

ORDINANCE

No. _____

1st Reading _____

Date to Mayor _____

Public Hearing _____

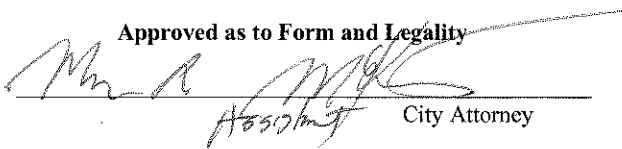
Date Returned _____

2nd Reading & Passage _____

Date Resubmitted to Council _____

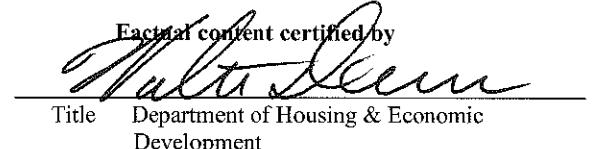
Withdrawn _____ Lost _____

Approved as to Form and Legality



 City Attorney

Factual content certified by



 Title Department of Housing & Economic
 Development

Councilman /woman _____ presents the following Ordinance:

**ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 268 OF
 THE TRENTON MUNICIPAL CODE TO INCORPORATE THE
 EXEMPTION OF IMPROVEMENTS TO REAL PROPERTY FROM
 TAXATION WITHIN THE CITY OF TRENTON IN ACCORDANCE
 WITH THE NEW JERSEY ECONOMIC OPPORTUNITY ACT OF 2013**

WHEREAS, the New Jersey Legislature adopted P.L. 2013, c. 161 on September 18, 2013, known as the New Jersey Economic Opportunity Act of 2013 (the "Act"), for the purpose of merging the State's economic development incentive programs with the goal of enhancing both redevelopment efforts and business attraction, retention and job creation efforts to strengthen New Jersey's competitive edge in the global economy; and

WHEREAS, the Act merged the State's economic incentive programs into the expanded Grow New Jersey Assistance Program (Grow NJ) and the Economic Redevelopment Growth Grant Program (ERG), administered by the New Jersey Economic Development Authority (EDA), to compete with the financial incentive packages being offered by neighboring and other competing states; and

WHEREAS, Grow NJ is now the State's main job creation incentive program, and is intended to increase the ability of existing New Jersey businesses, including small and mid-size companies, to expand their businesses for the purpose of creating and retaining jobs in the State of New Jersey; and

WHEREAS, the ERG is now the State's sole developer/redeveloper incentive program, and is intended to encourage development/redevelopment within the State of New Jersey by providing gap financing to qualifying projects; and

WHEREAS, the Act expands the geographical areas of the State of New Jersey within which businesses and developers can qualify for tax credits, as well as reduces the capital investment and employment eligibility requirements previously required under the former tax credit incentive programs; and

WHEREAS, the Act designates Trenton, Camden, Paterson and Passaic as "Garden State Growth Zones" (Growth Zones), which determination was based upon the fact that these four municipalities have the lowest median family income based upon the 2009 American Community Survey form the Unites States Census; and

WHEREAS, the City of Trenton's designation as a Growth Zone provides an opportunity for those businesses that make capital investments which create or retain jobs, or those developers/redevelopers that locate their development projects in the City of Trenton, to receive additional tax credits; and

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WHEREAS, the Act allows Growth Zones, including the City of Trenton, to provide additional incentives by granting developers/redevelopers that make improvements to real property an exemption from real property taxes for those improvements; and

WHEREAS, the Act has declared the Growth Zones blighted areas and areas in need of rehabilitation, provided, however, that this declaration alone shall not be used to allow any property to be taken or acquired; and

WHEREAS, the City of Trenton desires to provide additional incentives to businesses to encourage them to make capital investments in the City, to create and retain jobs in the City, and improve real property in the City; and

WHEREAS, the City of Trenton desires to implement the tax exemptions available pursuant to the Act; and

WHEREAS, the City of Trenton supports the Act and believes that it will provide much needed capital investment in the City and bring jobs to the City.

NOW THEREFORE, BE IT RESOLVED as follows:

Section I. The Trenton Municipal Code, Chapter 268, is hereby amended and supplemented to incorporate the following Article VI.

Article VI Tax Exemption Pursuant to the New Jersey Economic Opportunity Act of 2013

§268-35 Exemptions for improvements to real property

Pursuant to the authorization contained in N.J.S.A. 52:27D-489s, the City Tax Assessor shall be authorized to grant exemptions for improvements to real property in the City that are made after the effective date of this Ordinance. The owner of eligible property must obtain a final Certificate of Occupancy on or before September 18, 2023.

§268-36 Implementation of exemption pursuant to the New Jersey Economic Opportunity Act of 2013

Upon the issuance of a Certificate of Occupancy, or Temporary Certificate of Occupancy, in determining the value of real property, the City Tax Assessor shall regard up to the Assessor's full and true value of the improvements constructed after September 18, 2013 as not increasing the value of the property for ten (10) years when the property is owned by a Garden State Growth Zone Development Entity, and for five (5) years for all other property owners. A Garden State Growth Zone Development Entity shall provide to the City Tax Assessor proof that it qualifies as such entity prior to the issuance of a Temporary Certificate of Occupancy.

