



Legislation Details (With Text)

File #: 18-0075 **Version:** 1 **Name:** Team Academy HDSRF Acceptance
Type: Resolution **Status:** Adopted
File created: 1/19/2018 **In control:** Economic and Housing Development
On agenda: 5/30/2018 **Final action:** 5/30/2018

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Application/Acceptance of Grant Funds
Purpose: Conduct Remedial Action work
Entity Name: The Friends of TEAM Academy Charter School and Ashland School Inc.
Entity Address: 60 Park Place, Suite 802, Newark, New Jersey 07102
Grant Amount: \$643,201.00
Total Project Cost: \$643,200.12
City Contribution: No municipal funds required
Other Funding Source/Amount: State of New Jersey, Department of Environmental Protection (“NJDEP”) and the New Jersey Economic Development Authority (“NJEDA”)
Grant Period: Start and end dates
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale (x) Grant () Sub-recipient () n/a
List of Property: (if applicable)
410-430 S Orange Avenue/Block 317/Lots 1.01/West Ward
406-408 S Orange Avenue/Block 317/Lots 13/West Ward
(Address/Block/Lot/Ward)
Prior to subdivision, the property was formerly identified as:
410-422 S 14th Street/Block 317/Lots 56, 58/West Ward
410-416 S Orange Avenue/Block 317/Lots 8,11/West Ward
424-430 S Orange Avenue/Block 317/Lot 14/West Ward
418-422 S Orange Avenue/Block 317/Lot 57/West Ward
406-408 S Orange Avenue/Block 317/Lot 13/West Ward
9 Ashland Street/Block 317/Lot 15/West Ward
7 Ashland Street/Block 317/Lot 14/West Ward
11-37 Ashland Street/Block 317/Lot 21 (portion) /West Ward
Additional Information:

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
5/30/2018	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of rehabilitation; and

WHEREAS, on June 15, 2005, based upon the recommendation of the Central Planning Board (the “Planning Board”) of the City of Newark (the “City”), as required under the Redevelopment Law, the Municipal Council (the “City Council”) of the City adopted Resolution 7RDdo (AS), designating the entire City as an area in need of rehabilitation, which designation became effective on June 17, 2005 upon the transmission of the resolution to the New Jersey Department of Community Affairs by the City Clerk; and

WHEREAS, on August 17, 2005, in accordance with the provisions of the Redevelopment Law, the City Council duly adopted Ordinance 6S&Fc(S), which ordinance determined that all City-owned properties located within the West Ward of the City would be subject to the West Ward Redevelopment Plan (as amended, the “Redevelopment Plan”); and

WHEREAS, pursuant to Resolution 7R3-n adopted by the Municipal Council on September 5, 2013, the City designated The Friends of TEAM Academy Charter School, a New Jersey Non-Profit Organization, and Ashland School Inc., (collectively, the “Redeveloper”) as redeveloper of certain City parcels, including but not limited to, the property located at 406 - 430 South Orange Avenue, and identified on the tax maps of the City as Block 317, Lots 1.01 and 13 (the “Property”); and

WHEREAS, pursuant to Resolution 7R3-n September 5, 2013, the City authorized the sale of the Property to the Redeveloper for the construction of a recreational area, including athletic fields and other open or green space, ancillary to and for the use of The TEAM Academy Charter School (the Project); and

WHEREAS, pursuant to Resolution 7R3-n September 5, 2013, the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development (the "Director") were authorized to enter into a Redevelopment Agreement with Redeveloper (the "Redevelopment Agreement") which Redevelopment Agreement was executed on November 18, 2013; and

WHEREAS, the Redeveloper conducted due diligence investigations on the Property, as permitted by the Redevelopment Agreement, which disclosed environmental conditions (the "Environmental Conditions") on the Property; and

WHEREAS, the City and the Redeveloper determined that there had been, or it suspected that there had been, a discharge of hazardous substances or hazardous waste on the Property and that funding is needed to conduct Remedial Action work; and

WHEREAS, the County of Essex wishes to award the City a grant of \$300,000.00 from its Recreation and Open Space Trust Fund Local Aid Program (the "Open Space Trust") to fund the renovation of the Monument; and

WHEREAS, by Resolution 7R3-c (AS) adopted on November 17, 2014, the City and the Redeveloper entered into the First Amendment to the Redevelopment Agreement dated as of February 23, 2015 (the "First Amendment") to extend the due diligence period authorized by the Redevelopment Agreement, to provide additional time for the Redeveloper to address the Environmental Conditions discovered on the Property, and to permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions were being addressed; and

