

CITY OF PLAINFIELD

MC 2023-39

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH 140 E 7TH ST URBAN RENEWAL LLC FOR CERTAIN IMPROVEMENTS IN TODD SOUTH REDEVELOPMENT PLAN AREA

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., (the “Redevelopment Law”), authorizes a municipality to determine whether certain parcels of land in the municipality constitute areas in need of redevelopment or rehabilitation; and

WHEREAS, on January 17, 2017, the City of Plainfield, a public body corporate and politic of the State of New Jersey (the “City”), adopted Resolution 059-17, designating the entirety of the Urban Enterprise Zone (the “UEZ”) as an Area In Need Of Rehabilitation (the “Rehabilitation Area”); in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”); and

WHEREAS, on November 12, 2019, via Resolution R337-19 and Resolution R338-19, the City designated a portion of Transit Oriented Development District (“TODD”) as an area in need of redevelopment (the “Redevelopment Area”); and

WHEREAS, thereafter, the City adopted a redevelopment plan entitled the *TODD South Redevelopment Plan* for the Redevelopment Area, dated December 19, 2019, as amended (the “Redevelopment Plan”); and

WHEREAS, the City adopted Resolution R140-22, directing the Planning Board to amend the Redevelopment Plan to add and include Block 832, Lot 6 (commonly referred to as 140-146 East 7th Street) and Block 832, Lot 13 (commonly referred to as 129-133 Crescent Avenue), which properties are situated in the UEZ and the Rehabilitation Area; and

WHEREAS, the Redevelopment Plan was amended January 19, 2023, to add the above parcels, which are now subject to the Redevelopment Plan; and

WHEREAS, pursuant to N.J.S.A. 40A:12-4, the City is acting as the “redevelopment entity” (as such term is defined at N.J.S.A. 40A:12A-3 of the Redevelopment Law) for the Redevelopment Area; and

WHEREAS, the 140 E 7TH ST Urban Renewal, LLC (the “Entity”), through an affiliated entity, is the owner of Block 832, Lot 6, and is seeking minor subdivision approval to subdivide out a portion of Block 832, Lot 13, which it is under contract to acquire, to add to Block 832, Lot 6, to create Block 832, Lot 6.01 (hereinafter, the “Property”) and Block 832, Lot 13.01, which is not part of the proposed development for the Property; and

WHEREAS, the Entity proposes to finance, construct and implement on the Property a transit-oriented development that furthers smart growth norms. The Property currently consists of vacant and underutilized land. The project will redevelop the Property with the construction of approximately eighty-six (86) residential units, ground floor retail space and separate community amenity space envisioned as an art gallery for the promotion of local artist(s) as well as customary site improvements, including landscaping, lighting, stormwater facilities, etc. (the “Project”). Accordingly, the Project will generate significant amounts of new municipal revenue through the Annual Service Charge, improvement to the quality of life and creation of public benefits for existing and future residents of the City; and

WHEREAS, the City has determined that the Entity possesses the proper qualifications and experience to implement and complete the Project in accordance with the Redevelopment Plan, and all other applicable laws, ordinances and regulations; and

WHEREAS, pursuant to Resolution No. 269-23, adopted on July 10, 2023, the City authorized the execution of a redevelopment agreement with the Entity’s affiliate, which agreement provided for the assignment of the redevelopment agreement to an affiliated urban renewal entity to undertake the Project, such as the Entity, which redevelopment agreement was executed on September 15, 2023 (the “Redevelopment Agreement”); and

WHEREAS, in order to ensure the financial feasibility of the Project, the Entity made application to the City requesting a long-term tax exemption and financial agreement (the

“Application”) pursuant to the Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., (the “Exemption Law”) which Application is ; and

WHEREAS, after review of the Application, a copy of which is on file with the Clerk and incorporated herein by reference, the Mayor recommended that the Application be approved; and

WHEREAS, the City determined that the assistance provided to the Project pursuant to this Agreement will be a significant inducement for the Entity to proceed with the Project and that based on information set forth in the Application, the Project would not be feasible without such assistance; and

WHEREAS, in lieu of a separate Resolution, this Ordinance shall serve as the enactment in which the City hereby approves the Entity’s Application; and

WHEREAS, the parties have now negotiated a proposed form of financial agreement, a copy of which is attached hereto as Exhibit A, and the Mayor and Council have determined that it is appropriate to approve the execution of the financial agreement substantially in the form that is on file; and

WHEREAS, the City Council makes the following findings with respect to the relative benefits of the Project to the redevelopment of the Property when compared to the costs, if any, associated with the tax exemption:

Relative benefits of the Project when compared to the costs include:

The financial agreement will benefit the City and its inhabitants by furthering the redevelopment of the Redevelopment Area, which is an underutilized property that will add new residential offerings to the City;

The combination of commercial space, residential living space and the outdoor lounge area will serve to increase the vibrancy of the East 7th Street community and may spur other development and commercial activity in the surrounding area;

The proposed development will generate significant municipal revenues to the City. It is not anticipated that there will be any large or extraordinary municipal costs associated with the Project. The City’s review and analysis indicates that the benefits of the Project outweigh any costs to the City;

The project will attract new residents to the Project Area, which will contribute to the economic growth of existing local businesses and potentially to the creation of new businesses;

It is expected that the Project will create approximately 75 jobs during construction and 10 permanent full- and part-time jobs after construction;

The City finds of further significance the payment that the Entity has agreed to make under the terms of the Redevelopment Agreement toward the City’s community benefits; and

The relative stability and predictability of the service charges will allow the Entity to stabilize their expenses, which will insure the likelihood of the Project’s success and ensure that it will have a positive impact on the surrounding area.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Plainfield, County of Union and State of New Jersey as follows:

Section 1. The findings set forth above are hereby adopted and made part of this Ordinance.

Section 2. Pursuant to the authority granted under the Exemption Law, this Ordinance authorizes the long term tax exemption with respect to the Improvements of the Project on Block 832, Lot 6.01 on the official tax map of the City of Plainfield.

Section 3. The Mayor is authorized to execute the financial agreement substantially in the form attached hereto as Exhibit A, and any other agreement or document related thereto deemed relevant and appropriate by counsel to the City in furtherance of the financial agreement and this Ordinance.

Section 4. The financial agreement herein authorized shall be subject to all requirements of the Exemption Law and all applicable federal, State and local laws and regulations.

ADOPTED BY THE MUNICIPAL COUNCIL

December 11, 2023



Abubakar Jalloh, R.M.C.
Municipal Clerk

CLERK'S CERTIFICATION

I, Abubakar Jalloh, City Clerk of the City of Plainfield do hereby certify that the foregoing is a true copy of a resolution duly adopted by the Plainfield City Council.

Abubakar Jalloh, R.M.C.
Municipal Clerk