

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

ORDINANCE NO. 2025-19

AN ORDINANCE OF THE BOROUGH OF RED BANK, COUNTY OF MONMOUTH, STATE OF NEW JERSEY, AUTHORIZING EXECUTION OF AN AMENDMENT TO A FINANCIAL AGREEMENT DATED FEBRUARY 9, 1999, BETWEEN THE BOROUGH AND LOCUST LANDING URBAN RENEWAL ASSOCIATES, L.P., PURSUANT TO N.J.S.A. 40A:20-1, ET SEQ., FOR AN AFFORDABLE HOUSING DEVELOPMENT AT 105 LOCUST AVENUE AND DESIGNATED AS BLOCK 71, LOT 1.01 IN THE BOROUGH

WHEREAS, the Borough of Red Bank (the “Borough”) and Locust Landing Urban Renewal Associates, L.P. (the “Entity”) entered into a financial agreement dated February 9, 1999 (the “Financial Agreement”) providing for a payment in lieu of taxes under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “LTTE Law”) for a 40-unit affordable rental housing project (“Project”) on land designated as Block 71, Lot 1.01 (105 Locust Avenue) (“Property”); and

WHEREAS, the Project is in financial distress due to the need for certain critical improvements and is in the process of being refinanced to provide for the costs thereof; and

WHEREAS, the existing Financial Agreement provides for an “Annual Service Charge” equal to 15% of annual “Gross Revenues”, and

WHEREAS, the term of the Financial Agreement ends on November 1, 2028; and

WHEREAS, the Borough has adopted its Fourth Round Housing Element and Fair Share Plan (“HEFSP”) and has included the Project in its HEFSP, enabling it to claim at least forty (40) family rental credits; and

WHEREAS, the Borough has determined in a Resolution of the Borough Council adopted on June 12, 2025, that the Project continues to meet an existing housing need; and

WHEREAS, the Borough wishes to amend the Financial Agreement to provide the Project with relief by reducing the Annual Service Charge to 4% of Gross Revenues until the earlier of (a) the refinancing of the Project to provide for the rehabilitation thereof and adoption of a new financial agreement in connection therewith; or, (b) November 1, 2028; and

WHEREAS, the Borough wishes to approve an amendment to the Financial Agreement in the substantially the form attached hereto as Exhibit A (the “Amendment”); and

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Red Bank, in the County of Monmouth, State of New Jersey, as follows:

1. The Mayor, or his designee, and the Borough Clerk are hereby authorized to execute the Amendment, in substantially the form submitted and attached hereto.

2. An executed copy of the Amendment shall be certified by and filed with the Office of the Borough Clerk.
3. Within ten (10) calendar days following the later of (i) the effective date of this Ordinance following its final adoption by the Borough Council approving the tax exemption and Amendment or (ii) the execution of the Amendment, the Borough Clerk shall file certified copies of this Ordinance and the Amendment with the Borough Tax Assessor, the Chief Financial Officer of Monmouth County, Monmouth County Counsel, and the Director of the Division of Local Government Services.
4. The Mayor, or his designee, and the Borough Clerk are hereby authorized to take such action and to execute such other related documents on behalf of the Borough as necessary to effectuate the terms of the Amendment, as may be deemed advisable by the Borough Attorney.
5. This Ordinance shall take effect upon adoption and publication according to law.


INTRODUCTION						COUNCILMEMBER	FINAL ADOPTION					
Moved	Sec.	Aye	Nay	Abs.	NP		Moved	Sec.	Aye	Nay	Abs.	NP
X		X				KRISTINA BONATAKIS		X	X			
		X				DAVID CASSIDY					X	
		X				NANCY FACEY-BLACKWOOD	X		X			
X		X				BEN FOREST			X			
		X				LAURA JANNONE			X			
		X				KATE TRIGGIANO			X			
		X				MAYOR WILLIAM PORTMAN			X			
Introduced: July 10, 2025						I hereby certify the above ordinance was adopted by the Borough Council of the Borough of Red Bank, County of Monmouth, State of New Jersey on the aforementioned date.						
Final Adoption: July 24, 2025												
						 Mary Moss, RMC- Borough Clerk						

EXHIBIT A

AMENDMENT

AMENDMENT TO FINANCIAL AMENDMENT

THIS AMENDMENT TO FINANCIAL AGREEMENT (this "**Amendment**") is made this ____ day of _____, 2025 between **LOCUST LANDING URBAN RENEWAL ASSOCIATES, L.P.**, a New Jersey limited partnership, and its permitted assigns (the "**Entity**"), and the **BOROUGH OF RED BANK** (the "**Borough**"), a municipal corporation in the County of Monmouth, State of New Jersey.

WITNESSETH:

WHEREAS, the Borough and the Entity entered into a financial agreement dated February 9, 1999 (the "Financial Agreement") providing for a payment in lieu of taxes under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 e seq. (the "LTTE Law") for a 40-unit affordable rental housing project ("Project") on land designated as Block 71, Lot 1.01 (105 Locust Avenue) ("Property"); and

WHEREAS, the Project is in financial distress due to the need for certain critical improvements and is in the process of being refinanced to provide for the costs thereof; and

WHEREAS, the existing Financial Agreement provides for an "Annual Service Charge" equal to 15% of annual "Gross Revenues", and

WHEREAS, the term of the Financial Agreement ends on November 1, 2028; and

WHEREAS, the Borough has adopted its Fourth Round Housing Element and Fair Share Plan ("HEFSP") and has included the Project in its HEFSP, enabling it to claim at least forty (40) family rental credits; and

WHEREAS, the Borough has determined in a Resolution of the Borough Council adopted on June 12, 2025, that the Project continues to meet an existing housing need; and

WHEREAS, the Borough and the Entity wish to amend the Financial Agreement to provide the Project with relief by reducing the Annual Service Charge to 4% of Gross Revenues until the earlier of (a) the refinancing of the Project to provide for the rehabilitation thereof and adoption of a new financial agreement in connection therewith; or, (b) November 1, 2028.

NOW, THEREFORE, the Entity and the Borough, in consideration of the mutual undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

SECTION 1. Sections 1.2(i) and 4.1 of the Financial Agreement are hereby amended to replace "fifteen percent (15%)" with "four percent (4%)", and similarly, Section 1.2(xii) is hereby amended to make clear that the minimum annual service charge is also set at "four percent (4%)" (consistent and *pari passu* with the immediately preceding change to Sections 1.2(i) and 4.1). For

the avoidance of doubt, "four percent (4%)" shall be both the minimum annual service charge, and the annual service charge, for the term of this Amendment.

SECTION 2. Section 14.2 of the Financial Agreement is amended to provide a copy of any notice given by the Borough also be given to:

John A. Sarto, Esq.
Giordano, Halleran & Ciesla, P.C.
125 Half Mile Road, Suite 300
Red Bank, New Jersey 07704

SECTION 3. All other provisions of the Financial Agreement shall remain in full force and effect.

SECTION 4. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

SECTION 5. This amendment shall take effect immediately.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

ATTEST:

**LOCUST LANDING URBAN RENEWAL
ASSOCIATES, L.P.**

By: _____

By: _____

Name:

Title:

ATTEST:

BOROUGH OF RED BANK

By: _____

By: _____

Mary Moss, RMC- Borough Clerk

William Portman, Mayor