facility at 654 Bergen Avenue in Jersey City. The building housed 59 Ready, Willing & Able program participants in a building that was owned and operated by another non-profit organization. The Doe Fund also manages a 40-unit Low Income Housing Tax Credit property located at 450 Martin Luther King Drive in Jersey City. In its capacity as property manager for that project, the Doe Fund is responsible for screening potential tenants, as well as performing all activities required for continued compliance with low income housing tax credit properties.

This Project will also contain approximately 42 parking spaces. All 42 parking spaces will be located on one level of parking at ground floor level. Each of the parking spaces will be made available to the residential units. At this time, it is not anticipated that there will be any charge to

the affordable apartment residents for use of the parking spaces. Laundry facilities will also be made available to the residential units.

The following amenities will be available at no additional charge to tenants:

1. Community room;
2. Security alarms; and
3. High-speed internet access.

In addition to the affordable housing units, there will be 2 apartments which will be rented at market rates. The size, square footage, and monthly rent for these apartments will be as follows:

Number of Apts.	Number of Bedrooms/Baths	Square Footage	Monthly Rent
2	2/1	800	\$1,500
Total 2			

3. Type of Abatement Requested:

Major financing for the Project will be provided by the following:

New Jersey Housing and Mortgage Finance Agency - Construction/Permanent Financing

Federal Low Income Housing Tax Credit Program, including subsidy through the Tax Credit Exchange Program

In light of the above, the Applicant seeks a tax exemption under and pursuant to N.J.S.A. 55:14K-1, et seq. (New Jersey Housing and Mortgage Finance Agency Law) (the "NJHMFA Law") based upon the 6.28% of Annual Gross Revenue (as set forth in the draft Financial Agreement attached hereto). Based upon the Annual Gross Revenue computations set forth in Exhibit C, the Proposed Statement of Stabilized Property Operations set forth in Exhibit E and the Total Project Cost set forth in Exhibit D, the Project will generate an estimated Annual Service Charge of approximately \$33,537.

4. Term of Abatement:

The term of the tax exemption being requested by the Applicant is 35 years from the date of the adoption of the ordinance granting the tax abatement or 30 years from the date of substantial completion of the Project or for period not to exceed the period of time by which the Project is encumbered by an eligible loan made to the Applicant by the New Jersey Housing and Mortgage Agency pursuant to the NJMHFA Law commencing from the date of substantial completion of the Project.

5. **Description of the Project:**

The Property consists of approximately 26,275 square feet (0.6032 acres) of land located at 136 and 140-142 Summit Avenue and 55 Clifton Place in Jersey City, New Jersey.

The Property consists of a dilapidated former hospital structure and vacant land. All buildings/structures will be demolished.

The improvements to be constructed will consist of the following:

This Project includes the construction of five (5) story building, consisting of four (4) residential floors over one (1) level of parking and retail.

The residential floors shall contain approximately sixty (60) residential rental units, fifty-eight (58) of which will be affordable housing units, with the remaining two (2) units being offered at market rate. The building's residential rental units will be distributed as follows; approximately eight (8) one-bedrooms, which will average approximately six hundred fifty (650) square feet, approximately thirty-three (33) two-bedrooms, which will average approximately eight hundred (800) square feet, and approximately nineteen (19) three bedrooms, which will average approximately one thousand one hundred (1,100) square feet. Each residential unit will have living, dining, and kitchen areas. The ground floor will contain three retail units totaling approximately two thousand one hundred forty (2,140) square feet of space. The ground floor will also contain parking spaces for a total of approximately forty two (42) cars.

The property consists of 4 separate tax lots. The Applicant's affiliate, the Doe Fund, Inc. is the contract purchaser of the property. Upon transfer of title to the Doe Fund, the Doe Fund will assign the property to the Applicant. The Applicant will construct and maintain ownership interest in the project.

6. **Estimated Total Cost of Project:**

The Total Project Cost, as set forth in Exhibit D is estimated to be \$22,257,972. The construction costs have been estimated based upon information compiled by the Applicant and its consultants. The Total Project Cost is subject to approval by the NJHMFA.

7. **Financing Structure:**

Major financing for the Project will be provided by the following:

New Jersey Housing and Mortgage Finance Agency - Construction/Permanent Financing

Federal Low Income Housing Tax Credit Program, including subsidy through the Tax Credit Exchange Program

8. **Annual Gross Revenue and Expenses:**

A Schedule of Annual Gross Revenue for the Project is attached hereto as Exhibit C. A Projected Statement of Operations is attached hereto as Exhibit E. The Annual Gross Revenue and Projected Statement of Operations are subject to approval by the NJHMFA.

