

**RESOLUTION
OF THE
BOROUGH OF NEW PROVIDENCE**

Resolution No. 2026-

Council Meeting Date: 07-14-2025

Date Adopted:

TITLE: SHAGUN HOLDINGS III, LLC v. BOROUGH OF NEW PROVIDENCE
BLOCK 170, LOT 3.01; 165 SOUTH STREET; DOCKET NOS. 000304-
2026 and 008796-2026

Councilperson _____ submitted the following Resolution, which was duly
seconded by Councilperson _____.

WHEREAS, ShaGun Holdings III, LLC ("Taxpayer"), the owner of Block 170, Lot 3.01 on the Borough of New Providence's Tax Assessment Maps, commonly known as 165 South Street ("Property"), filed an appeal of its 2025 added assessment and of its 2026 tax assessment in the Tax Court of New Jersey, Docket Nos. 000304-2026 and 008796-2026; and

WHEREAS, the Mayor and Borough Council of the Borough of New Providence met and discussed the aforesaid tax appeals and the recommendations of its Borough Tax Assessor and Borough Attorney, DiFrancesco, Bateman, Kunzman, Davis, Lehrer & Flaum, P.C.; and

WHEREAS, Block 170, Lot 3.01 received a 2025 added assessment for Improvements of \$1,371,600 (prorated for four (4) months) for a total tax assessment of \$2,046,600 for the 2025 tax year under appeal (Docket No. 000304-2026); and

WHEREAS, Block 170, Lot 3.01 was assessed at \$2,046,600 for the 2026 tax year under appeal (Docket No. 008796-2026); and

WHEREAS, an acceptable settlement of the aforesaid tax appeals has been negotiated which reduces the total tax assessments levied upon Taxpayer's property located at Block 170, Lot 3.01 for Tax Years 2025 and 2026; and

WHEREAS, the 2025 added assessment, based upon said reduction, will be \$1,107,235 (prorated for four (4) months) for a total tax assessment of \$1,782,235 instead of \$2,046,600 for Block 170, Lot 3.01; and

WHEREAS, the 2026 total tax assessment, based upon said reduction, will be \$1,561,500 instead of \$2,046,600 for Block 170, Lot 3.01; and

WHEREAS, any refund due as a result of the settlement relating to the 2025 added assessment appeal shall be paid by refund check; and

WHEREAS, Taxpayer has agreed to waive statutory interest; and

WHEREAS, any refund due as a result of the settlement relating to the 2026 tax appeal shall be paid in the form of credits, without interest, and applied toward the property's fourth quarter tax bill. Any balance remaining thereafter shall be paid by refund check no later than December 31, 2026; and

WHEREAS, Taxpayer has agreed that any and all outstanding taxes and municipal charges, including accrued interest, shall be paid prior to the issuance of any tax savings refund or credit; and

WHEREAS, the provisions of the Freeze Act (N.J.S.A. 54:51A-8) shall not apply; and

WHEREAS, the Borough's Counterclaim(s) are withdrawn as part of the settlement; and

WHEREAS, the parties have agreed that the Non-Residential Development Fee (NRDF) imposed by the Borough of New Providence on the Property shall be reduced by the amount of \$25,447.11 and that any refund relating to the NRDF adjustment shall be paid by refund check no later than December 31, 2026. The parties have further agreed that neither party will file an appeal relating to and/or challenging the NRDF imposed on the Property; and

WHEREAS, the aforesaid reductions have no general application to other properties within the Borough of New Providence as a result of the aforesaid specific fact situation; and

WHEREAS, the Mayor and Borough Council have reviewed a copy of the proposed Stipulation of Settlement, which is annexed hereto and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of New Providence, County of Union, State of New Jersey, as follows:

1. The Borough of New Providence's Deputy Tax Assessor is hereby directed to establish the allocation between land and improvements of a \$1,782,235 total tax assessment for the 2025 Tax Year for Block 170, Lot 3.01, which is most beneficial to the Borough of New Providence and advise the Borough Attorney of that allocation.

2. The Borough of New Providence's Deputy Tax Assessor is hereby directed to establish the allocation between land and improvements of a \$1,561,500 total tax assessment for the 2026 Tax Year for Block 170, Lot 3.01, which is most beneficial to the Borough of New Providence and advise the Borough Attorney of that allocation.
3. The Borough Attorney, Sandra Belli, is hereby authorized to execute a Stipulation of Settlement relative to the tax appeals of ShaGun Holdings III, LLC ("Taxpayer"), Docket Nos. 000304-2026 and 008796-2026, which reduces the 2025 added assessment from \$1,371,600 (prorated for four (4) months) to \$1,107,235 (prorated for four (4) months) for a total tax assessment of \$1,782,235 instead of \$2,046,600 on Block 170, Lot 3.01 for the 2025 Tax Year; which reduces the tax assessment on Block 170, Lot 3.01 from \$2,046,600 to a total tax assessment of \$1,561,500 for the 2026 Tax Year; which provides that any refund due as a result of the settlement relating to the 2025 added assessment appeal shall be paid by refund check; which provides that the Taxpayer agrees to waive statutory interest; which provides that any refund due as a result of the settlement relating to the 2026 tax appeal shall be paid in the form of credits, without interest, and applied toward the Property's fourth quarter tax bill with any balance remaining thereafter paid by refund check no later than December 31, 2026; which provides that the Taxpayer agrees that any and all outstanding taxes and municipal charges, including accrued interest, shall be paid prior to the issuance of any tax savings refund or credit; which provides that the provisions of the Freeze Act (N.J.S.A. 54:51A-8) shall not apply; which provides that the Borough's Counterclaim(s) are withdrawn as part of the settlement; which provides that the Non-Residential Development Fee (NRDF) imposed by the Borough of New Providence on the Property shall be reduced by the amount of \$25,447.11 and that any refund relating to the NRDF adjustment shall be paid by refund check no later than December 31, 2026; and which provides that the parties agree that neither party will file an appeal relating to and/or challenging the NRDF imposed on the Property.
4. The settlement outlined above shall be without prejudice to the Borough of New Providence's dealings with any other Borough taxpayer's request for tax assessment reductions.