



Legislation Details (With Text)

**File #:** 13-2037      **Version:** 1      **Name:** Lautenberg Post Office Amendment  
**Type:** Resolution      **Status:** Filed  
**File created:** 10/21/2013      **In control:** Economic and Housing Development  
**On agenda:** 3/5/2014      **Final action:** 3/19/2014

**Title:** Dept/ Agency: Economic & Housing Development  
Action: ( ) Ratifying (X) Authorizing ( ) Amending  
Type of Service: Private Sale/Redevelopment  
Purpose: Rehabilitation of Frank R. Lautenberg Post Office and Courthouse  
Entity Name: KMS Development Partners, LP  
Entity Address: 1600 Arch Street, Suite 300, Philadelphia, Pennsylvania 19103-2028  
Sale Amount: \$N/A  
Cost Basis: ( ) \$ PSF ( ) Negotiated (x) N/A ( ) Other:  
Assessed Amount: \$N/A  
Appraised Amount: \$N/A  
Contract Period: December 31, 2015, unless extended by both parties  
Contract Basis: ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS  
( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ  
( ) Private Sale ( ) Grant ( ) Sub-recipient (x) n/a  
List of Property:  
(Address/Block/Lot/Ward)  
2 Federal Square, Newark, New Jersey (AKA 13-57 Walnut Street) /Block 875/ Lot 54/East Ward  
Additional Information:  
Resolution 7R3-E 060712 authorized a collaboration agreement between the City and KMS for the rehabilitation of the Court House and Post Office through a subsequent purchase-lease arrangement.  
Invitation: Director of Economic & Housing Development, March 4, 2014  
Deferred 7R3-c 030514

**Sponsors:**

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
3/19/2014	1	Municipal Council	Adopt	Pass
3/5/2014	1	Municipal Council	Defer	Pass

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**Invitation: Director of Economic & Housing Development, March 4, 2014**

**Deferred 7R3-c 030514**

**WHEREAS**, the United States Postal Service (“USPS”) owns and controls the Frank R. Lautenberg Post Office and Courthouse located at 2 Federal Square, Newark, New Jersey (the “Building”) and the parcel of land upon which it is located, and desires to (a) make available a portion of the Building to the United States General Services Administration (“GSA”) for use and occupancy by the United States federal court system and other federal agencies and (b) continue to utilize a portion of the Building for USPS purposes; and

**WHEREAS**, KMS Development Partners, LP, a company organized and existing under the laws of the Commonwealth of Pennsylvania (“KMS”), has proposed a plan which would provide for the rehabilitation of the Building and the long-term leasing thereof to the USPS and the GSA, thereby facilitating the continued employment of federal workers in the City; and

**WHEREAS**, on June 7, 2012, by Resolution No. 7R3-E, the City of Newark, authorized the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Collaboration Agreement between the City and KMS to facilitate the implementation of such plan, with the term of such agreement to run through December 31, 2013 unless the parties agree to extend such date; and

**WHEREAS**, the Collaboration Agreement was fully executed by the Parties on August 2, 2012; and

**WHEREAS**, notwithstanding the continued diligent efforts of the Parties, as a result of delays at the Federal level in reviewing and implementing such plan, including, but not limited to those resulting from the illness and passing of Senator Frank R. Lautenberg, the implementation of the plan did not occur by December 31, 2013; and

**WHEREAS**, given the City’s continued support of the plan for rehabilitation and reuse of the Building, it is necessary and appropriate to extend the validity of the Collaboration Agreement through December 31, 2015; and

**WHEREAS**, such extension is to be carried out pursuant to the approval and execution of an Amendment to the Collaboration Agreement.

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

1. The Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development of the City, are hereby authorized to enter into and execute a First

Amendment to the Collaboration Agreement with KMS Development Partners, LP, 1600 Arch Street, Suite 300, Philadelphia, Pennsylvania 19103-2028,, in the form attached hereto, extending the validity of the Collaboration Agreement through December 31, 2015 and making all future amendments effective when made in writing and duly authorized by each party, subject to Municipal Council approval..

2. The Collaboration Agreement addresses the City's and KMS's collaboration to develop and implement a redevelopment transaction for the rehabilitation of the Frank R. Lautenberg Post Office and Courthouse, which will include generally (i) the acquisition of title by the City or its designated redevelopment entity, subject to prior long-term leases for the benefit of the United States Postal Service and the United States General Services Administration, (ii) the conveyance by the City to KMS of a license to construct the renovations, as well as 99-year ground lease interest in the property (with reversion to the City at the end of such term), (iii) the construction of the renovations by KMS, as redeveloper of the property and (iv) the granting by the City of a 30-year tax exemption under the Long-Term Tax Exemption Law
3. The executed Amendment shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development
4. This resolution shall take effect immediately.

#### **STATEMENT**

Resolution authorizing the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development of the City to enter into and execute a First Amendment to the Collaboration Agreement with KMS Development Partners, LP ("KMS") extending the validity of the Collaboration Agreement through December 31, 2015 and making all future amendments effective when made in writing and duly authorized by each party, subject to Municipal Council approval. The Collaboration Agreement addresses the City's and KMS's collaboration to develop and implement a redevelopment transaction for the rehabilitation of the Frank R. Lautenberg Post Office and Courthouse, which will include generally (i) the acquisition of title by the City or its designated redevelopment entity, subject to prior long-term leases for the benefit of the United States Postal Service and the United States General Services Administration, (ii) the conveyance by the City to KMS of a license to construct the renovations, as well as 99-year ground lease interest in the property (with reversion to the City at the end of such term), (iii) the construction of the renovations by KMS, as redeveloper of the property and (iv) the granting by the City of a 30-year tax exemption under the Long-Term Tax Exemption Law.