9. **Construction Schedule:**

The construction of the Project is scheduled to commence in August 2010 and will be completed within approximately 15-18 months. This construction schedule is subject to modification based upon the time required to obtain the necessary governmental approvals and permits from those local, state and federal governmental agencies involved in the Project.

10. **Real Estate Tax Assessments:**

The tax assessment information for the Property is as of 2009 is as follows:

Lot 8E:		Lots 9A/10A:	
Land	\$ 70,000	Land	\$ 16,900
Improvements	\$280,000	Improvements	\$ 0
Total	\$350,000	Total	\$ 16,900
Lot 8C:			
Land	\$ 26,200		
Improvements	\$ 0		
Total	\$ 26,200		

11. **Real Estate Tax Information:**

The Real Estate taxes assessed against the Property are as follows:

The total municipal real estate taxes for 2009 for the Property were approximately \$23,589.

12. **Certification as to Commencement of the Project.**

The Applicant will not commence construction of the Project prior to the receipt of final approval of the tax abatement and the execution of a Financial Agreement between the City and Summit Avenue Center for Opportunity LLC.

13. **Estimated Jobs to be Created:**

It is projected that the Project will generate approximately 100-150 full time equivalent construction jobs during the term of construction. In addition, it is projected that the Project will generate approximately 3 direct full time permanent employment opportunities upon the commencement of operations of the Project. This Project will not cause any loss or displacement of current employment opportunities. All of the aforementioned employment opportunities will be immediately created. The Applicant agrees to execute a Project Employment Agreement simultaneously with the execution of a financial agreement.

The Project is exempt from the requirements of City Ordinance #07-123, which would otherwise require the execution of a Project Labor Agreement. This Application is for tax exemption pursuant to the NJHMFA Law and, therefore, not a "Tax Abated Project" as defined under Ordinance #07-123.

14. **Compliance with State and Local Redevelopment Laws.**

The Applicant certifies that the Project is located in the Summit and Fairmount Avenue Redevelopment Plan Area.

The Project will be constructed in accordance with the terms and conditions of any preliminary site plan approval granted by the Jersey City Planning Board and in compliance with any state permits or approvals required for the renovation or new construction. It is anticipated that an application for preliminary site plan approval will be heard by the Jersey City Planning Board on February 9, 2010.

15. **Compliance with State and Local Law:**

The Project meets the requirements of the laws of the State of New Jersey and the City of Jersey City to qualify for a tax abatement.

16. **Form of Financial Agreement:**

Attached hereto as Exhibit G is a proposed form of Financial Agreement between the City of Jersey City and Summit Avenue Center for Opportunity LLC.

17. **Certificate of Formation:**

Summit Avenue Center for Opportunity LLC is a limited liability company formed pursuant to the laws of the State of New Jersey and is qualified to do business in New Jersey.

Attached hereto as part of Exhibit G is a copy of the Certificate of Formation of Summit Avenue Center for Opportunity LLC.

A Disclosure Statement listing the names and address of the members of the Applicant is attached hereto as part of Exhibit G.

18. **Affordable Housing Contribution:**

No affordable housing contribution is required pursuant to Section 304-28 of the Code of the City of Jersey City. This Application is for tax exemption pursuant to the NJHMFA Law, and this Project contains affordable housing units that are in excess of 15% of the overall number of units. Therefore, the Project is entitled to exemption on two separate bases under Section 304-28.

19. **Fee:**

Since this Application concerns a Project which provides housing for families of low or moderate income, no application fee is required.

EXHIBIT A

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC

Description of the Property

Address: 136 and 140-142 Summit Avenue and 55 Clifton Place in Jersey City, New Jersey

Block 1917, Lots 8E, 8C, 9A, and 10A.

A metes and bounds description is attached hereto.