WHEREAS, the First Amendment provided the mechanism for the City to make application for one or more Hazardous Discharge Remediation Fund Grants (the "City Grant" or "City Grants") pursuant to the program for such grants administered by the New Jersey Department of Environmental Protection ("NJDEP") which, if obtained, would be utilized to partially fund the environmental remediation of certain of the properties being acquired by the Redeveloper pursuant to the Redevelopment Agreement; and

WHEREAS, the First Amendment, also authorized, among other things, the Director to apply for and execute documents in connection with City Grant applications, and to execute a funding agreement (the "Funding Agreement") with the Redeveloper for the purpose of establishing an escrow to pay the City's out of pocket costs and expenses associated with the remediation of the Property (the Remediation"), including but not limited to, the costs associated with filing applications for the City Grants or other funding mechanisms for the Remediation and to fund the 25% match requirement; and

WHEREAS, the City and Redeveloper entered into a Funding Agreement dated March 21, 2015 to provide for the deposit into escrow of the purchase price for certain accepted lots equaling the amount of the required match in the amount of \$204,464.88 (the "HDSRF Escrow") and the deposit of \$25,000.00 as a reimbursement of the City's out of pocket costs; and

WHEREAS, a grant and loan fund was established, jointly administered by the NJDEP and the New Jersey Economic Development Authority ("NJEDA") known as the Hazardous Discharge Site Remediation Fund ("HDSRF") codified as N.J.S.A. 58:10B-1 et seq., dedicated for the provision of financial assistance to municipal governmental entities, individuals, corporations, partnerships and

other private business entities for the purpose of financing remediation activities for sites, at which there is, or suspected of being a discharge of hazardous substances or hazardous wastes; and

WHEREAS, the Redevelopment Plan contemplates the redevelopment of the property; and

WHEREAS, upon completion of this Remediation, there exists a reasonable expectation that development will occur within a three (3) year period; and

WHEREAS, on behalf of the City, the Director submitted an application to the NJEDA through the NJDEP requesting grant funding from the Hazardous Discharge Site Remediation Fund Grant program to conduct Preliminary Assessment (P/A), Site Investigation (S/I), and Remedial Investigation (R/I) work and Remedial Action (R/A); and

WHEREAS, as a result of this application, and based upon the current estimation of the cost of P/A, S/I, R/I and R/A work at the Property, the NJEDA has awarded the City a grant in the amount of \$643,200.12 for Preliminary Assessment (P/A), Site Investigation (S/I), Remedial Investigation (R/I) work already conducted and to continue with Remedial Action (R/A) activities; and

WHEREAS, the Funding Agreement provides that in the event that the City Grant is obtained, then the escrow agent shall release the HDSRF Escrow in order to fund the Remediation; and

WHEREAS, the City must execute a grant agreement with the NJEDA in order to obtain the grant award and commence work, with no City funds required.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. No municipal funds are required for receipt or acceptance of this grant award.
2. The grant award in the amount of \$643,201.00 from the New Jersey Economic Development Authority (NJEDA) is hereby accepted. A copy of the award letter is attached hereto and made a part hereof.
3. The Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute grant documents with the New Jersey Economic Development Authority (NJEDA) to receive and expend the grant award in the amount of \$643,200.12 for Preliminary Assessment (P/A), Site Investigation (S/I), Remedial Investigation (R/I) work already conducted and to continue with Remedial Action (R/A) activities on the property located at 406 - 430 South Orange Avenue and identified on the tax maps of the City as Block 317, Lots 1.01 and 13 (the "Property"). A copy of the grant agreement to be entered into is attached hereto and made a part hereof.
4. The Acting Director of the Department of Economic and Housing Development shall file a fully-executed copy of the agreement between the City of Newark and NJEDA in the Office of City Clerk.
5. The City Clerk shall furnish a certified copy of this Resolution to the New Jersey Economic Development Authority.

6. The escrow agent is hereby authorized to release the HDSRF Escrow to the Redeveloper.
7. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, to enter into and execute an agreement with, and accept grant funds in the amount of \$643,201.00 from the New Jersey Economic Development Authority (NJEDA) for Preliminary Assessment (P/A), Site Investigation (S/I), Remedial Investigation (R/I) work already conducted and to continue with Remedial Action (R/A) activities on the property located at 406 - 430 South Orange Avenue, and identified on the tax maps of the City as Block 317, Lots 1.01 and 13. No municipal funds are required (West Ward)