



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 18-0075, Version: 1

**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 14<sup>th</sup> 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:**

**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)