



Legislation Details (With Text)

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Title: ORDINANCE AUTHORIZING ENTRY INTO A LEASE AGREEMENT WITH MC UNIVERSITY REALTY, L.L.C., AS LANDLORD FOR MUNICIPAL OFFICE SPACE FOR THE NEWARK OFFICE OF WORKFORCE DEVELOPMENT LOCATED AT 321 UNIVERSITY AVENUE, BLOCK 73.01, LOT 31, NEWARK, NEW JERSEY, PURSUANT TO N.J.S.A. 40A:12-5. (CENTRAL WARD)
Sponsors: Council of the Whole
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Date	Ver.	Action By	Action	Result
7/11/2018	1	Municipal Council	Close on Public Hearing and Adopt	Pass
6/20/2018	1	Municipal Council	Adopt on First Reading	Pass
6/7/2018	1	Municipal Council	Advance to First Reading	Pass

ORDINANCE AUTHORIZING ENTRY INTO A LEASE AGREEMENT WITH MC UNIVERSITY REALTY, L.L.C., AS LANDLORD FOR MUNICIPAL OFFICE SPACE FOR THE NEWARK OFFICE OF WORKFORCE DEVELOPMENT LOCATED AT 321 UNIVERSITY AVENUE, BLOCK 73.01, LOT 31, NEWARK, NEW JERSEY, PURSUANT TO N.J.S.A. 40A:12-5. (CENTRAL WARD)

WHEREAS, the City of Newark (the “City”) is in need of office space for use for its Office of Workforce Development operating in conjunction with the New Jersey Department of Labor and Workforce Development; and

WHEREAS, the City has located a suitable location consisting of approximately 16,600 square feet of gross rentable square feet of office space on a portion of the fourth (4th) floor (the “Premises”) of a building located at 321 University Avenue, Newark, New Jersey, also known on the Official Tax Map as Block 73.01, Lot 31 (the “Building”); and

WHEREAS, MC University Realty, L.L.C. (the “Landlord”), a New Jersey limited liability company, whose address is c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311, is the owner of the Premises and Building; and

WHEREAS, the City is authorized to acquire property by lease pursuant to the Local Lands and Buildings Law, N.J.S.A. 40A:12-5, upon passage of an ordinance; and

WHEREAS, the City wishes to enter into a lease agreement (the “Lease”) with the Landlord to lease the above described premises pursuant to the current form, attached hereto and made a part of this Ordinance; and

WHEREAS, the parties obligations under the terms of the Lease are specifically contingent upon the City obtaining from the New Jersey Department of Labor and Workforce Development (the “DLWD”), within forty-five (45) days after full execution of the Lease, the approval of the DLWD to enter into a lease with the Landlord upon mutually agreeable terms, and further contingent upon the execution of such lease by the Landlord and DLWD within thirty (30) days after the City’s receipt of such approval.

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

1. The Mayor and/or his designee, the Business Administrator, are hereby authorized and directed to enter into, execute and deliver a Lease in the form attached hereto, on behalf of the City of Newark as Tenant, with MC University Realty, L.L.C., c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311, as Landlord, for use of the Premises commonly known as a portion of the fourth floor of the building located at 321 University Avenue (Block 73.01, Lot 31), as the office of the City of Newark Office of Workforce Development, for a period of twenty-one (21) years, commencing upon substantial completion of the initial work as that term is defined in Section 20 of the Lease (the “Commencement Date”), and terminating at 11:59 p.m. on the last day of the month in which the day before the twenty-first (21st) anniversary of the Commencement Date occurs.
2. The Mayor and/or the Business Administrator or and the Director of Finance of the City are each hereby authorized to execute and deliver any and all documents and certificates necessary or convenient in connection with the transactions authorized herein.
3. The obligations of the City as tenant and the Landlord are specifically -contingent upon the execution of a lease between the New Jersey Department of Labor and Workforce Development and the Landlord upon mutually agreeable terms within the time limits set forth in the Lease.
4. The City of Newark shall, as consideration for the Lease, pay the Landlord the sum of \$11,636,486.08 as follows:

Months	Annual Rate	Monthly Installments	Annual Per Sq. Ft. Rate
1-12	\$441,726.00	\$36,810.50	\$26.61
13-24	\$451,354.00	\$37,612.83	\$27.19
25-36	\$461,148.00	\$38,429.00	\$27.78
37-48	\$471,274.00	\$39,272.83	\$28.39
49-60	\$481,566.00	\$40,130.50	\$29.01
61-72	\$492,190.00	\$41,015.83	\$29.65
73-84	\$502,991.51	\$41,915.96	\$30.30
85-96	\$514,268.00	\$42,855.67	\$30.98
97-108	\$525,582.21	\$43,798.52	\$31.66
109-120	\$537,302.88	\$44,775.24	\$32.37

121-132	\$549,316.57	\$45,776.38	\$33.09
133-144	\$561,630.60	\$46,802.55	\$33.83
145-156	\$574,252.48	\$47,854.37	\$34.59
157-168	\$587,189.91	\$48,932.49	\$35.37
169-180	\$600,450.77	\$50,037.56	\$36.17
181-192	\$614,043.15	\$51,170.26	\$36.99
193-204	\$627,812.00	\$52,317.67	\$37.82
205-216	\$642,088.00	\$53,507.33	\$38.68
217-228	\$656,696.00	\$54,724.67	\$39.56
229-252	\$671,802.00	\$55,983.50	\$40.47

5. The City is authorized to enter into the Lease pursuant to the Local Lands and Buildings Law, N.J.S.A. 40A:12-5 *et seq.*
6. Both the Landlord and City, as Tenant, shall be responsible for the enforcement and compliance with the covenants and conditions of the Lease.
7. Funding for the Lease is anticipated to be provided by annual State and Federal grants and as such the Lease is subject to appropriation in the Municipal Budgets for each year of the term. The Director of Finance shall certify in writing the availability of funds annually for the term of the Lease or a partial Lease term for the remainder of 2018 based upon the annual receipt of the Notice of Obligation or Award from the State of New Jersey, in accordance with N.J.A.C. 5:30-5.4 *et seq.* The Certification shall be filed along with the original resolution and the executed Lease in the Office of the City Clerk.
8. In accordance with Local Budget Law, N.J.S.A. 40A:4-57(b), the City is authorized to enter leases beyond the fiscal year of the Certification of Funds requirements.
9. A copy of both the fully executed Lease and this Ordinance shall be permanently filed in the Office of the City Clerk.
10. The Lease is in compliance with the prerequisite for leasing private space, set forth in the City Municipal Code 2:4-16, as suitable space under the control of the City is not available.
11. Any ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.
12. If any provision of this Ordinance is deemed unlawful by a court and is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this Ordinance shall continue in full force and effect.
13. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes the Mayor and/or his designee, the Business Administrator, to enter into and execute a Lease with MC University Realty, L.L.C., c/o Mack-Cali Realty Corporation, Harborside 3, 210 Hudson Street, Suite 400, Jersey City, New Jersey 07311, for municipal office space for the City's Office of Workforce Development 321 University Avenue, Block 73.01, Lot 31, Newark, New Jersey, pursuant to N.J.S.A. 40A:12-5, for a term of twenty-one (21) years, commencing upon substantial completion of the initial work as that term is defined in Section 20 of the Lease, for a total sum of \$11,636,486.08.