



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-2105, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Leasing City-owned property

Purpose: To allow for the relocation of Anthony Devino and A. Devino, Inc. d/b/a/ Devino Used Trucks and Parts from 191-269 Doremus Avenue, Block 5016, Lot 30 to 38-42 Bay Avenue, Block 5088, Lot 30 to permit the redevelopment of an 870,000 square foot industrial and logistics center by Morris Doremus Avenue Associates, LLC., within the East Ward

Entity Name: Anthony Devino and A. Devino, Inc.

Entity Address: 190 Doremus Avenue, Newark, New Jersey 07105

Lease Amount: Calculation of annual Real Estate Taxes of the leased property, as outlined in the Lease Agreement.

Lease Period: Thirty (30) years

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

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

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

Location of Property: 38-32 Bay Avenue, Newark, New Jersey

(Address/Block/Lot/Ward)

38-42 Bay Avenue /Block 5088/Lot 30 / East Ward

Additional Information:

This resolution authorizes a Lease Agreement between the City of Newark ("City") and Anthony Devino and A. Devino, Inc. d/b/a/ Devino Used Trucks and Parts ("Proposed Tenant") to allow for the relocation of Tenant and the redevelopment of an 870,000 square foot industrial and logistics center by Morris Doremus Avenue Associates, LLC., within the East Ward.

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the "Act"), authorizes municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, in accordance with the criteria set forth in the Act, on June 15, 2005, the Municipal Council of the City of Newark accepted the recommendation of the Central Planning Board that the City of Newark in its entirety is an Area in Need of Rehabilitation pursuant to the Act ("Rehabilitation Area"); and

WHEREAS, on June 6, 2001, the City adopted the East Ward Redevelopment Plan through Ordinance 6PhS&Ff 030301 ("Redevelopment Plan"), which sets forth the plan for the Redevelopment Area; and

WHEREAS, Anthony Devino and A. Devino, Inc. d/b/a/ Devino Used Trucks and Parts ("Proposed Tenant") is occupying real property commonly known as 191-269 Doremus Avenue and designated as Block 5016, Lot 30 on the official tax map of the City of Newark ("Doremus Property"),

an area that was designated, by the City, as a Blighted Area under the Blighted Areas Act, on November 6, 1963; and

WHEREAS, on May 3, 2006, the City of Newark designated Morris Doremus Avenue Associates, LLC, (hereinafter the “Redeveloper”) the designated Redeveloper for a certain area consisting of approximately forty (40) acres which includes the Doremus Property; and

WHEREAS, the Redeveloper proposes to develop an 870,000 square foot industrial and logistics center (hereinafter the “Project”); and

WHEREAS, the Redeveloper has contracted for or acquired all of the properties necessary to build the Project, except for the Doremus Property; and

WHEREAS, pursuant to the Redevelopment Agreement, and as the Redevelopment Entity, the City has a duty to acquire the Doremus Property (either by negotiations or by condemnation if negotiations fail) and relocate the Proposed Tenant; and

WHEREAS, attendant in the City’s duty to acquire the Doremus Property, is the public interest including a tremendous increase in tax income resulting from the Project as well as the creation of numerous jobs that the Project will generate; and

WHEREAS, in addition to the obligation to acquire the Doremus Property for the Project, the City’s Water Department has an obligation to temporarily acquire an adjacent parcel to the Devino Property also owned by the Proposed Tenant as a result of a New Jersey Department of Environmental Protection (“DEP”) Administrative Consent Order, which requires that the City make improvements to the Combined Sewer Overflow (“CSO”) at the Devino Property; and

WHEREAS, in attempting to meet the obligations of the DEP to repair the CSO at the Doremus Property, the City previously engaged in litigation with the Proposed Tenant to obtain access to make the necessary repairs, which resulted in a Settlement Agreement; and

WHEREAS, in addition to the obligation to acquire the Doremus Property for the Project, pursuant to the Settlement Agreement the City must immediately relocate Proposed Tenant, due to the CSO Project that is necessary to the City’s water and sewer infrastructure; and

WHEREAS, the Redeveloper had requested that the City acquire the Doremus Property utilizing the Eminent Domain Act, which requires that the City must first attempt to negotiate a settlement of the acquisition of the Doremus Property; and

WHEREAS, the Redeveloper had successfully negotiated for the acquisition of all of the properties within the project area with the exception of the Doremus Property; however, the Redeveloper cannot commence construction of the Project until the Doremus Property is vacant and acquired by the Redeveloper; and

WHEREAS, pursuant to the Relocation Assistance Law of 1967 (N.J.S.A. 52:31B-1 et seq.) and the Relocation Assistance Act (N.J.S.A. 20:4-1 et seq.), if the condemnation of Block 5016, Lot 30 would be necessary to undertake the local redevelopment project, such condemnation proceeding, if undertaken, would result in the displacement of Proposed Tenant, requiring the

payment of relocation funds to Proposed Tenant; and

WHEREAS, herein the Parties have negotiated and agreed that the Redeveloper shall acquire the Doremus Property, and the Proposed Tenant shall lease and relocate to 38-42 Bay Avenue, Block 5088, Lot 30, thereby allowing the Redeveloper to commence the Project; and

WHEREAS, as the result of the agreement reached between the Redeveloper and Devino, the Settlement Agreement and the obligations of the parties thereunder are no longer necessary.

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 Acting Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to enter into a Lease Agreement between the City of Newark and Anthony Devino and A. Devino, Inc., 190 Doremus Avenue, Newark New Jersey 07105, in the form attached hereto, to allow for the relocation of Anthony Devino and A. Devino, Inc. d/b/a/ Devino Used Trucks and Parts from 191-269 Doremus Avenue, Block 5016, Lot 30 to 38-42 Bay Avenue, Block 5088, Lot 30 to permit the redevelopment of an 870,000 square foot industrial and logistics center by Morris Doremus Avenue Associates, LLC within the East Ward.
2. This Lease Agreement is authorized pursuant to N.J.S.A. 40A:12A-8(g).
3. The executed Lease Agreement shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development.
4. The Settlement Agreement shall be deemed null and void, and of no further force and effect.
5. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes the Mayor and/or his designee the Acting Deputy Mayor/Director of the Department of Economic and Housing Development to enter into a Lease Agreement between the City of Newark and Anthony Devino and A. Devino, Inc., 190 Doremus Avenue, Newark New Jersey 07105, pursuant to N.J.S.A. 40A:12A-8(g), to allow for the redevelopment of an 870,000 square foot industrial and logistics center by Morris Doremus Avenue Associates, LLC within the East Ward.