



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 21-1016, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Memorandum of Understanding between Ports America Group, Inc. and the City of Newark

Purpose: To authorize a Memorandum of Understanding (MOU) and Funding Agreement.

Entity Name: Ports America Group, Inc.

Entity Address: 525 Washington Boulevard, Suite 1660, Jersey City, New Jersey 07310

Operating Budget: N/A

Funding Source: Ports America Funding Agreement

Contract Period: Commences upon execution of the MOU and terminates in two (2) years

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale () Grant () Sub-recipient (X) n/a

Additional Information:

No municipal funds or commitment of municipal resources are required to effectuate this Memorandum of Understanding.

WHEREAS, the City of Newark (“City”) is the owner of the land upon which Ports America Group, Inc. (“Ports America”), and its affiliated entities developed, maintain, manage and operate a 297-acre state-of-the-art marine container terminal, handling more than 2.1 million twenty-foot equivalent containers. Such land is leased to the Port Authority of New York and New Jersey (the “Port Authority”) and subleased by the Port Authority to Ports America; and

WHEREAS, the Port Authority recently released the PANYNJ Port Master Plan 2050 (the “Master Plan”), which contemplates future expansion of port facilities at the Port of New York and New Jersey including, but not limited to, the Port Newark Peninsula for container terminal operations; and

WHEREAS, Ports America currently operates a container facility located on City-owned property; and

WHEREAS, building upon the Master Plan, Ports America created its own detailed facility plan for the Port Newark South Peninsula (the “Facility Plan”) that focuses on obtaining new leases on portions of the existing Port Newark South Peninsula (the “Expansion Area”) and on proposed reclamation to the East into Newark Bay identified on Attachment A (such proposed reclaimed area, the “Reclamation Area,” and, together with the Expansion Area, the “Development Area”); and

WHEREAS, the Facility Plan recommended a detailed multi-phase roadmap for the development of the Port Newark South Peninsula over the next thirty (30) years, including a layout for the full buildout of the Port Newark South Peninsula and a new terminal on the Reclamation Area; and

WHEREAS, the Facility Plan includes project planning, permitting, design, and construction durations and budget costs. The Facility Plan further details, inter alia, upgrades to the east end of the wharf, reconfiguration of existing terminal areas, container yard expansion, new reefer stacks, relocation of the administration building, berth and crane configuration, container yard and intermodal rail yard layout, gate facilities, workshops and parking, and utility, substation and equipment needs; and

WHEREAS, Ports America believes that the Reclamation Area may be owned and controlled by the City and to confirm the City's ownership and control of the Reclamation Area the Parties seek to enter into and execute a Memorandum of Understanding ("MOU") to set forth their mutual understanding and agreement which will permit the City, at the expense of Ports American, to perform the necessary research, investigation and due diligence as further to confirm the City to be the owner of the Reclamation Area; and

WHEREAS, upon such confirmation that the City owns and controls the Reclamation Area, the parties shall thereafter engage in good faith negotiations following execution of the MOU for one or more agreements (which may include the Port Authority) (collectively, hereinafter, "Redeveloper's Agreement") setting forth the terms and conditions pursuant to which Ports America shall design, develop, permit, finance and construct the Development Area (the "Project"); and

WHEREAS, Ports America has agreed to enter into and execute a Funding Agreement to fund the costs associated with the confirmation research and other work necessary for the Reclamation Area, as well as the City's costs and expenses to negotiate a Redeveloper's Agreement for the Project.

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

1. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute a Memorandum of Understanding (MOU) on behalf of the City with Ports America.
2. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute a Funding Agreement on behalf of the City with Ports America.

STATEMENT

This resolution authorizes the Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and to execute a Memorandum of Understanding and Funding Agreement to explore redeveloping portions of the Newark Bay.