



Legislation Text

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AN ORDINANCE AUTHORIZING A LEASE AGREEMENT WITH MILLER STREET DEVELOPMENT URBAN RENEWAL, LLC AS LANDLORD FOR A RESIDENTIAL HOMELESS SHELTER AND ASSOCIATED OFFICE SPACE AT THE FORMER MILLER STREET SCHOOL, LOCATED AT 47-71 MILLER STREET, 61-75 FRELINGHUYSEN AVENUE AND 47-61 VANDERPOOL STREET, NEWARK, NEW JERSEY 07114 (SOUTH WARD,) PURSUANT TO N.J.S.A. 40A:12-5.

WHEREAS, the City of Newark (the “City”), like many large urban areas throughout the country, is experiencing a homeless crisis as one of the most pressing and urgent issues concerning public health and safety and is in need of quality living space to aid in the temporary housing assistance of Newark’s homeless individuals and families; and

WHEREAS, the City has located a suitable location consisting of approximately 24,749 square feet of gross rentable square feet of space (the “Premises”) in the former Miller Street School located at 47-71 Miller Street (also known as 61-75 Frelinghuysen Avenue and 47-61 Vanderpool Street), Newark, New Jersey 07114, also shown on the Official Tax Map of the City of Newark, as Block 2794, Lots 1 and 26 (the “Building”); and

WHEREAS, Miller Street Development Urban Renewal, LLC (the “Landlord”), a New Jersey limited liability company, whose address is 32 Mt. Kemble Avenue, Morristown, New Jersey 07960 is the owner of the Premises and Building; and

WHEREAS, the City is authorized to acquire property by lease, pursuant to the Local Lands and Buildings Law, N.J.S.A. 40A:12-5, upon passage of an ordinance; and

WHEREAS, the City wishes to enter into a lease agreement (the “Lease”) with the Landlord to lease the above described premises in the form attached hereto and made a part of this ordinance.

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

1. The Mayor and/or his designee, the Business Administrator are hereby authorized and directed to enter into, execute, and deliver a Lease in a form on terms and conditions substantially similar to those set forth in the Lease attached hereto, on behalf of the City of Newark as Tenant, with Miller Street Development Urban Renewal, LLC as Landlord, for use of the Premises commonly known as a portion of the building located at 47-71 Miller Street (Block 2794, Lots 1 and 26), in the South Ward, as a residential homeless shelter, for a period of five (5) years, commencing upon substantial completion as that term is defined in Section 2.3(a) of the Lease and terminating at 11:59 p.m. on the last day of the month in which the day before the fifth (5th) anniversary of the commencement occurs, with two (2) options to extend,

each for one additional year.

2. The Mayor and/or the Business Administrator and the Director of the Department of Finance of the City of Newark are each hereby authorized to execute and deliver any and all documents and certificates necessary or convenient in connection with the transactions authorized herein.
3. The City of Newark shall, as consideration for the five (5) year Lease term, pay the Landlord the sum of \$2,401,300.14 as follows:

Years	Rent Per Sq. Foot	Annual Rent	Monthly Rent
1	\$15.00	\$371,235.00	\$30,936.25
2	\$15.45	\$382,372.05	\$31,864.34
3	\$15.91	\$393,843.21	\$32,820.27
4	\$16.39	\$405,658.51	\$33,804.88
5	\$16.88	\$417,828.26	\$34,819.02
Option Year 1	\$17.39	\$430,363.11	\$35,863.59
Option Year 2	\$17.91	\$443,274.00	\$36,939.50

4. The City is authorized to enter into the Lease pursuant to the Local Lands and Buildings Law, N.J.S.A. 40A:12-5 et seq.
5. Both the Landlord and City, as Tenant, shall be responsible for the enforcement and compliance with the covenants and conditions of the Lease.
6. In accordance with Local Budget Law, N.J.S.A. 40A:4-57(b), the City is authorized to enter leases beyond the fiscal year of the Certification of Funds requirements.
7. Attached hereto is a partial Certification of Funds in the amount of One Million Two Hundred Thirty-Seven Thousand Two Hundred Fifty-Five Dollars and Zero Cents (\$1,237,255.00) from the Municipal Comptroller of the City of Newark, which states that there are sufficient funds for the purpose set forth hereinabove, the remaining balance of One Million One Hundred Sixty-Four Thousand Forty-Five Dollars and Fourteen Cents (\$1,164,045.14) to be provided from Unclassified Operations, funding codes: 011 200 2001 97550 B2021. The Certification shall be filed, along with the original ordinance and the executed agreement in the Office of the City

Clerk.

8. A copy of both the fully executed Lease and this ordinance shall be permanently filed in the Office of the City Clerk.
9. The Lease is in compliance with the prerequisite for leasing private space, set forth in the City Municipal Code 2:4-16, as suitable space under the control of the City is not available.
10. Any ordinances inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.
11. If any provision of this ordinance is deemed unlawful by a court and is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this ordinance shall continue in full force and effect.
12. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This ordinance authorizes the Mayor and/or his designee, the Business Administrator to enter into and execute a Lease with Miller Street Development Urban Renewal, LLC for a residential homeless shelter for a portion of the City's homeless population, to be located at a portion of the former Miller Street School located at 47-71 Miller Street, Newark, New Jersey, 07114, pursuant to N.J.S.A. 40A:12-5, for a term of five (5) years, with two (2) options to extend for one (1) year each, the original term commencing upon substantial completion of construction as that term is defined in Section 2.3 of the Lease, for a total sum of \$2,401,300.14 for the initial five (5) year term.