



Legislation Text

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AN ORDINANCE AUTHORIZING THE EXECUTION OF A LAND EXCHANGE AGREEMENT WITH STATION PLAZA NEWARK DOWNTOWN CORE URBAN RENEWAL COMPANY, LLC ("STATION PLAZA"), WHICH ANTICIPATES: (A) THE VACATION OF THE COMMERCE STREET RIGHT OF WAY AND A PORTION OF THE COMMERCIAL STREET RIGHT OF WAY AND TRANSFER OF THE SAME TO STATION PLAZA; (B) THE SUBDIVISION OF A PORTION OF BLOCK 169.01 LOTS 60 AND 70, CURRENTLY OWNED BY STATION PLAZA, AND TRANSFER OF THE SUBDIVIDED PORTION FROM STATION PLAZA TO THE CITY; (C) THE EXECUTION OF A LICENSE AGREEMENT WITH STATION PLAZA TO TEMPORARILY LICENSE A PORTION OF THE SUBDIVIDED PROPERTY BACK TO STATION PLAZA; AND (D) THE RECEIPT OF THE SUM OF \$5,200,000.00 FROM STATION PLAZA AS ADDITIONAL CONSIDERATION IN THE TRANSACTION, TO BE APPLIED TO THE CONSTRUCTION OF A NEW HOMELESS SHELTER IN THE CITY AND TO ADOPT AMENDMENT # 1 TO THE AMENDED AND RESTATED REDEVELOPMENT AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF NEWARK (SUBSEQUENTLY ASSIGNED TO AND ASSUMED BY THE CITY OF NEWARK) AND STATION PLAZA.

WHEREAS, on July 14, 2004, the City of Newark ("City") utilized the powers of Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. to designate over 39 acres of land within the Downtown Newark area as an "area in need of redevelopment", commonly known as the Newark Downtown Core District Redevelopment Area (the "Redevelopment Area"); and

WHEREAS, the City has determined to undertake the redevelopment of the City's Downtown Core Area in accordance with the "Newark Downtown Core District Redevelopment Plan and Amendment to the Newark Plaza Urban Renewal Plan" enacted by Ordinance 6S&FF adopted on October 6, 2004, as amended on September 7, 2005, May 5, 2010, February 24, 2015, September 2, 2015, and June 7, 2017 (and as further clarified and amended by that certain Fifth Amendment to the Newark Living Downtown Redevelopment Plan, adopted by the City through Ordinance 6PSF-e on September 5, 2019) (and as may be further amended from time to time, the "Downtown Core Redevelopment Plan"); and

WHEREAS, the City has also determined to undertake the redevelopment of the City's Passaic Riverfront in accordance with the "Newark River: Public Access & Redevelopment Plan" enacted by Ordinance 6PSF-i adopted on August 7, 2013, as amended through Ordinance 6PSF-a(s) adopted on October 17, 2017 (and as may be further amended from time to time, the "Riverfront Redevelopment Plan"); and

WHEREAS, pursuant to N.J.S.A. 40A:12A-4(c), the City adopted Resolution 7Rbc on October 6, 2004, designating the Housing Authority of the City of Newark (the "Authority") or its designee as the redevelopment entity of the City for the purpose of implementing and carrying out redevelopment projects in the Redevelopment Area; and

WHEREAS, the Authority and Station Plaza entered into a redevelopment agreement on August 5, 2005, which agreement was amended and supplemented by Amendment #1, dated March 10, 2006 and Amendment #2, dated July 12, 2007 and amended and restated in its entirety by that certain “Amended and Restated Redevelopment Agreement” dated July 7, 2016 (the “ARRDA”), governing the Parties’ respective rights and obligations relating to Station Plaza’s designation as redeveloper of, and undertaking and implementation of, the redevelopment of a portion of the City’s Downtown Core Area; and

