Introduction: November 23, 2020

Adoption: December 14, 2020

TOWNSHIP OF SOUTH ORANGE VILLAGE

ORDINANCE #2020-23

ORDINANCE OF THE VILLAGE OF SOUTH ORANGE TOWNSHIP, COUNTY OF ESSEX, NEW JERSEY APPROVING THE TRANSFER OF A FINANCIAL AGREEMENT FOR A LONG-TERM TAX EXEMPTION FROM GASLIGHT COMMONS URBAN RENEWAL LLC TO SOFI URBAN RENEWAL LLC

WHEREAS, the Township of South Orange Village, in the County of Essex, New Jersey (the "**Village**"), a public body corporate and politic of the State of New Jersey (the "**State**"), is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A.* 40A:12A-1 *et seq.* (the "**Redevelopment Law**"), to determine whether certain parcels of land within the Village constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, improvements to property located within an area designated as being in need of rehabilitation or redevelopment under the Redevelopment Law may qualify for tax exemptions under the Long Term Tax Exemption Law, *N.J.S.A.* 40A:20-1 *et seq.* (the "**LTTE Law**"); and

WHEREAS, by Resolution on 301-95, adopted on December 18, 1995, the Board of Trustees of the Village (the "**Board of Trustees**") designated the area known as Block 2301, Lot 58 on the tax map of the Village, and more commonly known by the street address of 28 Third Street, (the "**Property**") constitute "an area in need of redevelopment" under the Redevelopment Law; and

WHEREAS, LCOR South Orange Apartments I Urban Renewal, LLC (the "**LCOR**") was previously designated as the redeveloper for the Property; and

WHEREAS, LCOR previously completed construction of two (2), 4-story buildings containing two hundred (200) market rate residential rental units and related parking (collectively, the "**Project**"); and

WHEREAS, on June 15, 1999, in order to enhance the economic viability of an opportunity for a successful project, LCOR submitted an application to the Village for the approval of a long term tax exemption for the Project (the "**Exemption Application**"), all in accordance with the LTTE Law, specifically *N.J.S.A.* 40A:20-8; and

WHEREAS, by Resolution No. 315-99, adopted on September 27, 1999, the Board of Trustees approved LCOR's Exemption Application and authorized the execution of a financial agreement, by and between LCOR and the Village; and

WHEREAS, on April 5, 2000, the Village and LCOR entered into a financial agreement establishing the terms of a tax exemption and the obligations of LCOR with respect to the payment of annual service charges and compliance with the LTTE Law, which agreement was amended by the parties on or about October 23, 2001 (as amended, the "**Financial Agreement**"); and

WHEREAS, thereafter LCOR filed an application with the Village requesting the consent to sale and transfer of the Project and Financial Agreement from LCOR to the Gaslight Commons Urban Renewal, LLC ("**Gaslight**") pursuant to Section 8.1 of the Financial Agreement; and

WHEREAS, by Resolution No. 299-03, adopted on November 17, 2003, the Board of Trustees authorized that certain transfer of the Project and Financial Agreement from LCOR to Gaslight (the "**First PILOT Transfer**"); and

WHEREAS, Gaslight now seeks the approval of the Village pursuant to Section 8.1 of the Financial Agreement to transfer the Project and the Financial Agreement to Sofi Urban Renewal LLC ("**Sofi**"), a New Jersey Urban Renewal Limited Liability Company having an office at c/o Pacific Urban Residential, 575 5th Avenue, 14th Floor, New York, New York 10017; and

WHEREAS, on November 9, 2020 Gaslight submitted an application requesting the Village's consent to LCOR's transfer and assignment of the Financial Agreement and the Project to Sofi (the "**Transfer Application**"); and

WHEREAS, upon a review of the Transfer Application, the Village has determined that: (1) Sofi does not own or lease any other project subject to a long term tax exemption at the time of transfer; (2) Sofi is formed and eligible to operate under the LTTE Law; (3) Gaslight is not in Default as defined under the Financial Agreement or the LTTE Law; (4) Gaslight's obligations under the Financial Agreement are fully assumed by Sofi; (5) Sofi agrees to abide by all terms and conditions of the Financial Agreement, (6) the Application has been filed with the Village; and (7) the principal owners of Sofi possess the same or better business reputation, financial qualifications and credit worthiness as Gaslight and are otherwise reputable.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWNSHIP OF SOUTH ORANGE VILLAGE, COUNTY OF ESSEX, STATE OF NEW JERSEY AS FOLLOWS:

Section 1. The Recitals are incorporated by reference as if set forth in full.

Section 2. The Transfer Application submitted by Gaslight is hereby approved in accordance with the LTTE Law, and the Village hereby consents to the transfer of the Project and Financial Agreement by Gaslight to Sofi.

Section 3. The Village President and Clerk, in consultation with counsel to the Village, is hereby authorized to (a) execute all documents required to effectuate the transfer contemplated and approved by this ordinance, including but not limited to an Assignment and Assumption Agreement, a form of which is attached hereto as **Exhibit A**, and an Estoppel Certificate (b) prepare, amend or execute any other agreements or documents necessary to effectuate this ordinance, subject to modification or revisions, as deemed necessary and appropriate.

Section 4. An exemption from taxation as set forth in the Financial Agreement is hereby granted to Sofi, as successor in interest to Gaslight, provided however that no other terms of the Financial Agreement (including the term of the tax exemption) are amended by this Ordinance.

Section 5. The Project shall conform with all federal, state and Village laws, ordinances and regulations relating to its construction and use.

Section 6. Sofi shall, in the operation of the Project, comply with all laws so that no person of race, religious principles, color, national origin or ancestry will be subject to discrimination.

Section 7. This ordinance shall take effect in accordance with all applicable laws.

Introduction – First Reading

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke			X			
Coallier						X
Hartshorn Hilton		X	X			
Jones			X			
Schnall	X		X			
Zuckerman			X			

CERTIFICATION

I, Ojetti E. Davis, Acting Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was introduced on first reading by the Board of Trustees at their meeting held on November 23, 2020.

Ojetti E. Davis
Acting Village Clerk

Adoption – Second Reading

Trustee Member	Motion	Second	Ayes	Nays	Abstain	Absent
Clarke		X	X			
Coallier			X			
Hartshorn Hilton			X			
Jones	X		X			
Schnall			X			
Zuckerman			X			

CERTIFICATION

I, Ojetti E. Davis, Acting Village Clerk of the Township of South Orange Village, County of Essex, State of New Jersey, do hereby certify that this Ordinance was adopted on second reading by the Board of Trustees at their meeting held on December 14, 2020.

Ojetti E. Davis
Acting Village Clerk

Adopted:

Sheena C. Collum, Village President

Attest:

Ojetti E. Davis, Acting Village Clerk

EXHIBIT A

DRAFT ASSIGNMENT AND ASSUMPTION AGREEMENT