City Clerk File No. Ord. 15.099

Agenda No. 3.B 1st Reading

Agenda No. 4.A 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.099

TITLE: **ORDINANCE AUTHORIZING THE CITY OF JERSEY CITY TO EXECUTE A 10 YEAR LEASE WITH THE JERSEY CITY HOUSING AUTHORITY FOR APPROXIMATELY 25,839 SQUARE FEET OF SPACE AT BUILDING #8, 420 U.S. HIGHWAY 1**

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

WHEREAS, the City of Jersey City [City] needs office and warehouse space for various Departments, especially the Department of Public Safety; and

WHEREAS, N.J.S.A. 40A:12-5 provides that a municipality may negotiate a lease and by ordinance authorize a lease of real property it determines is needed for municipal purposes; and

WHEREAS, the Jersey City Housing Authority is the owner of Block 15601, a portion of which is more commonly known as Building #8, and by the street address of 410 U.S. Highway #1, consisting of a total of 25,839 square feet of both office and warehouse space and certain parking areas, all of which is depicted on the map attached hereto; and

WHEREAS, the initial rent for the space shall be *$8.01* per square foot or $17,247 per month or $206,970 per year with incremental annual increases over the term of the lease, in addition to the cost of utilities, maintenance and the construction of certain improvements; and

WHEREAS, the term of the lease shall be for 10 years with up to (2) five year renewals to be exercised at the option of the City, subject to rental increases as set forth in the lease agreement which will not exceed $7.96 per square foot or $20,571 per month or $246,852 per year in the last year of the renewal period; and

WHEREAS, funds for the initial rent in the amount of $20,000 have been encumbered in account # 01-201-31-432-304 for the costs of the first month's rent under P.O. _____; and

WHEREAS, future annual rent shall be subject to the appropriation of funds in subsequent budget years.

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

1. The Mayor or Business Administrator is authorized to executed a 10 year lease agreement, with the option to extend for (2) five year terms with the Jersey City Housing Authority for a portion of Block 15601, more commonly known as Building #8, and by the street address of 410 U.S. Highway #1, consisting of a total of 25,839 square feet of both office and warehouse space and certain parking areas, all of which is depicted on the map attached hereto.

2. The initial rent shall be *$8.01* per square foot or $17,247 per month or $206,970 per year with incremental annual increases over the term, in addition to the cost of utilities, maintenance and the construction of certain improvements.

ORDINANCE AUTHORIZING THE CITY OF JERSEY CITY TO EXECUTE A 10 YEAR LEASE WITH THE JERSEY CITY HOUSING AUTHORITY FOR APPROXIMATELY 25,839 SQUARE FEET OF SPACE AT BUILDING #8, 420 U.S. HIGHWAY 1

agreement, with the option to extend for (2) five year terms with the Jersey City Housing Authority for a portion of Block 15601, more commonly known as Building #8, and by the street address of 410 U.S. Highway #1, consisting of a total of 25,839 square feet of both office and warehouse space and certain parking areas, all of which is depicted on the map attached hereto.

2. The initial rent for the space shall be $8.01 per square foot with an improvement credit offset of $0.65 per square foot which results in an effective rent of $7.36 per square foot or $17,247.00 per month (effective rent of $15,858.65 per month) or $206,970.00 per year (effective rent of $190,303.83 per year) with incremental annual increases over the term of the lease, in addition to the cost of utilities, maintenance and the construction of certain improvements;

3. The Office of Emergency Management (OEM) will move into the storage space located in Building #8 at the commencement of this agreement while the Jersey City Department of Public Safety HQ (JCPSD HQ) will only move in after the renovation to their section of Building #8 is completed. The City will pay rent only for the OEM section initially and pay rent for the JCPSD HQ section after the Certificate of Occupancy is issued once renovations are complete

4. The lease shall be in substantially the form attached, subject to such modification as may be deemed necessary or appropriate by the Business Administrator or Corporation Counsel.

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 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
7/8/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

Ord. 15.099

CITY OF JERSEY CITY
DEPARTMENT OF ADMINISTRATION

CITY HALL | 280 GROVE STREET | JERSEY CITY, NJ 07302
P: 201 547 5147 | F: 201 547 4833

STEVEN M. FULOP
MAYOR OF JERSEY CITY

ROBERT J. KAKOLESKI
BUSINESS ADMINISTRATOR

MEMORANDUM

To: Robert J. Kakoleski, Business Administrator
From: Gregory J. Corrado, Asst. Business Administrator
Re: Marion Gardens Lease Comparison
Date: July 13, 2015

As per your request, the charts below display the cost differences from the current leases and the total savings at Marion Gardens.

Rent Comparison

	OEM at Moishe's	JCPSD at Journal Square	Marion Gardens
Rent Per Square Foot	$15.00	$19.40	$7.36
Total Square Foot	14,000	14,101	25,839
Pass Through Costs	$0	$25,000.00	$0
Total Rent	$210,000	$298,559.40	$190,175.04
Parking Spots		$49,680.00	
Total	$210,000	$348,239.40	$190,175.04

Total Savings

Location	Total Rent, Pass Through, and Improvement Costs
OEM at Moishe's	$210,000.00
JCPSD at Journal Square	$348,239.40
Current Total	$558,239.40
Marion Gardens	$190,175.04
Total Savings	$368,064.36

CITY OF JERSEY CITY
DEPARTMENT OF LAW

CITY HALL | 280 GROVE STREET | JERSEY CITY, NJ 07302
P: 201 547 5229 | F: 201 547 5230

STEVEN M. FULOP
MAYOR OF JERSEY CITY

JEREMY FARRELL
CORPORATION COUNSEL

MEMORANDUM

TO: City Council and Office of the City Clerk

FROM: John McKinney, Assistant Corporation Counsel JM

DATE: 8/10/2015

SUBJECT: Lease of Property at Marion Gardens for DPS HQ

Attached please find a proposed lease between the Housing Authority of the City of Jersey City, with offices at 400 U.S. Highway 1 (Marion Gardens), Jersey City, NJ 07306 and the City of Jersey City for Building #8 located at Marion Gardens.

All revisions to the agreement since the last City Council meeting are clearly marked. Added text is underlined and deleted text is stricken. The changes to the lease do not constitute material changes that subject the City to any greater liabilities or requirements.

Project Name: Marion Gardens
Location: Jersey City, New Jersey
Project Number: N.J. 9-2

COMMERCIAL LEASE AGREEMENT
Building #8 – Marion Gardens

This Lease Agreement entered into by the Housing Authority of the City of Jersey City, with offices at 400 U.S. Highway 1 (Marion Gardens), Jersey City, NJ 07306, hereinafter referred to as ("Lessor"), and

The City of Jersey City, with offices at 280 Grove Street, City Hall, Jersey City, NJ 07302, hereinafter referred to as ("Lessee"), provides as follows:

WHEREAS, Lessor is the owner of Marion Gardens, the Project, located in Jersey City, and

WHEREAS, Lessee desires to lease space in the Project, and Lessor is willing to rent Lessee space in the Project upon the terms, conditions, and covenants set forth herein.

1. Definitions
   a. Parties:
      i. Lessor: Housing Authority of the City of Jersey City, by and through its Executive Director, Marvin L. Walton, 400 U.S. Highway 1 (Marion Gardens), Jersey City, NJ 07306

      ii. Lessee: City of Jersey City, 280 Grove Street, City Hall, Jersey City, NJ 07302

   b. Leased Premises: Building #8, 420 U.S. Highway 1, Jersey City, NJ

   c. Term of Lease: 10 years

   d. Renewal Term: 2 five-year renewal options

   e. Commencement Date: _____, 2015

   f. Termination Date: _____, 2025

2. Lease of Premises. 25,839 sq. ft.

3. Rent. Lessee covenants and agrees to pay to Lessor during the Term of Lease either a Flat Rent pursuant to paragraph a., or a Base Rent and Percentage Rent pursuant to

paragraph b., as agreed by both parties. In no event shall Lessee be obligated to pay rent under both the Flat Rent Schedule and the Percentage Rent Schedule.

a. Flat Rent Schedule. Applicable

Lessee covenants and agrees to pay to Lessor during the Term of Lease an annual flat rent (the "Flat Rent") in the amounts set forth in the below chart:
Year 1 through year 10:

Building #8 Marion Gardens (25,839 sq. ft.)							
YEAR	Annual Rent	Equal Monthly Installments	Rent Per Square Foot	Improvement Credit	Net Monthly Rent	Net Rent Annualized	Rent Per Square Foot
1	$ 206,970.39	$ 17,247.53	$ 8.01	$ 1,388.88	$ 15,858.65	**$ 190,303.83**	$ 7.36
2	$ 206,970.39	$ 17,247.53	$ 8.01	$ 1,388.88	$ 15,858.65	**$ 190,303.83**	$ 7.36
3	$ 206,970.39	$ 17,247.53	$ 8.01	$ 1,388.88	$ 15,858.65	**$ 190,303.83**	$ 7.36
4	$ 210,074.94	$ 17,506.25	$ 8.13	$ 1,388.88	$ 16,117.37	**$ 193,408.38**	$ 7.49
5	$ 213,226.06	$ 17,768.84	$ 8.25	$ 1,388.88	$ 16,379.96	**$ 196,559.50**	$ 7.61
6	$ 216,424.45	$ 18,035.37	$ 8.38	N/A	$ 18,035.37	**$ 216,424.45**	$ 8.38
7	$ 219,670.81	$ 18,305.90	$ 8.50	N/A	$ 18,305.90	**$ 219,670.81**	$ 8.50
8	$ 222,965.87	$ 18,580.49	$ 8.63	N/A	$ 18,580.49	**$ 222,965.87**	$ 8.63
9	$ 226,310.35	$ 18,859.20	$ 8.76	N/A	$ 18,859.20	**$ 226,310.35**	$ 8.76
10	$ 229,705.00	$ 19,142.08	$ 8.89	N/A	$ 19,142.08	**$ 229,705.00**	$ 8.89

The Annual Flat Rent is payable in equal monthly installments, due and payable in advance, on the first day of each and every month during the Term of Lease. If the commencement date of the Term of Lease occurs other than on the first day of a month, then the monthly installment for the first month of the Term of Lease shall be prorated at the rate of one-thirtieth (1/30th) of the monthly installment of rent for each day, payable in advance of the Commencement Date. Lessee shall pay all rent to Lessor at the Lessor's office, or to such other party or other address as Lessor may designate by written notice to Lessee.

b. Percentage Rent Schedule. Not applicable.

4. Late Payment Fee. In the event that any monthly installment of rent, whether Flat Rent, Base Rent or Percentage Rent, is not paid within ten (10) calendar days after it is due, then Lessee shall also pay to Lessor, as additional rent, a late payment fee equal to five percent (5%) of the delinquent rent for each month or part thereof that such rent remains unpaid.

5. **Security Deposit.** Upon execution of this Lease Agreement, Lessee shall pay to Lessor a deposit of $_____0.00_____ to be held by Lessor as security for Lessee's performance

of all Lessee's covenants and obligations in this Lease Agreement. Lessor shall have the right to apply the security deposit in whole or in part in payment of any unpaid rent or other amount due because of an unperformed covenant or obligation by Lessee. Lessee's liability is not limited to the amount of the security deposit. On termination of the Lease Agreement and full payment of all amounts due and performance of Lessee's covenants and obligations, including surrender of the Leased Premises in accordance with paragraph 13(a) of this Lease Agreement, the security deposit, or any remaining unapplied portion thereof, shall be returned to Lessee without interest, except as provided by law.

6. Utilities. Lessee shall pay, in addition to the rent specified in paragraph 3(a) or 3(b) of this Lease Agreement, 90.76% of all water rents, gas and electric light and power bills taxed, levied or charged on the Leased Premises. This shall include any security system installed by the Lessee, during the Term of Lease in the Leased Premises [1]. In case these charges are not paid when due, Lessor shall have the right to pay the same, which amounts so paid, are declared additional rent and are payable by the Lessee with the next monthly installment of rent due to the Lessor. It is understood and agreed that no interruption in the supply of any services or utilities to the Leased Premises shall constitute an actual or constructive eviction of Lessee from the Leased Premises or shall entitle Lessee to terminate this Lease Agreement or to an abatement of any rent payable hereunder. Lessor shall have no liability to Lessee on account of any such interruption. The Lessee, may, at its own expense, obtain separate metering for such utilities.

7. Condition on Possession. All of the Leased Premises is being rented in its current "as is" condition. Lessee has examined and knows the condition of the Leased Premises and has received the same in good order and repair, and acknowledges that no representations as to the condition and repair of the Leased Premises, and no agreements or promises to decorate, alter, repair or improve the Leased Premises, have been made by the Lessor, except for those executed in writing and made a part of this Agreement.

8. Use of Leased Premises. No use shall be made of the Leased Premises other than in its "as is" condition to house Jersey City Public Safety Department Headquarters and the Jersey City Office of Emergency Management, as well as other City agency requirements for industrial/commercial purposes. Any other use shall constitute a default of this Lease Agreement. Lessee shall not permit any use of the Leased Premises which shall be offensive to or interfere with the rights of other tenants in the Project or which shall make voidable any insurance on the Project, the Leased Premises, the building of which the Leased Premises are a part, or the contents thereof, or which shall be improper or contrary to any law or regulation. Lessee shall exercise all due caution with respect to any flammable fluids or explosives which are to be kept or used in or on the Leased Premises or any place contiguous thereto. ~~Lessee shall not keep or use or permit to be kept or used in or on the Leased Premises or any place contiguous thereto any flammable fluids or explosives, without the prior written permission of the Lessor~~

[1] In the event that the Lessee installs its own security alarms, it is agreed by the Lessee that it will provide all information to the Lessor so that the Lessor will have access to the Lessee's alarmed Leased Premises.

9. **Hours of Business.** Based on the nature of the Lessee's operation access to the Leased Premises is required on a 24/7 basis.

10. Deliveries. Lessee shall receive all deliveries and move all freight, furniture or other bulky matter through such doors, loading docks and corridors, and at such times, as may be reasonably designated by Lessor. Lessee shall not permit vehicles or materials to be parked or to stand in the loading dock area or anywhere on the Project's premises or in the area contiguous to the Project's premises where such vehicles and materials unreasonably interfere with the use of any area of the Project, the common areas, any public alleys, sidewalks or streets. Any damage or injury to the Leased Premises or the building in which the Leased Premises are located caused by the receipt of deliveries or the moving of freight, furniture or other bulky matter by Lessee shall be repaired at the sole cost of Lessee.

11. Maintenance.

    a. The Leased Premises are: Free Standing

    Lessor shall at its own cost maintain building #8, the building in which the Leased Premises are located, in good condition and make all structural repairs required to the building and the Leased Premises, including foundations, roofs, bearing and exterior walls, and subflooring, and shall also maintain and repair at its cost, the unexposed electrical, plumbing and sewage systems so long as such repairs are not caused by the Lessee. If the need for these structural repairs and/or unexposed systems repairs are caused by the Lessee, then the Lessee is responsible for the damage caused by the Lessee. The Lessee shall be responsible for normal and customary repairs to the systems in the Leased Premises, including but not limited to fixing leaky plumbing fixtures, minor electrical repairs, and the such. Lessee shall be responsible for all snow, ice and water removal and for the disposal of all debris and waste from and around building #8 in which the Leased Premises are located.

    b. Lessee shall maintain and keep the Leased Premises in good repair throughout the Term of Lease. Lessee shall not commit waste or cause damage to the Leased Premises or the building of which the Leased Premises are a part; nor shall Lessee permit the appearance of the Leased Premises to deteriorate. If the Lessee does not keep the Leased Premises in good repair, Lessor may enter the same and may make such repairs as required to restore the Leased Premises to the condition they were in upon the date of execution of the Lease Agreement, and Lessee agrees to pay Lessor, in addition to the rent set forth in paragraph 3 of this Lease Agreement, the expenses Lessor incurred in repairing the Leased Premises due to the failure of the Lessee to keep the Leased Premises in good repair.

12. Access to Leased Premises. Lessor ~~reserves the right at all reasonable times~~and Lessee shall mutually agree upon times in advance ~~,~~ for ~~itself~~ Lessor and its duly authorized agents~~,~~ to go upon and inspect the Leased Premises and ~~its option to~~ make repairs,

alterations and additions to the Leased Premises as it deems necessary, provided none of Lessee's rights granted under this Lease Agreement are unreasonably abridged by the Lessor's action under this paragraph. Lessor, during the progress of any work on the Leased Premises, may take all necessary materials and equipment into the Leased Premises without the same constituting an eviction. Lessee shall not be entitled to any abatement of rent while work is in progress, nor to any damages by reason of loss or interruption of business or otherwise, provided; however, that Lessor shall use its best efforts not to interfere with Lessee's business operations. In emergencies, if Lessee is not present to permit entry into the Leased Premises, Lessor or Lessor's agent may enter the Leased Premises to protect or preserve or avoid damage to the Leased Premises, provided, however, reasonable care is exercised to safeguard Lessee's property. Lessor or its agents shall not be rendered liable for any entry into the Leased Premises pursuant to this paragraph, nor shall the obligations of Lessee under this Lease Agreement be affected by Lessor's entry. Lessee shall not unreasonably deny access to Lessor for the purpose of inspections or repairs to the Leased Premises. Nothing in this paragraph 12 in any way broadens or modifies the Lessor's limited maintenance obligations provided for in paragraph 11ae above.

13. ~~Quite~~ Quiet Enjoyment. Lessor covenants and agrees that Lessee, paying the rents and observing and keeping the terms, covenants and conditions of this Lease Agreement, shall lawfully, peaceably and quietly hold, occupy and enjoy the Leased Premises without any let, hindrance, ejectment or molestation by the Lessor or any person or persons lawfully claiming under it.

14. Non-liability of Lessor. Except as provided by law, with the exception of any inuries or damages that are a result of a pre-existing condition on or in the Leased Premises, Lessor shall not be liable to Lessee for any damage or injury to Lessee, Lessee's agents, employees, or invitees, or Lessee's property caused by the failure of Lessor to keep the Leased Premises and the building in which the Leased Premises are located, in good repair, and shall not be liable for any injury caused by wind, defective plumbing, electric wiring, insulation, gas pipes, water pipes, or steam pipes, or from broken stairs, porches, railings or walks, or from the backing up of any sewer pipe or down-spout or from the bursting, leaking or running of any tank, tub, washstand, water closet or waste pipe, drain or any other pipe or tank, or from the escape of steam or hot water from any radiator, nor for any such damage or injury occasioned by the falling of any fixture, plaster or stucco, nor for any damage or injury arising from any act, omission or negligence of co-tenants or of other persons, all claims for any such damage or injury being expressly waived by Lessee.

15. Assigning or Subletting. Lessee shall not assign this Lease Agreement or sublet the whole or any part of the Leased Premises. Any attempted assignment or subletting shall at the option of the Lessor be deemed a default. In the event Lessee should assign this Lease Agreement or sublet the Leased Premises with the prior written consent of the Lessor, the assignee or sublessee shall become subject to and perform all the terms, covenants and conditions of this Lease Agreement to be kept and performed by the Lessee. No assignment of this Lease Agreement or subletting of the Leased Premises

shall release Lessee from liability under this Lease Agreement, and Lessee shall at all times remain liable to Lessor for payment of rent and for performance of all terms, covenants and conditions of this Lease Agreement. Lessor shall give Lessee notice of any default by any assignee or sublessee under this Lease Agreement, and Lessee shall have thirty (30) days from the date such notice is given to cure the default. If Lessee cures the default within the specified period, Lessee shall have the right to re-enter and possess the Leased Premises subject to the terms and conditions of this Lease Agreement.

16. Construction and improvements.

a. Lessee's Construction.

i. Lessee shall be solely responsible for the repair, renovation and remodeling of the Leased Premises. Lessee agrees that all repairs, renovation and remodeling shall be completed in accordance with plans and specifications which have been approved in writing by the Lessor prior to the commencement of such repairs, renovations and remodeling. All repairs, renovation and remodeling shall be performed in accordance with all laws, ordinances, regulations and rules of all appropriate governmental authorities and insurance rating agencies. Lessee agrees that it will not permit any mechanics, laborers or other construction liens to be asserted against the Leased Premises. With the exception of injuries or damages that are a result of a pre-existing condition in or on the Leased Premises, Lessee agrees to indemnify and hold Lessor harmless from any claim or liability for personal injury or property damage sustained by any agent, employee or sub-contractor of Lessee, or such sub-contractor's agents or employees, while on the Leased Premises, or by any third person, including other tenants of the Lessor, or agents, employees or sub-contractors of Lessor, injured in the Leased Premises, or in the Project, as a result of the negligence of, or a condition created by, the Lessee or its agents, employees or sub-contractors or a condition existing on the Leased Premises during the repair, renovation and remodeling of the Leased Premises.

ii. The Lessor has agreed to give the Lessee a credit for significant non-cosmetic improvements not to exceed $83,332.80, which credit will be allocated equally over the first sixty (60) months of this Lease. This is provided for in Section 3a above.

b. Signs. Beyond appropriate signage indicating the location as the Jersey City Public Safety Department Headquarters (Police Chief, Internal Affairs, etc.) and the Jersey City Office of Emergency Management, the Lessee shall not erect or install any ground, building or roof signs except as permitted in writing by Lessor. All signs installed by Lessee shall comply with all requirements of appropriate governmental authorities, and all necessary permits or licenses shall be obtained by Lessee. Lessee shall maintain all signs in good condition and repair at all times and shall save Lessor harmless from injury to person or property arising from the erection, installation and maintenance of said signs. Upon vacating the Leased Premises, Lessee shall remove all signs and repair any damage caused by their removal.

c. Title to improvements. The improvements to be constructed on the Leased Premises by Lessee, and all additions, alterations, modifications and replacements thereto during the Term of Lease, shall be the sole property of Lessee at all times during the Term of Lease. Prior to the expiration or earlier termination of the Term of Lease, Lessee shall remove same, and upon the expiration or earlier termination of the Term of Lease, all such improvements not so removed shall be surrendered by Lessee and shall become the property of Lessor. Upon removal of all improvements, the Lessee shall return the Leased Premises to the same, or better, condition as it was in at the commencement of the Term of Lease.

17. Insurance and Indemnification.

a. Insurance. Lessee shall maintain with respect to the Leased Premises comprehensive public liability insurance for personal injuries and property damage, which may be sustained by third parties arising out of the use, occupancy, management or control of the Leased Premises. Such insurance shall be in amounts approved by the Lessor where the Leased Premises is located. Lessee shall also obtain insurance on the contents of, and any improvements placed on, the Leased Premises, including alterations, decorations, furnishings, fixtures and equipment, against loss or damage by fire, explosion, sprinkler leakage and/or other casualty in amounts at all times sufficient to rebuild, repair and restore the Leased Premises in the event of such casualty. Lessee shall insure all plate glass on the Leased Premises, at 100% of replacement value. All insurance required pursuant to this paragraph shall name the Lessor as an additional insured, insuring Lessor, as well as Lessee, against injury to persons or damage to property. All insurance required pursuant to this paragraph shall be issued by insurance companies that are licensed to do business in New Jersey, wherein the Project is located and that have a financial rating satisfactory to the Lessor. Lessee shall deposit with Lessor, upon Lessor's request, certificates for all insurance at, or prior to, the commencement of the Term of Lease, and thereafter within thirty (30) days prior to any cancellation or reduction of coverage. Each policy shall contain an endorsement which provides that no cancellation or reduction of coverage may be made without first giving Lessor, and if named as an additional insured, the holder of any mortgage or deed of trust on the Project, at least thirty (30) days prior written notice of such proposed action.

b. Indemnification. <u>With the exception of injuries or damages that are a result of a pre-existing condition in or on the Leased Premises,</u> Lessee agrees to indemnify, defend and hold Lessor harmless from and against any and all claims, causes of action, liabilities and other such loss or expense, of whatever nature, including costs of litigation and reasonable attorney's fees, whether for personal injury or property damage, arising out of, or connected in any way with, the Leased Premises, the conduct of Lessee's business on the Leased Premises or Lessee's use and occupancy of the Leased Premises, whether such injury occurs on the Leased Premises, in any area adjacent to the Leased Premises or in the Project.

18. Liens and Encumbrances. This Lease Agreement shall be subject to and subordinate to any and all mortgages, deed of trust and other instruments in the nature of a mortgage now or at any time hereafter constituting a lien or liens on the Leased Premises or the buildings of which the Leased Premises are a part, and Lessee shall, when requested, promptly execute and deliver such written instruments as shall be necessary to show the subordination of the Lease Agreement to said mortgages, deeds of trust or other such instruments. Lessee hereby covenants and agrees to be bound by all of Lessor's obligations contained in any such mortgages, deeds of trust and other instruments and to do nothing which shall cause Lessor to be in default of said mortgages, deeds of trust or other instruments and to remedy any such default of same within thirty (30) days written notice from Lessor. In the event that any lien upon Lessor's title results from any act or neglect of Lessee, and Lessee fails to remove said lien within ten (10) days after Lessor's notice to do so, Lessor may remove the lien by paying the full amount of the lien without any investigation or contest of the validity of such lien, and Lesee shall pay Lessor upon request the amount paid out by Lessor in such behalf, including Lessor's costs, expenses and attorney's fees.

19. Damage and destruction.

    a. If, at any time during the Term of Lease, the Leased Premises, or any part thereof, shall be damaged or destroyed by fire or other casualty of any kind or nature, including any casualty for which insurance was not obtained or obtainable, so as to be unfit for Lessee's carrying on its business in its normal and usual manner, and such destruction or damage can reasonably be restored or repaired within one hundred eighty (180) days after such event, there shall be no abatement of rental or other obligation of Lessee under this Lease Agreement, and Lessor, or Lessee, with Lessor's written permission, shall restore or repair the Leased Premises to substantially the same condition as they were in immediately before the destruction with all reasonable speed and shall complete such restoration or repair within one hundred eighty (180) days after such event.

    b. If the Leased Premises, or any part thereof, shall be destroyed or so damaged by any cause as to be unfit for Lessee's carrying on its business in its normal and usual manner, and it is determined by the parties that such destruction or damage cannot reasonably be repaired within one hundred eighty (180) days after the date of destruction or damage, either party shall be entitled to terminate this Lease Agreement by written notice of termination to the other party within thirty (30) days after the date of destruction or damage. If no notice of termination is given by either party, Lessor, or Lessee, with Lessor's written permission, shall immediately after expiration of such thirty (30) day period undertake such restoration or repair as is necessary to restore the Leased Premises to their former condition with all reasonable speed. In such event, the rental shall abate from the date of destruction or damage until the completion of such repairs.

    c. Lessor shall bear the cost of all amounts expended on the repair or restoration of the Leased Premises, including actual and reasonable costs incurred by the Lessee, except

that Lessor shall not be required to pay for the cost of repair or restoration of Lessee's alterations or improvements, trade fixtures, equipment or personal property. If the Lessor, during the course of its repair or restoration of the Leased Premises, repairs or restores any alterations or improvements made by the Lessee, or any of Lessee's trade fixtures, equipment or personal property, Lessee shall reimburse Lessor for any cost incurred in repairing or restoring these items which is not reimbursed through insurance. Lessee shall tender such reimbursement to Lessor not later than thirty (30) days after receipt of the invoices from Lessor for the reimbursable items.

d. If the building in which the Leased Premises are located is so destroyed or damaged so as to make the building unfit for occupancy, and Lessor decides not to restore or repair the building, the Lease Agreement shall be terminated.

20. Acquisition of Title by HUD. Not Applicable.

21. Default. If any installment of rent shall remain unpaid for ~~five~~ fifteen (15~~5~~) days after the same becomes due, or if Lessor shall fail to keep or perform any of the terms, covenants or conditions of this Lease Agreement to be kept by it within ten (10) days after notice from Lessor of such failure, or if Lessee's interest in the Leased Premises shall be sold under execution, attachment or other legal process, or if Lessee shall make an assignment for the benefit of creditors or if Lessee shall be subjected to a receivership, then, and without notice, it shall be lawful for the Lessor to re-enter the Leased Premises and have free possession of the same, and this Lease Agreement shall be terminated without prejudice to Lessor's right of action for arrears of rent or breach of contract, present and prospective damages or for any other costs or expenses resulting from such breach on the part of the Lessee. In the event of default, Lessor may relet the Leased Premises for the remainder of the Term of Lease, and may recover from Lessee any deficiency between the amount so obtained and the rentals provided by the new tenant. The reletting of the Leased Premises under such circumstances by Lessor shall not be construed under any circumstances as the acceptance of the surrender of the Leased Premises by the Lessee, unless Lessor consents in writing. Lessor's rights and remedies under this paragraph shall be cumulative and nonexclusive of any other rights, remedies at law or in equity.

~~22. Anticipatory Repudiation. If, prior to the Commencement Date, Lessee notifies Lessor of, or otherwise unequivocally demonstrates, an intention to repudiate this Lease Agreement, Lessor may, at its option, consider such anticipatory repudiation a breach of this Lease Agreement. In addition to any other remedies guaranteed Lessor under this Lease Agreement, Lessor may retain the security deposit and all rent paid by Lessee upon execution of the Lease Agreement.~~

~~23.~~22. Termination of Lease Agreement.

a. Surrender of Leased Premises. Surrender of Leased Premises. Lessee shall, at the expiration or earlier termination of this Lease, for whatever reason, remove all Lessee's goods and effects from the Leased Premises, including all trade fixtures, furniture and equipment. Lessee shall deliver to Lessor the Leased Premises, and all

keys, alterations and additions thereto. In the event of Lessee's failure to remove any of Lessee's property from the Leased Premises, Lessor is hereby authorized, without liability to Lessee for loss or damage, and at the sole risk of Lessee, to remove and store any of the property at Lessee's expense, or to retain same under Lessor's control, or to sell at public or private sale, without notice, and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property without liability or obligation of any nature to Lessee.

b. Holding over. At the expiration of Term of Lease, because of lapse of time, or otherwise, Lessee shall yield up immediate possession of the Leased Premises to Lessor in accordance with the conditions of paragraph 8(a) of the Lease Agreement. If Lessee retains possession of the Leased Premises or any part thereof after the termination of the Term of Lease, then Lessor may at its option, within thirty (30) days after termination of the Term of Lease serve written notice upon the Lessee that such holding over constitutes either a renewal of this Lease Agreement for one (1) year, creation of a month to month tenancy, or creation of a tenancy at sufferance. If no written notice is served on the Lessee, then a tenancy at sufferance shall have been created. In the event of a holding over, the terms of this Lease Agreement will continue in effect in accordance with the type of tenancy established as a result of the holding over. Lessee shall also pay to Lessor all damages sustained by Lessor resulting from retention of possession of the Leased Premises by Lessee. This paragraph shall not constitute a waiver by Lessor of any right of re-entry.

c. Abandonment of Leased Premises. If Lessee shall vacate or abandon the Leased Premises or permit the same to remain vacant or unoccupied for a period of thirty (30) consecutive days, or in case of the non-payment of rent, or of the breach of any covenant of this Lease Agreement, Lessee's right to the possession of the Leased Premises shall terminate without notice, and the Lessor may relet the Leased Premises.

d. Right to Relet. If Lessee's right to the possession of the Leased Premises shall be terminated in any way, the Lessor may relet the Leased Premises for the remainder of the Term of Lease and may recover from Lessee any deficiency between the amount so obtained and the rentals provided by the new tenant.

