



Township Council
1 Municipal Plaza
Bloomfield, NJ 07003

Louise M. Palagano
Municipal Clerk

<http://www.bloomfieldtwpnj.com>

Meeting: 05/04/15 07:00 PM

2015 ORDINANCE AMENDMENT

AN ORDINANCE OF THE TOWNSHIP OF BLOOMFIELD, COUNTY OF ESSEX, STATE OF NEW JERSEY AUTHORIZING THE EXECUTION OF A TAX AGREEMENT FOR THE PAYMENTS IN LIEU OF TAXES FOR NEWLY CONSTRUCTED MULTIPLE DWELLINGS WITH S&S AT PARK STREET, LLC

WHEREAS, the Township of Bloomfield, in the County of Essex, New Jersey (the "Township"), a public body corporate and politic of the State of New Jersey, is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "Redevelopment Law") to determine whether certain parcels of land within the Township constitute an area in need of rehabilitation or an area in need of redevelopment; and

WHEREAS, by resolutions dated August 19, 2002 and August 10, 2009, the Mayor and Council of the Township found and determined that the entire Township was an area in need of rehabilitation pursuant to *N.J.S.A. 40A:12A-14* of the Redevelopment Law; and

WHEREAS, pursuant to the Five Year Exemption and Abatement Law, *N.J.S.A. 40A:21-1 et seq.* (the "Five Year Law") improvements to property located within an area in need of rehabilitation or redevelopment may qualify for short term tax exemptions; and

WHEREAS, on May 20, 2002, the Municipal Council adopted an ordinance authorizing five-year tax exemptions for certain rehabilitation and redevelopment projects in the Township as authorized under *N.J.S.A. 40A:21-8* of the Five Year Law, which ordinance has been and may be amended from time to time (the "Township Code"); and

WHEREAS, the S&S at Park Street, LLC (the "Applicant") has submitted an application to the Township requesting a tax exemption under the Township Code and the Five Year Law seeking financial assistance in implementing the rehabilitation and redevelopment of

AS TO FORM AND PROCEDURE
ON BASIS OF FACTS SET FORTH

Brian J. Shaw

the property commonly known as Block 244, Lot 19 on the tax map of the Township (the "Property") for the construction of a mixed-use project consisting of 50 residential units, approximately 1,850 sq. ft. of retail space and 75 parking spaces (collectively, the "Project"); and

WHEREAS, the Municipal Council has determined that the authorization of a tax abatement and exemption for the construction of the Project on the Property is in the best interests of the Township and will facilitate the rehabilitation and redevelopment of the Township and the Property for productive use.

NOW, THEREFORE BE IT ORDAINED, by the Municipal Council of the Township of Bloomfield, in the County of Essex, New Jersey, as follows:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Municipal Council hereby approves a tax agreement for the abatement and exemption of real estate taxes for the construction of multiple dwellings and payment in lieu of taxes for the Project in accordance with the tax phase-in basis (the "Tax Agreement"). The Tax Agreement shall be for no longer than five years following completion of the Project and shall be subject to all provisions of the Five Year Law and the Township's Five-Year Exemption Ordinance. The Tax Agreement shall calculate payments in lieu of taxes in accordance with the terms of the Tax Agreement and be in the form substantially on file with the Township Clerk. The Mayor, in consultation with counsel to the Township, is hereby authorized to execute the Tax Agreement, with such modifications or revisions deemed necessary by the Mayor, and prepare, amend or execute any other agreements necessary to effectuate the Tax Agreement and this Ordinance.

Section 3. Within 30 days of its execution, the Township Clerk shall forward a copy of the Tax Agreement to the Director of the Division of Local Government Services in the Department of Community Affairs as prescribed by N.J.S.A. 40A:21-11(d).

Section 4. If any part of this Ordinance shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Ordinance.

Section 5. This Ordinance shall take effect in accordance with all applicable laws.

* * * * *

I hereby certify that the above ordinance was duly adopted by the Mayor and Council of the Township of Bloomfield at a meeting of said Township Council held on JUNE 1, 2015.