Description of Property

Lots 8C, 8E, 9A, 10A & 11A; BLOCK 1917

City of Jersey City, Hudson County, New Jersey

Beginning at a point, said point being the intersection of the southerly side line of Fairmont Avenue (60' r.o.w.) and the westerly side line of Clifton Place (39' r.o.w.) and running:

1. South 26°38'06" West along the westerly side line of Clifton Place, a distance of 84.02' to a point, thence
2. North 67°26'54" West along the northerly line of Lot 18D, Block 1917, a distance of 125.00' to a point, thence
3. South 26°38'06" West along the westerly line of Lot 18D, Block 1917, a distance of 6.82' to a point, thence
4. North 63°51'04" West along the northerly line of Lot 6A, Block 1917, a distance of 121.80' to a point on the easterly side line of Summit Avenue (50' r.o.w.), thence
5. North 26°38'06" East along the easterly side line of Summit Avenue, a distance of 59.59' to a point of non-tangent curvature, thence
6. Still along the easterly side line of Summit Avenue on a curve to the right having a radius of 393.00', an arc length of 27.57', an interior angle of 4°01'10", a chord bearing of North 36°14'56" East and a chord length of 27.56' to a point of non-tangency, thence
7. North 48°00'15" East still along the easterly side line of Summit Avenue, a distance of 36.18' to a point, thence
8. South 79°11'00" East along the southerly line of Lot 10B, Block 1917, a distance of 13.47' to a point, thence
9. South 58°40'18" East still along the southerly line of Lot 10B, Block 1917, a distance of 114.34' to a point on the southerly side line of Fairmont Avenue, thence
10. South 55°31'54" East along the southerly side line of Fairmont Avenue, a distance of 102.73' to the point and place of beginning.

Containing: 26,277 S.F. = 0.6032 Acres

EXHIBIT B

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC DESCRIPTION OF RESIDENTIAL LEASES GOOD FAITH ESTIMATE OF INITIAL RENTS

1. Name of Tenant: Various
2. Term of Lease: Initial term of lease not less than 1 year.
3. Number of Apartments:

Affordable Apartments:

Number of Apts.	Number of Bedrooms/Baths	Square* Footage	Monthly Rent
8	1/1	650	\$298/\$655
31	2/1	800	\$780/340
19	3/1.5	1100	\$387/895
Total 58			

Market Rate Apartments:

Number of Apts.	Number of Bedrooms/Baths	Square* Footage	Monthly Rent
2	2/1	800	\$1,500
Total 2			

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

5. Premium paid directly by Tenant Annually
 - a. Fire & other insurance NONE
 - b. Real Estate Taxes of Assessments on in project NONE
 - c. Operating and maintenance expenses paid by tenant NONE
6. Special Features: Parking
Residential Amenities

EXHIBIT C

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC Total Annual Gross Revenue Computation

<u>Affordable Apartments:</u> (includes super unit)	<u>Units</u>		<u>Per*</u> <u>Month</u>	<u>Total per</u> <u>Month</u>	<u>Total</u> <u>Annually</u>
One Bedroom	1	@	\$298.00	\$298.00	\$3,576.00
One Bedroom	7	@	\$665.00	\$4,655.00	\$55,860.00
Two Bedrooms	4	@	\$340.00	\$1,360.00	\$16,320.00
Two Bedrooms	26	@	\$780.00	\$20,280.00	\$243,360.00
Two Bedrooms	1(supr)	@	\$0	\$0	\$0
Three Bedrooms	1	@	\$387.00	\$387.00	\$4,644.00
Three Bedrooms	<u>18</u>	@	<u>\$895.00</u>	<u>\$16,110.00</u>	<u>\$193,320.00</u>
Subtotal	58		\$3,365.00	\$43,090.00	\$517,080.00

<u>Market Rate</u> <u>Apartments:</u>	<u>Units</u>		<u>Per*</u> <u>Month</u>	<u>Total per</u> <u>Month</u>	<u>Total</u> <u>Annually</u>
Two Bedrooms	2	@	<u>\$1,500.00</u>	<u>\$3,000.00</u>	<u>\$36,000.00</u>
Subtotal	2		\$1,500.00	\$3,000.00	\$36,000.00

Total Residential Rental Income: \$553,080.00
 Less
 Vacancy @ 5% \$ 27,654.00

Total residential rental income after vacancy adjustment:

\$525,426.00

Other Rental Income: Annual

Commercial Units \$12,296.00
 Less
 Vacancy @ 30% \$3,689 \$8,607.00

Total Other Income \$8,607.00

Total Annual Gross Revenue \$534,033.00

* The exact square footage and rent could vary. The numbers above represent the average square footage and rent for each type of apartment.