~~24.~~23. Environmental Compliance.

a. Additional Definitions. For purposes of this Section, (1) **"Regulated Substances"** include any pollutants, dangerous substances or any "hazardous wastes" or "hazardous substances" as defined in or pursuant to the Industrial Site Recovery Act (N.J.S.A. 13:1K-6 et seq.) (**"ISRA"**), the Spill Compensation and Control Act (N.J.S.A. 58:10-23.11 et seq.), the Resource Conservation and Recovery Act (42 U.S. §6901 et seq.), the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. §9601 et seq.) or any other state or federal environmental or occupational health or safety law or regulation and any amendment of or rule, regulation, order, directive or guidance issued thereunder (**"Environmental**

Requirements"); (2) **"Enforcement Notice"** means a summons, citation, directive, order, claim, litigation, investigation, judgment, letter or other communication, written or oral, actual or threatened, from the New Jersey Department of Environmental Protection (**"NJDEP"**), the United States Environmental Protection Agency (**"USEPA"**) or other Federal, State or local agency or authority, or any other entity or any individual, concerning any intentional or unintentional action or omission resulting or which might result in the Releasing of Regulated Substances into the air or waters or onto the lands of the State of New Jersey, or into the air or waters outside the jurisdiction of the State of New Jersey where damage may have resulted to the air, lands, waters, fish, shellfish, wildlife, biota, air or other resources owned, managed, held in trust or otherwise controlled by, or within the jurisdiction of, the State of New Jersey, or into the "environment," as such term is defined in 42 U.S.C. 9601(8); (3) **"Environmental Authority"** shall mean any federal, state, or local governmental authority, or political subdivision thereof, court or tribunal having jurisdiction over environmental matters, including without limitation, NJDEP and any successor agency; (4) **"Land Use Covenants"** and/or **"Land Use Restrictions"** shall mean those measures (including institutional and engineering controls) affecting the title and use of the Leased Premises, and obligations to maintain cover and containment structures, and to monitor and test environmental media and conditions as prescribed by an Environmental Authority to protect the public from unsafe exposures to hazardous or toxic substances and which may be memorialized in documents of title to "run with the land" such as described in a NJDEP document such as a "Declaration of Environmental Restrictions", and any successor document.; and (5) **"Releasing"** or **"Release"** means releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

b. Regulated Substances. Lessee shall comply with all applicable federal, state and local environmental laws, ordinances, rules and regulations, and shall obtain and comply with any and all permits required thereunder. The Lessee shall not suffer or permit (a) any intentional or unintentional action or omission of the Lessee or any other occupant, user and/or operator of the Leased Premises, resulting in the Releasing of Regulated Substances into the air or the waters or onto the lands of the State of New Jersey, or into the air or the waters outside the jurisdiction of the State of New Jersey where damage may result to the air, lands, waters, fish, shellfish, wildlife, biota, air or other resources owned, managed, held in trust or otherwise controlled by, or within the jurisdiction of, the State of New Jersey, or (b) any Enforcement Notice or any facts which might result in any Enforcement Notice with respect to the Leased Premises. Notwithstanding anything herein to the contrary, Lessee may use, keep, and store certain Regulated Substances, provided that: (i) such Regulated Substances are normally, customarily and reasonably used in connection with facilities similar to the Lessee's use of the Leased Premises; (ii) any such activity on the part of Lessee is in strict accordance with all applicable laws; and, (iii) Lessee disposes of all such Regulated Substances at its own expense in strict accordance with all applicable Laws. Lessee shall not have any liability to Lessor resulting from any hazardous conditions existing, or events occurring, or any hazardous substances existed or

generated, at, in, on, under, or in connection with the Leased Premises prior to Lessee's taking possession of the Leased Premises for the purpose of constructing the Lessee's improvements or alterations. Lessor shall defend, indemnify and hold harmless Lessee, its officers, members, employees and agents from any and all claims, damages, fines, judgments, penalties, costs, expenses, or liabilities (including, without limitation, any and all sums paid for settlement of claims, reasonable attorneys' fees and costs, consultant and expert fees and costs) arising prior to, during or after the term hereof (including the all renewal terms, if applicable) of the Lease from or in connection with the presence or suspected presence of Regulated Substances in, on or about the Property, Building or Leased Premises, except to the extent that the Regulated Substances are present as a result of acts of Lessee, Lessee's agents, employees, contractors or invitees.

c. Lessee Indemnity. With the exception of injuries or damages that are a result of a pre-existing condition in or on the Leased Premises, Lessee hereby agrees to save, defend with counsel reasonably satisfactory to Lessor, indemnify and hold harmless Lessor and its principals, officers, directors, trustees, agents and employees, from and against any and all claims, losses, liabilities, damages and expenses (including reasonable cleanup costs and reasonable attorneys fees arising under this indemnity) which may arise directly or indirectly from any use or any Release of Regulated Substances by Lessee on or under the Leased Premises, and losses of and claims against Lessor resulting from Tenant's failure to comply strictly with the provisions of this Section 24 with respect to the Term of this Lease and any other period of possession of the Leased Premises by Lessee.

d. Environmental Inspections. With the exception of circumstances that are a result of a pre-existing condition in or on the Leased Premises, ~~A~~at the request of Lessor during and after the Term, in the event of an Enforcement Notice or other circumstances leading Landlord reasonably to conclude that an Enforcement Notice could be issued relating to occurrences in the Leased Premises during the Term of this Lease, and if Lessor reasonably determines that it would be advantageous to hire an environmental consultant to provide advice and/or remedy the condition, then the Lessee, at Lessee's sole cost and expense, will retain an environmental consultant acceptable to the Lessor to conduct a complete and thorough on-site inspection of the Leased Premises, including a geohydrological survey of soil and subsurface conditions as well as other tests, to determine the presence of Regulated Substances, and the consultant shall certify to the Landlord whether, in his or her professional judgment, there exists any evidence of the presence of Regulated Substances on, in or under the Leased Premises.

e. ISRA Compliance. In connection with the termination of this Lease, Lessee's operations hereunder, the change of ownership or other status of Lessee or other person acting by, through or under Lessee, or the sale of the Leased Premises by Lessor, Lessee and Lessor shall cooperate with each other and either: (a) obtain from NJDEP a "Letter of Non-Applicability" or an equivalent written determination by NJDEP that the termination or transaction is exempt from the requirements of ISRA;

or (b) attain compliance with the requirements of ISRA by obtaining from NJDEP approval of a proposed (i) "Negative Declaration", as such term is defined at N.J.S.A. 13:IK-8, (ii) a "No Further Action Letter", as such term is defined at N.J.S.A. 13:IK-8, (iii) a "Remediation in Progress Waiver" or (iv) an equivalent final written approval of the implementation of a "Remedial Action Workplan" which is acceptable to NJDEP. Receipt of any of such approvals or documents received from NJDEP along with payment of all fees and costs and compliance with other requirements imposed by NJDEP under ISRA shall be deemed ISRA Compliance.

f. Other Laws' Survival. Whenever the terms ISRA, Spill Fund and similar terms and regulatory and statutory references are used in this Lease, they shall be deemed to include any similar, predecessor, future or successor regulatory and statutory references and/or terms under past or future laws as may apply to the Leased Premises and its use and occupancy under this Lease. Lessee's obligations under this Section 24 shall survive the expiration or sooner termination of this Lease.

g. Continuing Obligations of Lessee. The Lessee's obligations pursuant to this Section 24 will continue irrespective of the Lease Term for so long as the Lessee remains responsible for any spills or discharges of hazardous substances or wastes at the Leased Premises, relating to the Lessee's use and occupancy of the Leased Premises.

h. Notice of Violations. If the Lessee receives a notice of any violation of any of the present or future laws, applicable to the Leased Premises or the Lessee's use and occupancy of the Leased Premises, then the Lessee must give prompt notice of it to the Lessor.

~~25.~~24. Parking. This Lease is related to a Lease between the Lessor and the Lessee with respect to building #9 in Marion Gardens. The Lessee is entitled to use a total of thirty-five (35) parking spaces which are identified on **Exhibit B** attached hereto, and are shaded. These spaces are as follows:
across from building #8, (2) spaces,
across from building #8, (17) spaces,
adjacent to building #9 along the perimeter fence, (6) spaces, and
along the edge of building #9, (10) spaces.

In addition, **Exhibit B** hereto delineates fifty-nine (59) parking spaces relating to building #7, the main office located at 400 U.S. Routes 1 & 9. The Lessee has agreed that it will be responsible for re-configuring the Lessor's parking spaces, and constructing new parking spaces in front of and behind the Lessor's building #7 to create additional parking for the staff of the Lessor. In exchange for doing so, the Lessee will be entitled to use the identified thirty-five (35) parking spaces shown on **Exhibit B**, rent-free for as long as the Lessee leases buildings and #8. Additionally, the Lessee will receive __33_____ % but no less than twenty-five (25) of the new parking spaces created by the re-configuration/construction above and beyond the fifty-nine (59) spaces currently available to be used in conjunction with building #7.

~~26.~~25. Miscellaneous Provisions.

a. Modifications in Lease Agreement. The Lease Agreement shall not be modified or terminated without the prior written consent of the Lessor.

b. Rules and Regulations. Lessee and Lessee's agents, employees and licensees shall faithfully observe and strictly comply with such reasonable and uniform rules and regulations as Lessor may from time to time adopt. Notice of any rules or regulations shall be given in writing. If there is any inconsistency between this Lease Agreement and the rules and regulations established by the Lessor, this Lease Agreement shall govern.

c. Notices. Notices may be served on either party, at the respective addresses listed in paragraph 1 of this Lease Agreement, either (1) by delivering or causing to be delivered a written copy of the notice; or (2) by sending a written copy of the notice by certified or registered mail, postage prepaid, or by a recognized overnight delivery service, addressed to Lessor or Lessee at their respective addresses, in which event, the notice shall be deemed to have been served at the time of mailing or the time of sending.

d. No Waiver by Lessor. No waiver of any of the terms, covenants, or conditions imposed or required by this Lease Agreement and no waiver of any legal or equitable relief or remedy shall be implied by the failure of Lessor to assert any right to declare any forfeiture or for any other reason. No waiver of any terms, covenants or conditions shall be valid unless it shall be in writing and signed by the Lessor. No waiver of any pledge of this Lease Agreement or the forgiveness or performance of any one or more of the terms, covenants or conditions may be claimed or pleaded by Lessee to excuse a subsequent pledge or failure of performance of any of the terms, covenants or conditions of this Lease Agreement.

e. Force Majeure. In the event that either party shall be delayed or prevented from the performance of any act required under this Lease Agreement by reason of strikes, lockouts, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, explosion, accident, fire, flood or other catastrophe or any other reason of a like nature not the fault of the party delayed in such performance, then such performance shall be excused for the period of the delay, and the period of the performance of any act shall be extended for a period equivalent to the period of such delay. Notwithstanding anything contained herein to the contrary, under no circumstances shall Lessee at any time be excused from the payment of any rent or other sums of money which may become due under the terms of this Lease Agreement.

f. Criminal Acts of Third Parties. Lessor shall not be liable in any manner to Lessee, its agents, employees, invitees or visitors for any injury caused by the criminal or intentional misconduct of third parties or of Lessee, Lessee's agents, employees, invitees or visitors. All claims against Lessor for any such damage or injury are hereby expressly waived by Lessee, and Lessee agrees to hold harmless and

indemnify Lessor from all such damages and the expense of defending all claims made by Lessee's agents, employees, invitees or visitors.

g. Option to Renew. It is recognized and agreed between the parties that this Lease shall not be effective until the Lessor has obtained HUD approval, as is required by federal law. The initial term of Lease will be ten (10) years in accordance with Section 1c. above. Lessee, having fully performed all of its covenants and obligations under this Lease Agreement, has the right and option to renew this Lease Agreement for the term specified in Section 1d., upon the same terms, covenants and conditions as provided in this Lease Agreement, provided however, that Rents shall be increased in accordance with the following schedule and that Lessor receives written notice from Lessee of Lessee's intent to renew the Lease Agreement at least six (6) months prior to the expiration of the Term of Lease. All of the terms, covenants and conditions of this Lease Agreement shall remain in full force and effect during each entire Renewal Term, with the monthly installment of rents for each Renewal Term as follows:

Renewal Term	**Monthly Rent**	**Per Square Foot**
First Five (5) year option:		
1. First year of first option	$19,524.93	$9.07
2. Second year of first option	$19,915.42	$9.25
3. Third year of first option	$20,313.73	$9.43
4. Fourth year of first option	$20,720.01	$9.62
5. Fifth year of first option	$21,134.41	$9.82
Second Five (5) year option:		
1. First year of second option	$21,557.09	$10.01
2. Second year of second option	$21,988.24	$10.21
3. Third year of second option	$22,428.00	$10.42
4. Fourth year of second option	$22,876.56	$10.62
5. Fifth year of second option	$23,334.09	$10.84

h. Severability. If any provision of this Lease Agreement shall to any extent be held by a court of law to be invalid or unenforceable, the remainder of this Lease Agreement shall not be affected, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

i. All covenants, promises, representations, obligations and agreements contained in this Lease Agreement shall be binding upon, apply and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns.

j. This Lease Agreement shall be administered in accordance with the provisions and mandates of Title VI and Title VII of the Civil Rights Act of 1990, Section 504 of the Rehabilitation Act of 1973, and all attendant executive rules and regulations.

IN WITNESS WHEREOF, the parties have executed this Agreement and have agreed that it shall be effective as of the _____ day of _____, 2015.

Signed and acknowledged
in the presence of:

_____

_____

_____

_____

Lessor:
Jersey City Housing Authority

By: _____
Marvin Walton
Executive Director

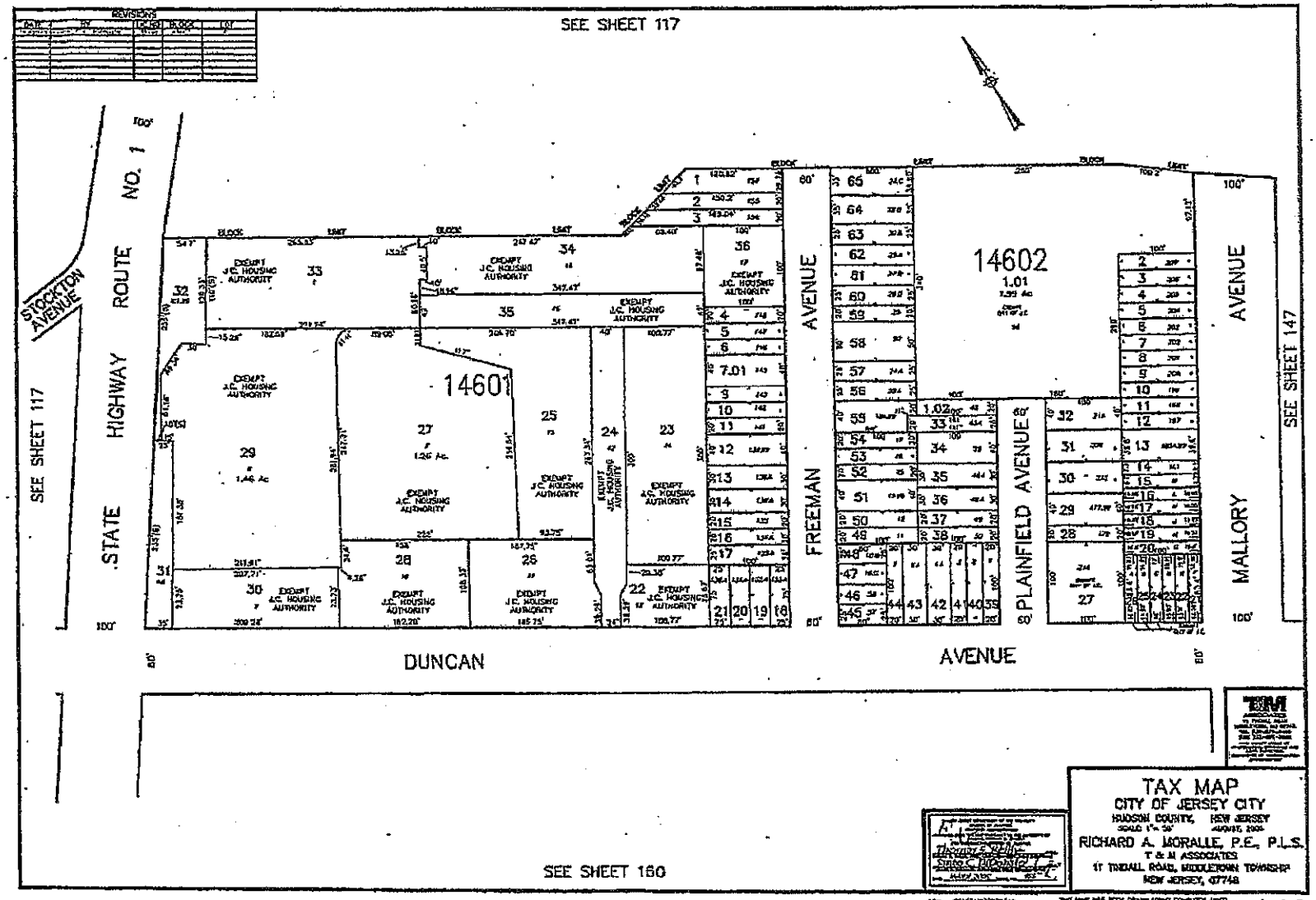
Lessee:
The City of Jersey City

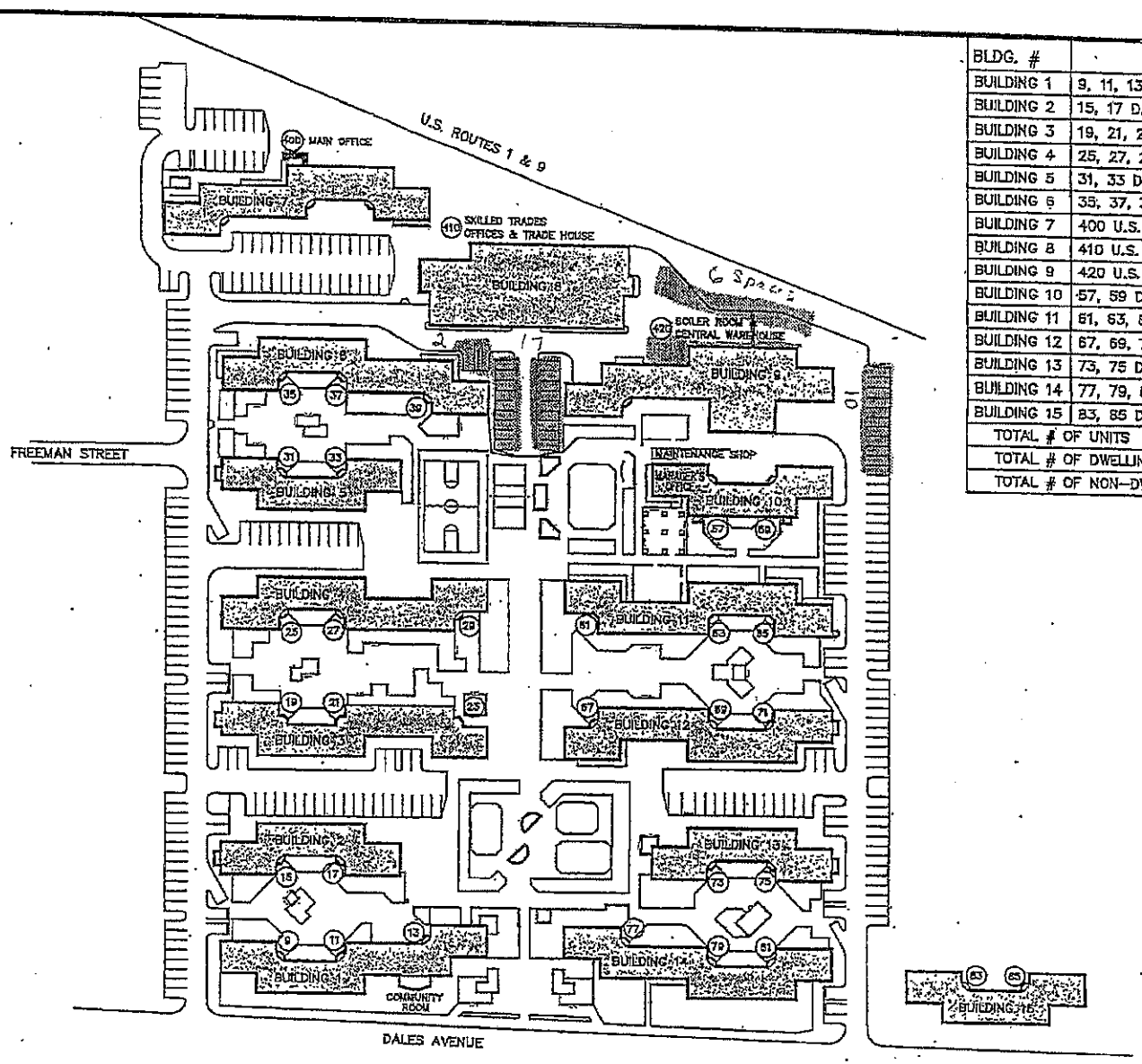
By: _____
Robert J. Kakoleski
Business Administrator

EXHIBIT A

The subject building, Building #8, contains 25,839 square feet which is allocated as follows: 12,336 square feet office space, and 13,509 square feet of industrial/warehouse space.

EXHIBIT B


REVISIONS
SEE SHEET 117
SEE SHEET 117
SEE SHEET 147
SEE SHEET 160
STATE HIGHWAY ROUTE NO. 1
STOCKTON AVENUE
DUNCAN AVENUE
FREEMAN AVENUE
PLAINFIELD AVENUE
MALLORY AVENUE
14601
14602
1.01
EXEMPT J.C. HOUSING AUTHORITY
TAX MAP
CITY OF JERSEY CITY
HUDSON COUNTY, NEW JERSEY
RICHARD A. MORALLE, P.E., P.L.S.
T & M ASSOCIATES
11 TINDALL ROAD, MIDDLETOWN TOWNSHIP
NEW JERSEY, 07748



BLDG. #	ADDRESSES	# OF UNITS
BUILDING 1	9, 11, 13 DALES AVENUE	20
BUILDING 2	15, 17 DALES AVENUE	14
BUILDING 3	19, 21, 23 DALES AVENUE	23
BUILDING 4	25, 27, 29 DALES AVENUE	23
BUILDING 5	31, 33 DALES AVENUE	15
BUILDING 6	35, 37, 39 DALES AVENUE	24
BUILDING 7	400 U.S. HIGHWAY 1	0
BUILDING 8	410 U.S. HIGHWAY 1	0
BUILDING 9	420 U.S. HIGHWAY 1	0
BUILDING 10	57, 59 DALES AVENUE	13
BUILDING 11	61, 63, 65 DALES AVENUE	23
BUILDING 12	67, 69, 71 DALES AVENUE	23
BUILDING 13	73, 75 DALES AVENUE	16
BUILDING 14	77, 79, 81 DALES AVENUE	24
BUILDING 15	83, 85 DALES AVENUE	15
TOTAL # OF UNITS		233
TOTAL # OF DWELLING UNITS		233
TOTAL # OF NON-DWELLING UNITS		0

EXHIBIT B

Jersey City Housing Authority

Building Communities...Creating Opportunities...Transforming Lives

PROJECT N.J. 9-2

MARION GARDENS

JERSEY CITY, NJ 07306

SITE PLAN

BLOCK: 1627.1 LOT: A

REVISED: 11/2010

SCALE: 0' 25' 50' 100' 200'

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.099
TITLE: 3.B JUL 15 2015 4.A AUG 19 2015

Ordinance authorizing the City of Jersey City to execute a 10 year lease with the Jersey City Housing Authority for approximately 25,839 square feet of space at building #8, 420 U.S. Highway 1.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 15 2015 7-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson WATTERMAN moved, seconded by Councilperson RIVERA to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

LORENZO RICHARDSON

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ moved to amend* Ordinance, seconded by Councilperson_____ & adopted_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 8-1

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 15 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.100

Agenda No. 3.C 1st Reading

Agenda No. 4.B. 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.100

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 19402, LOT 32, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 416 BERGEN AVENUE**

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 304-6 et seq. of the Municipal Code, 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 the newly constructed three (3) story building containing three (3) residential rental units and a three (3) car garage on the Property, is permitted for a period of five (5) years; and

WHEREAS, Classic Builders, LLC [Entity], is the owner of Property designated as Block 19402, Lot 32, on the City's Tax Map and more commonly known by the street address of 416 Bergen Avenue, Jersey City, NJ; and

WHEREAS, the Entity has constructed a three (3) story building containing three (3) residential rental units and a three (3) car garage on the Property; and

WHEREAS, construction began prior to the adoption of Ordinance 14-027 requiring the approval of application before construction begins; and

WHEREAS, on or about April 27, 2015, the Entity filed an application for a five (5) year tax exemption for a newly constructed multiple dwelling Project, a copy of which application is attached hereto; and

WHEREAS, Classic Builders, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of $1,992) a tax payment for the new improvements on the property, as follows:

(a) 2016: the tax year in which the structure will be completed. $0 taxes due on improvements;

(b) 2017: the second tax year, 20% of taxes otherwise due on improvements, estimated to be $1,811;

(c) 2018: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $3,622;

(d) 2019: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $5,433; and

(e) 2020: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $7,244;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of $1,992 for land and $9,055 for improvements, for a total of $11,047 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is 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, including both land and improvements, will generate a total tax payment of $11,047; and

WHEREAS, Classic Builders, LLC, has agreed to pay the sum of $6,060 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code. This payment is non-refundable and non-transferrable, and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

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 a newly constructed three (3) story building containing three (3) residential rental units and a three (3) car garage, located in Block 19402, Lot 32, and more commonly known by the street address of 416 Bergen Avenue, Jersey City, N.J., 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) 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, 20% of taxes otherwise due on improvements, estimated to be $1,811;

(iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $3,622;

(iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $5,433; and

(v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $7,244.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(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).

(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 tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad 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 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, no tax shall be due, 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, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: $1,500 x 3 residential units or $4,500, and $1.50 per square foot for garage parking or $1,560, for a total of $6,060. This payment is non-refundable and non-transferrable, and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

3. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses.

4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within twenty-four (24) months of the date of adoption of the within Ordinance.

5. 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.

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 19402, LOT 32, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 416 BERGEN AVENUE

6. 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*.

DJ/mw/he
7/07/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

An Ordinance Approving A Five (5)Year Tax Exemption for a Market Rate Residential Rental Project Constructed by Classic Builders, LLC, Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 19402 Lot 32 on the City's Tax Map and known as 416 Bergen Avenue

Initiator

Department/Division	Mayor's Office	
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	mvigil@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Classic Builders, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a three (3) story market rate residential project. The application fee of $300 was paid. The project is a three (3) story residential rental building with three units and a three (3) car garage partially below grade. The project is complete. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction.

I certify that all the facts presented herein are accurate.

Signature of Department Director **Date**

Classic Builders, LLC (416 Bergen Avenue)

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement (see #6)
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT E

CLASSIC BUILDERS, LLC

Disclosure Statement

NAME OF ENTITY:	Classic Builders, LLC
NAME OF PROJECT:	416 Bergen Avenue Block 19402, Lot 32 Jersey City, New Jersey
PRINCIPAL OFFICE:	22 Bloomfield Way West Orange, New Jersey 07052
NAME OF REGISTERED AGENT:	Mohan Myneni
ADDRESS:	22 Bloomfield Way West Orange, New Jersey 07052

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 BELOW NAMED IS ITSELF AN ENTITY, THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN IS ALSO IDENTIFIED)

NAME	ADDRESS	PERCENT OWNED
Mohan Myneni	22 Bloomfield Way, West Orange, New Jersey 07052	50%
Aruna Myneni	22 Bloomfield Way, West Orange, New Jersey 07052	50%

I FURTHER CERTIFY THAT THE FOREOING 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.

WITNESSED:

By:_____
Name:

By:_____
Name:

CLASSIC BUILDERS, LLC

By:_____
Name: Mohan Myneni, Managing Member

By:_____
Name: Aruna Myneni, Member

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 1 - 5 YEAR)

Block: 19402 Lot: 32 Loc: 416 BERGEN AVE.

Market Rate Rental Units with Parking		*Demographic Multipliers (Transit Oriented Development)**				*Annual Expenditures*		*Total Annual Expenditures*		
Planned Development	Number of Units	Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
3 Bedroom	3	2.798	0.560	8.39	1.68	$1,163.68	$3,445.00	$9,767.94	$5,787.60	$15,555.54
TOTAL	3							$9,767.94	$5,787.60	$15,555.54

1. Total Municipal Ratables	$5,916,171,471	4. CY 2014 Budget	$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	$ 15,555.54
2. Residential Ratables	$3,299,371,882			7. Per Capita Municipal Cost	$1,163.68	10. Anticipated Taxes (Assuming 74.34 Rate)	
Commercial Ratables	$1,439,637,425					1st Year	$ 1,992.31
						2nd Year	$ 3,803.23
						3rd Year	$ 5,614.16
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	$288,124,048	8. Annual Expenditures Per Student**	$3,445.00	4th Year	$ 7,425.08
						5th Year	$ 9,236.00
						11. Implied Surplus (Cost)	
						1st Year	$ (13,563.23)
						2nd Year	$ (11,752.31)
						3rd Year	$ (9,941.38)
						4th Year	$ (8,130.46)
						5th Year	$ (6,319.54)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

**Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006*

***Source: 2014-2015 Jersey City Municipal Cost Per Pupil*

CLASSIC BUILDERS, LLC
FISCAL PLAN
ESTIMATED TAX COMPUTATION FOR YEAR 2015

Equalization Ratio:		31.24%
Tax rate (per thousand):		$74.34

Current Assessment:	
Land:	$ 26,800
Improvement:	$ 114,300
Total:	$ 141,100

Potential Income:		#	Total: Annual:	Per unit per month:	Total per month:
Units:	3 BR	3	$ 45,000	$ 1,250	$ 3,750
			$ -		$ -
					$ -
		3			$ 3,750

Total Gross Income:		$ 45,000
Less: Vacancy and Collection Loss	5%	2,250.00
Effective Gross Income:		42,750.00

Operating Expenses:	
Common Area Utilities / Water / Sewer	$ 1,200
Common Area Cleaning / Maintenance	$ 800
Repairs and Maintenance	$ 1,200
Fire Alarm Maintenance	$ 250
Management Office Exp.	$ 750
Insurance	$ 1,800
Total Operating Expenses:	$ 6,000
Projected Net Operating Income:	36,750.00
Cap Rate: 10%	0.1
Projected Market Value:	$ 367,500
Assessment:	$ 141,100
Ratio: 0.3124	
Estimated Annual Real Estate Taxes:	$ 10,489
Tax rate: 0.07434	
Less: Taxes Attributable to the Land	$ 1,992
Taxes attributable to improvements:	$ 8,497

As set by the assessor

EXHIBIT C

CLASSIC BUILDERS, LLC

Cost of Project Construction

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

"Cost" per Definition:*

Direct Labor & Materials (includes Contractor's Fees)	$ 200,000
Architectural	$ 10,000
Engineering	$ 5,000
Estimated Cost:	$ 215,000

*Pursuant to N.J.S.A. 40A:21-3(j), "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A 40A:20-3(h).

EXHIBIT C-1

CLASSIC BUILDERS, LLC

Certification of Construction Costs

On this 12TH day of FEBRUARY, 2015, the undersigned being the architect for the Project to be developed by Classic Builders, LLC does hereby certify that Exhibit C accurately reflects the actual construction costs of the Project proposed on Block 19402, Lot 32, more commonly referred to as 416 Bergen Avenue, Jersey City, New Jersey.

Witnessed:

By: [illegible]

By: [illegible]

Name: MYNENI INC

Title: ~~Architect~~ BUILDER ***

***These costs are being certified by the Developer/Builder in lieu of the architect because the architect of record, Louis Garcia, has since retired and lives in western Pennsylvania; and is very difficult to contact.

Classic Builders, LLC
BLOCK 19402 Lot 32
416 Bergen Avenue

Block	Lot		Existing Assessments	New Assessments	Land Tax	Assessment (Phased-In)
19402	32	Land	26,800.00	26,800.00		0.00
		Bldg	0.00	121,800.00		121,800.00
		Total	26,800.00	148,600.00		121,800.00

Est. In-Lieu of Full Property Tax Payments An Amount Equal To A Percentage Of Taxes Otherwise Due, According To The Following Schedule:

Year				
1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	1,992.31		0
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	1,992.31	$	1,810.92
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of ;	1,992.31	$	3,621.84
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	1,992.31	$	5,432.77
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	1,992.31	$	7,243.69

AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S
NEW IMPROVEMENT WILL GENERATE APPROXIMATELY THE SUM OF; $ 9,054.61

	Land Tax	1,992.31	
4/27/2015	Land & Building Tax at Completion		$ 11,046.92

DATE: June 8, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: FIVE YEAR TAX ABATEMENT: Classic Builders, LLC– 416 Bergen Avenue – Block 19402 Lot 32

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado,

INTRODUCTION:

The applicant, Classic Builders, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a three (3) story market rate residential project. The application fee of $300 was paid.

LOCATION OF THE PROPERTY:

The property is known as 416 Bergen Avenue consisting of Block 19402 Lot 32 is on Bergen Avenue near the Northwest corner of Union Street.

PROPERTY CONSTRUCTED:

The project is a three (3) story residential rental building with three (3) three (3) bedroom units and a three (3) car garage partially below grade. The project is complete. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction.

ESTIMATED TOTAL CONSTRUCTION COST:

The construction cost is $215,000 and certified by Myneni, Inc the applicant's builder. The architect has retired and unavailable to provide the certification.

CONSTRUCTION SCHEDULE:

The project began in 2013 and is complete. A Certificate of Occupancy was issued on November 3, 2014. The original application was filed on November 14, 2014.

ESTIMATED JOBS CREATED:

The applicant estimates twenty-five (25) jobs were created during Construction and approximately two (2) part-time management and service jobs after construction. The expected post-construction staff will be minimal and the applicant believes a Project Employment and Contracting Agreement is not

necessary.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:

The applicant will make an AHTF contribution based upon the rate of $1,500 per residential unit plus $1.50 per square foot for garage parking. See calculation below;

416 Bergen
Avenue

		Rate	Amount
Residential Units	3	$1,500.00	$4,500.00
Square footage Parking Garage	1,040	$1.50	$1,560.00
		Total AHTF Payment	$6,060.00

CURRENT REAL ESTATE TAX:

The current tax for assessment for the land is $26,800. The current land tax at the rate of $74.34 is $ 1,992.31. All taxes are paid for properties owned by the applicant and affiliates through the Second Quarter 2015.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The phase-in of taxes on improvements is shown in the table below:

The total taxes payable projected for the five-year term of the abatement are $29,589.48. The total taxes exempted for the term are $27,899.16. The Tax

Assessor estimated the final assessment based upon information provided by the Applicant. The schedule below reflects an estimated annual tax increase of two percent (2%).

FIVE-YEAR ABATEMENT PHASE -IN SCHEDULE

416 Bergen Ave.							Five Year
Year	1	2	3	4	5	Full Tax	Totals
Current Tax Rate	74.34	75.83	77.34	78.89	80.47	82.08	
Total Tax	11,046.92	11,267.86	11,493.22	11,723.08	11,957.55	12,196.70	57,488.64
Land tax	1,992.31	2,032.16	2,072.80	2,114.26	2,156.54	2,199.67	10,368.07
Tax on Improvements	9,054.61	9,235.70	9,420.42	9,608.83	9,801.00	9,997.02	47,120.56
Phase in %	0%	20%	40%	60%	80%	100%	
Phase in Tax	0.00	1,847.14	3,768.17	5,765.30	7,840.80	9,997.02	19,221.41
Exempted Tax	9,054.61	7,388.56	5,652.25	3,843.53	1,960.20	0.00	27,899.16
Total Tax Payable	1,992.31	3,879.30	5,840.97	7,879.55	9,997.35	12,196.70	29,589.48

Totals may not add due to rounding

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor	
Assessments	
Land	$26,800
Improvements	$121,800
Total	$148,600

TIER ONE (5 YEAR)
7/07/15
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____day of _____, 2015, 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 07302, and, Classic Builders, LLC [Applicant /Owner], whose principal place of business is 416 Bergen Avenue, Jersey City, New Jersey 07304.

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 Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 416 Bergen Avenue, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 19402, Lot 32 on the Tax Assessor's Map, more commonly known by the street address of 416 Bergen Avenue and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about April 27, 2015, the Applicant applied for a five year tax exemption for a newly constructed three (3) story building containing three (3) residential rental units and a three (3) car garage on the Property [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 a newly constructed three (3) story building containing three (3) residential rental units and a three (3) car garage [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 estimated 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 of Year 1, no payment in lieu of taxes;

2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of $1,811;

3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of $3,622;

4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of $5,433; and

5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of $7,244.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **$300** to the City as an application fee. 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 years beginning the first day of the month after 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: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO 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 not 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 VIII: 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 IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution.** The Entity will pay the City the sum of $6,060 or $1,500 per unit and $1.50 per square foot of garage parking, as a contribution. The sum shall be due and payable as follows:

i. 1/3 on or before the effective adoption date of the Ordinance approving the tax

exemption;

ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and

iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: 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.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING 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 & Contracting Agreement which is attached hereto as Exhibit C.

ARTICLE XII: 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: **Classic Builders, LLC**
416 Bergen Avenue
Jersey City, New Jersey 07304

ARTICLE XIII 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 a 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:

_____

CLASSIC BUILDERS, LLC

BY:_____
, Member

ATTEST:

_____
Robert Byrne
City Clerk

CITY OF JERSEY CITY

BY:_____
Robert J. Kakoleski
Business Administrator

New & Revised as of August 29, 2014
(Including Construction Jobs, for Projects with no PLA)

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the _day of___, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **CLASSIC BUILDERS, LLC** [Recipient], having its principal office at 682 Route 440, Jersey City New Jersey 07304.

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 an agreement with the City to implement, in whole or in part, this agreement.

2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.

3. 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.

4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.

5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.

6. "Employment" 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. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.

8. "Local Business" means a bona fide business located in Jersey City.

9. "Minority" means a person who is defined as such under federal or state law.

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 and Workforce Development, 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" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., 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 Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.

15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration 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 data base 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: Construction Jobs, Business Contracting, Permanent Jobs

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.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. 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 shall send a letter designating its "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 1. This 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 2.

