



Legislation Text

File #: 16-1316, Version: 1

AN ORDINANCE TO RELEASE REVERTER RIGHTS WITH RESPECT TO CERTAIN REAL PROPERTY AND IMPROVEMENTS LOCATED IN THE CITY OF NEWARK, ESSEX COUNTY, NEW JERSEY, KNOWN AS THE BEARS AND EAGLES RIVERFRONT STADIUM, IDENTIFIED AS BLOCK 10, LOTS 1, 6 AND 14; BLOCK 11, LOTS 1 AND 18; BLOCK 25.01, LOTS 1.01, 2, 27 AND 37; AND BLOCK 26, LOTS 1 AND 15. (CENTRAL WARD).

Sponsor(s): Crump/ Gonzalez

WHEREAS, the Essex County Improvement Authority (“ECIA”), by and on behalf of the County of Essex, is the owner of fee title to those certain parcels of land presently improved with a sports stadium known as Bears and Eagles Riverfront Stadium and other improvements (collectively the “Project”) in the City of Newark, Essex County, New Jersey, currently identified as Block 10, Lots 1, 6 and 14; Block 11, Lots 1 and 18; Block 25.01, Lots 1.01, 2, 27 and 37; and Block 26, Lots 1 and 15 on the official Tax Map of the City of Newark and legally described on Exhibit “A” attached hereto (the “Property”), but excluding that certain parking garage (the “Garage”) associated with the Project (the “Retained Parcel”); and

WHEREAS, in connection with the development, finance and management of the Project, pursuant to those certain Lease Agreements and Service Agreements as more particularly set forth on Exhibit “B” attached hereto and made a part hereof, by and between ECIA and the County of Essex and the ECIA and the City of Newark, the County and the City each have rights to acquire title to the Property or some portion thereof under certain circumstances when the Outstanding Bonds as defined on Exhibit “C” attached hereto issued in connection with the financing of the Project are satisfied; and

WHEREAS, on March 15, 2016, ECIA entered into a Purchase and Sale Agreement (the “Purchase and Sale Agreement”) with LOTUS Equity Group, LLC (“LOTUS”) pursuant to which ECIA agreed to sell its rights, title and interest in and to the Property and Project to LOTUS (excluding the Retained Parcel); and

WHEREAS, in connection with the Purchase and Sale Agreement, the Outstanding Bonds issued by the ECIA in connection with the development, financing and management of the Project shall be paid and the Outstanding Bonds shall be defeased; and

WHEREAS, LOTUS requires, as a condition of closing, that the County of Essex and the City of Newark, respectively, waive any rights of Reverter, each of the County of Essex and the City of Newark may respectively have to acquire title to all or a portion of the Property upon the payment and defeasement of the Outstanding Bonds; and

WHEREAS, the City of Newark has an interest in waiving the rights of Reverter and allowing the sale of the Property to LOTUS, which would further the development of the Property and create

substantial revenue or ratables for the City; and

WHEREAS, the Local Land and Building Law, N.J.S.A. 40A:12-1, *et seq.* permits the County of Essex and the City of Newark, respectively, to relinquish such rights by law upon the passage of an Ordinance(s).

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

Section 1. Provided the sale of the Property and Project as contemplated by the Purchase and Sale Agreement between ECIA and LOTUS Equity Group, LLC, is otherwise completed and the Outstanding Bonds issued in connection with the financing, development and management are paid and defeased, the City of Newark hereby relinquishes any and all rights of Reverter it may have to acquire title to all or any portion of the Property and Project.

Section 2. The Deputy Mayor/Director of the Department of Economic and Housing Development hereby authorized and empowered to take all necessary actions by and on behalf of the City, consistent with the foregoing provisions of this Ordinance, to effectuate and confirm the relinquishment of the City of Newark's rights of Reverter in and to the Property and Project, all in forms subject to the approval of the City of Newark Corporation Counsel.

Section 3. The City Clerk is hereby directed to publish, distribute, and effectuate this Ordinance. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

Ordinance authorizing the Release of Reverter Rights with respect to certain real property and improvements located within the City of Newark, Essex County, New Jersey, known as the Bears and Eagles Riverfront Stadium.