EXHIBIT D

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC ESTIMATED TOTAL PROJECT COST

1.	Cost of land acquisition and any buildings thereon	\$2,400,000
2.	Cost of site preparation, demolition and development	\$500,000
3.	Architects, engineers, surveyors, consultants, experts and attorneys fees (paid or payable) in connection with the planning, execution and financing of the Project.	\$685,000
4.	Cost of necessary studies, surveys, plans, and permits	\$77,500
5.	Insurance, interest, financing, tax, assessment, and other operating and carrying costs during construction	\$1,247,415
6.	Cost of construction, reconstruction, fixtures, and equipment related to the real property	\$14,309,000
7.	Cost of land improvements	\$500,000
8.	Necessary expenses in connection with initial occupancy of project	\$109,600
9.	A reasonable profit or fee to the builder and developer	\$1,400,000
10.	An allowance established by the NJHMFA for working capital and contingency reserves, and reserves for any operating deficits	\$1,029,457
11.	Costs of guarantees, insurance or other additional financial security for the project	\$0
12.	Cost of such other items, including tenant relocation, as the NJHMFA shall determine to be reasonable and necessary for the development of the project, less any and all net rents and other revenues received from the operation of the real and personal property on the project site during construction, improvement or rehabilitation	\$0
	TOTAL	<u>\$22,257,972</u>

EXHIBIT E

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC

PROJECTED STATEMENT OF STABILIZED PROPERTY OPERATION

RENTAL INCOME:

		<u>Annual Income</u>
Apartments		\$553,080.00 (for detail see Exh. C)
Less Vacancy Loss	@ 5%	<u>\$ 27,654.00</u>
Net Apartment Rents		\$525,426.00
Commercial Units		\$ 12,296.00
Vacancy Loss @30%		\$ 3,689.00
Net Commercial Rental Income		<u>\$ 8,607.00</u>
Total Rental Income		\$534,033.00

OPERATING EXPENSES:

I.	Admin.	\$15,568
II.	Salaries	\$67,800
III.	Maint. & Repairs	\$8,300
IV.	Maint. Contracts	\$59,500
V.	Utilities (electric & gas)	\$52,000
VI.	Annual Service Charge (6.28% of Annual Gross Revenue)	\$33,537
VII.	Management Fee (% of Total Income)	\$36,000
VIII.	Insurance	\$42,000
IX.	Reserve for Repair & Replacement	\$21,000
	 Total Operating Expenses:	 \$335,705.00

EXHIBIT F
SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC
PROPOSED FINANCIAL AGREEMENT

(SEE ATTACHED)

Rev. 2-27-09
HMFA
N.J.S.A. 55:14K-1 et seq.

Re:

Block 1917, Lots 8E, 8C, 9A & 10A
Summit and Fairmount Redevelopment
Plan Area

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] made this ___ day of
, 200_, by and between Summit Avenue Center for Opportunity LLC, Limited Liability Company is a
qualified housing sponsor under the New Jersey Mortgage Housing Finance Agency
N.J.S.A. 55:14K-1 et seq., having its principal office _____, New
Jersey -----, and the **CITY OF JERSEY CITY**, a Municipal Corporation in the
County of Hudson and the State of New Jersey, [City], having its principal office at 280
Grove Street, Jersey City, New Jersey 07302.

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner under a dated Deeds _____ and
_____ of certain property designated as Block 1917, Lots 8E, 8C, 9A & 10A and
Block _____, Lots _____, more commonly known by the street address of 136 and 140-142
Summit Avenue and 55 Clifton Place, Jersey City, NJ, and more particularly described by the metes and bounds description
set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Summit and Fairmount
Redevelopment Plan Area; and

WHEREAS, the Entity plans to construct certain improvements on the Property
to create a total of 60 units of rental housing, [2 units of rental market rate housing,
and 58 units of moderate income rental housing units] 2,140 sq. ft. of retail space and a 42 car parking garage

WHEREAS, on _____ 2010, the Entity's Application for a tax exemption
for the Project was approved by the City by the adoption of Ordinance _____; and

NOW, THEREFORE, in consideration of the mutual covenants herein

contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq., Executive Order of E.O. 02-003, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

i. Agency- The New Jersey Housing and Mortgage Finance Agency.

ii. Annual Gross Revenue- The total gross income, including any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, laundry, or other services, including any Section 8 certificate revenue derived from the Project, including all rent and other income, with an allowable vacancy rate of up to 5%. It also includes the cost of insurance, gas, electricity, water and sewer charges, other utilities, garbage removal and insurance charges even if paid for directly by the Tenant, if such expense is ordinarily paid for by the Landlord.

iii. Annual Service Charge -Estimated Service Charge: \$1,006,110 over the 30 year term of the tax exemption, calculated as follows:

(1) Years 1 through 10, a total of \$ 33,537 each year, based upon:

A) 6.28% of annual gross revenue of the residential units: \$ 32,997 or approximately \$ 550 per unit; B) 6.28% of annual gross revenue of the retail space: \$ 540 or \$.25 per sq. ft.; and C) 6.28% of annual gross revenue of the parking garage:

\$ 0 or \$ 0 per parking space;

(2) Years 11-20, a total of \$ 33,537 each year, based upon: A) 6.28% of annual gross revenue of the residential units: \$ 32,997 or approximately \$ 550 per unit; B) 6.28% of annual gross revenue of the retail space: \$ 540 or \$.25 per sq. ft.; and C) 6.28% of annual gross revenue of the parking garage: \$ 0 or \$ 0 per parking space;

(3) Years 21-30, a total of \$ 33,537 each year, based upon: A) 6.28% of annual gross revenue of the residential units: \$ 32,997 or approximately \$ 550 per unit; B) 6.28% of annual gross revenue of the retail space: \$ 540 or \$.25 per sq. ft.; and C) 6.28% of annual gross revenue of the parking garage: \$ 0 or \$ 0 per parking space; in accordance with the financial plan attached hereto as Exhibit 2, which sum is in lieu of any taxes on the Improvements.

iv. Auditor's Report - A complete financial statement outlining the financial status of the Project (for a period of time as indicated by context), which shall also include a certification of Total Project Cost and clear computation of Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholder's equity, statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items reasonably required by the City or its auditors. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

v. Certificate of Occupancy - Document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vi. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

Center for Opportunity
V LLC, which Entity is formed and qualified pursuant to Law. It shall also include any

vii. Entity - The term Entity within this Agreement shall mean Summit Avenue LLC, which Entity is formed and qualified pursuant to Law. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under by Law and the transfer has been duly approved by the City.

viii. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

ix. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

x. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xi. Land Tax Payments - If the law requires, payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xii. Law - Law shall refer to the New Jersey Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq.; Executive Order 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance which authorized the execution of this Agreement; and Ordinance 07-123, as may be amended or supplemented from time to time, which requires the execution of a Project Labor Agreement, and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

xiii. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the amount of the total taxes that would have been levied against all real property in the area covered by the Project in the last full tax year preceding the recording of the HMFA mortgage which amount the parties agree is approximately \$23,589. The Minimum Annual Service Charge shall be paid in each year in which the Annual Service Charge, calculated pursuant to the Financial

Agreement would be less than the Minimum Annual Service Charge.

xiv. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xv. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

xvi. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 1917, Lots 8E, 8C, 9A, and 10A, more commonly known by the street address of 13b and 140-142 Summit Avenue and 55 Clifton Place, Jersey City, NJ, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Secretary of State or Office of the Hudson County Clerk.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct certain improvements on the Property to create a total of 60 units of rental housing, [2 units of rental market rate housing, and 58 units of moderate income rental housing units], 2,140 sq. ft. of retail space and 42-car parking garage, all of which is more specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be managed and controlled as follows:

1. The Entity ^{is affiliate, the Doe Fund, Inc.} shall manage the improvements with regard to the residential dwelling units and retail space.
- ~~2. The parking facility will be operated by a third party Lessee pursuant to and in accordance with the terms of a certain lease between the Entity and third party Lessee.~~

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth estimated Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Statement of Rental Schedules and Lease Terms

The Entity represents that its good faith projections of the initial rental schedules and lease terms are set forth in Exhibit 7, attached hereto.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of: ^{five (5)} ~~thirty-three (33)~~ years from the date of the adoption of Ordinance _____ which approved this exemption or thirty (30) years from the date of the recording of the HMFA mortgage as funded and approved by the Agency. The tax exemption shall only be effective only while the Project is owned by an entity formed and operating as a housing

sponsor under the Law and subject to an HMFA mortgage. Thereafter, the tax exemption shall expire and the land and improvements thereon shall be assessed and taxed according to the general law applicable to other non-exempt property in the City.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make payment to the City of an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue as set forth in its Financial Plan, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

A Minimum Annual Service Charge shall be due beginning on the date this Agreement is executed. The Annual Service Charge or Minimum Annual Service Charge, as the case may be, shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Administrative Fee

The Entity shall also pay an annual administrative fee to the City in addition to the Minimum or Annual Service Charge. This administrative fee shall equal two (2%) percent of the Annual Service Charge and shall be payable and due on or before December 31st of each year and collected in the same manner as the Annual Service Charge.

