

**RESOLUTION NO. 138**

**RESOLUTION OF THE TOWNSHIP OF WEST DEPTFORD, IN THE COUNTY OF GLOUCESTER, NEW JERSEY AUTHORIZING A SETTLEMENT OF PENDING TAX APPEAL LITIGATION WITH SUNOCO INC. AND EL PASO INC. ON THE EAGLE POINT FACILITY AND AUTHORIZING SPECIAL TAX COUNSEL TO EXECUTE STIPULATIONS OF SETTLEMENT AND REQUEST THE NEW JERSEY TAX COURT TO ENTER JUDGMENTS WHICH JUDGMENTS WILL RESULT IN A REFUND AMOUNT FOR EL PASO OF \$18,300,000 AND FOR SUNOCO IN A REFUND AMOUNT OF \$13,100,000**

**WHEREAS**, the Mayor and Township Committee of the Township of West Deptford, after and upon proper public notice, held a open public session meeting on Thursday July 5, 2012 to discuss, among other matters, the currently pending Sunoco Inc. ("Sunoco") vs. Township of West Deptford and El Paso/Coastal Inc. ("El Paso") vs. Township of West Deptford tax appeal litigation spanning tax years 1988 through and including 2011 (24 tax years), that litigation being currently docketed in the New Jersey Tax Court under docket numbers: 004850-2005, 008119-2006, 007927-2007, 008903-2008, 013122-2009, 011284-2010, 010157-2011, 003604-2004, 002910-2005, 002170-2006, 002103-2007, 000591-2008, 005192-2009, 007238-2010, 010154-2011, 003600-2004, 002906-2005, 002177-2006, 002179-2007, 000589-2008, 005223-2009, 007235-2010, 010456-2011, 004370-2004, 00281-2005, 002125-2006, 002185-2007, 000696-2008, 005227-2009, 007113-2010, 010150-2011, 002904-2005, 002218-2006, 002822-207, 000587-2008, 005193-2009, 011286-2010, 010161-2011, 000370-01, 001303-02, 000298-03, 004560-90, 008230-90; 010407-91, 010455 -91, 07544-92, 007545-92, 007368-93, 006894-94, 004857-95, 003500-96, 001650-97, 000881-98, 002501-98, 000998-99, 001044-99, 000595-00, 000593-00, 000371-01, 000374-01, 000676-02, 000704-02, 000301-03, 000302-03; and

**WHEREAS**, the Mayor and Township Committee of the Township of West Deptford at said open public meeting conducted a final review and consideration of that litigation; and

**WHEREAS**, at that open public session meeting on Thursday July 5, 2012 the Mayor and Township Committee of the Township of West Deptford voted to approve the settlement, by a vote of 5 affirmative votes and 0 negative votes and which vote was followed by a public question and comment session; and

**WHEREAS**, as a result of that public discussion the public was informed of the following elements of the settlement:

1. The taxpayer entity for tax years 1988 through and including 2003 is El Paso (successor in interest to Coastal Corp. which bought the subject property in 1984)
2. The taxpayer entity for tax years 2004 through and including 2011 is Sunoco

(purchaser of subject property in 2004 from El Paso).

3. The settlement will result in the refund amount for El Paso being compromised to \$18,300,000 and Sunoco's refund amount compromised to \$13,100,000.

4. The Township has received State Local Finance Board approval for the repayment of the refund amounts through the issuance of bonds containing amortization schedules which provide for the payment of principal and interest over a 20 year period and in a fashion whereby the projected budget impact on the average residential taxpayer would not exceed \$88.00 in any given year and would be reduced to a below zero by 2020.

5. The assessment for the Sunoco years of the litigation will be reduced in a fashion whereby the reduced assessments will generate a principal refund amount of \$13,100,000. Sunoco has waived the statutory 5% interest on its principal refund and such further amount will therefore not be paid by the Township. Sunoco's aggregate assessment for the 2012 and 2013 tax years would be reduced from the current 2012 level of \$153,000,000 to 98,500,000 and Sunoco's resulting maximum payment liability to the Township for those tax years would be the ad valorem taxes due and owing under that aggregate assessment for those tax years.

6. The assessment for the El Paso years of the litigation will be reduced in a fashion whereby the reduced assessments will generate a principal refund amount of \$18,300,000. El Paso has also waived the statutory 5% interest on its principal refund and such further amount will therefore not be paid by the Township.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Township Committee of the Township of West Deptford, that:

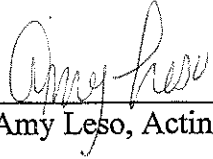
1. The West Deptford Township Committee authorizes Special Tax Counsel to execute, on behalf of West Deptford Township, stipulations of settlement resolving the Sunoco Inc. vs. Township of West Deptford and El Paso/Coastal Inc. vs. Township of West Deptford tax appeal litigation and request the New Jersey Tax Court to enter judgments pursuant to those stipulations.

**ADOPTED** at a regular meeting of the Township of West Deptford, County of Gloucester, State of New Jersey, held on this 5th day of July, 2012.

**TOWNSHIP OF WEST DEPTFORD**

By: Raymond Chintall  
RAYMOND CHINTALL, Mayor

ATTEST:

A handwritten signature in cursive script, appearing to read "Amy Leso", written over a horizontal line.

Amy Leso, Acting Township Clerk