IV. 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 5 years from the date of Substantial Completion of the Project.

V. 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 shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** 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.

VI. Good Faith Defined. Construction Jobs:

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 Steven M. Fulop'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 Steven M. Fulop'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.

VII. Good Faith Defined. Permanent Jobs:

1. **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 meet with the Coordinator, including the director of JCETP 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.

B. 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 3.

C. 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 1.A.(i)-(vi) and notify the City.

D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.

E. 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 4.

F. 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 DEO and the JCEPT 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 referral of qualified applicants to the Recipient.

G. 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 DEO with a copy of this advertisement.

H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as

the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

J. 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.

K. 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 any reports.

L. 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.

M. 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.

VIII. **Good Faith Defined. Business Contracts**

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

i) Solicitation of Businesses:

a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;

b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.

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 DEO and the JCEPT 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 referral of 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 DEO with a copy of this advertisement.

e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

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 any 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.

B. 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 Project Employment and Contracting Monitor of a Recipient, 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.

IX. Good Faith Defined. Commercial Tenants at the Project Site

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

A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.

B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.

C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. 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 7 days to correct the violation.

2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall 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.

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.

   If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

1. 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 cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

C. 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 Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. 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:

Classic Builders, LLC
682 Route 440
Jersey City, New Jersey 07304
Att:

and

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

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. 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.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:	**CITY OF JERSEY CITY**
_____	_____
Robert Byrne **City Clerk**	**Robert J. Kakoleski** **Business Administrator**

WITNESS:	**CLASSIC BUILDERS, LLC**
_____	_____
Secretary	**President**

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.100
TITLE: 3.C JUL 15 2015 4.B AUG 19 2015

An ordinance 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 19402, Lot 32, on the City's tax map and more commonly known by the street address of 416 Bergen Avenue.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 15 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson WATTERMAN **moved, seconded by Councilperson** OSBORNE **to close P.H.**

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____**moved to amend* Ordinance, seconded by Councilperson**_____**& adopted**_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 15 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.101

Agenda No. 3.D 1st Reading

Agenda No. 4.C. 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.101

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 19402, LOT 33, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 418 BERGEN AVENUE**

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 304-6 et seq. of the Municipal Code, 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 the construction of a new three (3) story residential rental building to contain three (3) residential units, of which one (1) unit will be owner occupied and the remaining two (2) units will be market rate rental, along with approximately 1,040 square feet of garage space on the Property, is permitted for a period of five (5) years; and

WHEREAS, Alliot Belgrave [Applicant], is the owner of Property designated as Block 19402, Lot 33, on the City's Tax Map and more commonly known by the street address of 418 Bergen Avenue, Jersey City, NJ; and

WHEREAS, the Applicant has constructed a new three (3) story residential rental building to contain three (3) residential units, of which one (1) unit will be owner occupied and the remaining two (2) units will be market rate rental, along with approximately 1,040 square feet of garage space on the Property; and

WHEREAS, construction began prior to the adoption of Ordinance 14-027 on or about March 12, 2014, requiring the approval of application before construction begins; and

WHEREAS, on May 4, 2015, the Applicant filed an application for a five (5) year tax exemption for a newly constructed multifamily dwelling Project, a copy of which application is attached hereto; and

WHEREAS, Alliot Belgrave, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of $1,992) a tax payment for the new improvements on the property, as follows:

(a) 2015: the tax year in which the structure will be completed. $0 taxes due on improvements;

(b) 2016: the second tax year, 20% of taxes otherwise due on improvements, estimated to be $1,811;

(c) 2017: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $3,622;

(d) 2018: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $5,433; and

(e) 2019: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $7,244;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of $1,992 for land and $9,055 for improvements, for a total of $11,047 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is 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, including both land and improvements, will generate a total tax payment of $11,047; and

WHEREAS, Alliot Belgrave, has agreed to pay the sum of $6,060 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code. This payment is non-refundable and non-transferrable, and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

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 new three (3) story residential rental building to contain three (3) residential units, of which one (1) unit will be owner occupied and the remaining two (2) units will be market rate rental, along with approximately 1,040 square feet of garage space, located in Block 19402, Lot 33, and more commonly known by the street address of 418 Bergen Avenue, Jersey City, N.J., 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) 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, 20% of taxes otherwise due on improvements, estimated to be $1,811;

(iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $3,622;

(iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $5,433; and

(v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $7,244.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(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).

(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 tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad 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 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, no tax shall be due, 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, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: $1,500 x 3 unit, or $4,500; and $1.50 x 1,040 square feet of parking, or $1,560; for a total of $6,060. This payment is non-refundable and non-transferrable, and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

3. An obligation to execute a Project Employment and Contracting Agreement and Project Labor Agreement to insure employment and other economic benefits to City residents and businesses.

4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within twenty-four (24) months of the date of adoption of the within Ordinance.

5. 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.

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 19402, LOT 33, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 418 BERGEN AVENUE

6. 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
7/07/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

An Ordinance Approving A Five (5)Year Tax Exemption for a Market Rate Residential Rental Project Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 19402 Lot 33 on the City's Tax Map and known as 418 Bergen Avenue

Initiator

Department/Division	Mayor's Office	
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	mvigil@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Alliot Belgrave, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a three (3) story market rate residential project. The application fee of $300 was paid. The project is a three (3) story residential rental building with three units and a three (3) car garage partially below grade. The project is complete. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction. The applicant is the owner of the building and will Occupy one of the three (3) units and rent the other two (2).

I certify that all the facts presented herein are accurate.

Signature of Department Director **Date**

418 Bergen Avenue

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement (see #6)
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

Disclosure Statement

NAME OF ENTITY: Alliot Belgrave

NAME OF PROJECT: 418 Bergen Avenue
Block 19402, Lot 33
Jersey City, New Jersey

PRINCIPAL OFFICE: 418 Bergen Avenue
Jersey City, New Jersey 07302

NAME OF REGISTERED AGENT: Not Applicable

ADDRESS: 418 Bergen Avenue
Jersey City, New Jersey 07302

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE PROPERTY (IF ONE OR MORE OF THE BELOW NAMED IS ITSELF AN ENTITY, THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN IS ALSO IDENTIFIED)

NAME	ADDRESS	PERCENT OWNED
Alliot Belgrave	418 Bergen Avenue Jersey City, New Jersey 07302	100%

I FURTHER CERTIFY THAT THE FOREOING 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.

WITNESSED:

By:_____
Name:

By:_____
Alliot Belgrave

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 1 - 5 YEAR)

Block: 19402 Lot: 33 Loc: 418 BERGEN AVE

Market Rate Rental Units with Parking		*Demographic Multipliers (Transit Oriented Development)**				*Annual Expenditures*		*Total Annual Expenditures*		
Planned Development	Number of Units	Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
3 Bedroom	3	2.798	0.560	8.39	1.68	$1,163.68	$3,445.00	$9,767.94	$5,787.60	$15,555.54
TOTAL	3							$9,767.94	$5,787.60	$15,555.54

1. Total Municipal Ratables	$5,916,171,471	4. CY 2014 Budget	$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services incurred Per Development	$ 15,555.54
2. Residential Ratables	$3,299,371,882			7. Per Capita Municipal Cost	$1,163.68	10. Anticipated Taxes (Assuming 74.34 Rate)	
Commercial Ratables	$1,439,637,425					1st Year	$ 1,992.31
						2nd Year	$ 3,803.23
						3rd Year	$ 5,614.16
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	$288,124,048	8. Annual Expenditures Per Student**	$3,445.00	4th Year	$ 7,425.08
						5th Year	$ 9,236.00
						11. Implied Surplus (Cost)	
						1st Year	$ (13,563.23)
						2nd Year	$ (11,752.31)
						3rd Year	$ (9,941.38)
						4th Year	$ (8,130.46)
						5th Year	$ (6,319.54)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

Alliot Belgrave Primary Owr
Fiscal Plan
Estimated Tax for Year 201

Equalization Ratio:
Tax Rate (per thousand)

Current Assessment:
Land:
Improvement:
Total:

Potential Income

Units:	3	
Bedrooms	3	Unit 1
		Unit 2
		Unit 3

Total PotentialGross Income of 3 units:

Less-Vacance and Collection Loss:

Effective Gross Income

Operating Expense:

Common Area Utilities Electric/Water/Sewer
Sprinkler System Water
Sprinkler System Backflow Certification
Repairs and Maitenance
Fire Alarm Maintenance
Insurance

Total Operating Expense

Projected Net Operating Income:

Cap Rate

Projected Market Value:

Assessment:
Ratio:
Estimated Annual Real Estate Taxes
Tax rate:
Less: Taxes Attributed to the Land

Taxes attributed ti Improvements

ıer

.5

	31.24%
$	74.34

$	26,800
$	114,300
$	141,100.00

Per Unit/Month		Total Per Year	
$	1,700	$	20,400
$	1,800	$	21,600
$	1,800	$	21,600

	$	**63,600**
5%	**$**	**3,180**
	$	**60,420**

	Cost/Year
$	1,560
$	1,512
$	300
$	1,200
$	300
$	1,800

		$ 6,672	
		$ 53,748	
10%		0.1	
	$	**495,000**	
	$	141,100	**As set by the assessor**
0.3124			
	$	11,046	
0.07334			
	$	1,993	
	$	9,053	

Exhibit E

CLASSIC BUILDERS, LLC

Cost of Project Construction

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

"Cost" per Definition:*

Direct Labor & Materials (includes Contractor's Fees)	$ 200,000
Architectural	$ 10,000
Engineering	$ 5,000
Estimated Cost:	$ 215,000

*Pursuant to N.J.S.A. 40A:21-3(j), "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A 40A:20-3(h).

Exhibit E-1

CLASSIC BUILDERS, LLC

Certification of Construction Costs

On this 12th day of February 2015, the undersigned being the architect for the Project to be developed by Classic Builders, LLC does hereby certify that Exhibit C accurately reflects the actual construction costs of the Project proposed on Block 19402, Lot 33, more commonly referred to as 418 Bergen Avenue, Jersey City, New Jersey.

Witnessed:

By: _____

By: _____

Name: MUNENI INC

Title: ~~Architect~~ BUILDER

Exhibit L

Classic Builders, LLC
BLOCK 19402 Lot 33
418 Bergen Avenue

Block	Lot		Existing Assessments	ew Assessments	Assessment Subject to Exemption
19402	33	Land	26800	26800	0
		Bldg	0	121800	121800
		Total	26800	148600	121800

In-Lieu of Full Property Tax Payments An Amount Equal To A Percentage Of Taxes Otherwise Due, According To The Following Schedule:

Year			
1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;		0
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	$	1,810.92
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of ;	$	3,621.84
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	$	5,432.77
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	$	7,243.69

AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S NEW IMPROVEMENT WILL GENERATE APPROXIMATELY THE SUM OF; $ 9,054.61

	Land Tax	1,992.31	
12/2/2014	Land Building Tax	$	11,046.92

DATE: June 8, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: FIVE YEAR TAX ABATEMENT: 418 Bergen Avenue – Block 19402 Lot 33

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado,

INTRODUCTION:

The applicant, Alliot Belgrave, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a three (3) story market rate residential project. The applicant is the sole owner of the property. The application fee of $300 was paid.

LOCATION OF THE PROPERTY:

The property is known as 418 Bergen Avenue consisting of Block 19402 Lot 33 is on Bergen Avenue near the Northwest corner of Union Street.

PROPERTY CONSTRUCTED:

The project is a three (3) story residential rental building with three (3) three bedroom units and a three (3) car garage partially below grade. The project is complete. Construction began prior to the change in the ordinance requiring that an application must be filed prior to the start of construction. The Owner/Occupant will rent two (2) of the three (3) units in the building.

ESTIMATED TOTAL CONSTRUCTION COST:

The construction cost is $215,000 and certified by the builder/developer of the building. The architect has retired and unavailable to provide the certification.

CONSTRUCTION SCHEDULE:

The project began in 2013 and is complete. A Certificate of Occupancy was issued on November 3, 2014. The original application was filed on November 14, 2014.

ESTIMATED JOBS CREATED:

The applicant is the first purchaser of the building. The builder/developer owns 418 Bergen Avenue the property adjacent to this one. It is an exact duplicate of

this building and estimates twenty-five (25) jobs were created during construction of the adjacent building. The owner occupant applicant does not anticipate hiring any employees and believes a Project Employment and Contracting Agreement is not necessary.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:

The applicant will make an AHTF contribution based upon the rate of $1,500 per residential unit plus $1.50 per square foot for garage parking. See calculation below;

418 Bergen Avenue

		Rate	Amount
Residential Units	3	$1,500.00	$4,500.00
Square footage Parking Garage	1,040	$1.50	$1,560.00
		Total AHTF Payment	$6,060.00

CURRENT REAL ESTATE TAX:

The current tax for assessment for the land is $26,800. The current land tax at the rate of $74.34 is $ 1,992.31. All taxes are paid for properties owned by the applicant through the Second Quarter 2015.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The phase-in of taxes on improvements is shown in the table below:

The total taxes payable projected for the five-year term of the abatement are $29,589.48. The total taxes exempted for the term are $27,899.16. The Tax

Assessor estimated the final assessment based upon information provided by the Applicant. The schedule below reflects an estimated annual tax increase of two percent (2%).

FIVE-YEAR ABATEMENT PHASE -IN SCHEDULE

416 Bergen Ave.							Five Year
Year	1	2	3	4	5	Full Tax	Totals
Current Tax Rate	74.34	75.83	77.34	78.89	80.47	82.08	
Total Tax	11,046.92	11,267.86	11,493.22	11,723.08	11,957.55	12,196.70	57,488.64
Land tax	1,992.31	2,032.16	2,072.80	2,114.26	2,156.54	2,199.67	10,368.07
Tax on Improvements	9,054.61	9,235.70	9,420.42	9,608.83	9,801.00	9,997.02	47,120.56
Phase in %	0%	20%	40%	60%	80%	100%	
Phase in Tax	0.00	1,847.14	3,768.17	5,765.30	7,840.80	9,997.02	19,221.41
Exempted Tax	9,054.61	7,388.56	5,652.25	3,843.53	1,960.20	0.00	27,899.16
Total Tax Payable	1,992.31	3,879.30	5,840.97	7,879.55	9,997.35	12,196.70	29,589.48

Totals may not add due to rounding

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor Assessments	
Land	$26,800
Improvements	$121,800
Total	$148,600

Disclosure Statement

NAME OF ENTITY:	Alliot Belgrave
NAME OF PROJECT:	418 Bergen Avenue Block 19402, Lot 33 Jersey City, New Jersey
PRINCIPAL OFFICE:	418 Bergen Avenue Jersey City, New Jersey 07302
NAME OF REGISTERED AGENT:	Not Applicable
ADDRESS:	418 Bergen Avenue Jersey City, New Jersey 07302

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE PROPERTY (IF ONE OR MORE OF THE BELOW NAMED IS ITSELF AN ENTITY, THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN IS ALSO IDENTIFIED)

NAME	ADDRESS	PERCENT OWNED
Alliot Belgrave	418 Bergen Avenue Jersey City, New Jersey 07302	100%

I FURTHER CERTIFY THAT THE FOREOING 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.

WITNESSED:

By: Lisa Cassese
Name:

By: Alliot Belgrave
Alliot Belgrave

ALLIOT BELGRAVE
FISCAL PLAN
ESTIMATED TAX COMPUTATION FOR YEAR 2015

Equalization Ratio:			30.02%		
Tax rate (per thousand):			$74.34		
Current Assessment:					
Land:	$ 26,800				
Improvement:	$ 114,300				
Total:	$ 141,100				
Potential Income:			Total: Annual:	Per unit per month:	Total per month:
	#				
Units: 3 BR	3		$ 45,000	$ 1,250	$ 3,750
			$ -		$ -
					$ -
	3				$ 3,750
Total Gross Income:			$ 45,000		
Less: Vacancy and Collection Loss		5%	2,250.00		
Effective Gross Income:			42,750.00		
Operating Expenses:					
Common Area Utilities / Water / Sewer			$ 1,200		
Common Area Cleaning / Maintenance			$ 800		
Repairs and Maintenance			$ 1,200		
Fire Alarm Maintenance			$ 250		
Management Office Exp.			$ 750		
Insurance			$ 1,800		
Total Operating Expenses:			$ 6,000		
Projected Net Operating Income:			36,750.00		
Cap Rate:	10%		0.1		
Projected Market Value:			$ 367,500		
Assessment:			$ 141,100	**As set by the assessor**	
Ratio:	0.3002				
Estimated Annual Real Estate Taxes:			$ 10,489		
Tax rate:	0.07434				
Less: Taxes Attributable to the Land			$ 1,992		
Taxes attributable to Improvements:			$ 8,497		

CURRENT ESTIMATED TAX PAYMENTS FOR FIVE YEAR TERM OF EXEMPTION
Based on 2014 Tax Rate and Equalization Ratio

Year	1	2	3	4	5	Total
Projected Tax Rate	$ 74.34	$ 74.34	$ 74.34	$ 74.34	$ 74.34	
Total Tax	$ 10,489	$ 10,489	$ 10,489	$ 10,489	$ 10,489	$ 52,447
Land Tax	$ 1,992	$ 1,992	$ 1,992	$ 1,992	$ 1,992	$ 9,962
Tax on Improvements	$ 8,497	$ 8,497	$ 8,497	$ 8,497	$ 8,497	$ 42,485
Statutory Phase In	0%	20%	40%	60%	80%	
Improvement Tax	$ -	$ 1,699	$ 3,399	$ 5,098	$ 6,798	$ 16,994
Exempted Tax	$ 8,497	$ 6,798	$ 5,098	$ 3,399	$ 1,699	$ 25,491
Total Taxes Payable	$ 1,992	$ 3,692	$ 5,391	$ 7,091	$ 8,790	$ 26,956

In lieu tax schedule pursuant to a five year phase in percentages on the new improvement on the above application:

1. In the first full year after completion, land tax only, no payment in lieu of taxes.

2. In the second full year, an amount not less than twenty percent (20%) of the actual taxes otherwise due, currently estimated at: $ 1,699

3. In the second full year, an amount not less than forty percent (40%) of the actual taxes otherwise due, currently estimated at: $ 3,399

4. In the second full year, an amount not less than sixty percent (60%) of the actual taxes otherwise due, currently estimated at: $ 5,098

5. In the second full year, an amount not less than eighty percent (80%) of the actual taxes otherwise due, currently estimated at: $ 6,798

At the expiration of the abatement, the Project's new improvements would generate an estimated annual tax of: $ 8,497

And a total tax revenue (with the land tax) of : $ 10,489

1. In the first full year after completion, land tax only, no payment in lieu of taxes.

2. In the second full year, an amount not less than twenty percent (20%) of the actual taxes otherwise due, currently estimated at:	$	1,699
3. In the second full year, an amount not less than forty percent (40%) of the actual taxes otherwise due, currently estimated at:	$	3,399
4. In the second full year, an amount not less than sixty percent (60%) of the actual taxes otherwise due, currently estimated at:	$	5,098
5. In the second full year, an amount not less than eighty percent (80%) of the actual taxes otherwise due, currently estimated at:	$	6,798
At the expiration of the abatement, the Project's new improvements would generate an estimated annual tax of:	$	8,497
And a total tax revenue (with the land tax) of :	$	10,489

TIER ONE (5 YEAR)
7-07-15
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____day of _____, 2015, 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 07302, and, **Alliot Belgrave** [Applicant /Owner], whose principal place of business is 418 Bergen Avenue, Jersey City, NJ 07304.

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 Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 418 Bergen Avenue, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 19402, Lot 33, on the Tax Assessor's Map, more commonly known by the street address of 418 Bergen Avenue, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about May 4, 2015, the Applicant applied for a five year tax exemption for a newly constructed three (3) story residential rental building to contain three (3) residential units, of which one (1) unit will be owner occupied and the remaining two (2) units will be market rate rental, along with approximately 1,040 square feet of garage space on the Property [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 newly constructed three (3) story residential rental building to contain three (3) residential units, of which one (1) unit will be owner occupied and the remaining two (2) units will be

market rate rental, along with approximately 1,040 square feet of garage space [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 estimated 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 of Year 1, no payment in lieu of taxes;

2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of $1,811;

3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of $3,622;

4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of $5,433; and

5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of $7,244.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **$300** to the City as an application fee. 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 years beginning the first day of the month after 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: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO 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 not 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 VIII: 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 IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution**. The Entity will pay the City the sum of $6,060 or $1,500 per unit and $1.50 per square feet of parking as a contribution. The sum shall be due and payable as follows:

i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and

iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: 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.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING 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 & Contracting Agreement which is attached hereto as Exhibit C.

ARTICLE XIII: 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: **Alliot Belgrave**
418 Bergen Avenue
Jersey City, NJ 07304

ARTICLE XIV: 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 a 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: **418 BERGEN AVENUE**

_____ BY:_____
Alliot Belgrave, Member

ATTEST: **CITY OF JERSEY CITY**

_____ BY:_____
Robert Byrne **Robert J. Kakoleski**
City Clerk **Business Administrator**

New & Revised as of August 29, 2014
(Including Construction Jobs, for Projects with no PLA)

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the _day of___, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **Alliot Belgrave** [Recipient], having its principal office at 418 Bergen Avenue, Jersey City, NJ 07304.

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 an agreement with the City to implement, in whole or in part, this agreement.

2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.

3. 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.

4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.

5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.

6. "Employment" 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. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.

8. "Local Business" means a bona fide business located in Jersey City.

9. "Minority" means a person who is defined as such under federal or state law.

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 and Workforce Development, 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" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., 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 Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.

15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration 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 data base 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: Construction Jobs, Business Contracting, Permanent Jobs

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.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. 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 shall send a letter designating its "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 1. This 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 2.

IV. 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 5 years from the date of Substantial Completion of the Project.

V. 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 shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** 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.

VI. Good Faith Defined. Construction Jobs:

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 Steven M. Fulop'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 Steven M. Fulop'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.

VII. Good Faith Defined. Permanent Jobs:

1. **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 meet with the Coordinator, including the director of JCETP 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.

B. 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 3.

C. 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 1.A.(i)-(vi) and notify the City.

D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.

E. 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 4.

F. 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 DEO and the JCEPT 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 referral of qualified applicants to the Recipient.

G. 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 DEO with a copy of this advertisement.

H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as

the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

J. 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.

K. 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 any reports.

L. 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.

M. 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.

VIII. **Good Faith Defined. Business Contracts**

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

i) Solicitation of Businesses:

a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;

b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.

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 DEO and the JCEPT 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 referral of 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 DEO with a copy of this advertisement.

e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

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 any 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.

B. 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 Project Employment and Contracting Monitor of a Recipient, 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.

IX. Good Faith Defined. Commercial Tenants at the Project Site

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

A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.

B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.

C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. 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 7 days to correct the violation.

2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall 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.

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.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

1. 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 cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

C. 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 Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. 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:

418 Bergen Avenue
Jersey City, NJ 07304
Att: Alliot Belgrave

and

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

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc

895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. 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.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:	**CITY OF JERSEY CITY**
_____	_____
Robert Byrne **City Clerk**	**Robert J. Kakoleski** **Business Administrator**
WITNESS:	**418 BERGEN AVENUE**
_____	_____
Secretary	**Alliot Belgrave**

DRAFT

Alliot Belgrave

418 Bergen Avenue, Jersey City
5 Year Abatement Application

646-322-5821
Axb0103@optonline.net

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.101
TITLE: 3.D JUL 15 2015 4.C AUG 19 2015

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 19402, Lot 33, on the City's tax map and more commonly known by the street address of 418 Bergen Avenue.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 15 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson WATTERMAN **moved, seconded by Councilperson** COLEMAN **to close P.H.**

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

KABILI TAYARI

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____**moved to amend* Ordinance, seconded by Councilperson**_____**& adopted**_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 15 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne/City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.102

Agenda No. 3.E 1st Reading

Agenda No. 4.D. 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.102

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 11004, LOTS 27 & 28, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 124-128 BRUNSWICK STREET**

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 304-6 et seq. of the Municipal Code, 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 demolition of the existing structure and the new construction of a five (5) story building to contain approximately nineteen (19) residential units, approximately 820 square feet of commercial space and a garage with ten (10) parking spaces of approximately 3,659 square feet of parking space on the Property, is permitted for a period of five (5) years; and

WHEREAS, Brunswick 124, LLC [Entity], is the owner of Property designated as Block 11004, Lots 27 and 28 (f/k/a Block 385, Lots N and O.2), on the City's Tax Map and more commonly known by the street address of 124-128 Brunswick Street, Jersey City, NJ; and

WHEREAS, the Entity now plans to construct a new five (5) story building to contain approximately nineteen (19) residential units, approximately 820 square feet of commercial space and a garage with ten (10) parking spaces of approximately 3,659 square feet of parking space on the Property; and

WHEREAS, construction is anticipated to be substantially complete in July 2017; and

WHEREAS, on May 12, 2015 the Entity filed an application for a five (5) year tax exemption to construct a newly constructed market rate residential Project, a copy of which application is attached hereto; and

WHEREAS, Brunswick 124, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of $18,749) a tax payment for the new improvements on the property, as follows:

(a) 2016: the tax year in which the structure will be completed. $0 taxes due on improvements;

(b) 2017: the second tax year, 20% of taxes otherwise due on improvements, estimated to be $12,183;

(c) 2018: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $24,366;

(d) 2019: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $36,549; and

(e) 2020: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $48,731;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of $18,749 for land and $60,914 for improvements, for a total of $79,663 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is 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, including both land and improvements, will generate a total tax payment of $79,663; and

WHEREAS, Brunswick 124, LLC, has agreed to pay the sum of $35,219 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code.

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 a new five (5) story building to contain approximately nineteen (19) residential units, approximately 820 square feet of commercial space and a garage with approximately 3,659 square feet of parking space, located in Block 11004, Lots 27 and 28 (f/k/a Block 385, Lots N and O.2), and more commonly known by the street address of 124-128 Brunswick Street, Jersey City, N.J., 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) 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, 20% of taxes otherwise due on improvements, estimated to be $12,183;

(iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be $24,366;

(iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be $36,549; and

(v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be $48,731.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(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).

(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 tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad 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 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, no tax shall be due, 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, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: $1,500 x 19 residential units, or $28,500; $1.50 x 820 square feet of commercial retail space, or $1,230; and $1.50 x 3,659 square feet of parking garage space, or $5,489, for a total of $35,219. This payment is non-refundable and non-transferrable, and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

3. An obligation to execute a Project Employment and Contracting Agreement and Project Labor Agreement to insure employment and other economic benefits to City residents and businesses.

4. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project achieves Substantial Completion within twenty-four (24) months of the date of adoption of the within Ordinance.

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 11004, LOTS 27 & 28, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 124-128 BRUNSWICK STREET

5. 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.

6. 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.*

DJ/he
7/07/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

An Ordinance Approving A Five (5)Year Tax Exemption for a Market Rate Mixed Use Rental Project Constructed by Brunswick 124, LLC, Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 111004 Lot 27.01 on the City's Tax Map and known as 128 Brunswick Street

Initiator

Department/Division	Mayor's Office	
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	mvigil@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Brunswick 124, LLC, is applying for a five (5) Year tax abatement for a five (5) story mixed-use market rate residential/commercial rental project under N.J.S.A. 40 A: 21-1 et seq. The fee of $7,300 was paid with the application.

I certify that all the facts presented herein are accurate.

Signature of Department Director **Date**

Brunswick 124, LLC

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement (see #6)
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT F

BRUNSWICK 124, LLC

Disclosure Statement

NAME OF ENTITY:	Brunswick 124, LLC
NAME OF PROJECT:	124-128 Brunswick Street Jersey City, New Jersey
PRINCIPAL PLACE OF BUSINESS:	317 Grove Street, Suite 6 Jersey City, New Jersey 07302
NAME OF REGISTERED AGENT:	Nima Nili
ADDRESS:	317 Grove Street, Suite 6 Jersey City, New Jersey 07302

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT WILL PROVIDE THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN)

NAME	ADDRESS	PERCENT OWNED
Gotham Holdings LLC	317 Grove Street, Suite 6 Jersey City, New Jersey 07302	100%

The Members of Gotham Holdings, LLC are as follows:

NAME	ADDRESS	PERCENT OWNED
Nima Nili	c/o 317 Grove Street, Suite 6 Jersey City, New Jersey 07302	50%
Alan Nili	c/o 317 Grove Street, Suite 6 Jersey City, New Jersey 07302	50%

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

Brunswick 124, LLC
By: Gotham Holdings, LLC

By: _____
Name: Nima Nili
Authorized Member

Brunswick 124, LLC
By: Gotham Holdings, LLC

By: _____
Name: Alan Nili
Authorized Member

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 1 - 5 YEAR)

Block: 11004 Lot: 27, 28 Loc: 128 BRUNSWICK ST

Market Rate Rental Units with Ground Floor Comm		*Demographic Multipliers (Transit Oriented Development)**				*Annual Expenditures*		*Total Annual Expenditures*		
Planned Development	Number of Units	Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom	10	1.421	0.050	14.21	0.50	$1,163.68	$3,445.00	$16,535.91	$1,722.50	$18,258.41
2 Bedroom	9	2.012	0.120	18.11	1.08	$1,163.68	$3,445.00	$21,071.94	$3,720.60	$24,792.54
TOTAL	19			32.32	1.58			$37,607.86	$5,443.10	$43,050.96

1. Total Municipal Ratables	$5,916,171,471	4. CY 2014 Budget	$516,641,147	6. Population of Jersey City		9. Increase in Services Incurred Per Development	
				(2010 Census)	247,597		$ 43,050.96
2. Residential Ratables	$3,299,371,882			7. Per Capita Municipal Cost		10. Anticipated Taxes (Assuming 74.34 Rate)	
Commercial Ratables	$1,439,637,425				$1,163.68	1st Year	$ 18,749.00
						2nd Year	$ 30,931.00
						3rd Year	$ 43,114.00
3. Residential Ratables as a Percentage of				8. Annual Expenditures Per Student**		4th Year	$ 55,297.00
Total Ratables	55.77%	5. Residential Portion	$288,124,048		$3,445.00	5th Year	$ 67,480.00
						11. Implied Surplus (Cost)	
						1st Year	$ (24,301.96)
						2nd Year	$ (12,119.96)
						3rd Year	$ 63.04
						4th Year	$ 12,246.04
						5th Year	$ 24,429.04

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

**Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006*

***Source: 2014-2015 Jersey City Municipal Cost Per Pupil*

124 - 128 Brunswick Street
FISCAL PLAN
ESTIMATED TAX COMPUTATION FOR YEAR 2015 (OR YEAR OF COMPLETION)

Equalization Ratio:		30.02%
Tax rate (per thousand):	2014	$74.34

Current Assessment:		
Land:	$ 252,200	**as proposed by the tax assessor going forward
Improvement:	$ -	
Total:	$ 252,200	

Potential Income:	#		Total:	Per unit per month:
1 Bedroom	10		$ 216,000	$ 1,800
2 Bedroom	9		$ 226,800	$ 2,100
			$ -	
Commercial Income	2	820 sf x $2.25/sf	$ 44,280	$ 1,845
Parking Income	10	$100 per month	$ 12,000	
Total Gross Income:			$ 499,080	
Less: Vacancy and Collection Loss		5%	$ 24,954	
Effective Gross Income:			$ 474,126	

Operating Expenses:	
Property Management	$ 12,750
Leasing Expenses	$ 12,750
Repairs & Maintenance	$ 17,200
Utilities	$ 5,000
Labor	$ 12,000
Insurance	$ 18,000
Advertising / Marketing	$ 6,000
Misc.	$ 6,000
Reserves	$ 6,000
Legal/Accounting/Admin	$ 6,500
Exterminator	$ 1,500
Elevator Maintenance	$ 4,000
Water / Sewer	$ 14,820
Total Operating Expenses:	$ 122,520
Projected Net Operating Income:	$ 351,606

Cap Rate:	9.85%	0.0985
Projected Market Value:		$ 3,569,604
Assessment:		$ 1,071,595
Ratio:	0.3002	
Estimated Annual Real Estate Taxes:		$ 79,662
Tax rate:	0.07434	
Less: Taxes Attributable to the Land		$ 18,749
Taxes attributable to Improvements:		$ 60,914

EXHIBIT C

BRUNSWICK 124, LLC

Estimated Cost of Project Construction

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

"Cost" per Definition:*

Direct Labor & Materials (includes Contractor's Fees)	$ 4,054,080
Architectural	$ 50,000
Engineering	$ 25,000
Estimated Cost:	$ 4,129,000

*Pursuant to N.J.S.A. 40A:21-3(j), "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A 40A:20-3(h).

EXHIBIT C-1

BRUNSWICK 124, LLC

Certification of Estimated Construction Costs

On this 7 day of APR 2015, the undersigned being the architect for the Project to be developed by Brunswick 124, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Project proposed on Block 11004, Lots 27 and 28 and is commonly referred to as 124-128 Brunswick Street, Jersey City, New Jersey

By: _____
Name: SCOTT MAHWITZ, R.A.
Title: Architect

Witnessed:

By: _____

3362876-1

Brunswick 124, LLC
BLOCK 11004 Lots 27 & 28 (To be kown as lot 27.01)
128 Brunswick St.

Block	Lot		Existing Assessments	New Assessment	Land Tax	Assessment (Phased-In)	Land & Bldg Tax
11004	27.01	Land	94,700	252200		0	
		Bldg	215900	819400		819400	
		Total	310600	1071600		819400	

Est. In-Lieu of Full Property Tax Payments An Amount Equal To A Percentage Of Taxes Otherwise Due, According To The Following Billing Schedule:

Year				
1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	$18,749	$0	$18,749
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	$18,749	$12,183	$30,931
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of ;	$18,749	$24,366	$43,114
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	$18,749	$36,549	$55,297
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	$18,749	$48,731	$67,480

AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S
NEW IMPROVEMENT WILL GENERATE APPROXIMATELY THE SUM OF; $60,914

Land Tax $18,749

Total Land & Improvement @ 100% Valuation $79,663

Note: 2014 Tax Rate $74.34/ Thousand of A.V.
5/8/2015

DATE: June 30, 2012

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron Tax Collector's Office

SUBJECT: FIVE-YEAR TAX ABATEMENT: BRUNSWICK 124, LLC Block 11004 Lot 27.01 128 Brunswick Street

CC: M. Cosgrove, E. Bjora, J. Monahan, E. Toloza, M.Vigil, H. Espinal, G. Corrado

INTRODUCTION

The applicant, Brunswick 124, LLC, is applying for a five (5) Year tax abatement for a five (5) story mixed-use market rate residential/commercial rental project under N.J.S.A. 40 A: 21-1 et seq. The fee of $7,300 was paid with the application.

LOCATION OF THE PROPERTY:

The property is located at 128 Brunswick Street between Second and Third Streets. It is currently Block 11004 Lots 27 and 28 on the Jersey City Tax Map. These lots will be consolidated into Block 11004 Lot 27.01.

