## Legislation Details (With Text)

| | | | | |
|---|---|---|---|---|
| **File #:** | Res 0879-2011 | **Version:** * | **Name:** | LU 412 - 530 West 45th Street and 510 West 45th Street, Manhattan |
| **Type:** | Resolution | | **Status:** | Adopted |
| | | | **In control:** | Committee on Finance |
| **On agenda:** | 6/14/2011 | | | |
| **Enactment date:** | | | **Enactment #:** | |
| **Title:** | Resolution approving an exemption from real property taxes for property located at 530 West 45th Street and 510 West 45th Street (Block 1073, Part of Lot 1, Tentative Lots 12 and 20)  Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 412 ). | | | |
| **Sponsors:** | Domenic M. Recchia, Jr. | | | |
| **Indexes:** | | | | |
| **Attachments:** | 1. Memorandum, 2. Hearing Transcript - Stated Meeting 6-14-11 | | | |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 6/14/2011 | * | Committee on Finance | P-C Item Approved by Comm | |
| 6/14/2011 | * | City Council | Approved, by Council | Pass |

THE COUNCIL OF THE CITY OF NEW YORK
RESOLUTION NO. 879

Resolution approving an exemption from real property taxes for property located at 530 West 45<sup>th</sup> Street and 510 West 45<sup>th</sup> Street (Block 1073, Part of Lot 1, Tentative Lots 12 and 20)  Manhattan, pursuant to Section 577 of the Private Housing Finance Law (Preconsidered L.U. No. 412 ).

By Council Member Recchia

**WHEREAS**, the New York City Department of Housing Preservation and Development ("HPD") submitted to the Council its request dated June 6, 2011 that the Council take the following action regarding a housing project to be located at 530 West 45<sup>th</sup> Street and 510 West 45<sup>th</sup> Street (Block 1073, Part of Lot 1, Tentative Lots 12 and 20),  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 held a hearing on the Project on June 14, 2011;

**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 later of (i) the date of conveyance of the Exemption Area to the HDFC, and (ii) the date that HPD and the Owner enter into the Regulatory Agreement.

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

    (c)  "Exemption Area" shall mean the real property located in the Borough of Manhattan, City and State of New York, identified as Block 1073, Part of Lot 1 (tentative Lots 12 and 20) on the Tax Map of the City of New York.

**Page 2 of 3**
**Reso. No. 879  (Preconsidered L.U. No. 412 )**

    (d)  "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.

    (e)  "HDFC" shall mean 45 Street Housing Development Fund Company, Inc.

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

    (g)  "LLC" shall mean 44$^{th}$ Street Development LLC.

    (h)  "Owner" shall mean, collectively, the HDFC and the LLC.

    (i)  "Regulatory Agreement" shall mean the Regulatory Agreement between HPD and the Owner establishing certain controls upon the operation of the Exemption Area during the term of the Exemption.

    (j)  "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.

    (k)  "Shelter Rent Tax" shall mean an amount equal to (i) the real property taxes that would otherwise be due and payable in the absence of any form of exemption from or abatement of real property taxation on the assessed value of the Exemption Area during the tax year preceding the commencement of construction of the two new multiple dwellings in Years 1 through 3 of the Exemption; (ii) two and four-tenths percent (2.4%) of Shelter Rent in Years 4 through 15 of the Exemption; (iii) five percent (5%) of Shelter Rent in Years 16 and 17 of the Exemption; (iv) ten percent (10%) of Shelter Rent in Years 18 and 19 of the Exemption; (v) fifteen percent (15%) of Shelter Rent in Years 20 through 28 of the Exemption; and (vi) sixteen and one-half percent (16.5%) of Shelter Rent in Years 29 through 40 of the Exemption; provided, however, that the Shelter Rent Tax shall in no event be less than $277,442 dollars in or after Year 5 of the Exemption, and, provided further, that in the event that the Expiration Date is less than 40 years from the Effective Date, the Shelter Rent Tax payment amount will end in the particular year of such Expiration Date.

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 or to parking facilities), 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.

**Page 3 of 3**
**Reso. No. 879  (Preconsidered L.U. No. 412 )**

3.	Commencing upon the Effective Date, and during each year thereafter until the Expiration Date, the 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 Owner shall not at any time exceed the amount of real property taxes that would otherwise be due in the absence of any form of exemption from or abatement of real property taxation 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 HDFC 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 Exemption shall prospectively terminate.

	b.	Nothing herein shall entitle the Owner 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 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.


 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 14, 2011, on file in this office.


		_____
		City Clerk, Clerk of Council