Section 4.3 Land Tax Credit

If the Law requires the Entity to pay Land Taxes in addition to the service charges, then the Entity will be entitled to a land tax credit against the service charges. In order to be entitled to the credit, however, the Entity is obligated to make timely Land Tax Payments, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount,

without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any year that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credits against the Annual Service Charge for that year. No credit will be applied against the Annual Service Charge for partial payments of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge, the amount unpaid shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid.

Section 4.5 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including adjustments thereto, Administrative Fees, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

Section 5.1 ~~Project Labor Agreement and~~ Project Employment Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment & Contracting Agreement, attached hereto as Exhibit 8. ~~In addition, the Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time.~~

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain

all Certificates of Occupancy in a timely manner. The failure to secure the Certificates of Occupancy shall subject the property to full taxation.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not mitigate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit(s) for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that this Agreement shall continue in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to: Rental schedule of the urban renewal Project, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity

during the previous year.

B. Total Project Cost Audit: Within ninety (90) days after the Substantial Completion of the Project, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, certified as to actual construction costs by an independent and qualified architect, utilizing the form attached hereto as Exhibit 9, and as to all other costs, certified its conformance with generally accepted accounting principles, by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, if there has been a change in ownership or interest from the prior year's filing, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time.

Section 7.3 Mortgage

Within ninety (90) days after the date the Entity closes on its loan with the Agency, the Entity shall file with the City a fully executed copy of the Note and a recorded copy of the HMFA Mortgage.

Section 7.4 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City and the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity.

All costs incurred by the City to conduct the audit, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of

the Entity's Annual Service Charge. Interest shall accrue at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity's return on investment shall be limited in accordance with the regulations and conditions imposed by the Agency pursuant to N.J.S.A. 55:14K-7(6) or any other Law applicable.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Prior Approval of Sale

Any change made in the ownership of the Project and sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity is formed and eligible to operate under the Law; 2) the Entity is not then in default of this Agreement or the Law; and 3) the Entity's obligations under this Agreement is fully assumed by the new Entity.

Section 9.2 Transfer or Lease to Tax Exempt Organization or Public Body.

In the event that the Entity transfers, sells, demises, conveys, or in any manner relinquishes ownership or title, including a lease to the land or improvements, covered by this tax exemption agreement, to a tax exempt non-profit organization or institution, including any public body, during the term of the tax exemption agreement, that would adversely impact the City's anticipated economic interests by reducing in any way taxes or the service charge due the City under this agreement or by law, it is understood and agreed by the Entity that it first obtain the consent of the City to the transfer or lease. It is further understood that it may be grounds for the City to withhold its approval if the City's economic interests are adversely effected thereby.

Section 9.3 Severability.

It is an express condition of the granting of this tax exemption that during its duration, the Entity shall not, without the prior consent of the Municipal Council by

Ordinance, convey, mortgage or transfer, all or part of the Project so as to sever, disconnect, or divide the improvements from the lands which are basic to, embraced in, or underlying the exempted improvements.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 55:14K-1, et seq., as currently amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default failure to pay any charges defined as Material Conditions in Section 4.5, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate

the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, ~~Additional Consideration~~ or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI ~~Land Taxes or the Annual Service Charges shall not be subject to the default procedural remedies as provided in Article XI~~ herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No determination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, ^{or} Administrative Fees ~~or Additional Consideration~~. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no determination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, ^{or} Administrative Fees ~~or Additional Consideration~~, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may after the expiration of one year from the Substantial Completion of the Project notify the City that as of a certain date designated in the notice, it relinquishes its status as a tax exempt Project. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting to the City. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to

accomplish the purpose of the ~~Long Term Tax Exemption~~ Law. The cost for the arbitration shall be borne equally by the parties. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Article IV, Section 4.5 as Material Conditions.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit any right of recovery of any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action (other than an action commenced by the Entity) alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of the Law, the Entity shall indemnify and hold the City harmless, and the Entity agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the ^{City} Entity.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

Summit Avenue Center for Opportunity LLC
c/o The Doe Fund Inc.
345 East 102nd Street, 3rd Floor
New York, NY 10029 and Attn: Richard Roberts

as a copy to:

Nancy A. Skidmore, Esq.
Connell Foley LLP
Harborside Financial Center
2510 Plaza Five, Jersey City, NJ 07311
and