PROPERTY TO BE CONSTRUCTED

An existing building will be demolished. The project will be a five (5) story building with two (2) ground floor commercial units. There will be nineteen (19) market rate residential rental units consisting of ten (10) one bedroom and nine (9) two bedrooms. Approximately ten (10) parking spaces are proposed for this project.

TOTAL CONSTRUCTION COST:

The estimated cost of construction is certified by the architect, Scott Mahaffey, at $4,129,000.

CONSTRUCTION SCHEDULE:

The applicant has certified that construction has not and will not begin construction prior to the approval and execution of a Financial (Tax) agreement. The applicant anticipates commencement of construction in July 2015 and completion within twenty-four (24) months.

ESTIMATED JOBS CREATED:

The applicant estimates forty (40) jobs will be created during Construction and

two (2) permanent full-time jobs after construction. The applicant will execute a Project Employment and Contracting Agreement. Based upon the projected construction cost of the project, a Project Labor Agreement is not required.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTION:

BRUNSWICK 124, LLC AHTF
PAYMENT

		Rate	Amount
Residential Units	19	$1,500.00	$28,500.00
Square footage			
Commercial	820	$1.50	$1,230.00
Square footage Parking	3,659	$1.50	$5,488.50
	Total AHTF Payment		$35,218.50

CURRENT REAL ESTATE TAXES:

The assessment for the land is $252,200 and the building to be constructed is $819,400. Based upon that assessment at the current rate of $74.34 the tax for the land is $18,749. The full tax on the improvements at current the rate is $60,914.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY;

On the schedule below the Assessor's assessment is used and the current tax rate used is $74.34 with a two percent (2%) increase annually in the tax rate.

The total taxes projected for the five-year term of the abatement are $226,879. The total taxes exempted for the term are $187,689. The total tax to be paid for the period is $129,311. The Tax Assessor set the final assessment based upon information provided by the Applicant. They reflect an estimated annual tax rate increase of two percent (2%) during the period.

Brunswick Street 124, LLC							Five Year
Year	1	2	3	4	5	Full Tax	Totals
Current Tax Rate	74.34	75.83	77.34	78.89	80.47	82.08	
Total Tax	79,663	81,256	82,881	84,539	86,230	87,954	414,568
Land tax	18,749	19,124	19,506	19,896	20,294	20,700	97,568
Tax on Improvements	60,914	62,132	63,375	64,643	65,935	67,254	317,000
Phase in %	0%	20%	40%	60%	80%	100%	
Phase in Tax	0	12,426	25,350	38,786	52,748	67,254	129,311
Exempted Tax	60,914	49,706	38,025	25,857	13,187	0	187,689
Total Tax Payable	18,749	31,550	44,856	58,682	73,042	87,954	226,879

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor	
Assessments	
Land	$252,200
Improvements	$819,400
Total	$1,071,600

TIER ONE (5 YEAR)
7/01/15
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this ____day of _____, 2015, 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 07302, and, **BRUNSWICK 124 LIMITED LIABILITY COMPANY** [Applicant /Owner], whose principal place of business is 317 Grove Street, Suite 6, Jersey City, NJ 07302.

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 Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 124-128 Brunswick Street, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 11004, Lots 27 and 28 (f/k/a Block 385, Lots N and O.2) on the Tax Assessor's Map, more commonly known by the street address of 124-128 Brunswick Street, and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about May 12, 2015, the Applicant applied for a five year tax exemption for demolition of the existing structure and the new construction of a five (5) story building to contain approximately nineteen (19) residential units, approximately 820 square feet of commercial space and a garage with ten (10) parking spaces of approximately 3,659 square feet of parking space on the Property [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 demolition of the existing structure and the new construction of a five (5) story building to contain approximately nineteen (19) residential units, approximately 820 square feet of commercial space and a garage with ten (10) parking spaces of approximately 3,659 square feet of parking space [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 estimated 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 of Year 1, no payment in lieu of taxes;

2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of $12,183;

3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of $24,366;

4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of $36,549; and

5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of $48,731.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of **$7,300** to the City as an application fee. 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 years beginning the first day of the month after 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: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO 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 not 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 VIII: 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 IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution**. The Entity will pay the City the sum of $35,219 or [$1,500 per unit, and $1.50 per square foot of commercial and parking garage space] as a contribution. The sum shall be due and payable as follows:

i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;

ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and

iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: 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.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING 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 & Contracting Agreement which is attached hereto as Exhibit C.

ARTICLE XIII: 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: **Brunswick 124, LLC**
317 Grove Street – Suite 6
Jersey City, NJ 07302

ARTICLE XIV: 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 a 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:

BRUNSWICK 124 LIMITED LIABILITY COMPANY

_____

BY:_____
, Member

ATTEST:

CITY OF JERSEY CITY

_____
Robert Byrne
City Clerk

BY:_____
Robert J. Kakoleski
Business Administrator

New & Revised as of August 29, 2014
(Including Construction Jobs, for Projects with no PLA)

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the __day of___, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **BRUNSWICK 124 LIMITED LIABILITY COMPANY** [Recipient], having its principal office at 317 Grove Street, Suite 6, Jersey City, NJ 07302.

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 an agreement with the City to implement, in whole or in part, this agreement.

2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.

3. 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.

4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.

5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.

6. "Employment" 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. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.

8. "Local Business" means a bona fide business located in Jersey City.

9. "Minority" means a person who is defined as such under federal or state law.

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 and Workforce Development, 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" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., 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 Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.

15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration 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 data base 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: Construction Jobs, Business Contracting, Permanent Jobs

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.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. 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 shall send a letter designating its "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 1. This 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 2.

IV. 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 5 years from the date of Substantial Completion of the Project.

V. 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 shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** 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.

VI. Good Faith Defined. Construction Jobs:

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 Steven M. Fulop'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 Steven M. Fulop'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.

VII. Good Faith Defined. Permanent Jobs:

1. **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 meet with the Coordinator, including the director of JCETP 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.

B. 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 3.

C. 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 1.A.(i)-(vi) and notify the City.

D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.

E. 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 4.

F. 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 DEO and the JCEPT 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 referral of qualified applicants to the Recipient.

G. 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 DEO with a copy of this advertisement.

H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as

the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

J. 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.

K. 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 any reports.

L. 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.

M. 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.

VIII. **Good Faith Defined. Business Contracts**

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

i) Solicitation of Businesses:

a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;

b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.

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 DEO and the JCEPT 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 referral of 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 DEO with a copy of this advertisement.

e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.

f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

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 any 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.

B. 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 Project Employment and Contracting Monitor of a Recipient, 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.

IX. Good Faith Defined. Commercial Tenants at the Project Site

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

A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.

B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.

C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. 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 7 days to correct the violation.

2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall 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.

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.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

1. 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 cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.

C. 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 Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. 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:

Brunswick 124 Limited Liability Company
317 Grove Street – Suite 6
Jersey City, NJ 07302
Att:

and

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

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. 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.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:	**CITY OF JERSEY CITY**
_____	_____
Robert Byrne **City Clerk**	**Robert J. Kakoleski** **Business Administrator**
WITNESS:	**BRUNSWICK 124 LIMITED LIABILITY COMPANY**
_____	_____
Secretary	**, President**

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.102
TITLE: 3.E JUL 15 2015 4.D AUG 19 2015

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 11004, Lot 27 & 28, on the City's tax map and more commonly known by the street address of 124-128 Brunswick Street.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 15 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson LAVARRO moved, seconded by Councilperson WATTERMAN to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ moved to amend* Ordinance, seconded by Councilperson_____ & adopted_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 15 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.103

Agenda No. 3.F 1st Reading

Agenda No. 4.E. 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.103

TITLE: **ORDINANCE APPROVING AN AMENDMENT TO THE TAX EXEMPTION FOR 500 MANILA AVE., LLC, TO 1) REVERT TO A LIMITED DIVIDEND TAX EXEMPTION; 2) RESTRUCTURE THE ENTITY TO CHANGE THE ENTITY'S NAME TO 500 MANILA AVE. URBAN RENEWAL, LLC; AND 3) AMEND THE TAX EXEMPTION TO DELETE CERTAIN PROPERTY**

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

WHEREAS, the project was originally known as Block 213, Plot A, Block 214, Plot B and Block 215, Plot A on the City's Official Tax map (between Manila Avenue, Marin Boulevard, 6th and 9th Streets), and more commonly known by the street address of 500 Manila Avenue, Jersey City, New Jersey, all of which is located within the boundaries of the Paulus Hook NDP Area 1 District; and

WHEREAS, by a resolution dated March 20, 1973, the City of Jersey City approved a tax exemption for Unico Jersey City Housing, Inc, [Entity] to construct an affordable housing project, to consist of approximately 203 units of rental housing, pursuant to N.J.S.A. 55:16-18, the Limited Dividend Housing Corporation Law, which tax abatement expires on November 1, 2022; and

WHEREAS, by the adoption of Ordinance 11-110 on September 14, 2011, the City of Jersey City approved an assignment of the tax exemption to 500 Manila Ave., LLC, and approved the continuation of the tax abatement, but under the Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq. since the project had assumed an HMFA mortgage and

WHEREAS, by the adoption of Resolutions P14-052 and 053, in 2014 the Planning Board approved the Entity's application to subdivide the project to enable the Entity to sell the undeveloped portion of the property for a new project to consist of market rate housing, a parking garage and commercial retail space; and

WHEREAS, thereafter, the Entity applied for a discharge of the mortgage held by the NJ Housing and Mortgage Finance Agency [NJHMFA]; and

WHEREAS, although the NJHMFA mortgage will be discharged, a portion of the subdivided property will become a new market rate residential project; and a portion of the ballfield and parking lot will be conveyed to the City for $1.00 as was promised under a 1974 lease with the remainder of the property (Block 10102, Lot 1.01 f/k/a a portion of Block 215, Plot A) consisting of 203 units of affordable rental housing, continuing to be subject to affordability controls under Deed Restrictions and a Regulatory Agreement with the NJHMFA through 2027; and

WHEREAS, the Deed Restrictions and NJHMFA Regulatory Agreement shall keep the project affordable until November 1, 2027 provided the Entity receives the City's approval for a reversion to its 1973 tax exemption under the Limited Dividend Housing Cooperation Law, a tax exemption with a service charge at least equal to 11% of Annual Gross Revenue, including revenue from a federal subsidy; and

ORDINANCE APPROVING AN AMENDMENT TO THE TAX EXEMPTION FOR 500 MANILA AVE., LLC, TO 1) REVERT TO A LIMITED DIVIDEND TAX EXEMPTION; 2) RESTRUCTURE THE ENTITY TO CHANGE THE ENTITY'S NAME TO 500 MANILA AVE. URBAN RENEWAL, LLC; AND 3) AMEND THE TAX EXEMPTION TO DELETE CERTAIN PROPERTY

WHEREAS, the Entity filed an application with the State of New Jersey Department of Community Affairs (Department of Community Affairs) to amend their Certificate of Formation to change the Entity's name to an Urban Renewal entity; and

WHEREAS, on February 15, 2015, the Department of Community Affairs approved the Entity's request and granted an Amended Certificate of Formation to reflect its name of 500 Manila Ave., LLC to 500 Manila Ave. Urban Renewal, LLC even though the tax exemption will revert to the Limited Dividend tax exemption;

WHEREAS, on March 18, 2015, the Entity filed an application with the City to amend the tax exemption and the Financial Agreement to reflect the name of the new Entity, acknowledge the restructuring of the Entity to 500 Manila Ave. Urban Renewal, LLC as the 100% owner of the Entity revert to a limited dividend tax exemption and to remove the subdivided property from the Financial Agreement; and

WHEREAS, it is in the best interests of the City of Jersey City to preserve the 203 units as affordable housing until 2027 even though the tax abatement will not be extended and a service charge will not be reduced.

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

A. The Application of 500 Manila Ave., LLC, an Entity formed and qualified to do business under the provisions of the Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq., to amend its tax exemption to a) revert to a limited dividend tax exemption under N.J.S.A. 55:16-18 et seq; b) reflect the Entity's name to 500 Manila Ave. Urban Renewal, LLC; and c) delete the subdivided portions of the project that will no longer be subject to the tax exemption, is hereby approved.

B. The Mayor or Business Administrator is hereby authorized to execute an Amended and Restated Financial Agreement with 500 Manila Ave. Urban Renewal, LLC, to continue the tax exemption, subject to the following minimal terms:

i) Project: Block 10102, Lot 1.01 (f/k/a a portion of Block 215, Plot A, 8th and 9th Streets) but will continue to be more commonly known by the street address of 500 Manila Avenue;

ii) Service Charge: the greater of 11% or such percentage as will render a minimal service charge at least equal to $303,379;

iii) Term: the sooner of November 1, 2022 (the original term) or such time as the project is no longer subject to the affordability controls that are secured by Deed Restrictions and a Regulatory Agreement with the New Jersey Housing Mortgage and Finance Agency;

iv) Waiver and Release: The Entity shall execute a release and waiver as to any overpayment of service charges or other claims that may have accrued to date on behalf of any Entity that was, is or will become a party to any Financial Agreement;

C. The application for an amendment to the tax exemption is attached hereto. The amendment to the tax exemption Financial Agreement shall be in substantially the form attached, subject to such modifications as the Business Administrator or Corporation Counsel deems appropriate or necessary.

ORDINANCE APPROVING AN AMENDMENT TO THE TAX EXEMPTION FOR 500 MANILA AVE., LLC, TO 1) REVERT TO A LIMITED DIVIDEND TAX EXEMPTION; 2) RESTRUCTURE THE ENTITY TO CHANGE THE ENTITY'S NAME TO 500 MANILA AVE. URBAN RENEWAL, LLC; AND 3) AMEND THE TAX EXEMPTION TO DELETE CERTAIN PROPERTY

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

E. 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.

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

G. 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
7/13/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

TIER 5A - FINANCIAL AGREEMENT (UP TO 30 YEAR)
Rev. 7/13/15
Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.
(Affordable Housing)

Re: 500 Manila Avenue
Block 10102, Lots 1, 1.01 and 1.02
Paulus Hook NDP Area 1 District

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made the _____day of___, 2015, by and between **500 MANILA AVE. URBAN RENEWAL, LLC** (formerly known as 500 MANILA AVE., LLC), an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., but subject to the Limited Dividend Nonprofit Housing Corporations or Associations Law, N.J.S.A. 55:16-1 et seq. [Limited Dividend Law], having its principal office at 217 Commercial Street, Suite 300, Portland, ME [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the project was originally known as Block 213, Plot A, Block 214, Plot B and Block 215, Plot A on the City's Official Tax map (between Manila Avenue, Marin Boulevard, 6th and 9th Streets), and more commonly known by the street address of 500 Manila Avenue, Jersey City, New Jersey, all of which is located within the boundaries of the Paulus Hook NDP Area 1 District; and

WHEREAS, by a resolution dated March 20, 1973, the City of Jersey City approved a tax exemption for Unico Jersey City Housing, Inc, [Entity] to construct an affordable housing project, to consist of approximately 203 units of rental housing, pursuant to N.J.S.A. 55:16-18, the Limited Dividend Housing Corporation Law, which tax abatement expires on November 1, 2022; and

WHEREAS, by the adoption of Ordinance 11-110 on September 14, 2011, the City of Jersey City approved an assignment of the tax exemption to 500 Manila Ave., LLC, and approved the continuation of the tax abatement, but under the Housing and Mortgage Finance Agency Law, N.J.S.A. 55:14K-1 et seq. since the project had assumed an HMFA mortgage and

WHEREAS, by the adoption of Resolutions P14-052 and 053, in 2014 the Planning Board approved the Entity's application to subdivide the project to enable the Entity to sell the undeveloped portion of the property for a new project to consist of market rate housing, a parking garage and commercial retail space; and

WHEREAS, thereafter, the Entity applied for a discharge of the mortgage held by the NJ Housing and Mortgage Finance Agency [NJHMFA]; and

WHEREAS, although the NJHMFA mortgage will be discharged, a portion of the subdivided property will become a new market rate residential project; and a portion of the ballfield and parking lot will be conveyed to the City for $1.00 as was promised under a 1974 lease with the remainder of the property (Block 10102, Lot 1.01 f/k/a a portion of Block 215, Plot A) consisting of 203 units of affordable rental housing, continuing to be subject to affordability controls under Deed Restrictions and a Regulatory Agreement with the NJHMFA through 2027; and

WHEREAS, the Deed Restrictions and NJHMFA Regulatory Agreement shall keep the project affordable until November 1, 2027 provided the Entity receives the City's approval for a reversion to its 1973 tax exemption under the Limited Dividend Housing Cooperation Law, a tax exemption with a service charge at least equal to 11% of Annual Gross Revenue, including revenue from a federal subsidy; and

WHEREAS, the Entity filed an application with the State of New Jersey Department of Community Affairs (Department of Community Affairs) to amend their Certificate of Formation to change the Entity's name to an Urban Renewal entity; and

WHEREAS, on February 15, 2015, the Department of Community Affairs approved the Entity's request and granted an Amended Certificate of Formation to reflect its name of 500 Manila Ave., LLC to 500 Manila Ave. Urban Renewal, LLC even though the tax exemption will revert to the Limited Dividend tax exemption;

WHEREAS, on March 18, 2015, the Entity filed an application with the City to amend the tax exemption and the Financial Agreement to reflect the name of the new Entity, acknowledge the restructuring of the Entity to 500 Manila Ave. Urban Renewal, LLC as the 100% owner of the Entity revert to a limited dividend tax exemption and to remove the subdivided property from the Financial Agreement; and

WHEREAS, it is in the best interests of the City of Jersey City to preserve the 203 units as affordable housing until 2027 even though the tax abatement will not be extended and a service charge will not be reduced.

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:

Section 1.1 Governing Law

The City and the Entity, as a limited dividend urban renewal entity, recognize that authority for the Amended and Restated Financial Agreement shall continue pursuant to the Limited Dividend Housing Corporation Law, N.J.S.A. 55:16-18, as governed by the provisions "Savings Clause" within the repealing legislation and the adoption of the Long Term Tax Exemption Law, P.L. 1991, c.431 (C. 40A:20-1 et seq.). Neither the payoff and discharge of the NJHMFA mortgages, nor the conveyance or sale of the Subdivided Parcels affect the continuation of the Amended and Restated Financial Agreement.

Section 1.2 General Definitions

The following definitions under Section 1.2 of the Amended and Restated Financial Agreement are amended as follows:

Entity - The term Entity within the Amended and Restated Financial Agreement shall mean 500 Manila Ave. Urban Renewal, LLC, from the date the Entity files its Amendment to its Certificate Of Formation to become a limited dividend urban renewal entity approved by the New Jersey Department of Community Affairs, pursuant to the Long Term Tax Exemption Law, P.L. 1991, c.431 (C. 40A:20-1 et seq.). It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed under the Long Term Tax Exemption Law and operated under the Limited Dividend Housing Corporation Law, and the transfer has been duly approved by the City.

Law - Law shall refer operationally to the Limited Dividend Housing Corporation Law, N.J.S.A. 55:16-18 and the New Jersey Housing Mortgage and Finance Agency Law, N.J.S.A. 55:14K-1 et seq., and organizationally, to the Long Term Tax Exemption Law, P.L. 1991, c.431 (C.40A:20-1 et seq.); and shall also be governed by the Executive Order 13-004, relating to long term tax exemption; Ordinance 15-___, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and/or regulations.

Section 3. Term

The term shall not be extended by this amendment. Section 3.1 of the Amended and Restated Financial Agreement is amended as follows:

So long as there is compliance with the Law and the Amended and Restated Financial Agreement dated December 8, 2011, as amended herein, it is understood and agreed by the parties hereto that this tax abatement shall remain in effect pursuant to the original Resolution of March 20, 1973, which authorized the original Financial Agreement and which the parties agree expires no later than November 1, 2022. The tax exemption shall be effective only while the Project is owned by an entity formed and operating as a housing sponsor under the New Jersey Housing and Mortgage Finance Agency Law or as a limited dividend urban renewal entity under the Long Term Tax Exemption Law and subject to the Deed Restrictions and a Regulatory Agreement with the New Jersey Housing Mortgage and Finance Agency, which shall not expire until November 2027. 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.

Section 4. Service Charge.

The Service Charge shall be the greater of 11% or such higher percentage as will render a minimal service charge inclusive of any state or federal subsidy. In no event shall the service charge be less than $303,379 per year.

Section 5. Project.

The Project is located on Block 10102, Lot 1.01 (f/k/a a portion of Block 215, Plot A, 8th and 9th Streets) but will continue to be more commonly known by the street address of 500 Manila Avenue.

Section 6. Waiver and Release.

The Entity, including 500 Manila Ave., LLC, shall execute a release and waiver as to any overpayment of service charges or other claims that may have accrued to date on behalf of any Entity that was, is or will become a party to any Financial Agreement.

Section 7. Ratification.

Except as specifically amended by this Amendment to the Amended and Restated Financial Agreement, all terms and conditions of the Amended and Restated Financial Agreement dated December 8, 2011, are ratified and confirmed, and remain in full force and effect. However, any inconsistent terms shall be controlled solely by those of this Agreement.

Section 8. Exhibits.

A copy of the Certificate of Formation is attached herewith.

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

WITNESS:

_____

500 MANILA AVE. URBAN RENEWAL, LLC

_____

BY:

ATTEST:

_____

ROBERT BYRNE
CITY CLERK

CITY OF JERSEY CITY

_____

ROBERT KAKOLESKI
BUSINESS ADMINISTRATOR

Acknowledged and Agreed

500 MANILA AVE., LLC

_____

BY:

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.103
TITLE: 3.F JUL 15 2015 4.E AUG 19 2015

Ordinance approving an amendment to the tax exemption for 500 Manila Ave., LLC, to 1) Revert to a Limited Dividend Tax Exemption; 2) Restructure the entity to change the entity's name to 500 Manila Ave. Urban Renewal, LLC; and 3) Amend the tax exemption to delete certain property.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 15 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson OSBORNE **moved, seconded by Councilperson** COLEMAN **to close P.H.**

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER
LORENZO RICHARDSON
ANTHONY TOZZI
JOSEPH ROBERSON
PAT KELLEHER
BILL O'DEA
KABILI TAYARI
ANDREW WRIGHT
RODNEY CHATMAN
SAMUEL CONAWAY
CARY DONAWA
CHRISTOPHER EMMANUEL
SYED A. ALI

JONATHAN BIRONI
GIL FOX

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____**moved to amend* Ordinance, seconded by Councilperson**_____**& adopted**_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 15 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.107

Agenda No. 3. A. 1st Reading

Agenda No. 4. I. 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.107

TITLE: **ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH GS FC JERSEY CITY PEP I URBAN RENEWAL LLC AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE JERSEY CITY REDEVELOPMENT AGENCY OF NOT TO EXCEED $10,000,000 REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH**

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

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey (the "City"), adopted an ordinance, which designated various properties, including, but not limited to, real property being designated as Block 11603, Lot 3, as shown on the official current tax map of the City, as an area in need of redevelopment (the "Redevelopment Area" and also referred to as the "Project Premises") for purposes of the Local Redevelopment and Housing Law, constituting Chapter 79 of the Laws of New Jersey of 1992 (the "State"), and the acts amendatory thereof and supplemental thereto (the "Redevelopment Law", as codified by N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Municipal Council of the City adopted an ordinance, approving a redevelopment plan for the Redevelopment Area, entitled "Harsimus Cove Station Redevelopment Plan" as the same may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 1, LLC will convey title to GS FC Jersey City Pep 1 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 1 LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City Pep 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1A Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC 1"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing

approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be moderate income affordable housing rental units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage with approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project"); and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FC 2"), wholly-owned by the Redeveloper, will construct Phase 1B of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred one (201) parking spaces located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project" and, together with the Phase IA Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase 1A Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty (20) percent of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase 1A Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC 1 in connection with the Phase IA Project, but which benefit the entire Project, including, if and when completed, the Phase IB Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 et seq.) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC 1, has submitted an application to the City for the approval of Phase IA Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC 1, governing payments made to the City in lieu of real

estate taxes on the Phase IA Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase 1A Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to $10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC 1 have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC 1 to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC 1 have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase IA Project, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Phase 1A Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase IA Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC 1 is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase IA Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC 1 and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC 1 in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC 1 (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC 1 to the City for municipal services as set forth in the Tax Exemption Law for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC 1 to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase IA Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC 1 to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase 1A Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC 1 to undertake the Phase IA Project; (b) the Phase IA Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IA Project are not unreasonable or exorbitant; and (d) the Phase IA Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IA Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IA Project" as contained in the Redevelopment Agreement, the definition of the Phase IA Project as contained herein and in the Financial Agreement shall control.

2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.

3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.

4. An exemption from taxation is hereby granted to FC 1, with respect to the Phase IA Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty (30) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IA Project and only so long as the Phase IA Project is owned by an entity formed and operating under the Tax Exemption Law.

5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby

waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1A Project, shall be twenty –five (25) years from the date of issuance.

7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.

8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.

9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.

10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1A Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.

11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

12. The Phase IA Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.

13. FC 1 shall in the operation of the Phase IA Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.

14. FC 1 shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC 1 (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to $10,000,000.00 for the Phase 1A Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.

16. FC 1 shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.

17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

18. Term: the earlier of 30 years from the adoption of the within Ordinance or 25 years from the date the Phase IA Project is Substantially Complete.

19. Annual Service Charge in each year shall be calculated as follows:

    (a) the amount in each year after Substantial Completion which shall be the greater of:

        (i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase IA Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately $64,594; or

        (ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be $912,780, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement; and additionally

    (b) the Pledged Annual Service Charge; plus

    (c) the County Annual Service Charge.

20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be $18,255.

21. County Payment: 5% of the Base Annual Service Charge to be paid by FC 1 to the City for remittance by the City to Hudson County, which sum is estimated to be $45,639.

22. Phase 1A Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located on the Phase IA property.

23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.

24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to ensure employment and other economic benefits to City residents and businesses.

25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.

26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase IA Project begins within two (2) years of the adoption of the within Ordinance.

A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

27. The Entity shall record the deed restriction or other agreement restricting twenty percent (20%) of the units as moderate income affordable housing, and provide proof thereof to the City, within ninety (90) days of adoption of the herein ordinance and prior to execution of the Financial Agreement.

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

D. 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.

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

F. 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*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

H:\22688v2

APPROVED:

APPROVED:

Business Administrator

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.107
TITLE: 3.A JUL 28 2015 4.1 AUG 19 2015

Ordinance approving the execution of a financial agreement with GS FC Jersey City Pep I Urban Renewal LLC and other applicable documents related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $10,000,000 Redevelopment Area Bonds (Non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 28 2015 6-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson LAVARRO moved, seconded by Councilperson OSBORNE to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER
LORENZO RICHARDSON
PAUL ROLDAN
CARA DENAWA
NINA GREEN
CHRISTIAN PARRA
SAMUEL CONAWAY
SYED ALI
ALEX CHAZKEL
GETTY PANG
WILLIE WILLIAMS
ANDREW WIRTH
JOSEPH ROBERSON
ANDRE VEGA
KABILI TAYARI

PAT KELLEHER
MATT SCHAPIRO

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ moved to amend* Ordinance, seconded by Councilperson_____ & adopted_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 7-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 28 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.107

Agenda No. 3. A. 1st Reading

Agenda No. 4. I. 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.107

TITLE: **ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH GS FC JERSEY CITY PEP I URBAN RENEWAL LLC AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE JERSEY CITY REDEVELOPMENT AGENCY OF NOT TO EXCEED $10,000,000 REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH**

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

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey (the "City"), adopted an ordinance, which designated various properties, including, but not limited to, real property being designated as Block 11603, Lot 3, as shown on the official current tax map of the City, as an area in need of redevelopment (the "Redevelopment Area" and also referred to as the "Project Premises") for purposes of the Local Redevelopment and Housing Law, constituting Chapter 79 of the Laws of New Jersey of 1992 (the "State"), and the acts amendatory thereof and supplemental thereto (the "Redevelopment Law", as codified by N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Municipal Council of the City adopted an ordinance, approving a redevelopment plan for the Redevelopment Area, entitled "Harsimus Cove Station Redevelopment Plan" as the same may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 1, LLC will convey title to GS FC Jersey City Pep 1 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 1 LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City Pep 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1A Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC 1"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing

approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be moderate income affordable housing rental units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage with approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project"); and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FC 2"), wholly-owned by the Redeveloper, will construct Phase 1B of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred one (201) parking spaces located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project" and, together with the Phase IA Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase 1A Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty (20) percent of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase 1A Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC 1 in connection with the Phase IA Project, but which benefit the entire Project, including, if and when completed, the Phase IB Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 et seq.) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC 1, has submitted an application to the City for the approval of Phase IA Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC 1, governing payments made to the City in lieu of real

estate taxes on the Phase IA Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase 1A Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to $10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC 1 have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC 1 to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC 1 have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase IA Project, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Phase 1A Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase IA Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC 1 is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase IA Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC 1 and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC 1 in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC 1 (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC 1 to the City for municipal services as set forth in the Tax Exemption Law for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC 1 to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase IA Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC 1 to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase 1A Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC 1 to undertake the Phase IA Project; (b) the Phase IA Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IA Project are not unreasonable or exorbitant; and (d) the Phase IA Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IA Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IA Project" as contained in the Redevelopment Agreement, the definition of the Phase IA Project as contained herein and in the Financial Agreement shall control.

2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.

3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.

4. An exemption from taxation is hereby granted to FC 1, with respect to the Phase IA Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty (30) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IA Project and only so long as the Phase IA Project is owned by an entity formed and operating under the Tax Exemption Law.

5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby

waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1A Project, shall be twenty –five (25) years from the date of issuance.

7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.

8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.

9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.

10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1A Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.

11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

12. The Phase IA Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.

13. FC 1 shall in the operation of the Phase IA Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.

14. FC 1 shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC 1 (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to $10,000,000.00 for the Phase 1A Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.

16. FC 1 shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.

17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

18. Term: the earlier of 30 years from the adoption of the within Ordinance or 25 years from the date the Phase IA Project is Substantially Complete.

19. Annual Service Charge in each year shall be calculated as follows:

    (a) the amount in each year after Substantial Completion which shall be the greater of:

        (i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase IA Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately $64,594; or

        (ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be $912,780, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement; and additionally

    (b) the Pledged Annual Service Charge; plus

    (c) the County Annual Service Charge.

20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be $18,255.

21. County Payment: 5% of the Base Annual Service Charge to be paid by FC 1 to the City for remittance by the City to Hudson County, which sum is estimated to be $45,639.

22. Phase 1A Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located on the Phase IA property.

23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.

24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to ensure employment and other economic benefits to City residents and businesses.

25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.

26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase IA Project begins within two (2) years of the adoption of the within Ordinance.

A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

27. The Entity shall record the deed restriction or other agreement restricting twenty percent (20%) of the units as moderate income affordable housing, and provide proof thereof to the City, within ninety (90) days of adoption of the herein ordinance and prior to execution of the Financial Agreement.

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

D. 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.

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

F. 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*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

12722688v2

APPROVED:

APPROVED:

Business Administrator

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.107
TITLE: 3.A JUL 28 2015 4.I AUG 19 2015

Ordinance approving the execution of a financial agreement with GS FC Jersey City Pep I Urban Renewal LLC and other applicable documents related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $10,000,000 Redevelopment Area Bonds (Non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 28 2015 6-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson LAVARRO moved, seconded by Councilperson OSBORNE to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

YVONNE BALCER
LORENZO RICHARDSON
PAUL ROLDAN
CARA DENAWA
NINA GREEN
CHRISTIAN PARRA
SAMUEL CONAWAY
SYED ALI
ALEX CHAZKEL
GETTY PANG
WILLIE WILLIAMS
ANDREW WIRTH
JOSEPH ROBERSON
ANDRE VEGA
KABILI TAHARI

SPEAKERS:
PAT KELLEHER
MATT SCHAPIRO

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson _____ moved to amend* Ordinance, seconded by Councilperson _____ & adopted _____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 7-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 28 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.107

Agenda No. 3.A. 1st Reading

Agenda No. 4.I. 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.

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

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WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 1, LLC will convey title to GS FC Jersey City Pep 1 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 1 LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City Pep 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1A Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC 1"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing

approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be moderate income affordable housing rental units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage with approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project"); and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FC 2"), wholly-owned by the Redeveloper, will construct Phase 1B of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred one (201) parking spaces located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project" and, together with the Phase IA Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase 1A Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty (20) percent of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase 1A Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC 1 in connection with the Phase IA Project, but which benefit the entire Project, including, if and when completed, the Phase IB Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 et seq.) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC 1, has submitted an application to the City for the approval of Phase IA Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC 1, governing payments made to the City in lieu of real

estate taxes on the Phase IA Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase 1A Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to $10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC 1 have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC 1 to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC 1 have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase IA Project, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Phase 1A Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase IA Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC 1 is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase IA Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC 1 and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC 1 in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC 1 (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC 1 to the City for municipal services as set forth in the Tax Exemption Law for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC 1 to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase IA Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC 1 to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase 1A Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC 1 to undertake the Phase IA Project; (b) the Phase IA Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IA Project are not unreasonable or exorbitant; and (d) the Phase IA Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IA Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IA Project" as contained in the Redevelopment Agreement, the definition of the Phase IA Project as contained herein and in the Financial Agreement shall control.

2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.

3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of $221,594,000, including an estimated $165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.

4. An exemption from taxation is hereby granted to FC 1, with respect to the Phase IA Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty (30) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IA Project and only so long as the Phase IA Project is owned by an entity formed and operating under the Tax Exemption Law.

5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby

waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1A Project, shall be twenty –five (25) years from the date of issuance.

7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.

8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.

9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.

10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1A Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.

11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

12. The Phase IA Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.

13. FC 1 shall in the operation of the Phase IA Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.

14. FC 1 shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC 1 (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to $10,000,000.00 for the Phase 1A Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.

16. FC 1 shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.

17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

18. Term: the earlier of 30 years from the adoption of the within Ordinance or 25 years from the date the Phase IA Project is Substantially Complete.

19. Annual Service Charge in each year shall be calculated as follows:

    (a) the amount in each year after Substantial Completion which shall be the greater of:

        (i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase IA Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately $64,594; or

        (ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be $912,780, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement; and additionally

    (b) the Pledged Annual Service Charge; plus

    (c) the County Annual Service Charge.

20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be $18,255.

21. County Payment: 5% of the Base Annual Service Charge to be paid by FC 1 to the City for remittance by the City to Hudson County, which sum is estimated to be $45,639.

22. Phase 1A Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located on the Phase IA property.

23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.

24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to ensure employment and other economic benefits to City residents and businesses.

25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.

26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase IA Project begins within two (2) years of the adoption of the within Ordinance.

A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

27. The Entity shall record the deed restriction or other agreement restricting twenty percent (20%) of the units as moderate income affordable housing, and provide proof thereof to the City, within ninety (90) days of adoption of the herein ordinance and prior to execution of the Financial Agreement.

