



Legislation Details (With Text)

**File #:** Res 2047-2013      **Version:** \*      **Name:** LU 981 - Promenade Apartments, Manhattan.

**Type:** Resolution      **Status:** Adopted

**In control:** Committee on Finance

**On agenda:** 11/26/2013

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**Title:** Resolution approving an exemption from real property taxes for property located at (Block 2215, Lot 42 & 9079) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 981).

**Sponsors:**

**Indexes:**

**Attachments:** 1. Memorandum, 2. Hearing Transcript - Stated Meeting 11-26-13

Date	Ver.	Action By	Action	Result
11/26/2013	*	Committee on Finance	P-C Item Approved by Comm	Fail
11/26/2013	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK  
RESOLUTION NO. 2047

Resolution approving an exemption from real property taxes for property located at (Block 2215, Lot 42 & 9079) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 981).

By Council Member Recchia

**WHEREAS**, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated October 26, 2013 that the Council take the following action regarding a housing project to be located at (Block 2215, Lot 42 & 9079) Manhattan ("Exemption Area"):

Approve an exemption of the Project from real property taxes pursuant to Section 577 of the Private Housing Finance Law (the "Tax Exemption");

**WHEREAS**, the project description that HPD provided to the Council states that the purchaser of the Project (the "Sponsor") is a duly organized housing development fund company under Article XI of the Private Housing Finance Law;

**WHEREAS**, the Council has considered the financial implications relating to the Tax Exemption;

**RESOLVED:**

The Council hereby grants an exemption from real property taxes as follows:

1. For the purposes hereof, the following terms shall have the following meanings:

- (a) “Company” shall mean Promenade Global LLC.
  - (b) “Effective Date” shall mean the later of (i) the date of conveyance of the fee interest in the Exemption Area to the HDFC, or (ii) the date of execution of the Regulatory Agreement.
  - (c) “Exemption Area” shall mean the real property located in the Borough of Manhattan, City and State of New York, known as Block 2215, Lots 42 & 9079 on the Tax Map of the City of New York.
  - (d) “Exemption” shall mean the exemption from real property taxation provided hereunder.
  - (e) “Expiration Date” shall mean the earlier to occur of (i) a date which is forty (40) years from the Effective Date, (ii) the date of the expiration or termination of the Regulatory Agreement, or (iii) the date upon which the Exemption Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.
  - (f) “HDFC” shall mean HP Promenade Housing Development Fund Company, Inc. or any future owner of the Exemption Area that is a housing development fund company.
  - (g) “HPD” shall mean the Department of Housing Preservation and Development of the City of New York.
  - (h) “J-51 Benefits” shall mean any tax benefits pursuant to the J-51 Program where the eligible work has commenced and the application for such J-51 Benefits has been filed in tax year 2024/25 or thereafter.
  - (i) “J-51 Program” shall mean the program of exemption from or abatement of real property taxation authorized pursuant to Section 11-243 of the New York City Administrative Code.
  - (j) “New Owner” shall mean, collectively, the HDFC and the Company.
  - (k) “Regulatory Agreement” shall mean the regulatory agreement between HPD and the New Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.
  - (l) “Shelter Rent” shall mean the total rents received from the commercial and residential occupants of the Exemption Area, including any federal subsidy (including, but not limited to, Section 8, rent supplements and rental assistance), less the cost of providing to such occupants electricity, gas, heat and other utilities.
  - (m) “Shelter Rent Tax” shall mean an amount equal to three percent (3%) of Shelter Rent.
2. All of the value of the property in the Exemption Area, including both the land and any improvements (excluding those portions, if any, devoted to business or commercial use), shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon the Expiration Date.
3. Commencing in tax year 2024/25 and during each year thereafter until the Expiration Date, the New

Owner shall make real property tax payments in the sum of the Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the New Owner shall not at any time exceed the amount of real estate taxes that would otherwise be due in the absence of any form of tax exemption or abatement provided by an existing or future local, state, or federal law, rule, or regulation.

4. Notwithstanding any provision hereof to the contrary:
  - (a) The Exemption shall terminate if HPD determines at any time that (i) the Exemption Area is not being operated in accordance with the requirements of Article XI of the Private Housing Finance Law, (ii) the Exemption Area is not being operated in accordance with the requirements of the Regulatory Agreement, (iii) the Exemption Area is not being operated in accordance with the requirements of any other agreement with, or for the benefit of, the City of New York, or (iv) the demolition of any private or multiple dwelling on the Exemption Area has commenced without the prior written consent of HPD. HPD shall deliver written notice of any such determination to New Owner and all mortgagees of record, which notice shall provide for an opportunity to cure of not less than sixty (60) days. If the noncompliance specified in such notice is not cured within the time period specified therein, the New Exemption shall prospectively terminate.
  - (b) The Exemption shall not apply to any building constructed on the Exemption Area which did not have a permanent certificate of occupancy on the Effective Date.
  - (c) Nothing herein shall entitle the HDPC to a refund of any real property taxes which accrued and were paid with respect to the Exemption Area prior to the Effective Date.
5. In consideration of the Exemption, the owner of the Exemption Area, for so long as the Exemption shall remain in effect, shall waive the benefits of any additional or concurrent real property tax exemption from or abatement of real property taxation, other than the J-51 Benefits, which may be authorized under any existing or future local, state or federal law, rule or regulation. Notwithstanding the foregoing, the J-51 Benefits shall not exceed fifty percent of the annual Shelter Rent Tax

Office of the City Clerk,    }  
The City of New York        } ss.:

I hereby certify that the foregoing is a true copy of a Resolution passed by The Council of the City of New York on November 26, 2013, on file in this office.

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City Clerk, Clerk of Council