



Legislation Details (With Text)

File #: 21-1622 **Version:** 1 **Name:** Holiday Inn Newark International Airport North Lease Agreement October 1, 2021 through January 31, 2022

Type: Ordinance **Status:** Adopted

File created: 11/1/2021 **In control:** Economic and Housing Development

On agenda: 1/20/2022 **Final action:** 2/2/2022

Title: AN ORDINANCE RATIFYING AND AUTHORIZING THE MAYOR OF THE CITY OF NEWARK AND/OR HIS DESIGNEE, THE BUSINESS ADMINISTRATOR, TO ENTER AND EXECUTE A LEASE AGREEMENT WITH AIRPORT HOTEL NORTH, LLC d/b/a HOLIDAY INN NEWARK INTERNATIONAL AIRPORT NORTH, FOR THE PROPERTY LOCATED AT 160 FRONTAGE ROAD, NEWARK, NEW JERSEY 07114, BLOCK 5088, LOT 172 AND 174 FOR THE PERIOD OF OCTOBER 1, 2021 THROUGH JANUARY 31, 2022, FOR A TOTAL RENT AND ADDITIONAL RENT IN AN AMOUNT NOT TO EXCEED \$932,300.00 FOR HOUSING FOR THE HOMELESS TO COMBAT COVID-19 PUBLIC HEALTH EMERGENCY.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
2/2/2022	1	Municipal Council	Close on Public Hearing and Adopt	Pass
1/20/2022	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE RATIFYING AND AUTHORIZING THE MAYOR OF THE CITY OF NEWARK AND/OR HIS DESIGNEE, THE BUSINESS ADMINISTRATOR, TO ENTER AND EXECUTE A LEASE AGREEMENT WITH AIRPORT HOTEL NORTH, LLC d/b/a HOLIDAY INN NEWARK INTERNATIONAL AIRPORT NORTH, FOR THE PROPERTY LOCATED AT 160 FRONTAGE ROAD, NEWARK, NEW JERSEY 07114, BLOCK 5088, LOT 172 AND 174 FOR THE PERIOD OF OCTOBER 1, 2021 THROUGH JANUARY 31, 2022, FOR A TOTAL RENT AND ADDITIONAL RENT IN AN AMOUNT NOT TO EXCEED \$932,300.00 FOR HOUSING FOR THE HOMELESS TO COMBAT COVID-19 PUBLIC HEALTH EMERGENCY.

WHEREAS, Airport Hotel North, LLC D/B/A Holiday Inn Newark International Airport North (the "Landlord") is the owner in fee simple of the land located at 160 Frontage Road, Newark, New Jersey 07114 (the "Land") and improvements, consisting of 409 hotel rooms within a ten (10) story hotel building, located at 160 Frontage Road, Newark, New Jersey 07114, as more particularly described as Block 5088, Lot 172 and 174 on the Official Tax Map of the City of Newark, County of Essex, State of New Jersey (herein referred to as the "Hotel"); and

WHEREAS, on April 4, 2020 the City's Purchasing Agent signed an Emergency Declaration whereby the City and Landlord entered into a lease agreement for the period of April 6, 2020 through June 25, 2020 setting forth the terms and conditions for the City's use of three hundred twenty-five (325) rooms in the Hotel for the City of Newark healthcare purposes, which uses include, but are not limited to, providing rapid rental housing services to NON-COVID-19 Positive Patients in order to

continue to stem the spread of the COVID-19 pandemic and its impact on the homeless, senior population and any other vulnerable population (the “Purpose”); and

WHEREAS, on July 8, 2020 the Municipal Council adopted Ordinance 6PSF-e authorizing the City to enter into a lease agreement with Landlord to lease three hundred twenty-five (325) rooms in the Hotel for the above Purpose, pursuant to N.J.S.A. 40:60-25.51, for the period of June 25, 2020 through September 1, 2020, for the total rent and additional rent amount not to exceed One Million Six Hundred Sixteen Thousand Three Hundred Twenty-Five Dollars and Zero Cents (\$1,616,325.00); and

WHEREAS, on October 7, 2020, the Municipal Council adopted Ordinance 6PSF-e authorizing the City to enter into a lease agreement with Landlord to lease three hundred twenty-five (325) rooms in the Hotel for the above Purpose, pursuant to N.J.S.A. 40:60-25.51, for the period of September 2, 2020 through October 2, 2020, with the option for the City to extend the term of the lease agreement for one (1) thirty (30) day period, for the total rent and additional rent amount not to exceed Seven Hundred Twenty-Six Thousand One Hundred and Seventy-Five Dollars and Zero Cents (\$726,175.00); and

WHEREAS, on October 9, 2020, the City exercised its option to extend the term of the lease for an additional thirty (30) day period, authorized by Ordinance 6PSF-e, pursuant to N.J.S.A. 40:60-25.51, for the period of October 3, 2020 through November 3, 2020 for the total rent and additional rent amount not to exceed Seven Hundred Twenty-Six Thousand One Hundred Seventy-Five Dollars and Zero Cents (\$726,175.00); and