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

D. 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.

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

F. 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*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

H2722688v2

APPROVED:

APPROVED:

Business Administrator

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.107
TITLE: 3.A JUL 28 2015 4.1 AUG 19 2015

Ordinance approving the execution of a financial agreement with GS FC Jersey City Pep I Urban Renewal LLC and other applicable documents related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $10,000,000 Redevelopment Area Bonds (Non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 28 2015 6-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson LAVARRO moved, seconded by Councilperson OSBORNE to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER
LORENZO RICHARDSON
PAUL ROLDAN
CARA DONAWA
NINA GREEN
CHRISTIAN PARRA
SAMUEL CONAWAY
SYED ALI
ALEX CHAZKEL
GETTY PANG
WILLIE WILLIAMS
ANDREW WIRTH
JOSEPH ROBERSON
ANDRE VEGA
KABILI TAYARI

PAT KELLEHER
MATT SCHAPIRO

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ moved to amend* Ordinance, seconded by Councilperson_____ & adopted_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 7-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 28 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

GS FC Jersey City Pep 1

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT F

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Disclosure Statement

NAME OF ENTITY:	GS FC Jersey City Pep 1 Urban Renewal, LLC
LOCATION OF PROJECT:	Block 11603, Lot 3 Jersey City, New Jersey
PRINCIPAL PLACE OF BUSINESS:	c/o Forest City Residential Group, Inc. Terminal Tower, Suite 1300 50 Public Square Cleveland, Ohio 44113-2267
PRINCIPAL CONTACT:	Abe Naparstek Forest City Residential Group 1 Metro Tech Center North Brooklyn, NY 11201
NAME OF REGISTERED AGENT:	Corporation Service Company 830 Bear Tavern Road, Suite 305 West Trenton, New Jersey 08628

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT HEREBY PROVIDES THE NAMES OF ANY ENTITY OWNING AN INTEREST THEREIN)

100% of the membership interests in the Entity are owned by GS FC Jersey City Pep I, LLC, a Delaware limited liability company.

----50% of the membership interests in GS FC Jersey City Pep I, LLC are owned by G&S Investors/Jersey City L.P, a New York limited partnership.

------the 1% general partner of G&S Investors/Jersey City L.P, is Jersey City Associates Inc, a New Jersey corporation.

-----the limited partners of G&S Investors/Jersey City L.P are Gregg Wasser owning a 90% interest and Lucas Traub owning a 9% interest.

------the shareholders of Jersey City Associates Inc, are Gregg Wasser owning 90% of the shares and Lucas Traub owning 10% of the shares.

----50% of the membership interests in GS FC Jersey City Pep I, LLC are owned by Forest City Residential Group, LLC, a Delaware limited liability company.

------100% of the membership interests of Forest City Residential Group, LLC are owned by Forest City Rental Properties Corporation, an Ohio corporation.

-------100% of Forest City Rental Properties Corporation is owned by Forest City Enterprises Inc., a publicly traded company. A list of its executive officers is attached hereto. A list of those persons or entities which are known to be the beneficial owners of more than 5% of outstanding common shares is attached hereto.

[SEE ADDENDUM ATTACHED]

I further certify that the foregoing statements made by me are true and accurate in all material respects and I understand that the City of Jersey City is relying upon this Certification in considering the Application.. .

Dated: June 9, 2015

GS FC Jersey City Pep 1 Urban Renewal, LLC, a New Jersey limited liability company

By: _____

Name: Abe Naparstek
Title: Authorized Representative

3384586-5

FISCAL IMPACT COST PROJECTION: MIXED RATE RENTAL UNITS

Block: 11603 Lot: 3 Qual: C0001 Loc: 474 WARREN ST (PEP BOYS PHASE 1)

Market Rate/Affordable Mixed Income Rentals		*Demographic Multipliers**				*Annual Expenditures*		*Total Annual Expenditures*		
Planned Development	Number of Units	Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom	241	1.421	0.050	342.46	12.05	$1,163.68	$3,445.00	$398,515.53	$41,512.25	$440,027.78
2 Bedroom	95	2.012	0.120	191.14	11.40	$1,163.68	$3,445.00	$222,426.08	$39,273.00	$261,699.08
1 Bedroom (Affordable)	62	1.610	0.140	99.82	8.68	$1,163.68	$3,445.00	$116,158.69	$29,902.60	$146,061.29
2 Bedroom (Affordable)	23	2.760	0.620	63.48	14.26	$1,163.68	$3,445.00	$73,870.50	$49,125.70	$122,996.20
TOTAL	421			696.90	46.39			$810,970.80	$159,813.55	$970,784.35

1. Total Municipal Ratables	$5,916,171,471	4. CY 2014 Budget	$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	$ 970,784.35
2. Residential Ratables	$3,299,371,882			7. Per Capita Municipal Cost	$1,163.68	10. Anticipated Gross PILOT *1st Year* 7% AGR	$ 912,780.00
Commercial Ratables	$1,439,637,425					5% County	$ 45,639.00
						2% Admin	$ 18,255.60
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	$288,124,048	8. Annual Expenditures Per Student**	$3,445.00	Less Land Tax (74.34)	$ (337,875.30)
						11. 1st Year Net PILOT	$ 638,799.30
						12. Implied Surplus (Cost)	$ (331,985.05)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

**Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2005*
***Source: 2014-2015 Jersey City Municipal Cost Per Pupil*

Additional estimated Annual Pledged Service Charge amounts not included in impact will average $936,950.

EXHIBIT B-2

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC
ESTIMATED FISCAL PLAN

Rental Income:

Apartments	Units	Annual
Junior 1 Bedroom x	78	$1,968,000
One Bedroom x	225	$6,215,928
Two Bedroom x	118	$4,239,144
Total Potential Residential Income		$12,368,040
Other Project Revenue		$1,363,180
Total Gross Income		$13,731,220
Vacancy (6%)		($823,220)
Effective Gross Income		$12,907,347

Property, administrative and financial expenses:	
Payment in lieu/BASC+CASC+Admin Fee	$966,760
Management Fee (3.3%)	$419,500
Repairs and Maintenance	$430,500
Insurance	$116,000
Utilities	$358,000
Labor - Payroll, Taxes & Benefits	$751,000
Advertising/Marketing	$274,000
Miscellaneous Operating Expenses	$214,000
Reserves	$126,000
Total Expenses	$3,655,760
Net Operating Income (before Debt Service):	$9,251,587
Debt Service	$8,491,072
NET OPERATING INCOME LESS DEBT SERVICE:	$760,515

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT B-3

ANNUAL GROSS REVENUE COMPUTATION

EXHIBIT B-3

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

ANNUAL GROSS REVENUE COMPUTATION

(1)	Total Annual Gross Rental Income	$12,496,600
(2)	Real Estate Taxes and/or Assessment on Property*	$
(3)	Insurance Premiums*	$
(4)	Operating, Maintenance or Repair Expenses*	$

*N.J.S.A. 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

Total Annual Gross Rental

Apartments	Units	Annual
Junior 1 Bedroom x	78	$1,912,968
One Bedroom x	225	$6,215,928
Two Bedroom x	118	$4,239,144
Total Potential Residential Income		$12, 368,040
Other Project Revenue		$1,363,180
Total Gross Income		$13,731,220
Vacancy (6%)		($823,320)
Effective Gross Income		$12,907,347

(5)	Annual Payment in Lieu of Taxes: 7% BASC+CASC+Admin Fee	Years 1-20	$966,760.00

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT C

TOTAL PROJECT COST & CERTIFICATION
OF ESTIMATED CONSTRUCTION COSTS

EXHIBIT C

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Total Project Cost

Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):

A. Cost of land and improvements to Urban Renewal Entity	$18,440,000
B. Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Phase 1A Project	$ 9,771,000
C. Projected construction cost per architect's estimate, bids including site preparation	$165,836,000
D. Insurance, Interest, and Finance Costs during Construction	$8,352,000
E. Cost of Obtaining Initial Permanent Financing	$5,142,000
F. Marketing and other expenses payable in connection with initial lease of units	$5,362,000
G. Real Estate Taxes and Assessments during Construction Period	$400,000
H. Developer's Overhead based on a percentage of (c) above, to be computed in accordance with percentage given in law N.J.S.A. 40A:20-3 (h)	$ 8,291,800
Total Project Cost	$221,594,000

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT C-1

CERTIFICATION OF ESTIMATED CONSTRUCTION COSTS

EXHIBIT C-1

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Certification of Estimated Construction Costs

On this 9th day of June, 2015 the undersigned being the architect for the Phase 1A Project to be developed by GS FC Jersey City Pep 1 Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Phase 1A Project.

By: _____

Name: JOHN PETERS

Title: Architect

3384586-5

GS FC JERSEY CITY PEP I URBAN RENEWAL ASSOCIATES, LLC
Block 11603 Lot 3.I QL:C0001
474 Warren St.
(With Affordable Housing Component)

Block	Lot		Existing Prorated (subdvi.)	New Assessments	Good Faith ASC	Land Tax	Assessment (Phased-In)
11603	3.01	Land	490,100	4,545,000			
		Bldg	378,800	27,104,300	912,780		22,099,500
		Total	868,900	31,649,300	912,780		22,099,500

Est. In-Lieu of Full Property Tax Payments An Amount Equal To A Percentage Of Taxes Otherwise Due On The Land and New Improvement According To The Following Stages:

Stages		ASC		Annual Taxes* Bldg (Phasd-In)	Taxes Land & Bldg
1	From the 1st day of the month following substantial completion until the last day of the 9th year, the ASC shall be at 7% of Annual Revenue	$ 912,780	$ 337,875	0	$ 337,875
2	Beginning on the 1st day of the 10th year and the last day of the 13th year of substantial completion, an amount equal to the greater of the ASC at 7% or 20% of the amount of taxes otherwise due on the value of the land and improvements	$ 912,780	$ 337,875	$ 402,987	$ 740,862
3	Beginning on the 1st day of the 14th year and the last day of the 17th year of substantial completion, an amount equal to the greater of the ASC at 7th or 40% of the amount of taxes otherwise due on the value of the land and improvements	$ 912,780	$ 337,875	$ 805,973	$ 1,143,849
4	Beginning on the 1st day of the 18th year and the last day of the 21st year of substantial completion, an amount equal to the greater				

	of the ASC at 7% or 60% of the amount of taxes otherwise due on the value of the land and improvements	$ 912,780	$ 337,875	$ 1,208,960	$ 1,546,835
5	Beginning on the 1st day of the 22nd year and the last day of the 30th year of substantial completion, an amount equal to the greater of the ASC at 7% or 80% of the amount of taxes otherwise due on the value of the land and improvements	$ 912,780	$ 337,875	$ 1,611,947	$ 1,949,822
	Yearly Land and Improvement Yearly Tax				$ 2,352,809
#####	(Based on 2014 tax rate o $74.34 & 30.02% Assessment Ratio)				

DATE: July 15, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: TWENTY- FIVE YEAR TAX ABATEMENT: MIXED-USE, MIXED-INCOME RENTAL PROJECT – GS FC Jersey City pep 1 Urban Renewal LLC, - Block 11603 Lot 3 Qualifier C 0001

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado

INTRODUCTION:

The applicant, GS FC Jersey City Pep 1 Urban Renewal LLC, is applying for a twenty-five (25) year tax abatement under N.J.S.A. 40A:20-1 et seq. It will be new construction of a thirty-five (35) story mixed-use, mixed-income rental project constructed on Block 10102 Lot 3. This is phase one (1) of a two (2) phase project. Phase two (2) is not part of this application. Since twenty percent (20%) of the residential units are affordable to residents earning no more than eighty percent (80%) of the Hudson County median income adjusted for family size, an application fee is not required.

LOCATION OF THE PROPERTY:

The property is located at the former site of Pep Boys Store. It is west of the HBLR Tracks between Washington Boulevard and the proposed extension of Warren Street between Fourth (4th) Street and Thomas Gangemi Drive. It is Currently Block 11603 Lot 3. It will be Unit 1 of a planned two (2) unit Condominium. A Master Deed is yet to be filed. The proposed address is 474 Warren Street.

FINANCING PLAN:

The Applicant proposes to finance in the approximate the project using following sources:

- $51,000 Private equity
- $128,400,000 Construction Loan
- $10,000,000 Redevelopment Area Bonds issued by the Jersey City Redevelopment Agency.
- $33,000,000 EB5 Immigrant investor Financing Program
- $40,000,000 Tax Credit Allocation from the New Jersey Economic Development Authority Grant

PROPERTY TO BE CONSTRUCTED:

The proposed project will be thirty-five (35) story mixed-use, mixed-income rental building. The building will contain approximately four hundred and twenty-one (421) residential units, 12,435 square feet commercial space. There will also be a parking garage for two hundred sixty-for (261) cars. The residential units will consist of the following:

Unit Type	Market Rate	Affordable	Total
Junior One bedroom	62	16	78
One Bedroom	179	46	225
Two Bedroom	95	23	118
Total	336	85	421

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at $165,836,000 is certified by John Pears the applicant's architect. Total Project Cost is projected at $221,594,000. Note the proposed financing is less than the total project cost.

CONSTRUCTION SCHEDULE:

The applicant estimates construction will begin in August 2015 with completion in approximately two (2) years.

ESTIMATED JOBS CREATED:

The applicant estimates creation of three hundred-ninety (390) jobs during Construction. Post-construction jobs will be approximately eleven (11) permanent real estate management and service positions. In addition the projected retail positions are approximately twelve (12). The applicant will execute both a Project Employment and Contracting Agreement and a Project Labor Agreement.

CURRENT REAL ESTATE TAX:

The total current assessment for the land and building for the entire lot is $1,750,000. At the current tax rate of $74.34 the 2014 tax was $130,065. The Tax Assessor has assessed the land on the proposed subdivision into two condominium units. The land for Condo Unit 1 is assessed at $4,545,000. The assessment for the improvements will be approximately $27,114,879 when complete.

PROPOSED ABATEMENT:

The applicant has requested a term of the lesser of thirty (30) years from the date of approval of an ordinance approving the abatement or twenty-five (25) years from substantial completion of the project.

The Applicant proposes a Base Annual Service Charge of seven percent (7%) of Annual gross revenue, in years one (1) through twenty (20). In addition the Applicant two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County.

Beginning in year twenty-one (21) through the end of year twenty-five (25) the Base Annual Service charge shall increase to ninety-five percent (95%) of conventional taxes. The City will pay the fee of Five percent to the County. It will not be paid by the Applicant.

In addition the Applicant will pay a Pledged Annual Service Charge equal to the full amount of the Debt Service required to annual meet the payments on the Redevelopment Area Bonds. The estimated annual pledged amounts will average $936,950. The estimated maximum payment is $1,021,050. The applicant will not pay a County fee and an administration fee on the Pledged ASC.

PROPOSED REVENUE TO THE CITY:

At full occupancy the Good Faith estimated annual revenue is $13,037,718. The Basic Annual Service charge at the rate of seven percent (7%) is $912,780. The City Administrative fee at two percent (2%) would be $18,255 and the Hudson County fee of five percent (5%) would be $45,639

Record and Return To:

_____

Rev. 7-28-15
Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.
(New Market Rate Res Rental FA)

Re: 474 Warren Street
Approximately 1.25 Acres
Block 11603, Lot 3
Master Condominium Unit 1
Harsimus Cove Station Redevelopment Plan, as amended and supplemented

PREAMBLE

THIS FINANCIAL AGREEMENT [Agreement] is made this ____ day of _____, 2015, by and between **GS FC JERSEY CITY PEP 1 URBAN RENEWAL LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. [Long Term Tax Exemption Law], having its principal office at c/o Forest City Residential Group, Inc., Terminal Tower, 50 Public Square, Suite 1300, Cleveland, OH 44113-2267 [Entity], and the **CITY OF JERSEY CITY**, a municipal corporation of the State of New Jersey, having its principal office at City Hall, 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC is the contract purchaser under a Contribution Agreement dated June 24, 2015, between FS FC Jersey City Pep I LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC as the grantee, for certain real property designated as Block 11603, Lot 3, C 0001, as set forth as Exhibit 1 to this Agreement, as shown on the official current tax map of the City of Jersey City, New Jersey, more commonly known by the street addresses of 474 Warren Street, and more particularly described by the metes and bounds description set forth as Exhibit 2 to this Agreement [Property], which Property is located within the boundaries of the Harsimus Cove Station Redevelopment Plan area, as amended and supplemented; and

WHEREAS, the redevelopment of the Harsimus Cove Station Redevelopment Plan area requires certain on-site and off-site public improvements and infrastructure, certain of which will be undertaken by the Entity in connection with the Phase IA Project (defined below); and

WHEREAS, GS FC Jersey City Pep 1, LLC and GS FC Jersey City Pep 2, LLC will record a Master Deed [Master Deed] to submit all of the Property to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, the Master Deed shall create two (2) master condominium units, with proportionate common elements, to be developed in two (2) phases; and

WHEREAS, GS FC Jersey City Pep 1, LLC, GS FC Jersey City Pep 2, LLC and the Entity have entered into a Contribution Agreement, dated as of June 24, 2015, pursuant to which the Entity will be the owner of master condominium unit 1 ([Master Condominium Unit 1]) located on the Property; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC has entered into a Contribution Agreement dated June 24, 2015, pursuant to which GS FC Jersey City Pep 2 Urban Renewal, LLC will be the owner of Master Condominium 2, located on the Property; and

WHEREAS, the Entity plans to construct phase 1, which will consist of a 35-story building having approximately 421 market-rate residential rental units, of which twenty percent (20%) or eighty-five (85) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 336 units will be market rate residential rental housing, and including approximately 12,435 square feet of retail/commercial space and a parking garage containing approximately 264 parking spaces, together with public improvements and infrastructure related thereto [collectively, the Phase IA Project]; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC plans to construct phase 2, which is expected to consist of a thirty-six (36) story building having approximately 432 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 345 units will be market rate residential rental housing, including approximately 10,311 square feet of retail/commercial space, and a parking garage containing approximately 201 parking spaces, together with public improvements and infrastructure related thereto located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey [Phase 1B Project], and GS FC Jersey City Pep 2 Urban Renewal, LLC is entering into a Financial Agreement with the City with respect to the Phase IB Project on the date hereof [Phase IB Financial Agreement]; and

WHEREAS, The eighty-five (85) on-site moderate income affordable housing units in the Phase IA Project shall be subject to a deed restriction or other recorded agreement as a Material Condition of this Financial Agreement, and this deed restriction or other recorded agreement shall restrict twenty percent (20%) or 85 units as moderate income affordable housing for a minimum period of twenty (20) years from the date of Substantial Completion (as hereinafter defined) of the Phase 1A Project (the "Affordable Housing Term"); and

WHEREAS, the parties agree that the 85 units in the Phase 1A Project shall be subject to the affordability controls, restrictions on rents, such that all 85 units shall be reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) and such tenant eligibility requirements as set forth in HUD guidelines, to be administered by the City or its designated agent, and shall be a Material Condition of this Financial Agreement and as more fully described herein; and

WHEREAS, The eighty-five (85) on-site moderate income affordable housing units in the Phase IA Project shall include sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units; and

WHEREAS, on March 10, 2015, the Phase IA Project received a site plan approval from the Planning Board; and

WHEREAS, on July 9, 2015, the Entity filed an Application with the City, for a Phase 1A long term tax exemption for the Phase IA Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Phase IA Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Phase I Project when compared to the costs:

1. the current real estate taxes as pro-rated for Master Condominium Unit 1, Block 11603, Lot 3, C.0001, generate total revenue of approximately $ 64,594, whereas, the service charges payable hereunder [Base Annual Service Charge], as estimated, will generate revenue to the City an annual service charge of $912,780;

2. No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Jersey City Code Section 304-28(B), as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the affordability control restrictions to expire, prior the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of $650,153, as shall be adjusted for inflation, within thirty days of the event trigging this payment;

3. it is expected that the Phase IA Project will create approximately 390 new construction jobs, and 11 new permanent full time jobs;

4. the Phase IA Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to new occupants;

5. the Phase IA Project will further the redevelopment objectives of the Harsimus Cove Station Redevelopment Plan, which include the promotion of the principals of smart growth and transit village development;

6. the City's Fiscal Impact Cost Analysis, on file with the Office of the City Clerk indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Phase IA Project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Phase I Project more attractive to investors and lenders needed to finance the Phase IA Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life the Phase IA Project, which will attract occupants to the Phase IA Project, insure the likelihood of stabilized rents to tenants and the success of the Phase IA Project; and

3. the relative stability and predictability of the service charges will have a positive impact on the surrounding area; and

WHEREAS, on April 21, 2015, the Entity entered into that certain Redevelopment Agreement [Redevelopment Agreement] with Jersey City Redevelopment Agency [JCRA] in accordance with the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. [Redevelopment Law]; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax abatement (exemption) within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law; provided, however, that the provisions of section 12 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Redevelopment Law and Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. [RAB Law], the Project is a redevelopment project in a redevelopment area, within the meaning of such law, and JCRA has agreed in the Redevelopment Agreement to issue bonds to finance the Project

[Redevelopment Bonds], which will be paid from and secured by an assignment by the City of the Pledged Annual Service Charges.

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 Long Term Tax Exemption Law, the Redevelopment Law, the RAB Law, Executive Order of the Mayor 02-003, Disclosure of Lobbyist Status, Ordinance 02-075, 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, dated July 9, 2015, attached hereto as Exhibit 3, in granting this tax exemption. It is expressly understood and agreed that the Entity expressly relies upon this tax exemption, and the JCRA's issuance of Redevelopment Bonds, in undertaking the Phase IA Project.

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. Affordability Controls. Means affordability controls and restrictions on rent such that eighty five (85) rental apartments consisting of sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units are all reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) to be administered by the City or its delegated agent under HUD guidelines.

ii. Allowable Net Profit. The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).

iii. Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County, New Jersey [County]. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iv. Annual Gross Revenue. Any and all revenue derived from or generated by the Phase IA 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, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

v. Annual Service Charge. The amount the Entity has agreed to pay the City each year for municipal services supplied to the Phase IA Project, which sum is in lieu of any taxes on the Improvements pursuant to N.J.S.A. 40A:20-12. The Annual Service Charge shall consist of the Base Annual Service Charge, the County Annual Service Charge and the Pledged Annual Service Charge, as more fully set forth herein and on Schedule 1. The Annual Service Charge shall also include excess net profits payable pursuant to N.J.S.A. 40A:20-15, if any.

vi. Auditor's Report. A complete annual financial statement outlining the financial status of the Phase IA Project, which shall also include a certification of Total Project Cost and clear computation of the annual 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 stockholders' equity, a 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 required by Law. 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.

vii. Base Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(i) hereof. The Base Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

viii. Certificate of Occupancy. A 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.

ix. County Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(ii) hereof. The County Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

x. Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage, mezzanine, preferred debt and/or equity, or other financing including returns on institutional equity financing and market rate related party debt, including financing provided through the EB-5 Immigrant Investor Program, for the Phase IA Project for a period equal to including the Redevelopment Area Bonds, for all periods during the term of this Agreement.

xi. 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.

xii. Entity. The term Entity within this Agreement shall mean GC FS Jersey City Pep 1 Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Phase IA Project, provided they are formed and operate under the Law.

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

xiv. 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.

xv. Land Taxes. The amount of taxes assessed on the value of land, on which the Phase IA Project is located, which for the current fiscal year are approximately $36,434, pro-rated based on the subdivision and the apportioned share of comment elements between Master Condominium Unit 1 and Master Condominium Unit 2. Land is not exempt; however, Land Taxes shall be apportioned to the Phase IA Project according to the Entity's ownership of common elements as more fully described in the Master Deed, which equals approximately 46.35% of the common elements, and applied as a credit against the Base Annual Service Charge in accordance with the Long Term Tax Exemption Law, to the extent provided in Section 4.1(v) hereof. The land tax credit shall be applied twelve (12) months following Substantial Completion. Under no circumstances should Land Taxes paid by or apportioned to the Phase IB Project be applied as a credit to the Base Annual Service Charge for the Phase 1A Project.

xvi. Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes (pro rated for Master Condominium Unit 1 only) as determined by the Tax Assessor and the Tax Collector.

xvii. Law. Law shall refer to the Long Term Tax Exemption Law; the Redevelopment Law; the RAB Law; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xviii. Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount in each year the greater of: (a) the amount of the total taxes (land and pre-existing improvements) levied against all real property, prorated for Master Unit 1 based on the subdivision and the apportioned share of the common elements for Master Unit 1, in the area covered by the Phase IA Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is $64,594; or (b) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be $912,780 and which shall be due 12 months following

Substantial Completion of the Project.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Base Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge..

xix. Net Profit. The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to this Agreement; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all Debt Service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

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

xxi. Pledged Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity pursuant to Section 4.1(iii) hereof. The Pledged Annual Service Charge shall be pledged to pay Redevelopment Bonds.

xxii. Substantial Completion. The determination by the City that the Phase IA Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Phase IA Project receives, or is eligible to receive (as determined by the Construction Code official), any Certificate of Occupancy whether temporary or permanent for any portion of the Phase IA Project, whether or not occupied or leased.

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

xxiv. Total Project Costs. The total cost of constructing the Phase IA Project through the date a Certificate(s) of Occupancy is issued for the entire Phase IA Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title, if applicable.

xxv. Trust Indenture. That certain Indenture of Trust, Bond Agreement, or other similar form of agreement, if any, as it may be amended and supplemented, to be entered into by and between the JCRA and the trustee with respect to the Redevelopment Bonds. As used herein, the term "trustee" shall mean the bond trustee or other person acting in a similar capacity.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for the Phase IA Project, Master Condominium Unit 1, constituting 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 the Property.

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 the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct the Phase IA Project; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.3.1 Affordability Controls

The Project shall include twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing, for the Affordable Housing Term as herein defined, as a Material Condition of this Agreement. The Entity has agreed to record a deed or other agreement restricting twenty percent (20%) or eighty-five (85) units as moderate income affordable housing, in accordance with the Affordability Controls, and provide proof of same to the City within ninety days (90) of adoption of Ordinance ____ authorizing this Financial Agreement.

As a Material Condition of this Financial Agreement, the Entity agrees to conform to the standards for restrictions on rent and tenant eligibility requirements pertaining to the moderate income affordable housing units, as described in Affordability Controls. The Entity agrees as a Material Condition of this Financial Agreement to cooperate with the administrative agent the City will assign to administer and enforce this Section, in a manner consistent with HUD requirements.

Section 2.4 Construction Schedule

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

Section 2.5 Ownership, Management and Control

The Entity represents that promptly following the recordation of the Master Deed it will be the owner of Master Condominium Unit 1. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement.

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 a good faith estimate of 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 Good Faith Estimate of Initial Rents/Master Deed

The Entity represents that its good faith projections of the initial rents and lease terms for the Phase IA Project are set forth in Exhibit 7. The Entity agrees that the Master Deed shall not be amended in any manner that will reduce the economic benefits to the City, including but not limited to a reduction in the Base Annual Service Charge or the Pledged Annual Service Charge to the City.

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 the tax exemption and this Agreement shall remain in effect for the earlier of 30 years from the date of adoption of Ordinance _____ on _____, 2015, which approved the tax exemption, or 25 years from the date of Substantial Completion of the Phase IA Project. The tax exemption shall only be effective during the period of usefulness of the Phase IA Project and shall continue in force only while the Phase IA Project is owned by an entity formed and operating under the Law.

The Redevelopment Area Bonds will be scheduled to mature twenty-five (25) years after the date of issuance, pursuant to approval by the Local Finance Board and all other applicable agreements entered into by the parties.

ARTICLE IV - ANNUAL SERVICE CHARGES

Section 4.1 Annual Service Charges

In consideration of the tax exemption, the Entity shall make the following annual payments for the services provided to the Phase I Project:

i. Base Annual Service Charge: The Entity shall pay to the City the Base Annual Service Charge in an amount equal to 7% of the Annual Gross Revenue. Beginning on the first day of Year 21 until the last day of Year 25, the Entity shall pay the greater of the Base Annual Service Charge or ninety-five percent (95%) of conventional taxes otherwise due. The Base Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Base Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Annual Service Charge: The Entity shall pay to the City the County Annual Service Charge, which amount shall be the sum of: (a) five percent (5%) of the sum of the Base Annual Service Charge, each as adjusted pursuant to the terms hereof.

iii. Pledged Annual Service Charge: For so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge, the Entity shall pay to the City the Pledged Annual Service Charge in the amounts set forth in Schedule 1 attached hereto. The Pledged Annual Service Charge shall be adjusted, at the direction of the Entity, to reflect any redemption, refunding, prepayment or other change in the debt service requirements with respect to the Redevelopment Bonds. The Pledged Annual Service Charge shall terminate at such time as Redevelopment Bonds are no longer outstanding or no longer secured by the Pledged Annual Service Charge.

As security for the Redevelopment Bonds, the City and the Entity agree to and hereby assign all of their interest in each Pledged Annual Service Charge to the trustee under the Trust Indenture to pay, and secure the payment of, Redevelopment Bonds. The City's pledge of the Pledged Annual Service Charge shall be absolute. The Pledged Annual Service Charge shall not be included in the general funds of the City. The City's obligation to pay the Pledged Annual Service Charge to the trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service Charges received from the Entity, and shall not constitute a general obligation of the City. The City and the Entity shall each take such further actions as may be reasonably requested to effectuate the issuance of the Redevelopment Bonds and the transactions contemplated thereby.

iv. The Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. Beginning on the first day of the month after Substantial

Completion, the Minimum Annual Service Charge set forth in Section 1.2(xvii)(b) shall be due in any year where it exceeds the Base Annual Service Charge. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Base Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

Pursuant to the RAB Law (N.J.S.A. 40A:12A-66), service charges payable hereunder shall not be adjusted in stages over the term of the tax exemption period in accordance with the Long Term Tax Exemption Law, N.J.S.A. 40A:20-12. This exemption to the requirement for staged adjustments shall not affect the calculation of the Base Annual Service Charge as defined in Section 4.1(i).

Section 4.3 Land Tax

The Entity is required to pay both the Base Annual Service Charge and the pro-rated Land Taxes for Master Unit 1 beginning on the Effective Date of this Agreement, and beginning upon Substantial Completion. The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Base 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 Base Annual Service Charge. The initial Land Tax Credit shall be given no earlier than twelve months following Substantial Completion. The Entity shall not be entitled to a refund if the Land Tax credit exceeds the Base Annual Service Charge in any year and shall forfeit that sum. Land Tax Payments shall not be credited against the Pledged Annual Service Charge. In any quarter 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 credit against the Base Annual Service Charge until the Land Taxes are paid in full. No credit will be applied against the Base Annual Service Charge for a partial payment of Land Taxes until they are paid in full. 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/Interest

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 ninety (90) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this Agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual administrative fee [Administrative Fee] to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two percent (2%) of each prior year's Annual Service. This fee 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 4.6 Affordable Housing Contribution

No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Ordinance _____ awarding this tax exemption, as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the restriction to expire, prior to the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of $650,153, as shall be adjusted for inflation, within thirty days of the termination or expiration.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charge, Base Annual Service Charge, Pledged Annual Service Charge, including adjustments thereto, Administrative Fees, Affordability Controls, Affordable Housing Contributions or status of recorded restrictions exempting the Entity therefrom, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting 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 and Contracting Agreement, attached hereto as Exhibit 8.

Section 5.2 Project Labor Agreement

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. A copy of the fully executed Project Labor Agreement shall be provided to the City and attached hereto as Exhibit 11 within 14 days of the Entity's receipt thereof.

Section 5.3 Living Wage Mandate (Projects with construction costs exceeding $25 million)

The Entity also agrees to comply with the requirements of Section 3-76 of the Jersey City Municipal Code concerning required wage, benefit and leave standards for building service workers. All janitors and unarmed security guards employed at the Projects, including by any

and all tenants or subtenants of the developer, shall not be paid less than the standard hourly rate of pay and benefits for their respective classifications and shall be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code Section 3-51G(1).

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 so as to complete construction substantially in accordance with the proposed construction schedule attached hereto as Exhibit 5.

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 militate 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.

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 the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council 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 gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Phase IA 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, plus excess net profit, if any, in accordance with Article VII hereof. Excess Net Profit shall be paid to the City for each year an excess net profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Phase I Project, the Entity shall submit to the Mayor, 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, including but not limited to an audit of actual construction costs as certified by the Phase IA Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is 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, a Disclosure Statement listing the persons having an ownership interest in the Phase IA Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. Unless the owner is a publicly traded corporation, all disclosures shall include the ownership interests down to the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Phase IA Project and, if deemed appropriate or necessary, any other related entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, an annual 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 for any year during which the tax exemption financial agreement was in full force and effect.

Section 7.4 Payment of City's Audit Costs

All costs incurred by the City to conduct a review of the Entity's audits, 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. Delinquent payments shall accrue interest 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 shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15, to be calculated annually.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five percent (5%) of the Annual Gross Revenue of the Entity for the last full fiscal year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five percent (5%) of the preceding year's Annual Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2(xxiv) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination or expiration of this Agreement or the sale of the Phase I Project shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Phase IA 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 Phase IA Project and the transfer of this Agreement provided 1) the new entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the new entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d).

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Phase IA Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Phase IA Project shall be maintained and operated in accordance with the provisions of the Law. Operation of the Phase IA Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as 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.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance 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.

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. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the JCRA and/or the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action

against the land and improvements in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, 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. 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 termination 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, Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom 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 termination. Further, the bringing of any action for Land Taxes, Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, 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 Tax 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

Except for so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge (during which period the Entity shall not relinquish its status as a tax exempt project), the Entity may notify the City that it will relinquish its status as a tax exempt

project, after the expiration of one year from the Substantial Completion of the Phase IA Project, as of the January 1 of the year next ensuing. The Entity's failure to maintain Affordability Controls in Section 2.3.1 for the Affordable Housing Term will be treated as an event of Voluntary Termination and the Entity shall pay the City the Affordable Housing Contribution, to be collected in accordance with Section 11.3 of this Agreement. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution, should same be required.

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 and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. 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 Phase IA 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 Entity shall pay the City's cost for the arbitration if the City is the prevailing party. 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 Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of taxes otherwise due for any purpose, the Entity may file an appeal of the conventional assessment with the Hudson County Tax Board or the Superior Court of New Jersey, Tax Court to determine the value of land and Improvements.

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 the City's right to audit or recover 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 by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also 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.

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:

GS FC Jersey City Pep I Urban Renewal, LLC
c/o Forest City Residential Group, LLC
Terminal Tower
50 Public Square, Suite 1300
Cleveland, OH 44113-2267
Attn: General Counsel

And

Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311
Attn: W. Nevins McCann, 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 Phase I 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 and the Law. 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 and the Law. 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 – SCHEDULES AND EXHIBITS

Section 19.1 Schedules

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

1. Base Annual Service Charge and Pledged Annual Service Charge.

Section 19.2 Exhibits

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

1. Contribution Agreement between GS FC Jersey City Pep 1 LLC and GS FC
   Jersey City Pep 1 Urban Renewal LLC
2. Metes and Bounds description of the Project;
3. Ordinance of the City authorizing the execution of this Agreement;
4. The Application with Exhibits;
5. Certificate of the Entity;
6. Estimated Construction Schedule;
7. The Financial Plan for the undertaking of the Phase IA Project;
8. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
9. Project Employment and Contracting Agreements and Project Labor Agreement;
10. Architect's Certification of Actual Construction Costs;
11. Entity's Deed to be provided upon recordation;
12. Executed Project Labor Agreement.

