



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

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ORDINANCE AMENDING ORDINANCE 6PSF-C, ADOPTED JANUARY 5, 2017, AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE ACTING DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AN AMENDED AGREEMENT FOR THE CONVEYANCE OF REAL PROPERTY WITH THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY (“NJSDA”) MODIFYING FEES TO BE PAID BY THE CITY FOR THE RELEASE OF CERTAIN RESTRICTIONS.

(PUBLIC HEARING NOTICE FOR FEBRUARY 14, 2018)

Deferred 6PSF-c 020718

WHEREAS, by Ordinance 6PSF-c, adopted January 5, 2017, the Municipal Council of the City of Newark authorized the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development to enter into a Conveyance Agreement with the New Jersey Schools Development Authority (“NJSDA”) for the conveyance of real property by NJSDA to the City (the “Agreement”); and

WHEREAS, the Agreement was executed on March 23, 2017; and

WHEREAS, the Agreement provides for the transfer of the following parcels of real property owned by NJSDA to the City, subject to certain terms and restrictions:

<u>Address</u>	<u>Block</u>	<u>Lot</u>	<u>Ward</u>	<u>Size</u>	<u>Sq. Feet</u>
339-341 S. 11 th Avenue	1784	10	West	30x100	3,000
345 S. 11 th Street	1784	13	West	30x100	3,000
375 S. 11 th Street	1784	28	West	30x100	3,000
381-395 South Orange Ave	1784	35	West		20,089
376 S. 12 th Street	1784	44	West	30x77	2,310
372-374 S. 12 th Street	1784	45	West	30x100	3,000
354 S. 12 th Street	1784	55	West	43.5x100	4,350
350-352 S. 12 th Street	1784	57	West	43.5x100	4,350
348 S. 12 th Street	1784	58	West	25x100	2,500
338 S.12 th Street	1784	63	West	28x100	2,800
317-319 S. 12 th Street	1785	1	West	42.7x100	4,270
321-323 S. 12 th Street	1785	2	West	56x100	5,600
325 S. 12 th Street	1785	4	West	28x100	2,800
327 S. 12 th Street	1785	5	West	28x100	2,800
329 S. 12 th Street	1785	6	West	28x100	2,800
331-333 S. 12 th Street	1785	7	West	28x100	2,800
335 S. 12 th Street	1785	8	West	28x100	2,800
343-345 S. 12 th Street	1785	11,12	West	53.6x100	5,360
347 S. 12 th Street	1785	13	West	25x100	2,500
349 S. 12 th Street	1785	14	West	28x98.11	2,747.08
351 S.12 th Street	1785	15	West	28x97.4	2,727.2

353 S. 12 th Street	1785	16	West	28x95.11	2,663.08
355 S. 12 th Street	1785	17	West	28x94.4	2,643.2
357-359 S. 12 th Street	1785	18	West	28x92.10	2,578.8
361 S. 12 th Street	1785	20	West	28x91.4	2,559.2
363 S. 12 th Street	1785	21	West	28x90	2,520
365 S. 12 th Street	1785	22	West	28x88.6	2,480.8
367 S. 12 th Street	1785	23	West	28x86.9	2,433.2
369 S. 12 th Street	1785	24	West	31x84.3	2,613.3
399-401 S. 12 th Street	1785	47	West	50.4x95	4,788
397 South Orange Avenue	1785	62	West	25.3x101	2,555.3
375-377 S. 12 th Street	1785	63	West	40x81	3,240
371-373 S. 12 th Street	1785	64	West	47x83.1	3,905.7

(407,591.78 Total Sq. Ft)

(the “NJSDA Property”); and

WHEREAS, the Agreement provides that the City shall construct and occupy a 5,000 sq. ft. Early Childhood Center (“ECC”), at a cost of no less than One Million Dollars and Zero Cents (\$1,000,000.00), to be located on that part of the NJSDA Property identified as Block 1784, Lots 13 and 10 (the “ECC Property”) within five (5) years from the date of execution; and

WHEREAS, the Agreement further provides that all existing improvements on the NJSDA Property be demolished within three (3) years of the date of execution; and

WHEREAS, the Agreement provides for NJSDA to retain a reversionary interest in the NJSDA Property until such time as the construction of the ECC and demolition of the existing improvements are completed, unless the City requests NJSDA to release such interest; and

WHEREAS, the City contemplates entering into agreements with redevelopers for the construction of the ECC, and the rehabilitation or redevelopment of the remainder of the NJSDA Property (the “Conveyance Property”), together with adjacent City-owned parcels; and

WHEREAS, in order to transfer the Conveyance Property for the purpose of redevelopment prior to the completion of construction of the ECC, and demolition of the existing improvements, it may be necessary for the City to request that NJSDA release its reversionary interest in the Conveyance Property; and

WHEREAS, the Agreement provides that NJSDA may release its reversionary interest upon the payment of certain fees (the “Release Fees”) as determined by Exhibit 6 of the Agreement; and

WHEREAS, through negotiations between the City and NJSDA, NJSDA has agreed to amend the Agreement to reduce the Release Fees from a total required by the Agreement of \$2,000,000.00 to approximately \$1,000,000.00 as more fully set forth on the Revised Exhibit 6 of the Amended Agreement; and

WHEREAS, the City desires to enter into an Amended Agreement for the Conveyance of the NJSDA Property to replace the existing Exhibit 6 with Revised Exhibit 6, reflecting the lower Release Fees.

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 Acting Director of the Department of Economic and Housing Development are hereby authorized to: (i) execute an Amended Agreement for Conveyance of Real Property modifying the schedule of release fees as reflected on Revised Exhibit 6 to the Amended Agreement.
2. A copy of the fully executed Amended Agreement for Conveyance of Real Property, with all exhibits thereto, shall be placed on file in the Office of the City Clerk by the Acting /Director of the Department of Economic and Housing Development.
3. 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 Acting Director of the Department of Economic and Housing Development to execute an Amended Agreement for the Conveyance of Real Property, lowering certain fees to be paid by the City for the release of restrictions with the New Jersey Schools Development Authority.