WHEREAS, on January 1, 2021, the Municipal Council adopted Ordinance 6PSF-b authorizing the City to enter into a lease agreement with the Landlord to lease up to two hundred twenty-five (225) rooms in the Hotel with a gradual reduction down to fifty (50) rooms, as set forth in greater detail in Exhibit A to the Lease Agreement, for the above Purpose, pursuant to N.J.S.A. 40:60-25.51, for the period of November 3, 2020 through September 31, 2021 for the total rent and additional rent amount not to exceed Three Million One Hundred Thirty-Five Thousand Fifty Dollars and Zero Cents (\$3,135,050.00); and

WHEREAS, the City desires to lease one hundred fifty (150) rooms for the period of October 1, 2021 through October 31, 2021, and one hundred (100) rooms for the period of November 1, 2021 through January 31, 2022, single occupancy per room, as more particularly described in Exhibits A and B, which are located on floors 2, 3, 4, 5, and 6 in the Hotel, as well as, designated common areas, as defined herein to include banquet entrance and banquet lobby, corridors from floors 2, 3, 4, 5, and 6, stairways, elevators, side entrances, and crew lounge on the first floor, (the “Designated Common Areas”) excluding, but not limited to Landlord’s/Hotel’s in house laundry room, Executive Offices, Maintenance Office and Sales Office (collectively referred to as the “Premises”), for the above Purpose, for the period of October 1, 2021 through January 31, 2022; and

WHEREAS, the Landlord agrees to permit Tenant to use of the Premises only for the Purpose, as defied above, to continue to address the public health emergency, pursuant to the terms and conditions set forth herein; and

WHEREAS, this Lease shall not change the use, nature, and character of the Building owned by Landlord, which shall remain as a Hotel operation, and as HOLIDAY INN NEWARK INTERNATIONAL AIRPORT NORTH throughout the Term of Lease and any Extended Term.

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

Section 1. The Mayor and/or his designee, the Business Administrator are hereby authorized to enter into and execute the Lease Agreement, in the form attached hereto, on behalf of the City of Newark with Airport Hotel North, LLC D/B/A Holiday Inn Newark International Airport North, 160 Frontage Road, Newark, New Jersey 07114, for the leasing of the Premises located at 160 Frontage Road, Newark, New Jersey 07114, as more particularly described as Block 5088, Lot 172 and 174 on the Official Tax Map of the City of Newark, County of Essex, State of New Jersey, pursuant to N.J.S.A. 40:60-25.51, for the period of October 1, 2021 through January 31, 2022, for the total rent and additional rent amount not to exceed Nine Hundred Thirty-Two Thousand Three Hundred Dollars and Zero Cents (\$932,300.00).

Section 2. The Mayor of the City of Newark and/or his designee, the Business Administrator are hereby authorized to extend the term of the lease for five (5) additional one (1) month terms without approval by the Municipal Council, subject to the same terms of the lease authorized herein and the availability of funds and further subject to review and approval by the Corporation Counsel.

Section 3. The Municipal Council hereby ratifies the Lease Agreement from October 1, 2021 until the final passage and publication of this Ordinance.

Section 4. There shall be no advance payment on this Lease Agreement.

Section 5. A copy of the Lease Agreement is attached hereto and made part hereof.

Section 6. A copy of the Lease Agreement, this Ordinance and any extensions of the Lease Agreement shall be permanently filed in the Office of the City Clerk by the Business Administrator.

Section 7. The City of Newark is a governmental entity and any and all debts, expenses or obligations incurred by the City shall be payable only from funds available to the City for this purpose, and no liability or obligation shall be incurred by the City beyond the extent to which monies are appropriated and available and as such this Lease Agreement is subject in all events to the continued availability of funding by the City.

Section 8. Pursuant to N.J.A.C. 5:30-5.5, attached hereto is a partial Certification of Funds from the Director of the Department of Finance, which states the funds in the amount of Six Hundred Forty-Four Thousand Dollars and Zero Cents (\$644,000.00) are available in the 2021 Budget, Business Unit: NW051; Dept.: G21; Div./Proj.: ARPJ0; Account#: 72090; Budget Reference: B2021. The Certification shall be filed along with the original resolution and the executed contract in the Office of the City Clerk. The remainder of the funding for this contract will be subject to appropriation in the 2022 Municipal Budget and funds will be certified prior to services being provided by the Landlord.

Section 9. The Lease Agreement satisfies and is in compliance with Newark Municipal Ordinance 2:4-16.

Section 10. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance ratifies and authorizes the Mayor of the City of Newark and/or his designee, the Business Administrator, to enter into and execute a Lease Agreement with Airport Hotel North, LLC D/B/A Holiday Inn Newark International Airport North, for the leasing of the Premises located at 160 Frontage Road, Newark, New Jersey 07114, as more particularly described as Block 5088, Lot 172 and 174 on the Official Tax Map of the City of Newark, County of Essex, State of New Jersey, pursuant to N.J.S.A. 40:60-25.51, for the period of October 1, 2021 through January 31, 2022, for the total rent and additional rent amount not to exceed \$932,300.00.