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

WITNESS:

GS FC JERSEY CITY PEP 1 URBAN RENEWAL LLC
By: GS FC Jersey City Pep 1, LLC, its Managing Member
By: _____., its Manager

_____

_____
By:

ATTEST:

CITY OF JERSEY CITY

_____
Robert Byrne, RMC, City Clerk

_____
Robert J. Kakoleski, CMFO, Business Administrator

SOURCES AND USES OF FUNDS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015

Sources:	
Bond Proceeds:	
Par Amount	9,999,774.00
	9,999,774.00

Uses:	
Project Fund Deposits:	
Project Fund	9,799,775.13
Delivery Date Expenses:	
Cost of Issuance	150,000.00
Underwriter's Discount	49,998.87
	199,998.87
	9,999,774.00

BOND SUMMARY STATISTICS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015
Last Maturity	09/15/2040
Arbitrage Yield	7.000024%
True Interest Cost (TIC)	7.047583%
All-In TIC	7.192263%
Average Life (years)	16.862
Duration of Issue (years)	10.901
Par Amount	9,999,774.00
Bond Proceeds	9,999,774.00
Total Interest	11,938,150.00
Net Interest	11,988,148.87
Total Debt Service	23,413,150.00
Maximum Annual Debt Service	1,020,700.00
Average Annual Debt Service	936,526.00
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2040 Term Bond	9,999,774.00	100.000		16.862	13,311.00
	9,999,774.00			16.862	13,311.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,999,774.00	9,999,774.00	9,999,774.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-49,998.87	-49,998.87	
- Cost of Issuance Expense		-150,000.00	
- Other Amounts			
Target Value	9,949,775.13	9,799,775.13	9,999,774.00
Target Date	09/15/2015	09/15/2015	09/15/2015
Yield	7.047583%	7.192263%	7.000024%

BOND PRICING

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per $5,000 at Maturity	CAB Value at Maturity
2040 Term Bond:							
	09/15/2040	9,999,774	7.000%	7.000%	100.000	4,357.20	11,475,000
		9,999,774					11,475,000

Dated Date	09/15/2015	
Delivery Date	09/15/2015	
First Coupon	03/15/2018	
Par Amount	9,999,774.00	
Original Issue Discount		
Production	9,999,774.00	100.000000%
Underwriter's Discount	-49,998.87	-0.500000%
Purchase Price	9,949,775.13	99.500000%
Accrued Interest		
Net Proceeds	9,949,775.13	

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2018			401,625		401,625	
09/15/2018	187,359.60	7.000%	401,625	27,640.40	616,625	
12/31/2018						1,018,250
03/15/2019			394,100		394,100	
09/15/2019	200,431.20	7.000%	394,100	29,568.80	624,100	
12/31/2019						1,018,200
03/15/2020			386,050		386,050	
09/15/2020	213,502.80	7.000%	386,050	31,497.20	631,050	
12/31/2020						1,017,100
03/15/2021			377,475		377,475	
09/15/2021	230,931.60	7.000%	377,475	34,068.40	642,475	
12/31/2021						1,019,950
03/15/2022			368,200		368,200	
09/15/2022	244,003.20	7.000%	368,200	35,996.80	648,200	
12/31/2022						1,016,400
03/15/2023			358,400		358,400	
09/15/2023	261,432.00	7.000%	358,400	38,568.00	658,400	
12/31/2023						1,016,800
03/15/2024			347,900		347,900	
09/15/2024	278,860.80	7.000%	347,900	41,139.20	667,900	
12/31/2024						1,015,800
03/15/2025			336,700		336,700	
09/15/2025	300,646.80	7.000%	336,700	44,353.20	681,700	
12/31/2025						1,018,400
03/15/2026			324,625		324,625	
09/15/2026	322,432.80	7.000%	324,625	47,567.20	694,625	
12/31/2026						1,019,250
03/15/2027			311,675		311,675	
09/15/2027	344,218.80	7.000%	311,675	50,781.20	706,675	
12/31/2027						1,018,350
03/15/2028			297,850		297,850	
09/15/2028	370,362.00	7.000%	297,850	54,638.00	722,850	
12/31/2028						1,020,700
03/15/2029			282,975		282,975	
09/15/2029	392,148.00	7.000%	282,975	57,852.00	732,975	
12/31/2029						1,015,950
03/15/2030			267,225		267,225	
09/15/2030	422,648.40	7.000%	267,225	62,351.60	752,225	
12/31/2030						1,019,450
03/15/2031			250,250		250,250	
09/15/2031	453,148.80	7.000%	250,250	66,851.20	770,250	
12/31/2031						1,020,500
03/15/2032			232,050		232,050	
09/15/2032	483,649.20	7.000%	232,050	71,350.80	787,050	
12/31/2032						1,019,100
03/15/2033			212,625		212,625	
09/15/2033	514,149.60	7.000%	212,625	75,850.40	802,625	
12/31/2033						1,015,250
03/15/2034			191,975		191,975	
09/15/2034	553,364.40	7.000%	191,975	81,635.60	826,975	
12/31/2034						1,018,950
03/15/2035			169,750		169,750	
09/15/2035	592,579.20	7.000%	169,750	87,420.80	849,750	
12/31/2035						1,019,500

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2036			145,950		145,950	
09/15/2036	631,794.00	7.000%	145,950	93,206.00	870,950	
12/31/2036						1,016,900
03/15/2037			120,575		120,575	
09/15/2037	675,366.00	7.000%	120,575	99,634.00	895,575	
12/31/2037						1,016,150
03/15/2038			93,450		93,450	
09/15/2038	723,295.20	7.000%	93,450	106,704.80	923,450	
12/31/2038						1,016,900
03/15/2039			64,400		64,400	
09/15/2039	775,581.60	7.000%	64,400	114,418.40	954,400	
12/31/2039						1,018,800
03/15/2040			33,250		33,250	
09/15/2040	827,868.00	7.000%	33,250	122,132.00	983,250	
12/31/2040						1,016,500
	9,999,774.00		11,938,150	1,475,226.00	23,413,150	23,413,150

PLEDGE AND ASSIGNMENT AGREEMENT

THIS PLEDGE AND ASSIGNMENT AGREEMENT dated as of _____ __, 2015 (the "Assignment"), is entered into by and among the **CITY OF JERSEY CITY** (the "Assignor" or the "City"), a municipal corporation in the County of Hudson, State of New Jersey, having an address at 280 Grove Street, Jersey City, New Jersey 07302, the **JERSEY CITY REDEVELOPMENT AGENCY** ("Assignee" or the "Agency"), a body corporate and politic constituting an instrumentality of the City of Jersey City, having an address at 30 Montgomery Street, Jersey City, New Jersey 07302 and **[NAME OF BANKING INSTITUTION]**, as Trustee (the "Trustee"), a [national/state] banking association, having a corporate trust office and place of business in _____, New Jersey.

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) as amended and supplemented (the "Redevelopment Law") promotes the social and economic improvement of the State of New Jersey (the "State") and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, the Agency was established as an instrumentality of the City of Jersey City (the "City") pursuant to the provisions of the Redevelopment Law with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, the Agency, to accomplish the purposes of the Redevelopment Law, is empowered to extend credit to such employment promoting enterprises in the name of the Agency, on such terms and conditions and such manner as it may deem proper for such consideration and upon such terms and conditions as the Agency may determine to be reasonable; and

WHEREAS, the City, in accordance with the criteria set forth in the Redevelopment Law, by resolution, established a portion of an area constituting Block 11603, Lot 3 as an area in need of rehabilitation (the "Rehabilitation Area" or the "Project Premises") and adopted and subsequently amended a redevelopment plan for the area entitled the Harsimus Cove Station Redevelopment Plan as may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan, a copy of which has been filed in the Office of the Clerk of the City, located at City Hall, 280 Grove Street, Jersey City, New Jersey; and

WHEREAS, the Redevelopment Law authorizes the Agency to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City PEP 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC and GS FC Jersey City II, LLC and GS FC Jersey City PEP 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City II, LLC (collectively, the "Redeveloper"), as the fee title owner of the Project Premises, made application to the Agency to be designated as the redeveloper to redevelop the Project Premises; and

WHEREAS, that certain Redevelopment Agreement between the Agency and A-S-H Management Corporation dated April 12, 1985 as amended by that certain Amendment to Redevelopment Agreement between the JCRA and National Bulk Carriers, Inc. ("National Bulk") dated January 7, 1986, Amendment to Redevelopment Agreement between the JCRA and National Bulk dated April 30, 1991, Third Amendment to Redevelopment Agreement between the JCRA and National Bulk dated August 11, 1993, Fourth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated January 28, 1997, Fifth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated June 10, 1997, Sixth Amendment to the Contract for Sale of Private Land between American Financial Exchange L.L.C. and JCRA dated December 19, 2001, Seventh Amendment to the Contract for Sale and Redevelopment of Private Property in the Hudson Exchange Redevelopment Area among National Bulk, G&S and the JCRA (undated) and Assignment and Assumption Agreement between the Entity and the JCRA dated _____,2015 (collectively, the "Redevelopment Agreement"), wherein the Entity assumed the obligation to redevelop the Redevelopment Project (as defined herein) pursuant to the Redevelopment Law, was entered into between the Agency and the Redeveloper for the redevelopment of the Project Premises; and

WHEREAS, the Redeveloper has recorded a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City PEP 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as condominium unit 1 under the Master Deed, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area ("Phase I Project"); and

WHEREAS, GS FC Jersey City PEP 2 Urban Renewal LLC ("FC II"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as condominium unit 2 under the Master Deed, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for

approximately two hundred one (201) parking spaces located adjacent to the Phase I Project ("Phase II Project" and, together with the Phase I Project, the "Redevelopment Project"); and

WHEREAS, in order to enhance the viability of the Redevelopment Project, the City has granted a long-term tax exemption pursuant to N.J.S.A. 40A:20-1 et seq., as amended (the "Tax Exemption Law"), and has entered into separate Financial Agreements with each of FC I and FC II, each dated [_____, 2015] (individually, a "Financial Agreement" and collectively, the "Financial Agreements"), governing payments made to the City in lieu of real estate taxes on each condominium unit in the Redevelopment Project; and

WHEREAS, each of the Financial Agreements provides for the payment by FC I and FC II, as applicable, of, among other things, a Base Annual Service Charge (as defined in each Financial Agreement, the "Base Annual Service Charge") and a Pledged Annual Service Charge (as defined in each Financial Agreement, and as the same may be amended, revised or recalculated from time-to-time pursuant to the terms thereof, the "Pledged Annual Service Charge"); and

WHEREAS, the Redevelopment Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian mall, certain of which will be undertaken by FC I in connection with the Phase I Project, but which benefit the entire Redevelopment Project, including, if and when completed, the Phase II Project; and

WHEREAS, pursuant to the Redevelopment Law, the Redevelopment Project is a redevelopment project in a redevelopment area, within the meaning of such law, and the Agency has agreed in the Redevelopment Agreement to issue the Bonds pursuant to the Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. (the "RAB Law"), to finance a portion of the costs of the Redevelopment Project; and

WHEREAS, pursuant to the Redevelopment Law, including the RAB Law, the Agency has determined to issue its Redevelopment Area Taxable Bonds (Forest City Project) (the "Bonds"), in the aggregate principal amount of not to exceed $20,000,000, which may be issued in one or more series, to: (i) fund certain of the costs of the Redevelopment Project; and (ii) pay certain costs incidental to the issuance and sale of the Bonds, together with other costs permitted by the Redevelopment Law (collectively, the "Project"); and

WHEREAS, following the issuance of the Bonds, the proceeds will be deposited under this Indenture and applied in accordance with a Funding Agreement, by and among the Agency, FC I and FC II, respectively, and the Trustee (each a "Funding Agreement"), to fund a grant by the City to FC I, [for the benefit of it,] and FC II, to pay costs of the Project; and

WHEREAS, each Financial Agreement provides at Section 4.1.iii., that: (i) as security for the Bonds, the City and FC I and FC II, as applicable, agree to and thereby assign all of their interest in each Pledged Annual Service Charge to the Trustee to pay, and secure the payment of, the Bonds; (ii) the City's pledge of the Pledged Annual Service Charge shall be absolute; (iii) the Pledged Annual Service Charge shall not be included in the general funds of the City; and (iv) the City's obligation to pay the Pledged Annual Service Charge to the Trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service

Charges received from FC I and FC II, as applicable, and shall not constitute a general obligation of the City; and

WHEREAS, the Agency, the City and the Trustee entered into a Pledge and Assignment Agreement, dated the date hereof, to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds (the "Pledge Agreement"); and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the Agency, the City and the Trustee are entering into this Pledge and Assignment Agreement to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds; and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the execution and delivery of this Assignment have been duly authorized by the parties hereto and all conditions, acts and things necessary and required by the Constitution or statutes of the State of New Jersey or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Assignment do exist, have happened and have been performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor covenants and agrees with the Assignee as follows:

1. The Assignor hereby absolutely and presently grants, conveys, transfers and assigns unto the Assignee all of the right, title and interest of the Assignor (unless otherwise expressly provided herein, or unless the context clearly requires otherwise, capitalized terms used in this Assignment shall have the meanings ascribed thereto in the Financial Agreement):

a. in and to all of the Pledged Annual Service Charges (which assignment herein is intended to further memorialize the assignment by the Assignor to the Trustee in each Financial Agreement; which assignment shall be deemed to be an assignment by the Assignor to the Assignee, and by the Assignee to the Trustee under the Trust Indenture);

b. in and to all rights to collect and enforce the rights to the Pledged Annual Service Charges, including the right to interest, penalties and costs of collection relating thereto; and

c. the Assignor represents and warrants that this Assignment has been duly authorized by all necessary actions on the part of the governing body and upon execution and delivery will constitute a legal, valid and binding obligation of the Assignor, enforceable against

the Assignor in accordance with the terms and the provisions of this Assignment, except as may be limited by bankruptcy laws or other creditors rights in general.

The foregoing are referred to herein as the "Assigned Rights". This Assignment is an unconditional, absolute and present assignment and not a mere assignment in the nature of a pledge or the mere grant of security interest.

2. The Assignor represents, warrants and agrees that:

a. the Assignor is entitled to receive all of the Pledged Annual Service Charges in accordance with the terms of the Financial Agreement;

b. the Assignor has not previously sold, assigned or transferred the Assigned Rights (except as set forth in the Financial Agreements);

c. the Assignor has full power and authority to assign the Assigned Rights to the Assignee and has taken such actions as are necessary in order to effectuate this Assignment;

d. the Assignor shall not sell, assign or transfer the Assigned Rights during the term of the Assignment, except as assigned hereunder;

e. the Assignor will, from time to time, execute upon request of the Assignee or the Trustee, any and all instruments requested by the Assignee or Trustee to carry this instrument into effect or to accomplish any other purposes reasonably deemed by the Assignee or the Trustee to be necessary or appropriate in connection with this Assignment; and

f. in addition to such other rights and remedies the Assignee may elect to pursue at law or in equity, the Assignor will take such action as the Assignee or the Trustee shall reasonably request in order that the Assignee may realize the benefits of this Assignment and receive the Pledged Annual Service Charges; such actions may include, but shall not be limited to, conducting an *In Rem* Foreclosure action in accordance with the provisions of the Tax Sale Law, constituting Chapter 237 of the Pamphlet Laws of 1918 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "Tax Sale Law", codified in N.J.S.A. 54:5-1 *et seq.*), provided the Assignor is permitted by law to conduct such *In Rem* Foreclosure action on behalf of the Assignee.

3. It is mutually agreed that as security for the Bonds, and any bonds or notes issued for the purpose of refunding the Bonds, the Assignee is authorized to pledge and assign all of its interest in this Assignment to the Trustee as part of the pledge of the Trust Estate under the Trust Indenture or under any supplemental indenture executed in conjunction with any bonds or notes issued for the purpose of refunding the Bonds.

4. This Assignment shall not operate to restrict or prevent the Assignor or Assignee from pursuing any remedy that it now or hereafter may have because of any present or future breach of the terms or conditions of the Financial Agreement, the Bonds, or the Trust Indenture.

5. The Assignee shall be accountable only for the Pledged Annual Service Charges that the Assignee actually receives under the terms hereof.

6. Failure of the Assignee to do any of the things or exercise any of the rights, interests, powers or authorities hereunder shall not be construed to be a waiver of any of the rights, interests, powers or authorities hereby assigned and granted to the Assignee.

7. The Assignor will not modify, change, alter, supplement, amend, surrender or accept surrender of the Assigned Rights without the Assignee's prior written consent, which consent shall not be unreasonably withheld or delayed. The Assignor shall, however, perform all of its obligations under or pursuant to the Assigned Rights and shall enforce the rights, interest, powers and authorities granted the Assignor pursuant to the Assigned Rights.

8. The Assignor shall promptly notify the Assignee in the event of any default under any Financial Agreement.

9. The Assignor shall cause this Assignment and each Financial Agreement (or evidence of same) to be recorded in such public offices in which such filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the RAB Law.

10. Upon the redemption or defeasance, as the case may be, of the Bonds and the payment and performance of all other obligations secured hereby, this Assignment shall terminate and upon the request of the Assignor and at its expense, the Assignee shall execute a release hereof.

11. This Assignment inures to the benefit of the named Assignee and its successors and assigns and binds the Assignor and the Assignor's successors, assigns and legal representatives, heirs, legatees and devisees.

12. Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

a. When sent to the Assignor, it shall be addressed to the Corporation Counsel, City Hall, 280 Grove Street, Jersey City, New Jersey 07302.

b. When sent to the Agency it shall be addressed to the Jersey City Redevelopment Agency, 30 Montgomery Street, Jersey City, NJ 07302 Attn: Executive Director.

c. The Trustee shall be provided copies of all notices given hereunder, which shall be addressed to [NAME OF BANKING INSTITUTION], _____, _____, New Jersey _____, Attn: _____.

d. The Redeveloper shall be provided copies of all notices given hereunder, which shall be addressed to Terminal Tower, 50 Public Square, Suite 1300, Cleveland, Ohio 4413-226 Attn: c/o Forest City Residential Group, Inc.

13. If any term or provision of this Assignment, or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to persons or circumstances other than

those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

14. Neither the Assignor nor its officers, members, employees, agents or directors shall have any personal liability hereunder, the Assignee's recourse to the Assignor being limited to the Assigned Rights.

(Signatures to appear on following page).

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed and delivered as of the date and year first above written.

ATTEST:

CITY OF JERSEY CITY

_____

Robert Byrne, RMC
City Clerk

By:_____

Honorable Steven M. Fulop
Mayor

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

ACKNOWLEDGED AS OF THE DATE FIRST ABOVE WRITTEN:

JERSEY CITY REDEVELOPMENT AGENCY

By:_____

[NAME OF BANKING INSTITUTION]
as Trustee

By:_____

ACKNOWLEDGEMENT

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this __ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Steven M. Fulop, Mayor of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

_____

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this __ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Robert Byrne, RMC, the Clerk of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

_____

City Clerk File No. Ord. 15.108

Agenda No. 3.B. 1st Reading

Agenda No. 4.J. 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.108

TITLE: **ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH GS FC JERSEY CITY PEP 2 URBAN RENEWAL LLC AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE JERSEY CITY REDEVELOPMENT AGENCY OF NOT TO EXCEED $10,000,000 REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH**

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

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey (the "City"), adopted an ordinance, which designated various properties, including, but not limited to, real property being designated as Block 11603, Lot 3, as shown on the official current tax map of the City, as an area in need of redevelopment (the "Redevelopment Area" and also referred to as the "Project Premises") for purposes of the Local Redevelopment and Housing Law, constituting Chapter 79 of the Laws of New Jersey of 1992 (the "State"), and the acts amendatory thereof and supplemental thereto (the "Redevelopment Law", as codified by N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Municipal Council of the City adopted an ordinance, approving a redevelopment plan for the Redevelopment Area, entitled "Harsimus Cove Station Redevelopment Plan" as the same may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 2, LLC will convey title to GS FC Jersey City 2 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 2 LLC as the grantor, and GS FC Jersey City Pep 2 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City 2, LLC and GS FC Jersey City Pep 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1B Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FCI"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty-two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be

moderate income affordable housing rental units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage with approximately two hundred and one (201) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project"); and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces located adjacent to the Phase IB Project and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project" and, together with the Phase IB Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-seven (87) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase 1B Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty percent (20%) of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase 1B Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC II in connection with the Phase IB Project, but which benefit the entire Project, including, if and when completed, the Phase IA Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 et seq.) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC II, has submitted an application to the City for the approval of Phase IB Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC II, governing payments made to the City in lieu of real estate taxes on the Phase IB Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase 1B Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to $10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC II have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC II to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC II have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase 1B Project of $225,646,000, including an estimated $168,884,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase 1B Project, (ii) the creation of approximately 395 jobs during the construction period and (iii) the creation of approximately 9 permanent jobs through the permanent operation of the Phase 1B Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase IB Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC II is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase IB Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC II and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC II in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC II (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC II to the City for municipal services, as set forth in the Tax Exemption Law, for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC II to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase IB Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC II to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase 1B Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC II to undertake the Phase IB Project; (b) the Phase IB Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IB Project are not unreasonable or exorbitant; and (d) the Phase IB Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IB Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IB Project" as contained in the Redevelopment Agreement, the definition of the Phase IB Project as contained herein and in the Financial Agreement shall control.

2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.

3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IB Project of $225,646,000, including an estimated $168,884,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 395 jobs during the construction period and (iii) the creation of approximately 9 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.

4. An exemption from taxation is hereby granted to FC II, with respect to the Phase IB Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty-two (32) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IB Project and only so long as the Phase IB Project is owned by an entity formed and operating under the Tax Exemption Law.

5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1B Project, shall be twenty –five (25) years from issuance.

7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.

8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.

9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.

10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1B Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.

11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

12. The Phase IB Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.

13. FC II shall in the operation of the Phase IB Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.

14. FC II shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC II (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to $10,000,000.00 for the Phase 1B Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.

16. FC II shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.

17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

18. Term: the earlier of 32 years from the adoption of the within Ordinance or 25 years from the date the Phase IB Project is Substantially Complete.

19. Annual Service Charge in each year shall be calculated as follows:

(a) the amount in each year after Substantial Completion which shall be the greater of:

(i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase 1B Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately $65,501; or

(ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1B Project for the first twenty (20) years of the term, which sum is estimated to be $919,700, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement,; and additionally

(b) the Pledged Annual Service Charge; plus

(c) the County Annual Service Charge.

20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be $18,394.

21. County Payment: 5% of the Base Annual Service Charge to be paid by FC I to the City for remittance by the City to Hudson County, which sum is estimated to be $45,985.

22. Phase 1B Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred and one (201) parking spaces all located on the Phase IB property.

23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.

24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses.

25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.

26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase IB Project begins within five (5) years of the adoption of the within Ordinance.

A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.

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

D. 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.

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

F. 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*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐
Not Required ☐

APPROVED:

APPROVED:

Business Administrator

GS FC Jersey City Pep 2

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT F

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Disclosure Statement

NAME OF ENTITY:	GS FC Jersey City Pep 2 Urban Renewal, LLC
LOCATION OF PROJECT:	Block 11603, Lot 3 Jersey City, New Jersey
PRINCIPAL PLACE OF BUSINESS:	c/o Forest City Residential Group, Inc. Terminal Tower, Suite 1300 50 Public Square Cleveland, Ohio 44113-2267
PRINCIPAL CONTACT:	Abe Naparstek Forest City Residential Group 1 Metro Tech Center North Brooklyn, NY 11201
NAME OF REGISTERED AGENT:	Corporation Service Company 830 Bear Tavern Road, Suite 305 West Trenton, New Jersey 08628

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT HEREBY PROVIDES THE NAMES OF ANY ENTITY OWNING AN INTEREST THEREIN)

100% of the membership interests in the Entity are owned by GS FC Jersey City Pep 2, LLC, a Delaware limited liability company.

----50% of the membership interests in GS FC Jersey City Pep 2, LLC are owned by G&S Investors/Jersey City L.P, a New York limited partnership.

------the 1% general partner of G&S Investors/Jersey City L.P, is Jersey City Associates Inc, a New Jersey corporation.

-----the limited partners of G&S Investors/Jersey City L.P are Gregg Wasser owning a 90% interest and Lucas Traub owning a 9% interest.

------the shareholders of Jersey City Associates Inc, are Gregg Wasser owning 90% of the shares and Lucas Traub owning 10% of the shares.

----50% of the membership interests in GS FC Jersey City Pep 2, LLC are owned by Forest City Residential Group, LLC, a Delaware limited liability company.

------100% of the membership interests of Forest City Residential Group, LLC are owned by Forest City Rental Properties Corporation, an Ohio corporation.

-------100% of Forest City Rental Properties Corporation is owned by Forest City Enterprises Inc., a publicly traded company. A list of its executive officers is attached hereto. A list of those persons or entities which are known to be the beneficial owners of more than 5% of outstanding common shares is attached hereto.

[SEE ADDENDUM ATTACHED]

I further certify that the foregoing statements made by me are true and accurate in all material respects and I understand that the City of Jersey City is relying upon this Certification in considering the Application.

Dated: June 10, 2015 **GS FC Jersey City Pep 2 Urban Renewal, LLC**

By: _____
Name: Abe Naparstek
Title: Authorized Representative

Name	Title	Title (2)
Samuel H. Miller	Co-Chairman Emeritus	
Albert B. Ratner	Co-Chairman Emeritus	
Charles A. Ratner	Chairman of the Board	
David J. LaRue	President and CEO	
James. A Ratner	Executive Vice President	
Ronald A. Ratner	Executive Vice President	
Bruce C. Ratner	Executive Vice President	
Brian J. Ratner	Executive Vice President	
Robert G. O'Brien	Executive Vice President	Chief Financial Officer
Deborah Ratner Salzberg	Executive Vice President	
Andrew J. Passen	Executive Vice President	
James W. Finnerty	Executive Vice President	
Linda M. Kane	Senior Vice President	Treasurer
Geralyn M. Presti	Executive Vice President	General Counsel
Charles D. Obert	Senior Vice President	Controller
Jeffrey B. Linton	Senior Vice President	
Stephanie W. Dorsey	Senior Vice President	

Principal Security Holders

Unless otherwise indicated, the following table sets forth the security ownership as of January 31, 2015 of all other persons who beneficially own more than 5% of our Common Stock.

	Number of Shares of Common Stock Beneficially Owned					
Name and Address	Class A Common Stock [a]	Percent of Class [a]	Class A Assuming Conversion of Class B by the Beneficial Owner [b]	Percent of Class [b]	Class B Common Stock	Percent of Class
FMR LLC	13,136,380 (1)	7.23%	13,136,380 (1)	7.23%	—	0.00%
245 Summer Street						
Boston, MA 02210						
BlackRock, Inc.	11,970,729 (2)	6.59%	11,970,729 (2)	6.59%	—	0.00%
55 East 52nd Street						
New York, NY 10022						
The Vanguard Group	10,481,871 (3)	5.77%	10,481,871 (3)	5.77%	—	0.00%
100 Vanguard Boulevard						
Malvern, PA 19355						
Wellington Management Group LLP	10,397,546 (4)	5.72%	10,397,546 (4)	5.72%	—	0.00%
280 Congress Street						
Boston, MA 02210						
Scopia Capital Management LLC	9,476,120 (5)	5.21%	9,476,120 (5)	5.21%	—	0.00%
152 West 57th Street, 33rd Floor						
New York, NY 10019						
Ratner, Miller & Shafran Family Interests	10,296,974 (6)	5.64%	27,994,668 (6)	18.98%	17,697,694 (6)	92.19%
(see page 6)						
Terminal Tower						
50 Public Square, Suite 1600						
Cleveland, OH 44113						

(1) FMR LLC has sole voting power of 1,952,821 shares of Class A Common Stock and sole dispositive power of 13,136,380 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G filed with the SEC by the principal security holder.

(2) BlackRock, Inc. has sole voting power of 11,377,631 shares of Class A Common Stock and sole dispositive power of 11,970,729 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.

(3) The Vanguard Group has sole voting power of 315,443 shares of Class A Common Stock, sole dispositive power of 10,237,028 shares of Class, A Common Stock, shared voting power of 130,800 shares of Class A Common Stock and shared dispositive power of 244,843 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.

(4) Wellington Management Group LLP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, has shared voting power of 9,894,403 shares of Class A Common Stock and shared dispositive power of 10,397,546 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.

(5) Scopia Capital Management LP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, has shared voting and dispositive power of 9,476,120 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G filed with the SEC by the principal security holder.

(6) The Ratner, Miller and Shafran families have an ownership interest in the Company as reflected in the principal security holders table. These securities are beneficially owned by members of these families either individually or through a series of trusts, foundations and custodianships. Of the shares of Class B Common Stock listed, RMSLP owns 12,907,093 shares, which represent 67.23% of the Class B Common Stock outstanding at January 31, 2015.

Certain members of the Ratner family are currently directors and have been nominated for election to serve on our Board of Directors. (See information regarding current directors and director nominees previously disclosed for further information regarding the beneficial ownership of

FISCAL IMPACT COST PROJECTION: MIXED RATE RENTAL UNITS

Block: 11603 Lot: 3 Qual: C0002 Loc: 444 WARREN ST (PEP BOYS PHASE 2)

Market Rate/Affordable Mixed Income Rentals		*Demographic Multipliers**				*Annual Expenditures*		*Total Annual Expenditures*		
Planned Development	Number of Units	Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom	274	1.421	0.050	389.35	13.70	$1,163.68	$3,445.00	$453,084.05	$47,196.50	$500,280.55
2 Bedroom	71	2.012	0.120	142.85	8.52	$1,163.68	$3,445.00	$166,234.23	$29,351.40	$195,585.63
1 Bedroom (Affordable)	69	1.610	0.140	111.09	9.66	$1,163.68	$3,445.00	$129,273.38	$33,278.70	$162,552.08
2 Bedroom (Affordable)	18	2.760	0.620	49.68	11.16	$1,163.68	$3,445.00	$57,811.70	$38,446.20	$96,257.90
TOTAL	432			692.98	43.04			$806,403.35	$148,272.80	$954,676.15

1. Total Municipal Ratables	$5,916,171,471	4. CY 2014 Budget	$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	$ 954,676.15
2. Residential Ratables	$3,299,371,882			7. Per Capita Municipal Cost	$1,163.68	10. Anticipated Gross PILOT	
Commercial Ratables	$1,439,637,425					*1st Year* 7% AGR	$ 919,700.00
						5% County	$ 45,985.00
						2% Admin	$ 18,394.00
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	$288,124,048	8. Annual Expenditures Per Student**	$3,445.00	Less Land Tax (74.34)	$ (346,803.53)
						11. 1st Year Net PILOT	$ 637,275.47
						12. Implied Surplus (Cost)	$ (317,400.68)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

**Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006*

***Source: 2014-2015 Jersey City Municipal Cost Per Pupil*

Additional estimated Annual Pledged Service Charge amounts not included in impact will average $936,950.

EXHIBIT B-1

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC
DESCRIPTION OF RESIDENTIAL LEASES
GOOD FAITH ESTIMATE OF INITIAL RENTS FOR UNITS

1. Name of Tenant — Various
2. Term of Lease — Typically no less than 12 months
each
3. Number of Apartments:

Market Rate:

Junior 1Bedroom	55
1 Bedroom	219
2 Bedroom	71
Total	345

Affordable Housing:

Junior 1Bedroom	14
1 Bedroom	55
2 Bedroom	18
Total	87

4. Rent Per Apartment

Market Rate:

	Annual	Monthly
Junior 1 Bedroom	$27,900	$2,325
1 Bedroom	$31,676	$2,640
2 Bedroom	$41,154	$3,429

Affordable HousingGross Rent:

	Annual	Monthly
Junior 1 Bedroom	$12,648	$1,054
1 Bedroom	$13,548	$1,129
2 Bedroom	$16,248	$1,345

5. Premium paid directly by Tenant Annually
   a. Fire & other insurance — N/A
   b. Real Estate Taxes of Assessments on property in project — N/A
   c. Operating and maintenance

expenses ordinarily paid by tenant	N/A
6. Renewal Option (Yes / No)	
a. Number of Years	One
b. Renewal Rent	Market increases
7. Special Features (step-up rents, etc.)	None

EXHIBIT B-2

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC
ESTIMATED FISCAL PLAN

Rental Income:

Apartments	Units	Annual
Junior 1 Bedroom x	79	$1,711,572
One Bedroom x	274	$7,683,060
Two Bedroom x	89	$3,214,028
Total Potential Residential Income		$12,608,660
Other Project Revenue		$1,368,570
Total Gross Income		$13,977,230
Vacancy (6%)		($)838,633
Effective Gross Income		$13,138,597

Property, administrative and financial expenses:	
Payment in lieu/BASC+CASC+Admin Fee	$ 984,080
Management Fee (3.3%)	$ 426,943
Repairs and Maintenance	$ 441,752
Insurance	$119,943
Utilities	$368,175
Labor - Payroll, Taxes & Benefits	$771,015
Advertising/Marketing	$280,000
Miscellaneous Operating Expenses	$220,305
Reserves	$129,600
Total Expenses	$3,741,813
Net Operating Income (before Debt Service):	$9,396,784
Debt Service	$8,959,072
NET OPERATING INCOME LESS DEBT SERVICE:	$437,712

EXHIBIT B-3

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

ANNUAL GROSS REVENUE COMPUTATION

(1)	Total Annual Gross Rental Income	$12,608,164
(2)	Real Estate Taxes and/or Assessment on Property*	$
(3)	Insurance Premiums*	$
(4)	Operating, Maintenance or Repair Expenses*	$

*N.J.S.A. 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

Total Annual Gross Rental

Apartments	Units	Annual
Junior 1 Bedroom x	79	$1,711,572
One Bedroom x	274	$7,683,060
Two Bedroom x	89	$3,214,028
Total Potential Residential Income		$12,068,660
Other Project Revenue		$1,368,570
Total Gross Income		$13,975,230
Vacancy (6%)		($)838,514
Effective Gross Income		$13,136,716

(5)	Annual Payment in Lieu of Taxes:		
	7% BASC+CASC+Admin Fee	Years 1-20	$959,124

EXHIBIT C

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Total Project Cost

Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):

A. Cost of land and improvements to Urban Renewal Entity	$17,280,000
B. Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Phase 1B Project	$ 9,781,000
C. Projected construction cost per architect's estimate, bids including site preparation	$168,884,000
D. Insurance, Interest, and Finance Costs during Construction	$ 8,866,000
E. Cost of Obtaining Initial Permanent Financing	$5,142,000
F. Marketing and other expenses payable in connection with initial lease of units	$ 5,787,000
G. Real Estate Taxes and Assessments during Construction Period	$400,000
H. Developer's Overhead based on a percentage of (c) above, to be computed in accordance with percentage given in law N.J.S.A. 40A:20-3 (h)	$ 9,506,000
Total Project Cost	$225,646,000

EXHIBIT C-1

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Certification of Estimated Construction Costs

On this 10th day of June, 2015 the undersigned being the architect for the Phase 1B Project to be developed by GS FC Jersey City Pep 2 Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Phase 1B Project.

