

A 1583 / Hc

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this _____ day of _____, 2025, between the **CITY OF ATLANTIC CITY**, a municipal corporation of the County of Atlantic and State of New Jersey having its principal offices located at 1301 Bacharach Blvd, Atlantic City, NJ 08401 (hereinafter the "Municipality") and **FOYA DEVELOPMENT GROUP**, a limited liability company of the State of New Jersey, having its principal office at 1212 Springfield Avenue, Irvington, NJ 07111 (hereinafter referred to as the "Sponsor"), and

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A.55:14K 1 et. seq.) (hereinafter "HMFA Law") and a Resolution of the Governing Body of the City of Atlantic City dated _____, 2025 (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land, consisting of approximately 0.65 acres (or 28,230 sf), currently designated as Block 301, Lot 3 as shown on the Official Assessment Map of the City of Atlantic City (previously shown on the 2017 tax map as lots 3, 4, 5, 6, and 79) and more commonly referred to as 916 Arctic Avenue, Atlantic City, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amounts as follows:

(1) From the date of the execution of the Agency Mortgage until the date of substantial completion of the Project, the Sponsor shall make payment to the Municipality in an amount equal to the amount of taxes that would otherwise be due for the property. "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.

(2) (a) From the date of Substantial Completion of the Project and for the

remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues. The term "Project" means the 85 senior, rental income restricted apartment units and all necessary site improvements to be constructed on the property referenced above in accordance with the HMFA Law.

(b) For projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues, from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewerage charges, and less vacancies, if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 3 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the municipality shall have all the rights and remedies of tax enforcement granted to the Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual

payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage. The Municipality shall have the right to approve or disapprove such a sale, transfer or conveyance in its discretion which will not be unreasonably delayed, conditioned or withheld.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers associated with the calculations of the sums due under this Agreement by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed 1212 Springfield Avenue, Irvington, NJ 07111, or to such other address as the Sponsor may hereafter designate in writing; and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the City of Atlantic City, City Administrator, 1301 Bacharach Blvd, Atlantic City, NJ 08401, or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New

Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

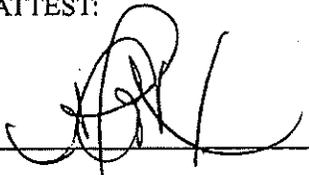
10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve set dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counter parts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

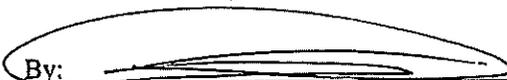
IN WITNESS WHEREOF, they have executed this Agreement.

ATTEST:

FOYA DEVELOPMENT GROUP, LLC



(SEAL)

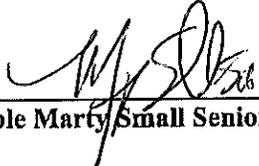
By: 
Adenah Bayoh

ATTEST:

CITY OF ATLANTIC CITY

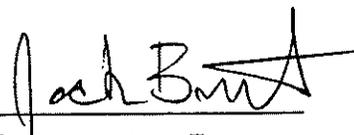


Municipal Clerk
(SEAL)

By: 
Honorable Marty Small Senior, Mayor

Approved as to form and content.

Date: 8/20/2025

By: 
Jack Berenato, Esq.
Asst. City Solicitor

Resolution of the City of Atlantic City

No. 311

Approved as to Form and Legality on Basis of Facts Set Forth

Factual contents certified to by

Assistant City Solicitor /s/Jack Berenato

Director of Planning & Development/s/ Jacques Howard

Prepared by City Solicitor's Office

Council Member SHABAZZ presents the following Resolution:

RESOLUTION CONFIRMING THE NEED FOR THE NEW CONSTRUCTION OF AN 85 UNIT AFFORDABLE DEVELOPMENT, AND AUTHORIZING AN AGREEMENT FOR PAYMENTS IN LIEU OF TAXES WITH THE CITY OF ATLANTIC CITY

WHEREAS, Foya Development Group LLC (hereinafter the "Sponsor") proposes the construction of an eighty-five (85) unit affordable housing project (hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.) and the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq. (the foregoing hereinafter referred to as the "HMFA Law") within the City of Atlantic City (hereinafter referred to as the "Municipality") on an approximately 0.65 acre (or 28,230 sf) site described as Block 301, Lot 3, as shown on the Official Assessment Map of the City of Atlantic City, Atlantic County and known as 916 Arctic Avenue, Atlantic City; and

WHEREAS, the Project will be subject to the HMFA Law and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to the provisions of the HMFA Law, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality; and

WHEREAS, the Sponsor has presented to the Municipality a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency; and

WHEREAS, the Sponsor will also be seeking Aspire funding from the New Jersey Economic Development Agency ("EDA") and needs municipal support to make such an application; and

WHEREAS, this matter was presented to and received approval from the City Council Planning & Development Subcommittee on April 3, 2025; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Atlantic City (“Council”), County of Atlantic, State of New Jersey as follows:

1. The Council finds and determines that the proposed Project currently meets or will meet in the future an existing housing need in the City;
2. The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project.
3. The Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the HMFA Law, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the Municipality in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes (hereinafter the “PILOT Agreement”) attached hereto as Exhibit “A”.
4. The Council hereby authorizes and directs the Mayor of the City of Atlantic City to execute, on behalf of the Municipality, the PILOT Agreement.
5. The Council understands and agrees that the revenue projections set forth are estimates and that the actual payments in lieu of taxes to be paid by the Sponsor to the Municipality shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the Sponsor and Municipality.

August 20, 2025 12:32 PM

DO NOT USE SPACE BELOW THIS LINE													
RECORD OF COUNCIL VOTE ON FINAL PASSAGE													
COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.	COUNCIL MEMBER	AYE	NAY	N.V.	A.B.	MOT.	SEC.
BAILEY	X						LACCA	X					
CROUCH	X					X	MARSHALL	X					
DUNSTON	X						SHABAZZ	X				X	
KURTZ	X						TIBBITT	X					
RANDOLPH, PRESIDENT								X					
X-Indicates Vote NV-Not Voting AB-Absent MOT-Motion SEC-Second													

This is a Certified True copy of the Original Resolution on file in the City Clerk's Office.

DATE OF ADOPTION: APRIL 16, 2025

Paula Geletei

/s/ Paula Geletei, City Clerk