

# Ordinance of the City of Paterson, N.J.

No. 10 1st Reading No. 23-030

Date MAY 9, 2023

No. 1 Public Hearing  
(2nd Rdg. & Final Passage)

Date to Mayor MAY 11, 2023

Date Returned

Division

Date Submitted to

Council April 25, 2023

TITLE: AN ORDINANCE AMENDING AND SUPPLEMENTING  
CHAPTER 445 "TAXATION" AUTHORIZING  
THE COLLECTION AND USE OF ESCROW  
FEES TO EVALUATE AND ANALYZE  
PILOT APPLICATIONS

Factual Contents Certified to By

*Katherine Molloy*  
Title

11/10/22  
Date

Approved As To Form and Legality  
on Basis of Facts Set Forth

*John A. Bardo*  
CORPORATION COUNSEL

11/10/22  
Date

COUNCILPERSON LUIS VELEZ/MARITZA DAVILA Moved the Following Ordinance:

**WHEREAS**, N.J.S.A. 40:55D-53.2(a) permits a municipality to bill an applicant professional charges for the review of applications, review and preparation of documents inspection of improvements or other purposes under the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.; and

**WHEREAS**, the Municipal Council wishes to amend and supplement Chapter 445 by authorizing the collection and payment of escrow fees for Payment in Lieu of Taxes ("PILOT") applications.

**NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF PATERSON** as follows:

**SECTION I:** Paterson Code Ch. 445 addressing Taxes shall be amended as follows, with additions indicated by underlining and deletions, if any, indicated by [brackets]:

## ARTICLE IV ESCROW DEPOSITS FOR PILOT APPLICATIONS

### § 445 - 24 Fee Collection

- A. An escrow payment of \$10,000.00 is due at the time of filing a PILOT application.
- B. The application fees, escrow deposits, and other charges contained in this section shall be due and payable to the City at the time of filing the PILOT application.
- C. All fees will be collected by the Finance Department and transmitted to the proper account of the City of Paterson in a manner as required by law.

### § 445- 25 Escrow Deposits

- A. The Finance Director or such subordinate officials as may be designated to act on his behalf of the City of Paterson will make all of the payments to professionals for services rendered to the City of Paterson or approving authority for review of applications review, and preparation of documents, an inspection of improvements, or other purposes. An applicant shall be responsible to reimburse the City of Paterson for the costs of professional charges for review and or evaluation of applications, economic analysis, opinions by consultants and third parties, presentations regarding the analysis of the application, review and preparation of documents, and inspections of developments under construction, by outside consultants.
- B. The application and inspection charges shall include, but not be limited to:
  1. Charges for review of applications, evaluation of applications, review, and preparation of documents and inspections of PILOT applications; and
  2. For services rendered by review and analysis by outside consultants.
- C. The applicant shall be required to deposit additional escrow funds when the escrow has been depleted to 20% of the original escrow amount.
- D. If an escrow account contains insufficient funds to cover the costs of charges for review and evaluation of the application, the Finance Director or such subordinate officials as may be designated to act on his behalf shall provide the applicant with notice of the

insufficient balance requesting that the applicant post a deposit to the account in an amount to be stated by the City. The City of Paterson may suspend review of the application until such time as the Escrow is replenished.

E. After the conclusion of the City's evaluation of the PILOT, the City shall issue a refund for any unused funds in escrow that remain.

**SECTION II:** All Ordinances or portions of Ordinances inconsistent herewith are hereby repealed to the extent of their inconsistency only.

**SECTION III:** If any part of this Ordinance shall be declared to be invalid or inoperative, such part shall be deemed severable and the invalidity thereof shall not affect the remaining parts of this Ordinance.

**SECTION IV:** The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Code of Paterson.

**SECTION V:** This Ordinance shall take effect upon passage, approval and publication as required by law.

**SECTION VI:** The City Clerk and the Corporation Counsel may change any chapter numbers, article numbers and section numbers if codification of this Ordinance reveals a conflict between those numbers and the existing Code, in order to avoid confusion and possible accidental repealers of existing provisions.

**SECTION VII:** The City Clerk and the Corporation Counsel may correct any clerical errors in the printing, publication and codification of this Ordinance, provided both concur with the correction being made and both certify in writing to the Municipal Council as to the specifics of the clerical correction no later than seven (7) days before the correction is made, or, where a legal deadline for publication applies, no later than the date of the next Regular Meeting. The said certifications shall also be prominently posted no later than the date of the next Regular Meeting, and thereafter shall be annexed to the corrected original Ordinance and retained by the City Clerk.

**Statement of Purpose**

The purpose of this Ordinance is to amend and supplement Paterson Code Chapter 445 of the City of Paterson to provide for the collection and utilization of escrow fees related to evaluation of PILOT applications.

