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## [Town awards PILOT, issues bonds](#)



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**KEARNY –**

The tax break for Kearny Point Industrial Park – or, at least, the first in what’s likely to be a series of such financial concessions – is a done deal.

Kearny’s governing body voted in special session Dec. 29 to approve an ordinance granting a 30-year PILOT (payment in lieu of taxation) for an existing warehouse known as Building 78 on John Miller Way.

Plans by the Kearny Point principals call for the rehabilitation of the 207,000 square foot warehouse into eight condominium “flex spaces,” each of which would accommodate separate tenants.

When the building is fully developed, the town – which currently collects about \$60,000 in taxes for the property – figures to net at least \$311,636 for the first year of the PILOT, of which it will pocket \$296,064, with the rest going to the county. But the town won’t be seeing all of that at once.

As explained by Thomas Banker, financial adviser to Kearny Point, “The expectation is that construction will begin by mid-January with the earliest occupancy [of the initial flex space] by Hugo Neu Recycling [relocating from Mt. Vernon, N.Y.] by April 2015.”

Banker said the “first PILOT” will “kick in” after the town issues a certificate of occupancy (CO) for the recycling tenant who will be taking over 65,000 square feet of interior space (or 72,000 square feet, counting some overlap of “common elements” of the building).

“The other condominium units will still be subject to conventional taxation,” Banker told the mayor and council, based on a “distribution of [tax] assessments across the entire property. ... We hope that you’ll be getting PILOTs as the other commercial units get their COs.”

Banker said that Kearny Point owner Wendy Neu will be filing an application with the state Department of Community Affairs for the proposed commercial condo units “right after” New Year’s and approval is anticipated “in a matter of weeks.”

Sometime during January, Banker added, Kearny Point should be getting word on applications filed with the N.J. Economic Development Authority for a “Grow New Jersey” grant to support the Neu Recycling condo project and with the N.J. Environmental Infrastructure Trust fund to help finance water and sewer main improvements for the entire industrial park site.

So far, no other tenants have been secured for the site but Banker said that the owner is very close to signing leases with at least two prospective occupants.