

ORDINANCE OF THE CITY OF SOUTH AMBOY, COUNTY OF MIDDLESEX, NEW JERSEY APPROVING APPLICATION FOR A LONG TERM TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH SAMBOY PARTNERS URBAN RENEWAL, LLC

WHEREAS, the City of South Amboy in the County of Middlesex, New Jersey (the “City”) is authorized pursuant to the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. (the “**Redevelopment Law**”), to determine whether certain parcels of land within the City constitute an area in need of rehabilitation or an area in need of redevelopment; and

WHEREAS, by resolutions duly adopted, the Municipal Council of the City (the “**City Council**”) designated certain properties within the City, including without limitation, the parcels identified on the tax map of the City as Block 161.02, Lots 20, 23, 24, 24.01, 25, 90, 90.01, 6.02 and a portion of Lot 20.01 (the “**Beach Club District Properties**”) as an “area in need of redevelopment” pursuant to the Redevelopment Law and the redevelopment laws which preceded it; and

WHEREAS, for lot consolidation rather than development purposes, certain of the Beach Club District Properties now identified on the tax map of the City as Block 161.02, Lots 6.03 and 6.04 (the “**Subdivided Lots**” and together with Block 161.02, Lot 20, 23, 24, 24.01, 90.01 and a portion of Lot 20.01, the “**Property**”) were created through the subdivision of Block 161.02, Lots 6.02, 25 and 90, as established by that certain Subdivision Deed dated December 30, 2014 and recorded on January 5, 2015 in the Office of the Middlesex County Clerk at Deed Book 06649, Page 0710 *et seq.*; and

WHEREAS, in accordance with the Redevelopment Law, and by ordinances duly adopted, the City Council adopted various redevelopment plans for the Property; and

WHEREAS, pursuant to the provisions of the Redevelopment Law, specifically N.J.S.A. 40A:12A-4, the South Amboy Redevelopment Agency (“**SARA**”) was established as an instrumentality of the City with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, SARA may exercise all powers, duties and functions relating to redevelopment in the manner of a redevelopment entity under the Redevelopment Law, which powers include contracting with redevelopers for the planning, replanning, construction, or undertaking of any project or redevelopment work under N.J.S.A. 40A:12A-8.f; and

WHEREAS, to provide for the implementation of the redevelopment plans on the Property, SARA wished to contract with an entity capable of engaging in site acquisition, remediation, planning, and end-use development of the Property; and

WHEREAS, Manhattan Beach Club Street, LLC (the “**Master Redeveloper**”) has extensive experience in real estate development, remediation, leasing, and construction, especially involving property in designated redevelopment areas as well as the financial capacity and wherewithal sufficient to support the proposed development of the Property; and

WHEREAS, on November 12, 2014, SARA adopted a resolution designating the Master Redeveloper as the “redeveloper” of the Property; and

WHEREAS, on November 12, 2014, SARA, the City and the Master Redeveloper entered into that certain tri-party Redevelopment Agreement (the "**Original Master Redevelopment Agreement**") in connection with the redevelopment of the Property; and

WHEREAS, on December 17, 2014, by Ordinance No. 13-2014, the City Council adopted the Beach Club District Redevelopment Plan (as same may be amended and supplemented, the "**Redevelopment Plan**"), which redevelopment plan superseded and replaced the existing redevelopment plans as same related to the Property; and

WHEREAS, the Master Redeveloper and its affiliates are the owners of certain parcels of the Property consisting of Block 161.02, Lots 6.03, 6.04, 20 and 23 (the "**Site**"); and

WHEREAS, SARA, the City and the Master Redeveloper will enter into that certain Amended and Restated Redevelopment Agreement (the "**Master Redevelopment Agreement**"), amending and restating the Original Master Redevelopment Agreement, pursuant to which the Master Redeveloper will be responsible for effectuating the redevelopment of the Site through the construction of: (a) a multi-phased residential complex and (b) certain on and off-site public and other infrastructure improvements, either directly or through the selection of one or more Subredevelopers (as defined in the Master Redeveloper Agreement) qualified to carry out such development; and

WHEREAS, SARA and the City have approved the Master Redeveloper’s ability to identify, and negotiate with and propose to enter into agreements with, a Subredeveloper or Subredevelopers in connection with the redevelopment of the Site; and

WHEREAS, Samboy Partners Urban Renewal, LLC (the "**Entity**") is the contract purchaser of the portion of the Site identified as Block 161.02, portions of Lots 6.03 and 6.04 on the tax maps of the City (the "**Project Site**"); and

WHEREAS, the City has approved the proposed conveyance of the Project Site to the Entity, who will redevelop same with a multi-phased project consisting of 291 market-rate and 15 affordable residential units, including parking spaces and amenity space for a clubhouse and pool ("**Phase 1**"), and 210 market-rate and 11 affordable residential units, including parking spaces and amenity space for a clubhouse and pool ("**Phase 2**" and, together with Phase 1, the "**Project**"); and

WHEREAS, the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 *et seq.* (the "**LTTE Law**") authorize the City to accept, in lieu of real property taxes, an Annual Service Charge (as defined in the LTTE Law), to be paid by the Redeveloper to the City in connection with the Project; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the Entity submitted to the Mayor of the City (the "**Mayor**") an application (the "**Application**"), which is on file with the City Clerk, seeking tax exemption in connection

with the Project pursuant to the LTTE Law in exchange for which the Entity will pay to the City an Annual Service Charge in lieu of taxes; and

WHEREAS, the Entity also submitted to the Mayor a form of financial agreement (the “**Financial Agreement**”), a copy of which is attached as Exhibit 19 to the Application establishing the rights, responsibilities and obligations of the Entity; and

WHEREAS, the Mayor submitted the Application and Financial Agreement to the City Council with his recommendation for approval, a copy of which recommendation is on file with the City Clerk; and

WHEREAS, the City Council has determined that the Project represents an undertaking permitted by the LTTE Law; and

WHEREAS, in accordance with the provisions of the LTTE Law, the City Council desires to approve the Application and authorize the execution of the Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH AMBOY, NEW JERSEY AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Application submitted by the Redeveloper is hereby approved in accordance with Section 8 of the LTTE Law.

Section 3. The Mayor is hereby authorized and directed to execute the Financial Agreement substantially in the form attached as Exhibit 19 to the Application together with such additions, deletions and other modifications which do not materially alter the terms of the Financial Agreement and are deemed necessary upon consultation with counsel to the City.

Section 4. The Clerk of the City is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the City upon such document.

Section 5. The City Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the City in accordance with Section 12 of the LTTE Law.

Section 6. In accordance with P.L. 2015, c. 247, within ten (10) calendar days following the later of the effective date of this Ordinance or the execution of the Financial Agreement by the Redeveloper, the City Clerk also shall transmit a certified copy of this Ordinance and the Financial Agreement to the chief financial officer of Middlesex County and to the Middlesex County Counsel for informational purposes.

Section 7. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 8. This ordinance shall take effect in accordance with all applicable laws.