WHEREAS, on September 2, 2015, the City adopted Ordinance 6PS-B authorizing the de-designation of the Authority as the redevelopment entity for the Redevelopment Area which Ordinance required the City to assume the amended Redevelopment Agreement on behalf of the Authority; and

WHEREAS, on July 7, 2016, the City entered into an Assignment and Assumption of the Station Plaza Amended and Restated Redevelopment Agreement and the Lafayette Amended Redevelopment Agreement in which the Authority as assignor assigned and the City as assignee assumed any and all interest of the Authority in the Station Plaza ARRDA; and

WHEREAS, the City has the right to condemn property located in the Riverfront Redevelopment Area, including certain property owned by an affiliate of Station Plaza, however, the City has determined, and the City and Station Plaza have agreed, that the successful redevelopment of the relevant portions of the Riverfront Redevelopment Area, as well as the relevant portions of the Downtown Core Redevelopment Area covered by the ARRDA, are better served by the Parties entering into an exchange agreement in lieu of condemnation, and will better facilitate the process of efficient and mutually beneficial exchange of properties as desired by the both the City and Station Plaza, thereby minimizing collateral issues, and cooperating in the spirit of a fair exchange and good faith; and

WHEREAS, N.J.S.A. 40A:12A-8, allows the City to lease or convey property without public bidding provided that the conveyance is made in conjunction with a redevelopment plan; and

WHEREAS, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. and the Local Lands and Buildings Law, N.J.S.A. 40A:12-1 et seq., the City is authorized to acquire property in furtherance of its redevelopment project or public projects; and

WHEREAS, the City and Station Plaza desire to enter into a certain “Riverfront Land Exchange Agreement” (the “LEA”), a copy of which is attached hereto as Exhibit A pursuant to which the City and Station Plaza are to exchange certain land in order to effectuate the successful redevelopment of the relevant portions of the Riverfront Redevelopment Area and the relevant portions of the Downtown Core Redevelopment Area, which governs the ARRDA and Amendment #1 thereto, a copy of which is attached as an Exhibit to the LEA; and

WHEREAS, pursuant to the terms of the LEA, after completion of a subdivision of Station Plaza’s property located at Block 169.01, Lots 60 and 70 (located at Commercial Street), on the date of closing, Station Plaza shall transfer to the City the subdivided property consisting of 40 feet by approximately 210 feet of land (tax map measurements) adjacent to the Passaic River; simultaneously therewith, the City shall vacate and transfer to Station Plaza, the Commerce Street Right of Way (between Raymond Plaza East and Market Street), and a portion of Commercial Street

adjacent to Block 169.01, Lots 60 and 70 consisting of 10 feet by approximately 241 feet (tax map measurements) of land; and

WHEREAS, pursuant to the terms of the LEA, on the date of closing and transfer of the properties, Station Plaza shall contribute the sum of Five Million Two Hundred Thousand Dollars (\$5,200,000.00) to the City for the City's construction of a homeless shelter; and

WHEREAS, the City and Station Plaza have determined that an additional amendment to the ARRDA, entitled the "Amendment #1 to Amended and Restated Redevelopment Agreement by and between the City of Newark, New Jersey and Station Plaza Newark Downtown Core Urban Renewal Company, LLC" which provides, among other things, the confirmation of the completion of certain items set forth in the ARRDA, the extension of the Development Density Commencement Date, tying the same to the completion of the bridge between Mulberry Commons and Newark Pennsylvania Station, removal of Station Plaza's obligation to contribute additional cash to the construction of the bridge, and redefining and expanding Redeveloper's other Property to include Commerce Street, a portion of Commercial Street and Block 179, Lots 26, 28 and 30, acquired after the date of the ARRDA, and the ownership thereof.

