



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-1904, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Grant Agreement

Purpose: To provide grant funding for fit out and building costs for the ShopRite Supermarket consisting of approximately 67,000 square feet.

Entity Name: Newark Shoprite, LLC.

Entity Address: 1409 Broad Street, Bloomfield, New Jersey 07003

Grant Amount: \$2,000,000.00

Funding Source: Community and Economic Development Dedicated Trust Fund

Total Project Cost: \$13,098,000.00

City Contribution: \$2,000,000.00

Other Funding Source/Amount: \$0.00

Contract Period: October 17, 2013 through October 14, 2017

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)

(Address/Block/Lot/Ward)

206 Springfield Avenue/Block 236/Lot 1.05

Additional Information:

Entity is a Sub-lessee at 206 Springfield Avenue, Newark, New Jersey 07103 (ShopRite)

WHEREAS, the City of Newark (the "City"), desires to enter into a Grant Agreement (the "Agreement"), with ShopRite Newark, LLC, a New Jersey limited liability company (the "Entity"), having its principal place of business at 1409 Broad Street, Bloomfield, New Jersey 07003 (each the City and Grantee individually a "Party", and collectively, the "Parties"); and

WHEREAS, the Entity is the Sub-lessee of certain parcel of real property shown on the Official Tax Map of the City of Newark as Block 236, Lot 1.05 (the "Property"); and

WHEREAS, the Property is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1* et seq. (the "LRHL"), and is governed by the University Heights Redevelopment Plan, as amended (the "Redevelopment Plan"); and

WHEREAS, the City believes the Project, as that term is defined herein, is vital and in the best interests of the City and that it promotes the health, safety, and welfare of the City's residents; and

WHEREAS, the Entity was faced with a significant funding gap in connection with the Project that must currently be bridged in order to make the Project financially feasible; and

WHEREAS, *N.J.S.A. 40A:12A-8(f)* of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with Redevelopment Plans; and

WHEREAS, the Project qualifies for financial assistance because it is located within a redevelopment area and has been developed for the purpose of implementing the approved Redevelopment Plan; and

WHEREAS, the Municipal Council recognizes the need to support the above Project and that the City will finance a capital grant in the amount of Two Million Dollars and Zero Cents (\$2,000,000.00) in connection with the Project (the "Grant"); and

WHEREAS, the City desires to enter into a Grant Agreement with the Entity to provide them with said Grant funds provided from the City's Community and Economic Development Dedicated Trust Fund (the "Fund"), established by Resolution 7Rg, adopted by the Municipal Council on November 6, 1985 (the "Resolution"), for the purpose of financing the development costs associated with redevelopment projects, urban revitalization projects, economic stabilization and stimulation projects and such other projects within the City, which are consistent with the activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, as amended ("Title I"); and

WHEREAS, the City has determined that the Project is consistent with the purposes set forth in the resolution and the activities eligible for assistance under Title I; and

WHEREAS, the City has further determined it is in the best interest of the City to provide the Grant to the Entity in an amount not to exceed Two Million Dollars and Zero Cents (\$2,000,000.00) from the amounts deposited in the Fund in accordance with this resolution.

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

1. The Mayor 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 Grant Agreement with the Entity, in the form attached hereto, in the amount of Two Million Dollars and Zero Cents (\$2, 000,000.00) from the City's Community and Economic Development Dedicated Trust Fund, to be used as financing assistance to develop and subsidize the costs of the Project, which shall facilitate redevelopment within the City and implement related activities.
2. The term of the Grant Agreement shall be ratified to October 17, 2013, the date on which the construction force and machinery was mobilized for development of the Project and will expire upon the issuance of a Certificate of Completion for the Project.
3. The Entity shall be responsible for the recordation of the fully executed Grant Agreement and any amendments thereto in the Office of the Essex County Register's Office.
4. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Grant Agreement as permitted by State Law and may enter into access and right of entry agreements

and other relevant documents related to these fund allocations in forms subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two (2) six (6) month extensions of the term set forth in the Grant Agreement and any contract timelines and milestones contained therein, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and with the approval of the Corporation Counsel.

5. The Entity must remain in compliance with all Municipal, State and Federal laws including, but not limited to the City's Minority Set-Aside Ordinance (6S&Fd adopted on April 5, 1995) and its Affirmative Action Plan (7Rbp adopted on March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders #1135 and #12086) with respect to the award of goods and services, as may be amended from time to time. The Entity has agreed to ensure that a minimum of 40% of the workers employed during the construction of the Project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
6. Attached hereto is a Certification from the City's Municipal Comptroller, which states that: (1) there are sufficient funds in the amount of Two Million Dollars (\$2,000,000.00); and (2) that the line appropriation of Official Budget which shall be charged is as follows:

Business Unit	Division/Proj.	Department I.D.	Account#	Budget Ref.	Amount
NW026	N/A	B/S	46270	B2016	\$2,000,000.00

7. A copy of the fully executed Grant Agreement must be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

STATEMENT

The Mayor 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 Grant Agreement with Sub-lessee, Newark ShopRite LLC., 1409 Broad Street, Bloomfield, New Jersey 07003 for fit out and building costs for the ShopRite supermarket consisting of approximately 67,000 square feet for the period of October 17, 2013 through October 14, 2017 in the grant amount of Two Million Dollars and Zero Cents (\$2,000,000.00).