Kevin K. Pellegrino

 Municipal Clerk of the Township of Bloomfield

M. V. J.

 Mayor of the Township of Bloomfield

✓ Vote Record - Ordinance						
		Yes/Aye	No/Nay	Abstain	Absent	
<input type="checkbox"/> Adopt	Elias N. Chalet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Deny	Nicholas Joanow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Withdrawn	Carlos Bernard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Table	Wartyna Davis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Not Discussed	Joseph Lopez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> First Reading	Carlos Pomares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Table with no Vote	Michael J. Venezia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Approve						
<input type="checkbox"/> Veto by Mayor						
<input type="checkbox"/> Discussion						
<input type="checkbox"/> Defeated						
<input type="checkbox"/> Discussion No Vote						

✓ Vote Record - Ordinance						
		Yes/Aye	No/Nay	Abstain	Absent	
<input type="checkbox"/> Adopt	Elias N. Chalet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/> Deny	Nicholas Joanow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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<input type="checkbox"/> Approve						
<input type="checkbox"/> Veto by Mayor						
<input type="checkbox"/> Discussion						
<input type="checkbox"/> Defeated						
<input type="checkbox"/> Discussion No Vote						

TOWNSHIP OF BLOOMFIELD

**APPLICATION FOR TAX AGREEMENT FOR
FIVE YEAR EXEMPTION PURSUANT TO
TOWNSHIP OF BLOOMFIELD ORDINANCE 520-11**

- (A) A general description of the Project for which an exemption and abatement is sought.**

The Applicant proposes to construct a 5 story, mixed-use building which includes 50 residential units and approximately 1,850 square feet of ground floor retail (the "Project"). The Project will have 29 one bedroom units, ranging in size from 870 square feet to 1200 square feet, and 21 two bedroom units, ranging in size from 970 square feet to 1450 square feet. There will be 75 on site parking spaces located on two levels.

The proposed Project was approved by the Township of Bloomfield Planning Board by resolution dated December 11, 2011. The resolution of approval is attached hereto as Exhibit A.

- (B) A legal description of all real estate necessary for the Project.**

The property proposed for development is designated as Block 244, Lot 19 on the Tax Map of the Township of Bloomfield and commonly referred to as 44-58 Park Street (the "Property"). A description of the Property and a copy of the Deed is attached hereto as Exhibit B.

- (C) Plans, drawings and other documents to demonstrate the structure and design of the Project.**

The Preliminary and Final Site Plan for S & S at Park Street, LLC, prepared by Dynamic Engineering, consisting of seven (7) sheets and dated September 10, 2012, is attached hereto as Exhibit C.

The architectural drawings for S & S at Park Street, LLC, prepared by STEVEN COVSO, AIA, consisting of 25 sheets and dated JUN 25, 2013, are attached hereto as Exhibit D.

The Preliminary and Final Site Plan and architectural drawings were reviewed and approved by the Township of Bloomfield Planning Board in connection with the amended preliminary and final site plan approval received by the Planning Board by resolution dated December 11, 2011, attached hereto as Exhibit A.

(D) A description of the number, classes and type of employees to be employed at the Project site within two years of completion of the Project.

4 Sales Personnel and Cashiers
1 Property Superintendent

(E) A statement of the reasons for seeking tax exemption on the Project and a description of the benefits to be realized by the applicant if an exemption and abatement is granted.

Because of the high costs of construction, the initial rents expected and the expected rate at which the units will be rented, the Project will not be profitable during the first few years. The 5 year abatement will provide some financial relief during that initial period. Because the requested abatement is phased in over its term, by the sixth year the Project will be paying full taxes.

(F) Estimate of the cost of constructing the Project.

