

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 14-242

**RESOLUTION GRANTING REQUEST OF LOCUST LANDING
URBAN RENEWAL FOR TEMPORARY RELIEF FROM TERMS OF PILOT
AGREEMENT REGARDING CREDITS FOR PAYMENT OF LAND TAXES**

Councilman DuPont offered the following resolution and moved its adoption:

WHEREAS, Locust Landing Urban Renewal, L.P. ("Locust Landing") is a 40 unit tax credit apartment complex located at 105 Locust Avenue that provides housing for low to moderate income residents of the Borough of Red Bank; and

WHEREAS, Locust Landing and the Borough have entered into an Agreement dated February 9, 1999, pursuant to the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., whereby Locust Landing was granted a long term tax exemption (the "PILOT Agreement"); and

WHEREAS, in lieu of the payment of property taxes on the improvements to the Property, the PILOT Agreement provides for the payment of an annual service charge as determined and calculated in the PILOT Agreement; and

WHEREAS, pursuant to the PILOT Agreement, the Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge; and

WHEREAS, pursuant to the PILOT Agreement, Locust Landing is obligated to make timely Land Tax payments in order to be entitled to the Land Tax Credit against the Annual Service Charge. In any year that Locust Landing fails to timely make any Land Tax Payment when due and owing, such delinquency shall render Locust Landing ineligible for any Land Tax Credits against the Annual Service Charge for that year; and

WHEREAS, Locust Landing was severely damaged and financially impacted by Hurricane Sandy in October of 2012; and

WHEREAS, as a result of Sandy, Locust Landing lost 16 units and sustained other infrastructure and utility damage that cost in excess of \$100,000 to repair; and

WHEREAS, Locust Landing failed to timely pay its Land Taxes in 2013 and 2014, which render it ineligible for the Land Tax Credit against the annual service charge for those years; however, Locust Landing is now current on its Land Tax payments and all Land Taxes for 2013 and 2014 have been paid; and

WHEREAS, in a letter dated August 18, 2014 to the Mayor and Council (a copy of which is attached hereto), the Managing Agent for Locust Landing set forth in detail the financial impacts of Hurricane Sandy on the apartment complex and has requested that the Mayor and Council allow Locust Landing's Land Tax Payments for 2013 and 2014 to be applied to the Annual Service Charge for those years in light of the financial difficulties encountered due to Hurricane Sandy; and

WHEREAS, the Mayor and Council find that given the extraordinary and difficult financial burdens occasioned by Hurricane Sandy as represented by Locust Landing's Managing Agent, that is fair, equitable and appropriate to grant Locust Landing a one-time exception from the requirement that the Land Taxes be timely paid in order to receive the Land Tax Credit against the Annual Service Charge.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the Borough of Red Bank hereby authorizes the Borough's Chief Financial Officer to apply the Land Tax Payments for 2013 and 2014 as credit against the Annual Service Charge due for those years.

BE IT FURTHER RESOLVED that this one time exception granted by the Mayor and Council shall not be deemed a waiver of any of the Borough's rights and remedies under the PILOT Agreement in the event of a default by Locust Landing in any of the other terms or obligations thereof, and all terms of the PILOT shall remain in full force and effect notwithstanding this Resolution.

BE IT FURTHER RESOLVED that a certified copy of this Resolution be provided to the Borough's Chief Financial Officer and Locust Landing's Managing Agent.

Seconded by Councilman Murphy and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Councilman Murphy	(x)	()	()	()
Councilwoman Burnham	()	(x)	()	()
Councilwoman Horgan	(x)	()	()	()
Councilwoman Lewis	(x)	()	()	()
Councilman Ziprich	(x)	()	()	()
Councilman DuPont	(x)	()	()	()

Dated: September 10, 2014