



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 22-1791, Version: 1

Dept/ Agency: Law

Action: () Ratifying (X) Authorizing () Amending

Purpose: Settlement of Civil Litigation

Docket No.: Tax Court Matter: 001521-2014 and Appellate Division: A-000088-21

Claimant: New United Corp.

Claimant's Attorney: Heinze Law, P.A., 383 Main Street, Suite 101, Chatham, New Jersey 07928

Settlement Amount: \$1,300,000.00

Funding Source: Law Department/Business Unit 025; Dept. ID 25T; Division/Project 5T25; Account # 96320

Additional Comments:

A Resolution authorizing a Settlement Agreement resolving a tax appeal.

WHEREAS, the City of Newark (the "City") has been in litigation with New United Corp., relating to certain unpaid taxes; and

WHEREAS, the City and New United Corp., desire to enter into a Settlement Agreement resolving direct tax appeals and legal actions against the City, as more detailed in the Settlement Agreement attached hereto; and

WHEREAS, New United Corp., agrees that it shall make no further claims against the City of Newark relating to any of the properties which are known or unknown, including, but not limited to, all claims which were or could have been asserted in the tax actions entitled, "New United Corp. v. Newark City" pending in the New Jersey Tax Court, bearing Docket No. 001521-2014 (hereinafter the "Tax Court Appeal"), for the property located at Block 1869, Lot 22, Unit C3A; also known as 15 South 9th Street, Newark, New Jersey 07107 (hereinafter the "Subject Property"); and "New United Corp. v. Newark City" pending in the New Jersey Superior Court, Appellate Division, bearing Docket No. A-000088-21 (hereinafter the "Appellate"); and

WHEREAS, the parties desire to settle their disputes as set forth in the Settlement Agreement; and

WHEREAS, the parties have agreed to settle the matter for payment to New United Corp., for the sum of One Million Three Hundred Thousand Dollars and Zero Cents (\$1,300,000.00), in exchange for the execution of a Settlement Agreement resolving tax issues as more detailed in the Settlement Agreement; and

WHEREAS, the within settlement and release does not admit nor should it be construed as an admission of liability or violation of any law, statute or regulation or a breach of any duty by the City of Newark, its agents, officers and/or employees whatsoever and is entered into to resolve this matter and prevent the incurring of additional costs and fees; and

WHEREAS, the City has determined that it is in the best interest of the taxpayers to settle and avoid the cost, expense, delay and uncertainty of litigation.

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

1. The Corporation Counsel and Tax Collector are authorized, on behalf of the City of Newark, to enter into and execute a Settlement Agreement and Release in the form attached hereto and any other documents sufficient in form and content approved by the Corporation Counsel with New United Corp. and to take whatever actions are necessary to effectuate the terms of the within Resolution and Settlement of this matter, pursuant to the terms contained in the within Resolution.
2. The Municipal Council authorizes payment to New United Corp., in the total sum of One Million Three Hundred Thousand Dollars and Zero Cents (\$1,300,000.00), as consideration of and pursuant to the terms and conditions contained in the Settlement Agreement annexed hereto. Funds for this Settlement shall be provided from the: City of Newark, Business Unit 025; Dept. ID 25T; Division/Project 5T25; Account A, Budget Ref. #96320; Law Department. Payment will be made in the form of a check made payable to: the Trust Account of Heinze Law, P.A., to be held in trust for New United Corp.
3. The within Settlement and Resolution do not admit nor should it be construed as an admission of liability or violation of any law, statute or regulation or a breach of any duty by the City of Newark, its agents, officers and/or employees whatsoever and is enter into based upon recommendations of Corporation Counsel and to eliminate all risks and future litigation costs.
4. A fully executed copy of the Settlement Agreement shall be filed in the Office of the City Clerk by the Corporation Counsel.
5. This Resolution shall be effective upon adoption in accordance with applicable State law.

STATEMENT

This Resolution authorizes payment from the City of Newark for the sum of \$1,300,000.00, to New United Corp. in exchange for the execution of a Settlement Agreement resolving issues only as to litigation of tax matters against the City of Newark as more detailed in the Settlement Agreement. Payment will be made in the form of a check made payable to the Trust Account of Heinze Law, P.A., to be held in trust for the Taxpayer.