By: _____

Name: JOHN PEARS RIBA

Title: Architect

3418695-4

GS FC JERSEY CITY PEP II URBAN RENEWAL ASSOCIATES, LLC
Block 11603 Lot 3.01 QL:C0002
444 Warren St.
(With Affordable Housing Component)

Block	Lot		Existing Prorated (subdvi.)	New Assessments	Good Faith ASC	Land Tax
11603	3.01\C0002	Land	496,900	4,665,100		
		Bldg	384,200	27,219,700	919,570	
		Total	881,100	31,884,800	919,570	

Est. In-Lieu of Full Property Tax Payments An Amount Equal To A Percentage Of Taxes Otherwise Due On The Land and New Improvement According To The Following Stages:

			ASC	
Stage One	From the 1st day of the month following substantial completion until the last day of the 9th year, the ASC shall be at 7% of Annual Revenue	$	919,570	$ 346,804
Stage Two	Beginning on the 1st day of the 10th year and the last day of the 13th year of substantial completion, an amount equal to the greater of the ASC at 7% or 20% of the amount of taxes otherwise due on the value of the land and improvements;	$	919,570	$ 346,804
Stage Three	Beginning on the 1st day of the 14th year and the last day of the 17th year of substantial completion, an amount equal to the greater of the ASC at 7th or 40% of the amount of taxes otherwise due on the value of the land and improvements;	$	919,570	$ 346,804
Stage Four	Beginning on the 1st day of the 18th year and the last day of the 21st year of substantial completion, an amount equal to the greater of the ASC at 7% or 60% of the amount of taxes otherwise due on the value of the land and improvements;	$	919,570	$ 346,804
Final Stage	Beginning on the 1st day of the 22nd year and the last day of the 30th year of substantial completion, an amount equal to the greater of the ASC at 7% or 80% of the amount of taxes otherwise due on the value of the land and improvements.	$	919,570	$ 346,804

Yearly Land and Improvement Yearly Tax
(Based on 2014 tax rate o $74.34 & 30.02% Assessment Ratio)

7/15/2015

Assessment (Phased-In)
22,099,500
22,099,500

Annual Taxes* Bldg (Phased-In)	Taxes Land & Bldg
0	$ 346,804
$ 404,702	$ 751,506
$ 809,405	$ 1,156,209
$ 1,214,107	$ 1,560,911
$ 1,618,810	$ 1,965,614
	$ 2,370,316

DATE: July 15, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: TWENTY- FIVE YEAR TAX ABATEMENT: MIXED-USE, MIXED-INCOME RENTAL PROJECT – GS FC Jersey City PEP 2 Urban Renewal LLC, - Block 11603 Lot 3 Qualifier C 0002

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado

INTRODUCTION:

The applicant, GS FC Jersey City Pep 1 Urban Renewal LLC, is applying for a twenty-five (25) year tax abatement. It will be new construction of a thirty-six (36) story mixed-use; mixed-income rental project constructed on Block 10102 Lot 3 Condominium unit 2.

This is phase two (2) of a two (2) phase project. Phase one (1) is not part of this application. Since twenty percent (20%) of the residential units are affordable to residents earning no more than eighty percent (80%) of the Hudson County median income adjusted for family size, an application fee is not required.

LOCATION OF THE PROPERTY:

The property is located at the former site of Pep Boys Store. It is west of the HBLR Tracks between Washington Boulevard and the proposed extension of Warren Street between Fourth (4th) Street and Thomas Gangemi Drive. It is Currently Block 11603 Lot 3. It will be Unit 1 of a planned two (2) unit Condominium. A Master Deed is yet to be filed. The proposed address is 444 Warren Street.

FINANCING PLAN:

The Applicant proposes to finance the project using following sources in the approximate amounts shown:

- $50,000,000 Private equity
- $133,000,000 Construction Loan
- $10,000,000 Redevelopment Area Bonds issued by the Jersey City Redevelopment Agency.
- $33,000,000 EB5 Immigrant investor Financing Program
- $40,000,000 Tax Credit Allocation from the New Jersey Economic Development Authority Grant

PROPERTY TO BE CONSTRUCTED:

The proposed project will be thirty-six (36) story mixed-use, mixed-income rental building. The building will contain approximately four hundred and thirty-two (432) residential units, 10,311 square feet commercial space. There will also be a parking garage for two hundred and one (201) cars. The residential units will consist of the following:

Unit Type	Market Rate	Affordable	Total
Junior One bedroom	55	14	69
One Bedroom	219	55	274
Two Bedroom	71	18	89
Total	345	87	432

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at $ 168,884,000is certified by John Pears the applicant's architect. Total Project Cost is projected at $225,646,000. Note the proposed financing is less than the total project cost.

CONSTRUCTION SCHEDULE:

The applicant estimates construction will begin in April 2018 with completion in approximately thirty (30) months.

ESTIMATED JOBS CREATED:

The applicant estimates creation of three hundred-ninety-five (395) jobs during Construction. Post-construction jobs will be approximately nine (9) permanent real estate management and service positions. In addition the projected retail positions are approximately ten (10). The applicant will execute both a Project Employment and Contracting Agreement and a Project Labor Agreement.

CURRENT REAL ESTATE TAX:

The total current assessment for the land and building for the entire lot is $1,750,000. At the current tax rate of $74.34 the 2014 tax was $130,065. The taxes for the second quarter 2015 are paid.

The Tax Assessor has assessed the land on the proposed subdivision into two condominium units. The assessment for Condo Unit 2 land is $4,665,100. The improvements will be assessed at $27,219,700.

PROPOSED ABATEMENT:

The applicant has requested a term of the lesser of thirty-five (35) years from the date of approval of an ordinance approving the abatement or twenty-five (25) years from substantial completion of the project.

The Applicant proposes a Base Annual Service Charge of seven percent (7%) of Annual gross revenue, in years one (1) through twenty (20). A two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County for the first twenty (20) years.

Beginning in year twenty-one (21) through the end of year twenty-five (25) the Base Annual Service Charge shall increase to ninety-five percent (95%) of conventional taxes. The City will pay the five percent (5%) fee to the County. The Applicant will not.

In addition the Applicant will pay a Pledged Annual Service Charge equal to the full amount of the Debt Service required to meet the payments on the Redevelopment Area Bonds. The estimated Annual Pledged Service Charge amounts will average $936,950. The estimated maximum payment is $1,021,050.

PROPOSED REVENUE TO THE CITY:

At full occupancy the Good Faith estimated annual revenue is $13,138,544. The Basic Annual Service charge at the rate of seven percent (7%) is $919,700. The City Administrative fee at two percent (2%) would be $18,394 and the Hudson County fee of five percent (5%) would be $45,985. Beginning the first day ofn year twenty-one (21) through the end of year twenty-five (25), the applicant will not be required to pay the City Administration Fee nor the County Fee. However the City will forward five percent (5%) of the annual service charge to the County.

Record and Return To:

_____

Rev. 7-28-15
Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.
(New Market Rate Res Rental FA)

Re: 444 Warren Street
Approximately 1.25 Acres
Block 11603, Lot 3
Master Condominium Unit 2
Harsimus Cove Station Redevelopment Plan, as amended and supplemented

PREAMBLE

THIS FINANCIAL AGREEMENT [Agreement] is made this ___ day of _____, 2015, by and between **GS FC JERSEY CITY PEP 2 URBAN RENEWAL LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. [Long Term Tax Exemption Law], having its principal office at c/o Forest City Residential Group, Inc., Terminal Tower, 50 Public Square, Suite 1300, Cleveland, OH 44113-2267 [Entity], and the **CITY OF JERSEY CITY**, a municipal corporation of the State of New Jersey, having its principal office at City Hall, 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC is the contract purchaser under a Contribution Agreement dated June 24, 2015, between FS FC Jersey City Pep 2 LLC as the grantor, and GS FC Jersey City Pep 2 Urban Renewal, LLC as the grantee, for certain real property designated as Block 11603, Lot 3, C 0002, as set forth as Exhibit 1 to this Agreement, as shown on the official current tax map of the City of Jersey City, New Jersey, more commonly known by the street addresses of 444 Warren Street, and more particularly described by the metes and bounds description set forth as Exhibit 2 to this Agreement [Property], which Property is located within the boundaries of the Harsimus Cove Station Redevelopment Plan area, as amended and supplemented; and

WHEREAS, the redevelopment of the Harsimus Cove Station Redevelopment Plan area requires certain on-site and off-site public improvements and infrastructure, certain of which will be undertaken by the Entity in connection with the Phase IB Project (defined below); and

WHEREAS, GS FC Jersey City Pep 1, LLC and GS FC Jersey City Pep 2, LLC will record a Master Deed [Master Deed] to submit all of the Property to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, the Master Deed shall create two (2) master condominium units, with proportionate common elements, to be developed in two (2) phases; and

WHEREAS, GS FC Jersey City Pep 1, LLC, GS FC Jersey City Pep 2, LLC and the Entity have entered into a Contribution Agreement, dated as of June 24, 2015, pursuant to which the Entity will be the owner of master condominium unit 1 ([Master Condominium Unit 1]) located on the Property; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC has entered into a Contribution Agreement dated June 24, 2015, pursuant to which GS FC Jersey City Pep 2 Urban Renewal, LLC will be the owner of Master Condominium 2, located on the Property; and

WHEREAS, the Entity plans to construct phase 1, which will consist of phase 2, which is expected to consist of a thirty-six (36) story building having approximately 432 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 345 units will be market rate residential rental housing, including approximately 10,311 square feet of retail/commercial space, and a parking garage containing approximately 201 parking spaces together with public improvements and infrastructure related thereto [collectively, the Phase IB Project]; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC plans to construct, a 35-story building having approximately 421 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 336 units will be market rate residential rental housing, and including approximately 12,435 square feet of retail/commercial space and a parking garage containing approximately 264 parking spaces, together with public improvements and infrastructure related thereto located adjacent to the Phase IB Project and to be commonly known as 474 Warren Street, Jersey City, New Jersey [Phase 1A Project], and GS FC Jersey City Pep 1 Urban Renewal, LLC is entering into a Financial Agreement with the City with respect to the Phase IA Project on the date hereof [Phase IA Financial Agreement]; and

WHEREAS, The eighty-seven (87) on-site moderate income affordable housing units in the Phase IB Project shall be subject to a deed restriction or other recorded agreement as a Material Condition of this Financial Agreement, and this deed restriction or other recorded agreement shall restrict twenty percent (20%) or 87 units as moderate income affordable housing for a minimum period of twenty (20) years from the date of Substantial Completion (as hereinafter defined) of the Phase 1B Project (the "Affordable Housing Term"); and

WHEREAS, the parties agree that the 87 units in the Phase 1B Project shall be subject to the affordability controls, restrictions on rents, such that all 87 units shall be reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) and such tenant eligibility requirements as set forth in HUD guidelines, to be administered by the City or its designated agent, and shall be a Material Condition of this Financial Agreement and as more fully described herein; and

WHEREAS, The eighty-seven (87) on-site moderate income affordable housing units in the Phase IB Project shall include sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units; and

WHEREAS, on March 10, 2015, the Phase IB Project received a site plan approval from the Planning Board; and

WHEREAS, on July 9, 2015, the Entity filed an Application with the City, for a Phase 1B long term tax exemption for the Phase IA Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Phase IA Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Phase IB Project when compared to the costs:

1. the current real estate taxes as pro-rated for Master Condominium Unit 2, Block 11603, Lot 3, C.0002, generate total revenue of approximately $ 65,501, whereas, the service charges payable hereunder [Base Annual Service Charge], as estimated, will generate revenue to the City an annual service charge of $99,570;

2. No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Jersey City Code Section 304-28(B), as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the affordability control restrictions to expire, prior the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of $663,467, as shall be adjusted for inflation, within thirty days of the event trigging this payment;

3. it is expected that the Phase IB Project will create approximately 395 new construction jobs, and 9 new permanent full time jobs;

4. the Phase IB Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to new occupants;

5. the Phase IB Project will further the redevelopment objectives of the Harsimus Cove Station Redevelopment Plan, which include the promotion of the principals of smart growth and transit village development;

6. the City's Fiscal Impact Cost Analysis, on file with the Office of the City Clerk indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Phase IB Project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Phase IB Project more attractive to investors and lenders needed to finance the Phase IB Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life the Phase IB Project, which will attract occupants to the Phase IB Project, insure the likelihood of stabilized rents to tenants and the success of the Phase IB Project; and

3. the relative stability and predictability of the service charges will have a positive impact on the surrounding area; and

WHEREAS, on April 21, 2015, the Entity entered into that certain Redevelopment Agreement [Redevelopment Agreement] with Jersey City Redevelopment Agency [JCRA] in accordance with the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. [Redevelopment Law]; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax abatement (exemption) within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law; provided, however, that the provisions of section 12 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Redevelopment Law and Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. [RAB Law], the Project is a redevelopment project in a redevelopment area, within the meaning of such law, and JCRA has agreed in the Redevelopment Agreement to issue bonds to finance the Project

[Redevelopment Bonds], which will be paid from and secured by an assignment by the City of the Pledged Annual Service Charges.

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 Long Term Tax Exemption Law, the Redevelopment Law, the RAB Law, Executive Order of the Mayor 02-003, Disclosure of Lobbyist Status, Ordinance 02-075, 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, dated July 9, 2015, attached hereto as Exhibit 3, in granting this tax exemption. It is expressly understood and agreed that the Entity expressly relies upon this tax exemption, and the JCRA's issuance of Redevelopment Bonds, in undertaking the Phase IB Project.

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. Affordability Controls. Means affordability controls and restrictions on rent such that eighty five (87) rental apartments consisting of sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units are all reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) to be administered by the City or its delegated agent under HUD guidelines.

ii. Allowable Net Profit. The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).

iii. Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County, New Jersey [County]. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iv. Annual Gross Revenue. Any and all revenue derived from or generated by the Phase IB 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, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

v. Annual Service Charge. The amount the Entity has agreed to pay the City each year for municipal services supplied to the Phase IB Project, which sum is in lieu of any taxes on the Improvements pursuant to N.J.S.A. 40A:20-12. The Annual Service Charge shall consist of the Base Annual Service Charge, the County Annual Service Charge and the Pledged Annual Service Charge, as more fully set forth herein and on Schedule 1. The Annual Service Charge shall also include excess net profits payable pursuant to N.J.S.A. 40A:20-15, if any.

vi. Auditor's Report. A complete annual financial statement outlining the financial status of the Phase IB Project, which shall also include a certification of Total Project Cost and clear computation of the annual 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 stockholders' equity, a 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 required by Law. 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.

vii. Base Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(i) hereof. The Base Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

viii. Certificate of Occupancy. A 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.

ix. County Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(ii) hereof. The County Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

x. Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage, mezzanine, preferred debt and/or equity, or other financing including returns on institutional equity financing and market rate related party debt, including financing provided through the EB-5 Immigrant Investor Program, for the Phase IB Project for a period equal to including the Redevelopment Area Bonds, for all periods during the term of this Agreement.

xi. 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.

xii. Entity. The term Entity within this Agreement shall mean GC FS Jersey City Pep 2 Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Phase IB Project, provided they are formed and operate under the Law.

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

xiv. 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.

xv. Land Taxes. The amount of taxes assessed on the value of land, on which the Phase IB Project is located, which for the current fiscal year are approximately $36,940, pro-rated based on the subdivision and the apportioned share of comment elements between Master Condominium Unit 1 and Master Condominium Unit 2. Land is not exempt; however, Land Taxes shall be apportioned to the Phase IA Project according to the Entity's ownership of common elements as more fully described in the Master Deed, which equals approximately 53.65% of the common elements, and applied as a credit against the Base Annual Service Charge in accordance with the Long Term Tax Exemption Law, to the extent provided in Section 4.1(v) hereof. The land tax credit shall be applied twelve (12) months following Substantial Completion. Under no circumstances should Land Taxes paid by or apportioned to the Phase IA Project be applied as a credit to the Base Annual Service Charge for the Phase 1B Project.

xvi. Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes (pro rated for Master Condominium Unit 2 only) as determined by the Tax Assessor and the Tax Collector.

xvii. Law. Law shall refer to the Long Term Tax Exemption Law; the Redevelopment Law; the RAB Law; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xviii. Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount in each year the greater of: (a) the amount of the total taxes (land and pre-existing improvements) levied against all real property, prorated for Master Unit 1 based on the subdivision and the apportioned share of the common elements for Master Unit 1, in the area covered by the Phase IA Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is $65,501; or (b) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1B Project for the first twenty (20) years of the term, which sum is estimated to be $919,570 and which shall be due 12 months following

Substantial Completion of the Project.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Base Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xix. Net Profit. The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to this Agreement; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all Debt Service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

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

xxi. Pledged Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity pursuant to Section 4.1(iii) hereof. The Pledged Annual Service Charge shall be pledged to pay Redevelopment Bonds.

xxii. Substantial Completion. The determination by the City that the Phase IB Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Phase IB Project receives, or is eligible to receive (as determined by the Construction Code official), any Certificate of Occupancy whether temporary or permanent for any portion of the Phase IB Project, whether or not occupied or leased.

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

xxiv. Total Project Costs. The total cost of constructing the Phase IB Project through the date a Certificate(s) of Occupancy is issued for the entire Phase IB Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title, if applicable.

xxv. Trust Indenture. That certain Indenture of Trust, Bond Agreement, or other similar form of agreement, if any, as it may be amended and supplemented, to be entered into by and between the JCRA and the trustee with respect to the Redevelopment Bonds. As used herein, the term "trustee" shall mean the bond trustee or other person acting in a similar capacity.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for the Phase IB Project, Master Condominium Unit 2, constituting 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 the Property.

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 the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct the Phase IB Project; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.3.1 Affordability Controls

The Project shall include twenty percent (20%) of the units or eighty-seven (87) units as moderate income affordable housing, for the Affordable Housing Term as herein defined, as a Material Condition of this Agreement. The Entity has agreed to record a deed or other agreement restricting twenty percent (20%) or eighty-seven (87) units as moderate income affordable housing, in accordance with the Affordability Controls, and provide proof of same to the City within ninety days (90) of adoption of Ordinance ____ authorizing this Financial Agreement.

As a Material Condition of this Financial Agreement, the Entity agrees to conform to the standards for restrictions on rent and tenant eligibility requirements pertaining to the moderate income affordable housing units, as described in Affordability Controls. The Entity agrees as a Material Condition of this Financial Agreement to cooperate with the administrative agent the City will assign to administer and enforce this Section, in a manner consistent with HUD requirements.

Section 2.4 Construction Schedule

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

Section 2.5 Ownership, Management and Control

The Entity represents that promptly following the recordation of the Master Deed it will be the owner of Master Condominium Unit 2. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement.

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 a good faith estimate of 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 Good Faith Estimate of Initial Rents/Master Deed

The Entity represents that its good faith projections of the initial rents and lease terms for the Phase IB Project are set forth in Exhibit 7. The Entity agrees that the Master Deed shall not be amended in any manner that will reduce the economic benefits to the City, including but not limited to a reduction in the Base Annual Service Charge or the Pledged Annual Service Charge to the City.

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 the tax exemption and this Agreement shall remain in effect for the earlier of 30 years from the date of adoption of Ordinance _____ on _____, 2015, which approved the tax exemption, or 25 years from the date of Substantial Completion of the Phase IB Project. The tax exemption shall only be effective during the period of usefulness of the Phase IB Project and shall continue in force only while the Phase IB Project is owned by an entity formed and operating under the Law.

The Redevelopment Area Bonds will be scheduled to mature twenty-five (25) years after the date of issuance, pursuant to approval by the Local Finance Board and all other applicable agreements entered into by the parties.

ARTICLE IV - ANNUAL SERVICE CHARGES

Section 4.1 Annual Service Charges

In consideration of the tax exemption, the Entity shall make the following annual payments for the services provided to the Phase IB Project:

i. Base Annual Service Charge: The Entity shall pay to the City the Base Annual Service Charge in an amount equal to 7% of the Annual Gross Revenue. Beginning on the first day of Year 21 until the last day of Year 25, the Entity shall pay the greater of the Base Annual Service Charge or ninety-five percent (95%) of conventional taxes otherwise due. The Base Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Base Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Annual Service Charge: The Entity shall pay to the City the County Annual Service Charge, which amount shall be the sum of: (a) five percent (5%) of the sum of the Base Annual Service Charge, each as adjusted pursuant to the terms hereof.

iii. Pledged Annual Service Charge: For so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge, the Entity shall pay to the City the Pledged Annual Service Charge in the amounts set forth in Schedule 1 attached hereto. The Pledged Annual Service Charge shall be adjusted, at the direction of the Entity, to reflect any redemption, refunding, prepayment or other change in the debt service requirements with respect to the Redevelopment Bonds. The Pledged Annual Service Charge shall terminate at such time as Redevelopment Bonds are no longer outstanding or no longer secured by the Pledged Annual Service Charge.

As security for the Redevelopment Bonds, the City and the Entity agree to and hereby assign all of their interest in each Pledged Annual Service Charge to the trustee under the Trust Indenture to pay, and secure the payment of, Redevelopment Bonds. The City's pledge of the Pledged Annual Service Charge shall be absolute. The Pledged Annual Service Charge shall not be included in the general funds of the City. The City's obligation to pay the Pledged Annual Service Charge to the trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service Charges received from the Entity, and shall not constitute a general obligation of the City. The City and the Entity shall each take such further actions as may be reasonably requested to effectuate the issuance of the Redevelopment Bonds and the transactions contemplated thereby.

iv. The Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. Beginning on the first day of the month after Substantial

Completion, the Minimum Annual Service Charge set forth in Section 1.2(xvii)(b) shall be due in any year where it exceeds the Base Annual Service Charge. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Base Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

Pursuant to the RAB Law (N.J.S.A. 40A:12A-66), service charges payable hereunder shall not be adjusted in stages over the term of the tax exemption period in accordance with the Long Term Tax Exemption Law, N.J.S.A. 40A:20-12. This exemption to the requirement for staged adjustments shall not affect the calculation of the Base Annual Service Charge as defined in Section 4.1(i).

Section 4.3 Land Tax

The Entity is required to pay both the Base Annual Service Charge and the pro-rated Land Taxes for Master Unit 1 beginning on the Effective Date of this Agreement, and beginning upon Substantial Completion. The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Base 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 Base Annual Service Charge. The initial Land Tax Credit shall be given no earlier than twelve months following Substantial Completion. The Entity shall not be entitled to a refund if the Land Tax credit exceeds the Base Annual Service Charge in any year and shall forfeit that sum. Land Tax Payments shall not be credited against the Pledged Annual Service Charge. In any quarter 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 credit against the Base Annual Service Charge until the Land Taxes are paid in full. No credit will be applied against the Base Annual Service Charge for a partial payment of Land Taxes until they are paid in full. 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/Interest

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 ninety (90) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this Agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual administrative fee [Administrative Fee] to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two percent (2%) of each prior year's Annual Service. This fee 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 4.6 Affordable Housing Contribution

No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Ordinance _____ awarding this tax exemption, as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the restriction to expire, prior to the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of $663,467, as shall be adjusted for inflation, within thirty days of the termination or expiration.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charge, Base Annual Service Charge, Pledged Annual Service Charge, including adjustments thereto, Administrative Fees, Affordability Controls, Affordable Housing Contributions or status of recorded restrictions exempting the Entity therefrom, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting 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 and Contracting Agreement, attached hereto as Exhibit 8.

Section 5.2 Project Labor Agreement

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. A copy of the fully executed Project Labor Agreement shall be provided to the City and attached hereto as Exhibit 11 within 14 days of the Entity's receipt thereof.

Section 5.3 Living Wage Mandate (Projects with construction costs exceeding $25 million)

The Entity also agrees to comply with the requirements of Section 3-76 of the Jersey City Municipal Code concerning required wage, benefit and leave standards for building service workers. All janitors and unarmed security guards employed at the Projects, including by any

and all tenants or subtenants of the developer, shall not be paid less than the standard hourly rate of pay and benefits for their respective classifications and shall be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code Section 3-51G(1).

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 so as to complete construction substantially in accordance with the proposed construction schedule attached hereto as Exhibit 5.

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 militate 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.

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 the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council 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 gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Phase IA 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, plus excess net profit, if any, in accordance with Article VII hereof. Excess Net Profit shall be paid to the City for each year an excess net profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Phase IB Project, the Entity shall submit to the Mayor, 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, including but not limited to an audit of actual construction costs as certified by the Phase IB Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is 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, a Disclosure Statement listing the persons having an ownership interest in the Phase IB Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. Unless the owner is a publicly traded corporation, all disclosures shall include the ownership interests down to the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Phase IB Project and, if deemed appropriate or necessary, any other related entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, an annual 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 for any year during which the tax exemption financial agreement was in full force and effect.

Section 7.4 Payment of City's Audit Costs

All costs incurred by the City to conduct a review of the Entity's audits, 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. Delinquent payments shall accrue interest 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 shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15, to be calculated annually.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five percent (5%) of the Annual Gross Revenue of the Entity for the last full fiscal year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five percent (5%) of the preceding year's Annual Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2(xxiv) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination or expiration of this Agreement or the sale of the Phase I Project shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Phase IB 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 Phase IB Project and the transfer of this Agreement provided 1) the new entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the new entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d).

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Phase IB Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Phase IB Project shall be maintained and operated in accordance with the provisions of the Law. Operation of the Phase IB Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as 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.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance 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.

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. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the JCRA and/or the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action

against the land and improvements in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, 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. 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 termination 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, Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom 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 termination. Further, the bringing of any action for Land Taxes, Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, 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 Tax 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

Except for so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge (during which period the Entity shall not relinquish its status as a tax exempt project), the Entity may notify the City that it will relinquish its status as a tax exempt

project, after the expiration of one year from the Substantial Completion of the Phase IB Project, as of the January 1 of the year next ensuing. The Entity's failure to maintain Affordability Controls in Section 2.3.1 for the Affordable Housing Term will be treated as an event of Voluntary Termination and the Entity shall pay the City the Affordable Housing Contribution, to be collected in accordance with Section 11.3 of this Agreement. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution, should same be required.

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 and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. 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 Phase IA 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 Entity shall pay the City's cost for the arbitration if the City is the prevailing party. 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 Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of taxes otherwise due for any purpose, the Entity may file an appeal of the conventional assessment with the Hudson County Tax Board or the Superior Court of New Jersey, Tax Court to determine the value of land and Improvements.

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 the City's right to audit or recover 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 by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also 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.

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:

GS FC Jersey City Pep I Urban Renewal, LLC
c/o Forest City Residential Group, LLC
Terminal Tower
50 Public Square, Suite 1300
Cleveland, OH 44113-2267
Attn: General Counsel

And

Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311
Attn: W. Nevins McCann, 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 Phase IB 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 and the Law. 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 and the Law. 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 – SCHEDULES AND EXHIBITS

Section 19.1 Schedules

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

1. Base Annual Service Charge and Pledged Annual Service Charge.

Section 19.2 Exhibits

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

1. Contribution Agreement between GS FC Jersey City Pep 2 LLC and GS FC
   Jersey City Pep 2 Urban Renewal LLC
2. Metes and Bounds description of the Project;
3. Ordinance of the City authorizing the execution of this Agreement;
4. The Application with Exhibits;
5. Certificate of the Entity;
6. Estimated Construction Schedule;
7. The Financial Plan for the undertaking of the Phase IB Project;
8. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
9. Project Employment and Contracting Agreements and Project Labor Agreement;
10. Architect's Certification of Actual Construction Costs;
11. Entity's Deed to be provided upon recordation;
12. Executed Project Labor Agreement.

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

WITNESS:	**GS FC JERSEY CITY PEP 2 URBAN RENEWAL LLC** By: GS FC Jersey City Pep 2, LLC, its Managing Member By: _____., its Manager
_____	_____ By:
ATTEST:	**CITY OF JERSEY CITY**
_____ Robert Byrne, RMC, City Clerk	_____ Robert J. Kakoleski, CMFO, Business Administrator

SOURCES AND USES OF FUNDS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015

Sources:	
Bond Proceeds:	
Par Amount	9,999,774.00
	9,999,774.00

Uses:	
Project Fund Deposits:	
Project Fund	9,799,775.13
Delivery Date Expenses:	
Cost of Issuance	150,000.00
Underwriter's Discount	49,998.87
	199,998.87
	9,999,774.00

BOND SUMMARY STATISTICS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015
Last Maturity	09/15/2040
Arbitrage Yield	7.000024%
True Interest Cost (TIC)	7.047583%
All-In TIC	7.192263%
Average Life (years)	16.862
Duration of Issue (years)	10.901
Par Amount	9,999,774.00
Bond Proceeds	9,999,774.00
Total Interest	11,938,150.00
Net Interest	11,988,148.87
Total Debt Service	23,413,150.00
Maximum Annual Debt Service	1,020,700.00
Average Annual Debt Service	936,526.00
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2040 Term Bond	9,999,774.00	100.000		16.862	13,311.00
	9,999,774.00			16.862	13,311.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,999,774.00	9,999,774.00	9,999,774.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-49,998.87	-49,998.87	
- Cost of Issuance Expense		-150,000.00	
- Other Amounts			
Target Value	9,949,775.13	9,799,775.13	9,999,774.00
Target Date	09/15/2015	09/15/2015	09/15/2015
Yield	7.047583%	7.192263%	7.000024%

BOND PRICING

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per $5,000 at Maturity	CAB Value at Maturity
2040 Term Bond:							
	09/15/2040	9,999,774	7.000%	7.000%	100.000	4,357.20	11,475,000
		9,999,774					11,475,000

Dated Date	09/15/2015	
Delivery Date	09/15/2015	
First Coupon	03/15/2018	
Par Amount	9,999,774.00	
Original Issue Discount		
Production	9,999,774.00	100.000000%
Underwriter's Discount	-49,998.87	-0.500000%
Purchase Price	9,949,775.13	99.500000%
Accrued Interest		
Net Proceeds	9,949,775.13	

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2018			401,625		401,625	
09/15/2018	187,359.60	7.000%	401,625	27,640.40	616,625	
12/31/2018						1,018,250
03/15/2019			394,100		394,100	
09/15/2019	200,431.20	7.000%	394,100	29,568.80	624,100	
12/31/2019						1,018,200
03/15/2020			386,050		386,050	
09/15/2020	213,502.80	7.000%	386,050	31,497.20	631,050	
12/31/2020						1,017,100
03/15/2021			377,475		377,475	
09/15/2021	230,931.60	7.000%	377,475	34,068.40	642,475	
12/31/2021						1,019,950
03/15/2022			368,200		368,200	
09/15/2022	244,003.20	7.000%	368,200	35,996.80	648,200	
12/31/2022						1,016,400
03/15/2023			358,400		358,400	
09/15/2023	261,432.00	7.000%	358,400	38,568.00	658,400	
12/31/2023						1,016,800
03/15/2024			347,900		347,900	
09/15/2024	278,860.80	7.000%	347,900	41,139.20	667,900	
12/31/2024						1,015,800
03/15/2025			336,700		336,700	
09/15/2025	300,646.80	7.000%	336,700	44,353.20	681,700	
12/31/2025						1,018,400
03/15/2026			324,625		324,625	
09/15/2026	322,432.80	7.000%	324,625	47,567.20	694,625	
12/31/2026						1,019,250
03/15/2027			311,675		311,675	
09/15/2027	344,218.80	7.000%	311,675	50,781.20	706,675	
12/31/2027						1,018,350
03/15/2028			297,850		297,850	
09/15/2028	370,362.00	7.000%	297,850	54,638.00	722,850	
12/31/2028						1,020,700
03/15/2029			282,975		282,975	
09/15/2029	392,148.00	7.000%	282,975	57,852.00	732,975	
12/31/2029						1,015,950
03/15/2030			267,225		267,225	
09/15/2030	422,648.40	7.000%	267,225	62,351.60	752,225	
12/31/2030						1,019,450
03/15/2031			250,250		250,250	
09/15/2031	453,148.80	7.000%	250,250	66,851.20	770,250	
12/31/2031						1,020,500
03/15/2032			232,050		232,050	
09/15/2032	483,649.20	7.000%	232,050	71,350.80	787,050	
12/31/2032						1,019,100
03/15/2033			212,625		212,625	
09/15/2033	514,149.60	7.000%	212,625	75,850.40	802,625	
12/31/2033						1,015,250
03/15/2034			191,975		191,975	
09/15/2034	553,364.40	7.000%	191,975	81,635.60	826,975	
12/31/2034						1,018,950
03/15/2035			169,750		169,750	
09/15/2035	592,579.20	7.000%	169,750	87,420.80	849,750	
12/31/2035						1,019,500

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2036			145,950		145,950	
09/15/2036	631,794.00	7.000%	145,950	93,206.00	870,950	
12/31/2036						1,016,900
03/15/2037			120,575		120,575	
09/15/2037	675,366.00	7.000%	120,575	99,634.00	895,575	
12/31/2037						1,016,150
03/15/2038			93,450		93,450	
09/15/2038	723,295.20	7.000%	93,450	106,704.80	923,450	
12/31/2038						1,016,900
03/15/2039			64,400		64,400	
09/15/2039	775,581.60	7.000%	64,400	114,418.40	954,400	
12/31/2039						1,018,800
03/15/2040			33,250		33,250	
09/15/2040	827,868.00	7.000%	33,250	122,132.00	983,250	
12/31/2040						1,016,500
	9,999,774.00		11,938,150	1,475,226.00	23,413,150	23,413,150

PLEDGE AND ASSIGNMENT AGREEMENT

THIS PLEDGE AND ASSIGNMENT AGREEMENT dated as of _____ __, 2015 (the "Assignment"), is entered into by and among the **CITY OF JERSEY CITY** (the "Assignor" or the "City"), a municipal corporation in the County of Hudson, State of New Jersey, having an address at 280 Grove Street, Jersey City, New Jersey 07302, the **JERSEY CITY REDEVELOPMENT AGENCY** ("Assignee" or the "Agency"), a body corporate and politic constituting an instrumentality of the City of Jersey City, having an address at 30 Montgomery Street, Jersey City, New Jersey 07302 and **[NAME OF BANKING INSTITUTION]**, as Trustee (the "Trustee"), a [national/state] banking association, having a corporate trust office and place of business in _____, New Jersey.

