

NOW, THEREFORE, it is hereby resolved by the City Council of the City of Hoboken as follows:

1. The Mayor of the City of Hoboken is hereby authorized to commence the process set forth at N.J.S.A. 13:8B-5 by scheduling the appropriate public hearings and publishing the notice of same accordingly.

2. Upon the satisfaction of the requirements set forth in N.J.S.A. 13:8B-1, et seq. and upon the occurrence of all of the Termination Triggers, as that term is defined herein, the Mayor of the City of Hoboken is hereby authorized to execute and record a termination of the Prior Deed of Easement in its entirety, as may be necessary and appropriate.

3. Staff and consultants to the City are hereby authorized and directed to take all other administrative actions to implement this Resolution as are necessary and appropriate to accomplish its goals and intent, to the extent permitted by law.

4. This Resolution shall be effective immediately.

---Motion duly seconded by Councilman Russo

---Adopted by the following vote: YEAS: 7 – NAYS: 2

---Yeas: Council persons Bhalla, Cunningham, DeFusco, Doyle, Mello, Ramos, Russo and President Giattino

---Nays: Fisher

16-420

---By Councilman Mello

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOBOKEN REGARDING THE LONG TERM TAX EXEMPTION FOR MONROE CENTER HOBOKEN URBAN RENEWAL, LLC, THE REDEVELOPER OF THE MONROE CENTER AREA, TO INCLUDE IN EACH ANNUAL BUDGET FOLLOWING THE COMMENCEMENT OF PILOT PAYMENTS IN ACCORDANCE WITH THE FINANCIAL AGREEMENT, AN APPROPRIATION TO THE HOBOKEN SCHOOL DISTRICT FROM SUCH PILOT PAYMENTS

WHEREAS (#1), the City of Hoboken has, by Resolution of the Governing Body, designated Monroe Center Hoboken Urban Renewal, LLC (the “Redeveloper”) as the exclusive redeveloper of the Monroe Center Area, an area within the Northwest Industrial Area of the City as further set forth herein, and further, has authorized the execution of a Redevelopment Agreement by and between the City and the Redeveloper for the redevelopment of the Monroe Center Area (the “Redevelopment Agreement”); and

WHEREAS (#2), pursuant to the terms of the Redevelopment Agreement, the Redeveloper will implement a redevelopment project for the construction of an up to 700,000 sq. ft. mixed-use residential and commercial structure upon Block 80, Lot 1.01 and Block 81, Lot 2.01, also known as Monroe III, which will include 424 residential units, 42 of which shall be deed restricted as affordable housing units within the building (i.e. 10%), for no less than 40 years (the “Project”); and

WHEREAS (#3), the implementation of the Redevelopment Agreement will result in the environmental remediation and conveyance to the City of three (3) parcels comprising 90,035 sq. ft. of open space for purposes of recreation and conservation to be utilized as public parks, including the construction of a public gymnasium and a Stormwater Detention System to contribute towards addressing the City’s stormwater concerns and Rebuild By Design initiatives, at a cost to the Redeveloper of approximately \$26,440,300.00 (collectively, the “Public Infrastructure Improvements”); and

WHEREAS (#4), the City Council of the City of Hoboken has determined that it is in the best interest of the City of Hoboken to acquire the parcels as well as the Stormwater Detention System; and

WHEREAS (#5), the Redeveloper submitted to the City an Application for a Long Term Tax Exemption and a Fiscal Impact Analysis in connection with the Project and the Public Infrastructure Improvements seeking to make payments in lieu of taxes (“PILOTs”); and

WHEREAS (#6), pursuant to the Redeveloper’s Fiscal Impact Analysis, the Project, together with the Public Infrastructure Improvements, would not be financially feasible but for the provision of a long term tax exemption in accordance with N.J.S.A. 40A:20-1, et seq. (the “Exemption Law”); and

WHEREAS (#7), the City has carefully reviewed the PILOT Application and the Redeveloper’s Fiscal Impact Analysis and has considered the impacts of the development upon the City as well as the long term tax exemption requested by the Redeveloper; and

WHEREAS (#8), the City has further determined that the benefits of the Project, together with the Public Infrastructure Improvements, outweigh the cost of the tax exemption for the following reasons:

1. Extensive environmental remediation will be completed upon Monroe III, Phase IV, Monroe V and the Jackson Street Property.
2. The provision of affordable housing contributes to the satisfaction of the City’s policy to encourage affordable housing opportunities.
3. The net amount of revenue projected to be received by the City from the PILOT payments will exceed the net amount of revenue projected to be received by the City if the Project was built and subject to otherwise applicable taxes.
4. The City would realize a debt service cost in the approximate amount of \$37.6 million if the City were to undertake the implementation of the Public Infrastructure Improvements.

