



STEVEN M. FULOP
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY
DEPARTMENT OF ADMINISTRATION

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



JOHN J. METRO
ACTING BUSINESS ADMINISTRATOR

November 30, 2020

VIA CERTIFIED MAIL

Genova Burns LLC
Attn: Eugene T. Paolino, Esq.
30 Montgomery Street, 11th Floor
Jersey City, New Jersey 07302

NOTICE OF TERMINATION

Re: BR Mercury Urban Renewal Company, LLC
BR Orpheum Urban Renewal Company, LLC
BR Paramount Urban Renewal Company, LLC
BR Tower Urban Renewal Company, LLC

Dear Mr. Paolino:

Pursuant to Section 12.1 of the Financial Agreements between the City of Jersey City (the “City”) and (1) BR Mercury Urban Renewal Company, LLC, (2) BR Orpheum Urban Renewal Company, LLC; (3) BR Paramount Urban Renewal Company, LLC; and (4) BR Tower Urban Renewal Company, LLC (collectively the “Entities”), the City hereby provides notice that the City intends to terminate the Financial Agreements at the expiration of thirty (30) days from the date of this letter for failure to correct the deficiency referenced in the Default Notice dated September 30, 2020 and included herewith. An ordinance formally terminating the Financial Agreements will be added to the December 16, 2020 Municipal Council agenda. Once adopted, the tax exemptions granted to: 1) BR Mercury Urban Renewal Company, LLC, (2) BR Orpheum Urban Renewal Company, LLC; (3) BR Paramount Urban Renewal Company, LLC; and (4) BR Tower Urban Renewal Company, LLC will be terminated and the properties owned by the Entities will be returned to the conventional tax rolls.

CITY OF JERSEY CITY

John J. Metro
Acting Business Administrator

cc: Steven M. Fulop, Mayor
John Minella, Chief of Staff
Peter Baker, Esq., Corporation Counsel
Nick Strasser, Esq., First Assistant Corporation Counsel
Jeana F. Abuan, Acting Director, Office of Tax Abatement and Compliance
John Rusciano, Deputy Assistant Director, Office of Tax Abatement & Compliance



STEVEN FULOP
MAYOR

CITY OF JERSEY CITY
OFFICE OF TAX ABATEMENT AND COMPLIANCE
DEPARTMENT OF ADMINISTRATION
13-15 LINDEN AVENUE EAST | JERSEY CITY, NJ 07305
(201) 547-4538



JEANA F. ABUAN
ACTING DIRECTOR

**** DEFAULT NOTICE ****

September 30, 2020

VIA ELECTRONIC MAIL and CERTIFIED MAIL

Eugene T. Paolino, Esq.
c/o Genova Burns LLC
30 Montgomery Street, 11th Floor
Jersey City NJ 07302

RE: Default of Financial Agreement and Ordinance 12-090
The Beacon Community (former Jersey City Medical Center)
Block 1899, Lots 1, 2, 3,4,5,6, 7, 10 and 24. Block 1915, Lots 8, 9 and 23

To Atty. Paolino:

Baldwin Asset Associates Urban Renewal Company, LLC (hereinafter, "Recipient"), among its seven subsidiary LLCs related to "The Beacon," and the City of Jersey City entered into a Financial Agreement on August 30, 2005 and agreed to execute and comply with this Agreement which is governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor, 02-003, relating to long term tax exemption, as it may be amended and supplemented; Ordinance 02-075, and Ordinance 05-093, which authorized the execution of this Agreement and all other relevant Federal, State and City statutes, ordinances, resolutions and regulations including, City Ordinance 12-090, which was adopted on July 18, 2012, requiring wage, benefit and leave standards for building service workers on covered development projects receiving economic development, financial assistance, or a tax abatement for the duration of any written agreement between the city and a covered developer.

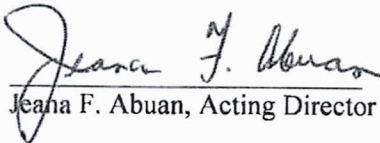
Ordinance 12-090, mandates for every "Covered Developer" to ensure that all employees either full time or part time in the job categories of clerical workers, food service workers, janitorial workers and unarmed security guards employed at Covered Development Projects and Tax Abated Projects, including any and all tenants or subtenants of the covered developer, to be paid no less than the standard hourly rate of pay and benefits for their respective classifications and to be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code **Section 3-51**. Every contract signed by the City for Covered Development Projects and Tax Abated Projects with a business organization shall contain a provision stating the standard hourly rate of pay, the standard benefits and paid leave for workers at the premises for which the economic development financial assistance is provided. Such contracts shall contain a stipulation that those workers shall be and/or have been paid no less than the standard hourly rate of pay, shall receive no less than the standard benefits, and shall be provided with

paid leave in accordance with the provisions of Jersey City Municipal Code Section 3-51. The obligation of a contractor to pay the standard benefits may be discharged by furnishing the standard benefits 1) in the form of health benefits that cost the employer at least \$3.10 an hour to provide; 2) by providing a portion of the standard benefit in the form of health benefits and the balance in cash; or 3) by providing \$3.10 an hour in cash over and above the standard hourly rate. This provision shall be included in any lease of the covered developer or its tenants and subtenants to insure that the provisions of this ordinance shall apply regardless of whether the workers are directly or indirectly employed by the business organization receiving the economic development financial assistance. The contract shall provide for annual adjustments of the standard rate of pay and benefits during the term of the contract. Furthermore, each covered developer shall maintain original payroll records for each workers reflecting the days and hours worked, and the wages paid and benefits provided for such hours worked, and shall retain such records for at least six years after the work is performed.

As such, please be advised that this letter serves as a default notice and that the aforementioned project is not in compliance. This determination was made on the following violations: (1) non-submission of Planned Building Services' certified and original payroll records for all abated properties for each building workers from August 2014 to May 31, 2020 and (2) non-submission of certified payroll records from August 2014 to May 31, 2020 of the employees we have prior identified via Excel Spreadsheet. Our Office is in receipt of your June 8, 2020 Response to our May 23, 2020 Advisory Notice and your July 7, 2020 email response to our June 30, 2020 Advisory Notice. However, while your email response provided some relevant documentation, there are still deficiencies from information requested in the Advisory Notice. To reiterate, the certified payroll records requested must reflect the days and hours worked and the wages paid and benefits provided for such hours worked, including but not limited to employees' name, position, hire date, starting salary rate, current rate and date of pay rate changes.

Sufficient notice of the submission of these documents was provided by our office to this project through regular and certified mails, emails, and phone calls. Your failure to submit the relevant documents to determine compliance constitute a clear material breach of the Financial Agreement and Ordinance 12-090 and the City shall, among its other remedies, have the right to terminate the tax exemption. As such, this Office finds Baldwin Asset Associates Urban Renewal Company, LLC, among its seven subsidiary LLCs related to "The Beacon" to be in non-compliance and recommends the assessment of Liquidated Damages. Please note that this Default Notice shall not be withdrawn from this Office.

Respectfully Submitted,


Jeana F. Abuan, Acting Director

cc: Mayor Steven M. Fulop, Chief of Staff John Minella, Business Administrator Brian D. Platt, Corporation Counsel Peter Baker, Esq., First Assistant Corporation Counsel Nick Strasser, Esq., OTAC Deputy Assistant Director John Rusciano, File