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08650-2085

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the ~~Urban Renewal~~ Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a

manner contemplated by the parties. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Initial Rental Schedules and Lease Terms;
8. Project Employment & Contracting Agreement ~~& Project Labor Agreement;~~
9. Architect's Certification of Actual Construction Costs;
10. Written approval of HMFA mortgage loan, including the amount and term thereof.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

ATTEST:

Summit Avenue Center / For Opportunity, LLC

SECRETARY

MEMBER MANAGER

ATTEST:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

BRIAN O'REILLY
BUSINESS ADMINISTRATOR

EXHIBIT G

SUMMIT AVENUE CENTER FOR OPPORTUNITY LLC

**Certificate of Formation for Summit Avenue Center For Opportunity
LLC and Disclosure Statement**

NAME OF ENTITY: Summit Avenue Center for Opportunity LLC

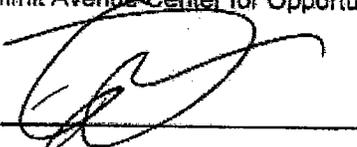
NAME OF REGISTERED AGENT: Paul Watter, Esq.

ADDRESS: c/o Hill Wallack, LLP
200 Carnegie Ctr.
Princeton, NJ 08543-5228

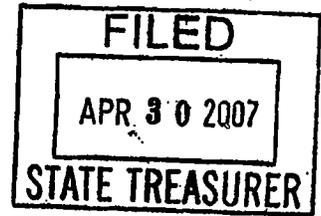
I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN) IS SET FORTH ON THE RIDER ATTACHED.

NAME	ADDRESS	PERCENT OWNED
The Doe Fund, Inc.	232 E. 84 th Street New York, NY 10028	100%

Summit Avenue Center for Opportunity LLC

By: 

CERTIFICATE OF FORMATION
OF



Summit Avenue Center for Opportunity, LLC

The undersigned, desiring to form a limited liability company under the New Jersey Limited Liability Company Act (hereinafter, the "Act"), N.J.S.A. 42:2B-1, et seq., hereby certify that: throughout this Certificate, any word or words that are defined in the Act, as amended from time to time, shall have the same meaning as provided in the Act, and the word or words listed below within quotation marks shall be deemed to include the words which follow them:

- A. "Certificate" - This Certificate of Formation.
- B. "Company" - This Limited Liability Company.

1. **Company Name.** The name of the Company shall be Summit Avenue Center for Opportunity, LLC.

2. **Purpose.** The sole purpose of the Company is to acquire and develop property located at 136 & 140-142 Summit Avenue and 55 Clifton Place, Jersey City, New Jersey for use in furtherance of the following charitable purpose:

(a) Planning and implementing programs to expand communities for employment, training and placement and making housing available to homeless New Jerseyans; and

(b) Conducting any and all lawful activities which may be useful in accomplishing the foregoing purposes.

3. **Date of Formation.** The Company shall be deemed to have been formed immediately upon the filing of this Certificate.

4. **Registered Agent and Registered Office.** The registered agent and office for service of process is Paul N. Watter, Esq., Hill Wallack LLP, 202 Carnegie Center, Princeton, NJ 08543-5226.

5. **Duration.** The duration of the Company is perpetual.

6. **Authorization to Execute.** For purposes of the formation of the Company, the Members have authorized Paul N. Watter, Esq. to execute this Certificate on their behalf. The authority to execute documents on behalf of the Company shall terminate upon the execution and filing with the New Jersey Department of Treasury of this Certificate.

IN WITNESS WHEREOF, this Certificate of Formation has been signed this 27th day of April, 2007.

A handwritten signature in black ink that reads "Paul N. Watter".

Paul N. Watter, Esq.
Pursuant to the authorization
of the Members

0600298264

City Clerk File No. Ord. 10-024

Agenda No. 3.M 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 10-024

TITLE: **ORDINANCE APPROVING 1) THE NUNC PRO TUNC ASSIGNMENT OF A TAX EXEMPTION FROM SUMMIT APARTMENTS, INC., TO SUMMIT PLAZA ASSOCIATES AND APPROVAL OF A PORTION OF THE PROPERTY FOR COMMERCIAL USE; AND 2) AN AMENDMENT TO THE TAX EXEMPTION TO REMOVE A PORTION OF THE PROJECT FROM THE TAX EXEMPTION, PURSUANT TO THE LIMITED DIVIDEND NON PROFIT HOUSING CORPORATION LAW, N.J.S.A. 55:16-18**