1. Soft cost	188,000
2. Demolition	20,000
3. Excavation	80,000
4. Footing and foundation	84,000
5. Steel	358,000
6. Concrete floors	60,000
7. Framing all floors and roof	1,040,000
8. Exterior finish (Brick, stucco)	180,000
9. Paving and sidewalks	60,000
10. Window, facia, gutters and leaders	48,000
11. Plumbing and fixtures	206,000
12. Electrical and fixtures	210,000
13. HVAC	180,000
14. Sprinkler system	160,000
15. Insulation	50,000
16. Sheetrock and spackle	260,000
17. Paint	58,000
18. All doors and trim	110,000
19. Tiles	90,000
20. Hardwood floors	160,000
21. Kitchen	106,000
22. Appliances	96,000
23. Elevator	110,000
24. Fire alarm	24,000
25. Cleaning	8,000
26. Landscaping	4,000
Total	3,950,000

- (G) **A statement indicating which of the formulas the applicant proposes to be used to calculate the payments in lieu of full property taxes, as authorized by N.J.S.A. 40A:21-10.**

The abatement requested is the "Tax phase-in basis", which is set forth in N.J.S.A. 40A:21-10 c. As reflected therein, the formula to be used would be as follows:
 The agreement shall provide for the applicant to pay to the municipality in lieu of full property tax payments an amount equal to a percentage of taxes otherwise due, according to the following schedule:

- (1) In the first full year after completion, no payment in lieu of taxes otherwise due;
- (2) In the second full year after completion, an amount not less than 20% of taxes otherwise due;
- (3) In the third full year after completion, an amount not less than 40% of taxes otherwise due;
- (4) In the fourth full year after completion, an amount not less than 60% of taxes otherwise due;
- (5) In the fifth full year after completion, an amount not less than 80% of taxes otherwise due.

- (H) **A statement showing:**

- (1) **The real property taxes currently being assessed at the Project site;**

The real property taxes currently being assessed at the Project site is approximately \$63,218.23 per year. Attached hereto as Exhibit E is a copy of the most recent tax bill for the Property.

- (2) **Estimated payments that would be made annually by the Applicant on the Project during the period of the tax agreement; and**

Period	Estimated Payment
1st Year	\$0
2 nd Year	\$41,995
3 rd Year	\$83,989
4th Year	\$125,984
5 th Year	\$167,979

- (3) **Estimated tax payments that would be made by the Applicant on the Project during the first full year following the termination of the tax agreement.**

Estimated Full Taxes: \$209,973 (at 2014 Tax Rate)

- (I) **If the Project is a commercial or industrial structure, a description of any and all lease agreements between the Applicant and proposed users of the Project, and a history and description of the users' business.**

Not applicable

- (J) **If the Project is a multiple dwelling, a description of the number and types of dwelling units to be provided, a description of the common elements or general common elements, and a statement of the proposed initial rentals or sales prices of the dwelling units according to type and of any rental lease or resale restrictions to apply to any dwelling units respecting low or moderate income housing.**

The Project will have 29 one bedroom units, ranging in size from 870 square feet to 1200 square feet, and 21 two bedroom units, ranging in size from 970 square feet to 1450 square feet. There will be 75 on site parking spaces located on two levels. The retail units will be on the ground floor, with frontage onto Park Street

The residential units will be access by a ground floor lobby, which will be accessible by a keyless entry system designed for tenants only. The parking will be on two levels, with an underground garage containing 40 stalls, for tenants only, which shall be access by a separate driveway and a steel overhead door, operated by a remote entry system. The ground floor parking, which will be located behind the retail units, will be open and available for use by tenants, visitors and retail customers.

Initial projected rents are approximately \$1.90 per square foot per month for one bedroom units and approximately \$1.75 per square foot per month for two bedroom units

- (K) **A schedule of the estimated completion date of the Project.**

It is estimated that the construction work will be completed approximately by November 1, 2014

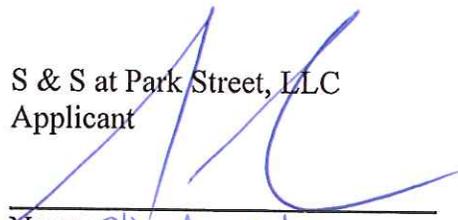
- (L) **Such other information as may be required by the Township.**

This Applicant will provide any additional information that the Township requires to review its application for a five year tax exemption within reason upon request.

CERTIFICATION

I certify that the forgoing statements and the materials submitted are true. I further certify that I am the individual applicant or that I am the Officer of the Corporate applicant and that I am authorized to sign the application for the corporation or that I am a general partner of the partnership application.

S & S at Park Street, LLC
Applicant


Name: Skender Meka
Title: Managing Member

10-22-14
Date