



Legislation Details (With Text)

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On agenda: 6/30/2009

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Title: Resolution approving a partial exemption from real property taxes for property located at 463 West Street (Block 639, Lot 1) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (L.U. No. 1111).

Sponsors:

Indexes:

Attachments: 1. Memorandum, 2. Hearing Transcript - Stated Meeting 6/30/09

Date	Ver.	Action By	Action	Result
6/30/2009	*	Committee on Finance	Approved by Committee	
6/30/2009	*	City Council	Approved, by Council	Pass

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 2062

Resolution approving a partial exemption from real property taxes for property located at 463 West Street (Block 639, Lot 1) Manhattan, pursuant to Section 577 of the Private Housing Finance Law (L.U. No. 1111).

By Council Member Weprin

WHEREAS, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated May 18, 2009 that the Council take the following action regarding a housing project to be located at 463 West Street (Block 639, Lot 1) Manhattan ("Exemption Area"):

Approve a partial 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 held a hearing on the Project on June 30, 2009;

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

RESOLVED:

The Project shall be developed upon the terms and conditions set forth in the Project Summary that

HPD has submitted to the Council, a copy of which is attached hereto.

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) "Effective Date" shall mean the date that HPD and Sponsor, in their respective sole discretion, enter into the Regulatory Agreement.

"Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 639, Lot 1 on the Tax Map of the City of New York.

(b) "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 Disposition Area ceases to be owned by either a housing development fund company or an entity wholly controlled by a housing development fund company.

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(c) "Maximum Shelter Rent Tax" shall mean the greater of (1) \$329,043 per annum or (2) for the period commencing as of the Effective Date and ending on the Rent Registration Date, ten percent (10%) of Shelter Rent, or (3) for the period commencing on the Rent Registration Date, \$200,000 plus ten percent (10%) of Shelter Rent..

(d) "New Exemption" shall mean the exemption from real property taxation provided hereunder.

(e) "Prior Exemption" shall mean the partial exemption from real property taxation for the Exemption Area approved by the City Council on December 7, 1999 (Cal. No.1097).

(f) "Loft Units" shall mean the dwelling units on the Exemption Area which, on the date hereof, are currently designated as units 1209, 1300, 1301 and 1302 and which are registered as Interim Multiple Dwelling Units with the New York City Loft Board under IMD Registration No. 10870.

(g) "Shelter Rent" shall mean the total rents received from the commercial and residential occupants of the Exemption Area, but excluding the rent received from the Loft Units, which exclusion shall continue regardless of any future designation or registration of the Loft Units, 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.

(h) "Sponsor" shall mean Westbeth Corp. Housing Development Fund Company, Inc.

(i) "HPD" shall mean the Department of Housing Preservation and Development of the City of New York.

(j) "Owner" shall mean Sponsor or any future owner of the Disposition Area.

(k) "Regulatory Agreement" shall mean the regulatory agreement between HPD and Sponsor establishing certain controls upon the operation of the Disposition Area during the term of the Exemption.

(l) "Surcharge" shall mean additional rent to be collected by the Owner on a monthly basis from tenants whose income exceeds the allowable amount under the Regulatory Agreement, to the extent permitted by law and in

accordance with a formula approved by HPD.

(m) "Rent Registration Date" shall mean the date the rents are required to be registered under the Rent Stabilization Code pursuant to the Regulatory Agreement.

2. The Prior Exemption shall terminate upon the Effective Date.

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3 All of the value of the property in the Exemption Area, including both the land and any improvements (excluding the Loft Units) shall be exempt from real property taxation, other than assessments for local improvements, for a period commencing upon the Effective Date and terminating upon Expiration Date.

4. Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, Owner shall make real property tax payments in the sum of the Maximum Shelter Rent Tax. Notwithstanding the foregoing, the total annual real property tax payment by the 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.

5. Notwithstanding any provision hereof to the contrary, the exemption from real property taxation provided hereunder ("New 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 (iii) 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 the 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.

6. In consideration of the New Exemption, the Sponsor, for so long as the New Exemption shall remain in effect, shall waive the benefits of any additional or concurrent exemption from or abatement of real property taxation which may be authorized under any existing or future local, state, or federal law, rule, or regulation.

7. Notwithstanding any provision hereof to the contrary, the Owner shall remit the Surcharges to the City on an annual basis in accordance with the Regulatory Agreement.

8. The New Exemption shall not apply to any building constructed on the Exemption Area which did not have a certificate of occupancy on the Effective Date.

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Adopted.

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 June 30, 2009, on file in this office.

City Clerk, Clerk of Council