§268-37 Payment of Taxes

- A. The required payments shall be made in quarterly installments according to the same schedule a real property taxes are due and payable.
- B. In addition to the payments required in lieu of taxes, the owner of the property granted an exemption pursuant to this Article shall be liable for all real property taxes assessed and levied against the land on which the improvement is situated, as well as the value of the improvements on the property in the last full tax years prior to the issuance of the Temporary Certificate of Occupancy.

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C. Failure to make the payments set forth in subsections A or B of this section shall result in the termination of the exemption. In addition to the remedy set forth herein, the requirements imposed shall be enforced in the same manner as is provided for real property taxes pursuant to Title 54 of the Revised States of the State of New Jersey.

§268-38 Expiration of the exemption

Upon the expiration of the tax exemption authorized pursuant to this Ordinance, the project shall be subject to all applicable real property taxes, as provided by New Jersey laws and regulations and local ordinances, provided that nothing herein shall be deemed to prohibit the project or improvement at the termination of the agreement for tax exemption from qualifying for and receiving the full benefits of any other tax preference provided by law.

§268-39 Applicability of exemption to tax types

The exemption of real property taxes provided by the City pursuant to this Ordinance shall apply to property taxes levied for municipal purposes, school purposes, county government purposes and for the purpose of funding any other property tax exemptions.

BE IT FURTHER RESOLVED as follows:

Section II. Any portion of Chapter 268 of the Code of the City of Trenton not herein amended and supplemented shall remain in full force and effect.

Section III. All ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are hereby repealed as to such inconsistency only.

Section IV. If any provision of this Ordinance is declared invalid, such invalidity shall not affect the other provisions of this Ordinance. Furthermore, the other provisions of this Ordinance are deemed to be severable and remain in full force and effect.

Section V. This Ordinance shall take effect twenty (20) days after its final passage and publication as provide by law.

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-1, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days form receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.

	INTRODUCTION				ADOPTION					INTRODUCTION				ADOPTION					INTRODUCTION				ADOPTION								
	AYE	NAY	NV	AB	AYE	NAY	NV	AB		AYE	NAY	NV	AB	AYE	NAY	NV	AB		AYE	NAY	NV	AB	AYE	NAY	NV	AB					
BETHEA									HOLLY WARD									MUSCHAL													
CALDWELL WILSON									MCBRIDE																						
CHESTER									REYNOLDS JACKSON																						
												NV - NO VOTE				AB - ABSENT															

Adopted on first reading at a meeting of the City Council of the City of Trenton, NJ on _____

Adopted on second reading after the public hearing on _____


 Mayor APPROVED Reconsidered by Council - Override Vote AYE
REJECTED NAY

 President of Council

 City Clerk

Department of Housing and Economic Development Interoffice Memo

To: Sam Hutchinson, Business Administrator

From: Diana Rogers, Director, Division of Economic Development
Via Walter Denson, Director, Dept. of Housing and Economic Development 

Date: November 18, 2013

Re: Ordinance for Council Action - New Jersey Economic Opportunity Act of 2013 –
Garden State Growth Zone Opt-in

Attached, please find for your review an ordinance amending and supplementing Chapter 268 of the Trenton Municipal Code to incorporate the exemption of improvements to real property from taxation within the City of Trenton in accordance with the New Jersey Economic Opportunity Act of 2013.

The “Act” requires that a municipality within a Garden State Growth Zone opt-in to the program by ordinance, within 90 calendar days of the enactment of P.L.2013, c.161 (C.52:27D-489p et al.) in order for the municipality to take advantage of the provisions of the “Act” as an incentive for development and job creation.

Due to the urgency to have the ordinance passed by December 16, 2013 as prescribed by legislation, it is the desire of the Housing and Economic Development Department to have the ordinance for introduction and first read on the agenda of the City Council special meeting to be held on November 22, 2013.

Background

On September 18, 2013 Governor Chris Christie signed legislation that overhauls the State’s tax incentive programs to encourage job growth and provide substantial capital investment in priority areas across the State of New Jersey.

The New Jersey Economic Opportunity Act of 2013 (“A3680”), P.L.2013, c.161 (C.52:27D-489p et al.), phases out three economic development incentive programs (BRRAG, BEIP, UTHTC) while expanding two others (1) the Grow NJ Tax Credit Program and (2) the Economic Redevelopment and Growth Program (ERG). Additionally, the legislation also authorizes the creation of Garden State Growth Zones.

The Garden State Growth Zones (GSGZ) – Trenton, Camden, Paterson and Passaic – were established to encourage growth and development in New Jersey cities with the lowest median family income based on the 2009 American Community Survey from the US Census. The Act authorizes the creation of limited-profit development entities to encourage redevelopment in the Growth Zone municipalities.