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

WHEREAS, by the adoption of a Resolution on February 16, 1971, the City of Jersey City approved a 48 year, 15% of annual gross shelter rent tax exemption for property located at the intersection of Kennedy Blvd and Newark Avenue, and known as Block 593.1, Lot F on the City's Tax Map [Property] owned by Summit Apartments, Inc, pursuant to the Limited Dividend Non Profit Housing Corporation Law, N.J.S.A. 55:16-18; and

WHEREAS, Summit Apartments, Inc., constructed 531 units of moderate income housing and 28,472.75 square feet of commercial space, with a loan from the New Jersey Housing and Mortgage Finance Agency [HMFA] construction mortgage; and

WHEREAS, by a deed dated May 21, 1973, Summit Apartments, Inc., conveyed the Property to Summit Plaza Associates, a qualified housing sponsor under HMFA, but without the approval of the governing body; and

WHEREAS, Summit Plaza associates constructed 28,473 square feet of commercial space and 385 parking spaces on the Property although commercial use and parking were never applied for or approved for tax exemption; and

WHEREAS, on May of 2009, Summit Plaza Associates, applied to subdivide Lot F into 2 separate lots: one for the residential portion and the commercial space (Block 593.1 Lot 1); and the second, for the vacant School Building (Block 593.1 Lot 2); and

WHEREAS, by an application dated September 25, 2009, as amended on October 28, 2009 and November 4, 2009, Summit Plaza Associates applied to the City of Jersey City for approvals 1) the nunc pro tunc of the 1973 sale of the Property to Summit Plaza Associates and its use of a portion of the Property for commercial purposes; 2) an amendment to the existing tax exemption to remove the vacant School Building, Block 593.1, Lot 2 from the tax exemption; and 3) the proposed sale of the School Building, Block 593.1 Lot 2 (formerly a portion of Lot F), for \$1.8 million to a third party; and

WHEREAS, the conveyance of the Property from Summit Apartments, Inc., to Summit Plaza Associates and approval of a portion of the Property for both residential and commercial uses should be approved and memorialized; and

WHEREAS, the sale of the vacant School Building Block 593.1, Lot 2 and termination of its tax exemption, will result in the return of a portion of the Property to the conventional real estate tax rolls; and

WHEREAS, there is an especially compelling need to maintain and preserve the use of the Property for decent, safe, and affordable housing; and

WHEREAS, the Tax Abatement Committee voted to recommend approval of the tax abatement application to the Mayor and Council at its meeting of January 28, 2010.

ORDINANCE APPROVING 1) THE NUNC PRO TUNC ASSIGNMENT OF A TAX EXEMPTION FROM SUMMIT APARTMENTS, INC., TO SUMMIT PLAZA ASSOCIATES AND APPROVAL OF A PORTION OF THE PROPERTY FOR COMMERCIAL USE; AND 2) AN AMENDMENT TO THE TAX EXEMPTION TO REMOVE A PORTION OF THE PROJECT FROM THE TAX EXEMPTION, PURSUANT TO THE LIMITED DIVIDEND NON PROFIT HOUSING CORPORATION LAW, N.J.S.A. 55:16-18

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

1. The amended application of Summit Plaza Associates, a qualified housing sponsor under the New Jersey Housing Mortgage Finance Agency Law N.J.S.A. 55:14K-1 et seq.; for approval of the nunc pro tunc approval of the conveyance of the Property and Project from Summit Apartments, Inc., to Summit Plaza Associates and its use of a portion of the Property for commercial use and an amendment to the tax exemption attached hereto as Exhibit A, is hereby approved subject to the following terms and conditions:

- (a) Term: 50 years or earlier, upon expiration or termination of term of the 1973 HMFA mortgage and will expire in 2023;
- (b) Service Charge: 15% of Annual Gross Shelter Rents;
- (c) Project: 531 units for families of moderate income, which includes 28,473 square feet of commercial space and 385 parking spaces; and
- (d) Property: Block 593.1, Lot 1 (formerly known as a portion of Block 593.1 Lot F) on the City's Tax map, located at the intersection of Kennedy Blvd. and Newark Avenue, Jersey City, New Jersey;
- (e) Termination of the tax exemption for the vacant School Building located on Block 593.1, Lot 2 (formerly a portion of Lot F).

2. The Mayor or Business Administrator is authorized to execute an amended tax exemption Financial Agreement, which includes a Project Employment Agreement in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator and Corporation Counsel deems appropriate or necessary.

3. Closing of title and execution of an Amended Financial Agreement must occur no later than December 31, 2010.

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

5. 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.

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

7. 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/he
2/4/10

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required
Not Required