WHEREAS (#9), in light of the substantial benefits to the City under the Redevelopment Agreement and pursuant to the City’s consideration of the PILOT Application and the Redeveloper’s Fiscal Impact Analysis as well as the City’s Financial Analysis, together with the Report prepared by the City’s financial consultant, 4 Ward Planning, which concluded that the 30 year PILOT is necessary in order to make the Project, together with the Public Infrastructure Improvements, financially feasible, the City determined that a Financial Agreement permitting the Redeveloper to make annual payments in lieu of taxes (PILOTs) to the City (the “Financial Agreement”) is justified and as such, the Financial Agreement is a condition of the Redeveloper’s obligations under the Redevelopment Agreement; and

WHEREAS (#10), the formula for the distribution of the revenue received through PILOT payments is mandated by the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-12, which provides that otherwise applicable real estate taxes on the land are payable in full, 5% of the PILOT payments relating to the improvements on the land are payable to the County, no payment is made to the school district, while the remaining 95% of the PILOT payment is retained by the City; and

WHEREAS (#11), the City Council wishes to provide, to the maximum extent of its legal authority, an appropriate payment to the Hoboken School District in order to acknowledge and contribute towards addressing the differential in the payments due to the Hoboken School District under the PILOT structure set forth in the Financial Agreement so that necessary funding to enable the Hoboken School District to continue to provide the children of the City of Hoboken a thorough and efficient education will be assured; and

WHEREAS (# 12), based upon the PILOT Application and Fiscal Impact Analysis prepared by the Entity and reviewed by the City's financial consultant, 4 Ward Planning, the PILOT payments are not expected to begin until the first quarter of 2019, when the first Certificates of Occupancy are estimated to be issued; and

WHEREAS (#13), pursuant to the provisions of the Long Term Tax Exemption Law, the actual PILOT payments will vary from year to year, as the amount is based on a percentage of the actual rents and other revenues received by the Redeveloper from the Project, such that the amounts of the PILOT payments are anticipated to fluctuate from year to year; and

WHEREAS (#14), pursuant to the terms of the Financial Agreement and the Long Term Tax Exemption Law, the Redeveloper is subject to a limitation of its profits, and following an annual audit, any profit in excess of the greater of (i) 12% or (ii) 1.25% over the initial permanent mortgage financing, must be paid back to the City by the Redeveloper; and

WHEREAS (#15), pursuant to the terms of the Long Term Tax Exemption Law, the Redeveloper must make estimated quarterly payments throughout the year, and if the annual audit reflects that the estimated PILOT payments are in excess of the actual required PILOT payment, the Redeveloper will be entitled to an adjustment in the amount of the overpayment.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hoboken as follows:

1. It is the hereby expressed intent of the City Council of the City of Hoboken that, upon the commencement of the receipt of the annual PILOT payments referenced herein by the City, and continuing for the entire thirty (30) year duration of such payments, the City Council shall include in each annual Municipal Budget, an appropriation to the Hoboken School District in an amount equivalent to the greater of (1) 25 percent of the annual PILOT revenue received by the City from this project or (2) the number of K-12 students residing in the project and attending Hoboken School District K-12 schools multiplied by the School Choice reimbursement rate for that year (up to a maximum of 50% of the City's annual Pilot revenue from this project) to ensure that the Project pays its fair share of school taxes in order to enable the School District to continue to provide a thorough and efficient education to the children of the City of Hoboken, and to relieve non-abated property owners within the City of Hoboken from subsidizing any tax burden triggered by the Long Term Exemption Law, arising out of this Project.

2. A certified copy of this Resolution shall be forwarded to the Hoboken School District by the City Clerk.

3. This resolution shall take effect upon the adoption of an Ordinance by the City Council of the City of Hoboken authorizing the execution of the Financial Agreement, as that term is defined herein.

--Motion duly seconded by Councilman Russo

--Adopted by the following vote: YEAS: 7 – NAYS: 2

--Yeas: Council persons Bhalla, Cunningham, DeFusco, Doyle, Mello, Ramos, Russo and President Giattino

--Nays: Fisher

16-421

---By Councilman Mello

RESOLUTION OF THE CITY OF HOBOKEN AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT WITH MONROE INVESTMENT GROUP, LLC FOR THE REDEVELOPMENT OF BLOCK 81, LOT 3.01 (UNIT A) IN THE MONROE CENTER AREA, AN AREA WITHIN THE NORTHWEST INDUSTRIAL AREA