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

Section 1. The City hereby authorizes the terms of the LEA which anticipates the vacation from the City's tax maps of the existing right of way known as Commerce Street connecting Raymond Plaza East and Market Street, including the extended area east of Commerce Street and east of the southeast corner of Mother Cabrini Park (Tax Block 180, Lot 45) that creates a straight line running from the southwest corner of Mother Cabrini Park to a point on Tax Block 179 that encompasses all of the land east of the southeast corner of Mother Cabrini Park, north of such line and south of both Tax Block 179 and the existing Commerce Street, subject to an accurate survey to be prepared at the cost of Station Plaza, pursuant to an ordinance to be passed in the normal course, to then be conveyed to Station Plaza pursuant to the terms of the LEA.

Section 2. In accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. and the Local Lands and Buildings Law, N.J.S.A. 40A:12-1 et seq., the City hereby authorizes the terms of the LEA which anticipates the vacation from the City's tax maps of a portion the existing right of way known as Commercial Street comprised of a ten (10) foot width adjacent to Tax Block 169.01, Lots 60 and 70, running parallel to the southwesterly property line of each lot, subject to an accurate survey to be prepared at the cost of Station Plaza, pursuant to an ordinance to be passed in the normal course, to then be conveyed to Station Plaza pursuant to the terms of the LEA.

Section 3. In accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. and the Local Lands and Buildings Law, N.J.S.A. 40A:12-1 et seq., the City hereby authorizes the submission of a subdivision application and subsequent acquisition of the subdivided portion of Tax Block 169.01, Lots 60 and 70 comprised of 40 feet by approximately 210 feet of land (tax map measurements) adjacent to the Passaic River (the "riverfront property"), subject to an accurate survey to be prepared at the City's cost, to be conveyed by Station Plaza pursuant to the terms of the LEA.

Section 4. Simultaneous with the acquisition of the riverfront property, the City shall enter into a license agreement in the form attached as an exhibit to the LEA to allow Station Plaza to license a 10 foot strip of the riverfront property from the City at no cost until such time as either party shall terminate the license upon no less than sixty (60) days' advance written notice.

Section 5. The City accepts payment in the amount Five Million Two Hundred Thousand Dollars (\$5,200,000.00) in the form of a contribution to the cost of construction of a new homeless shelter as part of the consideration to be paid by Station Plaza pursuant to the terms of the LEA.

Section 6. The Mayor and/or Deputy Mayor/Director of Economic and Housing Development and the Director of the Department 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, including, without limitation, the Land Exchange Agreement, Amendment #1 to Amended and Restated Redevelopment Agreement by and between the City of Newark, New Jersey and Station Plaza Newark Downtown Core Urban Renewal Company, LLC, the Site License Agreement, and any conveyance documents for the right of way vacation and transfer, and the subdivision and acquisition of the riverfront property, any affidavits of title, closing statements and continuing disclosure agreements contemporaneous with a closing.

Section 7. The Municipal Council adopts Amendment #1 to Amended and Restated Redevelopment Agreement by and between the City of Newark, New Jersey and Station Plaza Newark Downtown Core Urban Renewal Company, LLC as attached hereto an Exhibit to the LEA .

Section 8. This ordinance shall take effect upon adoption and approval in the time and manner prescribed by law.

STATEMENT

Ordinance authorizing the execution of a land exchange agreement with Station Plaza Newark Downtown Core Urban Renewal Company, LLC ("Station Plaza") which anticipates: (a) the vacation of the Commerce Street Right of Way and a portion of the Commercial Street right of way and transfer of the same to Station Plaza; (b) the subdivision of a portion of Block 169.01 Lots 60 and 70, currently owned by Station Plaza and transfer of the subdivided portion from station plaza to the City; (c) the execution of a License Agreement with Station Plaza to temporarily license a portion of the subdivided property back to Station Plaza; and (d) the receipt of the sum of \$5,200,000.00 from Station Plaza to be applied to the construction of a new homeless shelter in the City; and to adopt Amendment #1 to the amended and Restated Redevelopment Agreement between the Housing Authority of the City of Newark (subsequently assigned to and assumed by the City of Newark) and Station Plaza.