SECONDED BY COUNCILPERSON . . . MD. FORID UDDIN . . . . .

*Do Not Use Space Below This Line*

RECORD OF COUNCIL VOTE ON FINAL PASSAGE	AYE	NAY	ABSTAIN	ABSENT
1. ABDELAZIZ, ALAA "AL"				X
2. COTTON, RUBY N.		X		
3. DAVILA, MARITZA	X			
4. JACKSON, MICHAEL		X		
5. KHALIQUE, SHAHIN	X			
6. MENDEZ, ALEX	X			
7. MIMMS, LILISA		X		
8. UDDIN, MD FORID	X			
9. VELEZ, LUIS	X			

Adopted on first reading at a meeting of the Council of the City of Paterson, N.J., on April 25, 2023 . . . . . Adopted on second and final reading after hearing on May 9, 2023 . . . . .

Approved  Reconsidered  Over   
 Rejected By  By Council  Ride Vote  Aye  Nay

Shahin Mayor **ANDRE SAYEGH** Date April 25, 2023

Shahin Khaliq Council President Ayten Aboushi City Clerk  
**SHAHIN KHALIQUE** **AYMEN ABOUSHI, ESQ.**  
*Corp Counsel*

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**CITY OF PATERSON ORDINANCE**

**AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 445 "TAXATION" AUTHORIZING THE COLLECTION AND USE OF ESCROW FEES TO EVALUATE AND ANALYZE PILOT APPLICATIONS**

WHEREAS, N.J.S.A. 40:55D-53.2(a) permits a municipality to bill an applicant professional charges for the review of applications, review and preparation of documents inspection of improvements or other purposes under the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.; and

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**ARTICLE IV ESCROW DEPOSITS FOR PILOT APPLICATIONS**

**§ 445 - 24 Fee Collection**

- A. ~~An escrow payment of \$10,000 is due at the time of filing a PILOT application.~~
- B. ~~The application fees, escrow deposits, and other charges contained in this section shall be due and payable to the City at the time of filing the PILOT application.~~
- C. ~~All fees will be collected by the Finance Department and transmitted to the proper account of the City of Paterson in a manner as required by law.~~

**§ 445- 25 Escrow Deposits**

- A. ~~The Finance Director or such subordinate officials as may be designated to act on his behalf of the City of Paterson will make all of the payments to professionals for services rendered to the City of Paterson or approving authority for review of applications review, and preparation of documents, an inspection of improvements, or other purposes. An applicant shall be responsible to reimburse the City of Paterson for the costs of professional charges for review and or evaluation of applications, economic analysis, opinions by consultants and third parties, presentations regarding the analysis of the application, review and preparation of documents, and inspections of developments under construction, by outside consultants.~~
- B. ~~The application and inspection charges shall include, but not be limited to:~~
  - 1. ~~Charges for review of applications, evaluation of applications, review, and preparation of documents and inspections of PILOT applications; and~~
  - 2. ~~For services rendered by review and analysis by outside consultants.~~
- C. ~~The applicant shall be required to deposit additional escrow funds when the escrow has been depleted to 20% of the original escrow amount.~~
- D. ~~If an escrow account contains insufficient funds to cover the costs of charges for review and evaluation of the application, the Finance Director or such subordinate officials as may be designated to act on his behalf shall provide the applicant with notice of the insufficient balance requesting that the applicant post a deposit to the account in an amount to be stated by the City. The City of Paterson may suspend review of the application until such time as the Escrow is replenished.~~
- E. ~~After the conclusion of the City's evaluation of the PILOT, the City shall issue a refund for any unused funds in escrow that remain.~~

SECTION II: All Ordinances or portions of Ordinances inconsistent herewith are hereby repealed to the extent of their inconsistency only.

SECTION III: If any part of this Ordinance shall be declared to be invalid or inoperative, such part shall be deemed severable and the invalidity thereof shall not affect the remaining parts of this Ordinance.

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**Statement of Purpose**

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**NOTICE OF PENDING ORDINANCE**

The Ordinance published herewith was introduced and passed upon first reading at a Regular Meeting of the Municipal Council of the City of Paterson, in the County of Passaic, New Jersey held on TUESDAY, APRIL 25, 2023.

It will be further considered for final passage after hearing thereon at a meeting of said Municipal Council to be held in the Council Chambers on TUESDAY, MAY 9, 2023 at 7:00 p.m., and during the week prior to and up to and including the date of such meeting, copies of said ordinance will be made available at no cost at the Clerk's Office in City Hall to the members of the general public who shall request the same.

JACQUELINE MURRAY  
ACTING CITY CLERK

Herald News 5/1/2023  
Fee: \$92.04 (116) 5684320