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) as amended and supplemented (the "Redevelopment Law") promotes the social and economic improvement of the State of New Jersey (the "State") and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, the Agency was established as an instrumentality of the City of Jersey City (the "City") pursuant to the provisions of the Redevelopment Law with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, the Agency, to accomplish the purposes of the Redevelopment Law, is empowered to extend credit to such employment promoting enterprises in the name of the Agency, on such terms and conditions and such manner as it may deem proper for such consideration and upon such terms and conditions as the Agency may determine to be reasonable; and

WHEREAS, the City, in accordance with the criteria set forth in the Redevelopment Law, by resolution, established a portion of an area constituting Block 11603, Lot 3 as an area in need of rehabilitation (the "Rehabilitation Area" or the "Project Premises") and adopted and subsequently amended a redevelopment plan for the area entitled the Harsimus Cove Station Redevelopment Plan as may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan, a copy of which has been filed in the Office of the Clerk of the City, located at City Hall, 280 Grove Street, Jersey City, New Jersey; and

WHEREAS, the Redevelopment Law authorizes the Agency to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City PEP 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC and GS FC Jersey City II, LLC and GS FC Jersey City PEP 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City II, LLC (collectively, the "Redeveloper"), as the fee title owner of the Project Premises, made application to the Agency to be designated as the redeveloper to redevelop the Project Premises; and

WHEREAS, that certain Redevelopment Agreement between the Agency and A-S-H Management Corporation dated April 12, 1985 as amended by that certain Amendment to Redevelopment Agreement between the JCRA and National Bulk Carriers, Inc. ("National Bulk") dated January 7, 1986, Amendment to Redevelopment Agreement between the JCRA and National Bulk dated April 30, 1991, Third Amendment to Redevelopment Agreement between the JCRA and National Bulk dated August 11, 1993, Fourth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated January 28, 1997, Fifth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated June 10, 1997, Sixth Amendment to the Contract for Sale of Private Land between American Financial Exchange L.L.C. and JCRA dated December 19, 2001, Seventh Amendment to the Contract for Sale and Redevelopment of Private Property in the Hudson Exchange Redevelopment Area among National Bulk, G&S and the JCRA (undated) and Assignment and Assumption Agreement between the Entity and the JCRA dated _____,2015 (collectively, the "Redevelopment Agreement"), wherein the Entity assumed the obligation to redevelop the Redevelopment Project (as defined herein) pursuant to the Redevelopment Law, was entered into between the Agency and the Redeveloper for the redevelopment of the Project Premises; and

WHEREAS, the Redeveloper has recorded a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City PEP 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as condominium unit 1 under the Master Deed, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area ("Phase I Project"); and

WHEREAS, GS FC Jersey City PEP 2 Urban Renewal LLC ("FC II"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as condominium unit 2 under the Master Deed, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for

approximately two hundred one (201) parking spaces located adjacent to the Phase I Project ("Phase II Project" and, together with the Phase I Project, the "Redevelopment Project"); and

WHEREAS, in order to enhance the viability of the Redevelopment Project, the City has granted a long-term tax exemption pursuant to N.J.S.A. 40A:20-1 et seq., as amended (the "Tax Exemption Law"), and has entered into separate Financial Agreements with each of FC I and FC II, each dated [_____, 2015] (individually, a "Financial Agreement" and collectively, the "Financial Agreements"), governing payments made to the City in lieu of real estate taxes on each condominium unit in the Redevelopment Project; and

WHEREAS, each of the Financial Agreements provides for the payment by FC I and FC II, as applicable, of, among other things, a Base Annual Service Charge (as defined in each Financial Agreement, the "Base Annual Service Charge") and a Pledged Annual Service Charge (as defined in each Financial Agreement, and as the same may be amended, revised or recalculated from time-to-time pursuant to the terms thereof, the "Pledged Annual Service Charge"); and

WHEREAS, the Redevelopment Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian mall, certain of which will be undertaken by FC I in connection with the Phase I Project, but which benefit the entire Redevelopment Project, including, if and when completed, the Phase II Project; and

WHEREAS, pursuant to the Redevelopment Law, the Redevelopment Project is a redevelopment project in a redevelopment area, within the meaning of such law, and the Agency has agreed in the Redevelopment Agreement to issue the Bonds pursuant to the Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. (the "RAB Law"), to finance a portion of the costs of the Redevelopment Project; and

WHEREAS, pursuant to the Redevelopment Law, including the RAB Law, the Agency has determined to issue its Redevelopment Area Taxable Bonds (Forest City Project) (the "Bonds"), in the aggregate principal amount of not to exceed $20,000,000, which may be issued in one or more series, to: (i) fund certain of the costs of the Redevelopment Project; and (ii) pay certain costs incidental to the issuance and sale of the Bonds, together with other costs permitted by the Redevelopment Law (collectively, the "Project"); and

WHEREAS, following the issuance of the Bonds, the proceeds will be deposited under this Indenture and applied in accordance with a Funding Agreement, by and among the Agency, FC I and FC II, respectively, and the Trustee (each a "Funding Agreement"), to fund a grant by the City to FC I, [for the benefit of it,] and FC II, to pay costs of the Project; and

WHEREAS, each Financial Agreement provides at Section 4.1.iii., that: (i) as security for the Bonds, the City and FC I and FC II, as applicable, agree to and thereby assign all of their interest in each Pledged Annual Service Charge to the Trustee to pay, and secure the payment of, the Bonds; (ii) the City's pledge of the Pledged Annual Service Charge shall be absolute; (iii) the Pledged Annual Service Charge shall not be included in the general funds of the City; and (iv) the City's obligation to pay the Pledged Annual Service Charge to the Trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service

Charges received from FC I and FC II, as applicable, and shall not constitute a general obligation of the City; and

WHEREAS, the Agency, the City and the Trustee entered into a Pledge and Assignment Agreement, dated the date hereof, to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds (the "Pledge Agreement"); and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the Agency, the City and the Trustee are entering into this Pledge and Assignment Agreement to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds; and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the execution and delivery of this Assignment have been duly authorized by the parties hereto and all conditions, acts and things necessary and required by the Constitution or statutes of the State of New Jersey or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Assignment do exist, have happened and have been performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor covenants and agrees with the Assignee as follows:

1. The Assignor hereby absolutely and presently grants, conveys, transfers and assigns unto the Assignee all of the right, title and interest of the Assignor (unless otherwise expressly provided herein, or unless the context clearly requires otherwise, capitalized terms used in this Assignment shall have the meanings ascribed thereto in the Financial Agreement):

a. in and to all of the Pledged Annual Service Charges (which assignment herein is intended to further memorialize the assignment by the Assignor to the Trustee in each Financial Agreement; which assignment shall be deemed to be an assignment by the Assignor to the Assignee, and by the Assignee to the Trustee under the Trust Indenture);

b. in and to all rights to collect and enforce the rights to the Pledged Annual Service Charges, including the right to interest, penalties and costs of collection relating thereto; and

c. the Assignor represents and warrants that this Assignment has been duly authorized by all necessary actions on the part of the governing body and upon execution and delivery will constitute a legal, valid and binding obligation of the Assignor, enforceable against

the Assignor in accordance with the terms and the provisions of this Assignment, except as may be limited by bankruptcy laws or other creditors rights in general.

The foregoing are referred to herein as the "Assigned Rights". This Assignment is an unconditional, absolute and present assignment and not a mere assignment in the nature of a pledge or the mere grant of security interest.

2. The Assignor represents, warrants and agrees that:

a. the Assignor is entitled to receive all of the Pledged Annual Service Charges in accordance with the terms of the Financial Agreement;

b. the Assignor has not previously sold, assigned or transferred the Assigned Rights (except as set forth in the Financial Agreements);

c. the Assignor has full power and authority to assign the Assigned Rights to the Assignee and has taken such actions as are necessary in order to effectuate this Assignment;

d. the Assignor shall not sell, assign or transfer the Assigned Rights during the term of the Assignment, except as assigned hereunder;

e. the Assignor will, from time to time, execute upon request of the Assignee or the Trustee, any and all instruments requested by the Assignee or Trustee to carry this instrument into effect or to accomplish any other purposes reasonably deemed by the Assignee or the Trustee to be necessary or appropriate in connection with this Assignment; and

f. in addition to such other rights and remedies the Assignee may elect to pursue at law or in equity, the Assignor will take such action as the Assignee or the Trustee shall reasonably request in order that the Assignee may realize the benefits of this Assignment and receive the Pledged Annual Service Charges; such actions may include, but shall not be limited to, conducting an *In Rem* Foreclosure action in accordance with the provisions of the Tax Sale Law, constituting Chapter 237 of the Pamphlet Laws of 1918 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "Tax Sale Law", codified in N.J.S.A. 54:5-1 *et seq.*), provided the Assignor is permitted by law to conduct such *In Rem* Foreclosure action on behalf of the Assignee.

3. It is mutually agreed that as security for the Bonds, and any bonds or notes issued for the purpose of refunding the Bonds, the Assignee is authorized to pledge and assign all of its interest in this Assignment to the Trustee as part of the pledge of the Trust Estate under the Trust Indenture or under any supplemental indenture executed in conjunction with any bonds or notes issued for the purpose of refunding the Bonds.

4. This Assignment shall not operate to restrict or prevent the Assignor or Assignee from pursuing any remedy that it now or hereafter may have because of any present or future breach of the terms or conditions of the Financial Agreement, the Bonds, or the Trust Indenture.

5. The Assignee shall be accountable only for the Pledged Annual Service Charges that the Assignee actually receives under the terms hereof.

6. Failure of the Assignee to do any of the things or exercise any of the rights, interests, powers or authorities hereunder shall not be construed to be a waiver of any of the rights, interests, powers or authorities hereby assigned and granted to the Assignee.

7. The Assignor will not modify, change, alter, supplement, amend, surrender or accept surrender of the Assigned Rights without the Assignee's prior written consent, which consent shall not be unreasonably withheld or delayed. The Assignor shall, however, perform all of its obligations under or pursuant to the Assigned Rights and shall enforce the rights, interest, powers and authorities granted the Assignor pursuant to the Assigned Rights.

8. The Assignor shall promptly notify the Assignee in the event of any default under any Financial Agreement.

9. The Assignor shall cause this Assignment and each Financial Agreement (or evidence of same) to be recorded in such public offices in which such filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the RAB Law.

10. Upon the redemption or defeasance, as the case may be, of the Bonds and the payment and performance of all other obligations secured hereby, this Assignment shall terminate and upon the request of the Assignor and at its expense, the Assignee shall execute a release hereof.

11. This Assignment inures to the benefit of the named Assignee and its successors and assigns and binds the Assignor and the Assignor's successors, assigns and legal representatives, heirs, legatees and devisees.

12. Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

a. When sent to the Assignor, it shall be addressed to the Corporation Counsel, City Hall, 280 Grove Street, Jersey City, New Jersey 07302.

b. When sent to the Agency it shall be addressed to the Jersey City Redevelopment Agency, 30 Montgomery Street, Jersey City, NJ 07302 Attn: Executive Director.

c. The Trustee shall be provided copies of all notices given hereunder, which shall be addressed to [NAME OF BANKING INSTITUTION], _____, _____, New Jersey _____, Attn: _____.

d. The Redeveloper shall be provided copies of all notices given hereunder, which shall be addressed to Terminal Tower, 50 Public Square, Suite 1300, Cleveland, Ohio 4413-226 Attn: c/o Forest City Residential Group, Inc.

13. If any term or provision of this Assignment, or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to persons or circumstances other than

those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

14. Neither the Assignor nor its officers, members, employees, agents or directors shall have any personal liability hereunder, the Assignee's recourse to the Assignor being limited to the Assigned Rights.

(Signatures to appear on following page).

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed and delivered as of the date and year first above written.

ATTEST:

CITY OF JERSEY CITY

_____

Robert Byrne, RMC
City Clerk

By:_____

Honorable Steven M. Fulop
Mayor

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

ACKNOWLEDGED AS OF THE DATE FIRST ABOVE WRITTEN:

JERSEY CITY REDEVELOPMENT AGENCY

By:_____

[NAME OF BANKING INSTITUTION]
as Trustee

By:_____

ACKNOWLEDGEMENT

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this __ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Steven M. Fulop, Mayor of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

_____

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this __ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Robert Byrne, RMC, the Clerk of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

_____

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.108
TITLE: 3.B JUL 28 2015 4.J AUG 19 2015

Ordinance approving the execution of a financial agreement with GS FC Jersey City Pep 2 Urban Renewal LLC and other applicable documents related to the authorization and issuance by the Jersey City Redevelopment Agency of not to exceed $10,000,000 Redevelopment Area Bonds (Non-recourse to the full faith and credit of the City) and determining various other matters in connection therewith.

RECORD OF COUNCIL VOTE ON INTRODUCTION JUL 28 2015 6-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	ABSENT			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING AUG 19 2015 9-0

Councilperson COLEMAN **moved, seconded by Councilperson** OSBORNE **to close P.H.**

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ **moved to amend* Ordinance, seconded by Councilperson**_____ **& adopted**_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 7-2

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on JUL 28 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015

City Clerk File No. Ord. 15.049

Agenda No. 3.C 1st Reading

Agenda No. 4.C. 2nd Reading & Final Passage

4.K. AUG 19 2015

ORDINANCE OF JERSEY CITY, N.J.

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

CITY ORDINANCE 15.049

TITLE:

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE POWERHOUSE ARTS DISTRICT REDEVELOPMENT PLAN REHABILITATION SUB-DISTRICT

WHEREAS, the Municipal Council of the City of Jersey City, adopted the Powerhouse Arts District Redevelopment Plan on October 27, 2004; and

WHEREAS, the Municipal Council seeks to promote the continuing redevelopment of the area by amending the standards and regulations within the redevelopment plan; and

WHEREAS, a copy of the amended text is attached hereto and made a part hereof, and is available for public inspection at the Offices of the City Clerk, City Hall, 280 Grove Street, Jersey City, NJ; and

WHEREAS, the following amendments to the Powerhouse Arts District Redevelopment Plan have been reviewed by the Jersey City Planning Board at its meeting of November 18, 2014; and

WHEREAS, the Planning Board voted to recommend adoption of these amendments by the Municipal Council; and

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that the recommended amendments to the Powerhouse Arts District Redevelopment Plan be, and hereby are, adopted.

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 Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson 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 hereby 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. 40:49-2.1.

Robert D. Cotter, PP, FAICP, Director of Planning

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED:

APPROVED:

Business Administrator

ORDINANCE/RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution/ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution/ordinance.

Full Title of Ordinance/Resolution

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE POWERHOUSE ARTS DISTRICT REDEVELOPMENT PLAN REHABILITATION SUB-DISTRICT

Initiator

Department/Division	HEDC	City Planning
Name/Title	Robert Cotter, PP, AICP	Director
	Jeff Wenger, AICP	Principal Planner
Phone/email	201-547-5010	bobbyc@jcnj.org / jeff@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Purpose

This ordinance amends the Rehabilitation Subdistrict within the Powerhouse Arts District Redevelopment Plan, specifically as it relates to Block 11502, Lot 6, better known as the Juan Ribbon Machine Shop building. This amendment will permit a new structure to be built on the site up to a building height limit of 11 stories and 115 feet with specified building step backs to protect light, air, and views for adjacent structures. This amendment will also require restoration of the adjacent cobble stone street and provide for affordable housing requirements.

I certify that all the facts presented herein are accurate.

Signature of Department Director **Date** 3/30/15

SUMMARY STATEMENT

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE POWERHOUSE ARTS DISTRICT REDEVELOPMENT PLAN REHABILITATION SUB-DISTRICT

This ordinance amends the Rehabilitation Subdistrict within the Powerhouse Arts District Redevelopment Plan, specifically as it relates to Block 11502, Lot 6, better known as the Juan Ribbon Machine Shop building. This amendment will permit a new structure to be built on the site up to a building height limit of 11 stories and 115 feet with specified building step backs to protect light, air, and views for adjacent structures. This amendment will also require restoration of the adjacent cobble stone street and provide for affordable housing requirements.

Proposed Amendments to the Powerhouse Arts District Redevelopment Plan

Specifically: Section VIII. Paragraph A. Rehabilitation Zone

The following amendments are related only to Section VIII, Paragraph A. of the Redevelopment Plan. All other text and maps within the Redevelopment Plan remain unchanged.

- Existing Text is shown as: Plain Type, inclusive of **Bold Type**
- Text to be removed is shown as: ~~Strikethrough and highlighted in yellow~~
- Text to be added is shown as: **Bold Italic and highlighted in yellow**
- Floor amendment by Councilperson Osborne at Caucus on March 23, 2015 is shown as **Bold and highlighted in blue**

A. **Rehabilitation Zone**

This zone is designed to accommodate the adaptive re-use of the existing historic resources in the district. It allows for a mix of uses, flexibility in phasing, and where it is found to be historically appropriate, the construction of specific penthouse additions on existing buildings, and new construction on vacant land.

The Rehabilitation Zone consists of the entirely of Blocks 11609 (partial), 11611, 11505, 11504 and 11503, as well as the easternmost portions of blocks 11506, 11509 and 11502, as noted in Map 2.

Development requirements for existing buildings and vacant land, and the development standards for specific buildings and lots shall be as follows, except they shall not apply to projects developed in accordance with Section VIII.F.:

1. Development Requirements for Existing Buildings:

   a. All existing buildings shall remain and be rehabilitated as per the JCLDO 345-71. Historic Design Standards and The Secretary of the Interior's Standards for the Treatment of Historic Properties. In addition to the building, specific objects, such as: rooftop water towers, chimneys, loading docks, awnings, windows, brick and stone accents, quoins, shutters, reinforced concrete or color and texture of brick and mortar, shall be maintained.

   b. All existing exterior building elements that contribute to the historic significance of the building shall be required to remain. Existing courtyard elements should be preserved where appropriate.

   c. Any ghost signage on existing buildings shall be refreshed and retained and/or refreshed with the same wording or message that existed historically.

d. Penthouse additions shall be industrial in nature and incorporate appropriate materials and designs that will not hinder the significance of these historic buildings and may extend a maximum of two additional stories and be set back from the existing facade to the first bay or column below.

e. Retain all awnings and restore and replace to their original profile. Repair and retain all roof top apparatus, chimneys, water tanks, and the like.

f. Property owners shall institute a property maintenance regiment designed to prevent the deterioration and decay of buildings.

g. Minimum separation distance between a new structure or addition within the Rehabilitation Zone and an existing facade within the Rehabilitation Zone, where the existing facade abuts the property line and contains windows that face the new structure or addition: 25 feet between structures, with street front screening provided at the ground level that is consistent with the architecture of the new building.

2. Development Requirements for Vacant Land:

It is a clear purpose of this plan to perpetuate the historic character of the rehabilitation zone as a whole. This purpose shall be achieved through preservation and rehabilitation of existing structures, and by instituting design and bulk standards for new construction such that any new construction within the zone is appropriate and complementary to the character of the zone. Section VI. DESIGN REQUIREMENTS OF ALL DEVELOPMENTS above shall apply to all applications for new development, except that where there may be conflicts between Section VI and this section, the standards that are enunciated by this section shall prevail. The following shall apply to all new buildings on vacant land within the rehabilitation zone:

a. The footprint of new buildings shall match the footprint of the industrial building that previously existed on the site, including that there be provision for courtyards where courtyards previously existed.

b. The height of new buildings, including all penthouses and mechanicals, shall not exceed the height of the industrial building to the top of the parapet that previously existed on the site.

c. The combined FAR and gross parking area of new buildings shall not exceed the FAR of the industrial structure that previously existed on the site.

d. The height and vertical spacing of windows shall reflect the historic fenestration patterns of the industrial building that previously existed on the site.

e. All new construction shall comply with the Secretary of the Interior's Standards for the Treatment of Historic Properties and the JCLDO 345-71 Historic Preservation Standards, particularly the Standards for New Construction.

f. Minimum separation distance between a new structure or addition withi the Rehabilitation Zone and an existing facade in the Rehabilitation Zone, where the existing facade abuts the property line and contains windows that face the new structure or addition: 25 feet between structures, with street front screening provided at the ground level that is consistent with the architecture of the new building.

3. Development Standards for Specific Buildings and Lots:

a. Block 11609, Lot 1 and 2; Hudson & Manhattan Railroad Powerhouse, 1906-1908, Pivotal Individually listed, State and National Registers: Sensitive, historically appropriate interior and exterior rehabilitation of this resource is critical as this is the signature building of the PAD. There shall be some public space within the restored building so that the public may appreciate the character of the building. Retain portions of the interior generating room at full height for interior lobby. Maintain roof profile. No rooftop additions are permitted. Retain, stabilize, and cap stacks. Gently clean facades repoint and replace damaged brick, particularly decorative bricks. Restore existing windows if possible; otherwise install new replacement windows which match the original in terms of configuration, operation, details, material and finish. Eliminate modern exterior metal structures and electrical equipment to the west and maintain an open and public space along all exterior facades of the building. The Eastern part of block 11609 (vacant land) shall be developed into a public park. Construct an appropriate sidewalk on the north side between the building and the light rail tracks to create a pedestrian link between First Street and the waterfront.

b. Block 11611 Lot 2; Riegel Sack Company, c. 1900 Contributing. Thebuilding has recently been rehabilitated and was redeveloped in accordance with the Morgan Washington Redevelopment Plan. Further rooftop additions are prohibited.

c. Block 11611, Lot 1 (f/k/a Block 107, Lot B); Butler Brothers Warehouse, 1904-1905; Pivotal. Gently clean, repair or replace broken, damaged bricks and re-point façade. Replace windows deteriorated beyond repair. Restore the double bronze doors and surround at Warren Street near

Morgan Street. Replace missing awnings above the Bay and Warren Street loading docks, if appropriate, based on site and archival evidence. Permit interior atria or courtyards if roof profile can be maintained. Rooftop additions that are visible from, an elevation of five feet above the sidewalk on the opposite side of the public right-of-way are prohibited. The one story, 100 x 100 power plant structure attached to the main building on the northeast corner of the block shall be retained. A mix of all uses permitted pursuant to Section VII.A and B shall be permitted. Notwithstanding anything herein to the contrary, the work/live and Work/Live Artist Studios unit requirements in Section VI.I, the marketing requirements in Section VII.E and the ground floor use and street frontage requirements in Sections VII. C and H may, but need not be complied with. Residential units and amenities are permitted on the ground floor and along street frontages provided the ground floor contains a minimum of 3,500 sq ft of gallery space and a minimum of 4,000 sq ft of artist workspace and/or studios.

The following affordable Housing Requirement shall be applicable when the building located at Block 11611, Lot 1 (f/k/a Block 107, Lot B); known as the Butler Brothers Warehouse, will be rehabilitated and re-used consistent with the Rehabilitation Zone Standards in Section VIII. A3c. herein, (contained in the paragraph above):

1. At least ten (10%) percent of all traditional residential market rate units built in the Project shall be restricted to the exclusive use and occupancy as "work force" rental units by income qualifying persons and their families; and

2. The maximum rent of the work force rental units shall be affordable to households earning one hundred twenty percent (120%) of median income for Hudson County, as defined by the income limits/maximum rents of the New Jersey Housing and Mortgage Finance Agency for the Low Income Housing Tax Credit Program; and

3. The work force units shall remain subject to the above-described affordability and occupancy requirements for a period of thirty (30) years from the date of the issuance of the first Certificate of Occupancy for a work force unit; and

4. The work force units shall (i) be comparable in range and size to the range and sizes of traditional residential market rate units constructed within the building, (ii) use the same building entrances and common areas as the traditional market rate residential units, (iii) have access to the same common area amenities as the traditional market rate residential units, (iv) be disbursed throughout the building, and (v) be completed at the same time as the traditional market rate residential units; and

5. Up to sixty (60%) percent of the work force housing requirement may be provided off site; and

6. The offsite work force housing requirement may also be satisfied by a payment to the City in the amount of up to one-hundred-fifty thousand dollars ($150,000) per required work force unit. This payment shall be made in two (2) installments: (1) fifty percent (50%) shall be paid immediately prior to the issuance of a building permit for the building and (2) the remaining fifty percent (50%) shall be paid at the time of issuance of the first final certificate of occupancy for the building. These payments shall be earmarked to sustain or construct affordable housing in Jersey City. In recognition of the extraordinary work and effort associated with the rehabilitation and adaptive re-use of the building and the community benefits associated therewith, any gallery space and artist workspace/studios approved as part of the Project shall count as a credit against the total number of work force units required, feet of gallery space and/or artist workspace/studio space approved; and

7. Nothing herein shall prohibit Certified Artists from qualifying for the work force rental units. The City may require that the work force units be subject to a 180-day exclusive marketing period to Certified Artists who meet the income requirements for work force housing as described herein; and

8. These requirements for work force units shall supersede and replace the requirements for affordable artist housing found in Article VII.F of the PAD.

d. Block 11505, west side of block (formerly lot A1); No structure exists on the lot. Treat construction as new development. New building may be up to six stories, plus a penthouse that is setback from the building facade on all sides so that it is not visible from an elevation of five feet above the sidewalk on the opposite side of the public Right-of-way.

e. Block 11505, east side of lot (formerly lot B1), There currently exist four structures on the lot, as follows:

- Northeast corner. Dairymen's Manufacturing Company, pre-1919; contributing; five story reinforced concrete building. Restore facade, repairing masonry walls where necessary and open blocked walls, replace windows.

- Southeast corner. Dairymen's Manufacturing Building, 1904 (a.k.a. Dairymen's milk can factory); Noncontributing two story structure. Originally five stories, the building has been radically altered. New

building shall not exceed the height of the five story reinforced concrete building that is adjacent on the same lot. Treat construction as new development.

- Northwest comer and mid-lot. Two one story structures abutting Dairyman's Manufacturing Building at Northeast corner above. Noncontributing. New building shall not exceed one-story. Treat construction as new development.

f. Block 11504, east side of Lot 2 (formerly Lot A2 East); A & P Bakery, 1915; Contributing. Permit a continuation of the current fourth floor addition to match the setback, profile and height of the existing. Permit one additional story set back two window bays on all street frontages. Retain cornice overhang/return to west on southern facade. Additions to the secondary two story addition on the southern facade shall be permitted to match the height of the additions to the primary building, but shall be set back behind the cornice overhang/return.

g. Block 11504, west side of Lot 2 (formerly Lot A2 West); A & P Auxiliary Building, 1914; Contributing. Restore to original Profile.

h. Block 11504, Lot 1; 140 Bay Street & 18-30 Provost Street; AKA, Eckerson Company, and later the J. Leo Cooke Warehouse; popularly known as the Morgan Lofts; Contributing. Approval granted by Zoning Board of Adjustment shall prevail and be incorporated herein by reference.

i. Block 11503, Lot 1, AKA Merchants Refrigeration Company, ca. 1902; Contributing. Remove exterior cement parging and paint, if appropriate, by the gentlest means possible, avoiding damage to underlying brick. Unblock existing window openings. New window openings may be added if necessary, provided that the new openings reflect the rhythm of the historic window placement along the First or Second Street sides of the building. Rehabilitate loading docks and awnings and "ghost sign" bearing original company name along sixth floor of the Second Street facade. Center courtyards and atria permitted. Permit a one story penthouse, setback a minimum of one column bay from the building edge on all facades, not visible from an elevation of five feet above the sidewalk on the opposite side of the public right-of-way.

j. Block 11506, Lot 2; The Great Atlantic & Pacific Tea Company Annex, original 1907-1908, -expanded 1915; Contributing. Maintain the 6 Story portion and restore to original profile.

k. Block 11509, Lot 2; 144-158 Bay Street; AKA, The Great Atlantic & Pacific Tea Company Headquarters, 1907-1915; individually listed, State

and National Registers: Pivotal. This building maintains a unique place in the history of American industry. Redevelopment of this building requires a particularly sensitive approach with due consideration of the historic development of the building and the maintenance of historic building fabric. Rebuild to original/historic profile, maintain sky light and watertanks, gently clean, re-point, and repair brick and concrete, repair existing and replace deteriorated and/or missing awnings and loading docks where appropriate. Permit a one story penthouse setback one column bay from all facades.

l. Block 11502, Lot 6; Juan Ribbon Machine Shop, South Section circa 1873, North Section 1887, ~~Contributing: Remove exterior cement parging and paint, if appropriate, by gentlest means possible, avoiding damage to brick. Repoint and repair damaged brick. Unblock window openings and insert appropriate windows. Maintain existing gable roof. No rooftop additions are permitted.~~ **A Warehouse Historic District was established in 2005, but was invalidated by a Superior Court ruling in 2007 on technical grounds. Subsequently, the City conducted an eligibility analysis for the creation of a potential historic district, or to add individual buildings within the study area to the municipal, state and national register. The analysis did not recommend the creation of an historic district. The report concluded that five buildings within the study area meet the criteria of national, state and local landmarks and recommended that they should be listed on the historic registers. The Juan Ribbon Machine Shop is not one of those buildings. (See Jersey City Master Plan Reexamination Report dated February 15, 2011) The Master Plan Reexamination Report specifically recommended to remove the reference to the Warehouse Historic District from the Historic Preservation Element of the Master Plan and to add the five individual buildings which were determined to be eligible for the local, state and national registers.**

As a result, the Juan Ribbon Machine Shop building is neither a contributing building to an historic district, nor an individual historic building, and the building need not be retained or renovated. However, at the discretion of the owner, the building may be retained and utilized for any permitted use, or combination of permitted uses, consistent with the requirements of this redevelopment plan. In the alternative, the subject building may be demolished. If the building is demolished, the standards found in Section VII. A. 1. & 2. of this Plan shall not apply to this property. In addtion , the work/live unit requirements in Section VI.I, the marketing requirements in Section VII.E and the ground floor use and street frontage requirements in Sections VII. C and H may, but need not, be complied with.

Upon demolition of the building, the following standards and requirements shall apply to the subject property:

1. **Permitted Uses – In addition to the permitted uses listed in Section VII of this Plan, residential apartments shall be a permitted use.**

2. **Maximum Height - the maximum height of a building constructed pursuant to this section shall be no greater than 11 stories and 115 feet. Subject to the following additional criteria:**
   - **The maximum height of that portion of the building fronting on Second Street shall be 95 feet. Any stories of the building above 95 feet in height must be setback from Second Street a minimum of 35 feet.**
   - **The maximum height of that portion of the building fronting on First Street shall be 105 feet. Any stories of the building above 105 feet in height must be setback from First Street a minimum of 15 feet.**
   - **The 11th story facade must step back at least 5 feet from the building façade below along Provost Street.**
   - **All floors above the ground floor shall have a minimum floor to ceiling height of 9 feet.**

3. **FAR shall be regulated by the required height and setback criteria.**

4. **Setback Requirements – None; except as required by building code standards and paragraph 2 above.**

5. **Maximum Permitted Building Coverage – 100%**
   The building coverage of upper floors shall be reduced in compliance with the setback provisions found in paragraph 2 above.

6. **Required Parking –**
   - **Residential: Min. of 0.0 per unit & Max. of 0.5 per unit**
   - **Other: Min. of 0.0 per 1,000 sq.ft. & Max. of 0.5 per 1,000 sq.ft.**

7. **Loading – Off-street loading areas are not required.**

8. **Required Off-site Improvements – Concurrent with the redevelopment of the subject property, the Cobblestone roadway within the right-of-way of Provost Street shall be restored from the center line of First Street to the southern right-of-way line of Second Street. The existing Cobblestones shall be removed,**

cleaned, and reset as necessary in order to create a roadway surface acceptable to the City of Jersey City.

9. **Affordable Housing Requirement:**
   - **Ten (10%) percent of all market rate units constructed in the Project (rounded to the nearest whole number) shall be restricted to the exclusive use and occupancy as "work force" units by income qualifying households; and**
   - **The maximum rent or sales cost of the work force units shall be affordable to households earning one hundred twenty percent (120%) of median income, as defined by the income limits/maximum rents of the New Jersey Housing and Mortgage Finance Agency for the Low Income Housing Tax Credit Program; and**
   - **The work force units shall remain subject to the above-described affordability and occupancy requirements for a period of thirty (30) years from the date of the issuance of the first Certificate of Occupancy for an work force unit; and**
   - **The work force units shall (i) be comparable in range and size to the range and sizes of market rate residential units constructed within the building, (ii) use the same building entrances and common areas as the market rate residential units, (iii) have access to the same common area amenities as the market rate residential units, (iv) be disbursed throughout the building, and (v) be completed at the same time as the market rate residential units; and**
   - **Up to fifty (50%) percent of the work force housing requirement may be provided offsite; and**
   - **The offsite work force housing requirement may also be satisfied by a payment to the City in the amount of up to one-hundred-fifty thousand dollars ($150,000) per required work force unit. This payment shall be made in two (2) installments: (1) fifty percent (50%) shall be paid immediately prior to the issuance of a building permit for the building and (2) the remaining fifty percent (50%) shall be paid at the time of issuance of the first final certificate of occupancy for the building. These payments shall be earmarked to sustain or construct affordable housing in Jersey City; and**
   - **Nothing herein shall prohibit Certified Artists from qualifying for the work force rental units. The City may require that the work force units be subject to a 180-day exclusive marketing period to Certified Artists who meet the income requirements for work force housing as described herein; and**
   - **These requirements for work force units shall supersede and replace the requirements for affordable artist housing found in Article VII.F of this Plan.**

11.H.

Ordinance of the City of Jersey City, N.J.

ORDINANCE NO. Ord. 15.049
TITLE: 3.C APR 8 2015 4.K. AUG 19 2015

Ordinance of the Municipal Council of the City of Jersey City adopting amendments to the Powerhouse Arts District Redevelopment Plan Rehabilitation Sub-District.

RECORD OF COUNCIL VOTE ON INTRODUCTION APR 08 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING APR 22 2015 8-0

Councilperson WATTERMAN moved, seconded by Councilperson COLEMAN to close P.H.

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	ABSENT		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

SPEAKERS:

TONY SANDKAMP
JOSHUA PARKHURST
KATHRYN MOORE
LAVERN WASHINGTON
CHRISTOPHER LANE
DAN SICARDI
MARK SIMON
GILBERT MOORE
REBECCA SHAPIRO
EUGENE PAOLINO

KEVIN BERLAND
WILLIAM DORRITY
NORICE RAYMAKER
EDWARD KOLLING

TABLED 9-0 AFTER THE CLOSE OF THE PUBLIC HEARING ON A MOTION BY OSBORNE, SECONDED BY YUN

REMOVED 9-0 FROM THE TABLED AGENDA ON A MOTION BY OSBORNE SECONDED BY WATTERMAN

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY

Councilperson_____ moved to amend* Ordinance, seconded by Councilperson_____ & adopted_____

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMAN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE AUG 19 2015 9-0

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on APR 08 2015

Adopted on second and final reading after hearing on AUG 19 2015

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on AUG 19 2015

Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date AUG 19 2015

APPROVED:

Steven M. Fulop, Mayor

Date AUG 20 2015

Date to Mayor AUG 20 2015