



## Legislation Text

File #: 12-2039, Version: 1

**Dept/ Agency:** Economic & Housing Development

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

**Type of Service:** Leasing City-owned property

**Purpose:** Rehabilitate, maintain and operate Military Park

**Entity Name:** Military Park Partnership, Inc.

**Entity Address:** c/o The Newark Alliance, 744 Broad Street, Suite 1705, Newark, New Jersey 07102

**Lease Amount:** \$5.00 per year

**Lease Period:** 24 Year term

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

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

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

**Location of Property:** Military Park, Newark, New Jersey (**Address/Block/Lot/Ward**)

Block 124, Lot 1 - Central Ward

**Additional Information:**

Resolution 7RDO(AS) 061505, designated entire City "Area In Need Of Rehabilitation".

Ordinance 6Phs&FA 051706 , approved \$2,000,000. appropriation for capital improvements to Military Park.

Ordinance 6Phs&FG 090308, adopted the "Living Downtown Plan".

**WHEREAS**, in connection with the City's efforts to redevelop the entire City, the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7RM on May 4, 2005 directing the Central Planning Board of the City of Newark (the "Central Planning Board") to undertake an investigation to determine if the City satisfied the statutory criteria as an "area in need of rehabilitation" in accordance with the provisions of N.J.S.A. 40A:12A-14 of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

**WHEREAS**, the Central Planning Board conducted the requested investigation in accordance with the LRHL, including a public hearing on June 6, 2005, after which hearing the Central Planning Board recommended the designation of the entire City as an "area in need of rehabilitation" to the City Administration and Municipal Council; and

**WHEREAS**, based upon the recommendation of the Central Planning Board, the Municipal Council adopted Resolution 7RDO(AS) on June 15, 2005 designating the entire City as an "area in need of rehabilitation" (as such term is defined in the LRHL) and such designation became effective on June 17, 2005 upon the transmission of the resolution to the New Jersey Department of Community Affairs by the City Clerk; and

**WHEREAS**, following the "area in need of rehabilitation" designation by the Municipal Council, pursuant to N.J.S.A. 40A:12A-7, the Municipal Council directed the Central Planning Board to review

a proposed redevelopment plan known as the Living Downtown Redevelopment Plan governing portions of the Central Business District of the City, including the real property commonly known as Military Park, a public park owned by the City of Newark and identified on the City's Tax Map as Block 124, Lot 1 (the "Park") which is the subject of this Agreement; and

**WHEREAS**, after reviewing the proposed redevelopment plan, the Central Planning Board adopted a resolution recommending that the Living Downtown Redevelopment Plan be adopted by the Municipal Council; and

**WHEREAS**, on September 3, 2008, the Municipal Council adopted Ordinance 6Phs-FG adopting the Living Downtown Redevelopment Plan (as adopted, the "LDRP"); and

**WHEREAS**, the City is interested in rehabilitating the entire Park in a manner consistent with the provisions of the LDRP and has determined to act as the "Redevelopment Entity" (as such term is defined at N.J.S.A. 40A:12A-3) to exercise the powers contained in the LRHL in order to facilitate the rehabilitation of the Park; and

**WHEREAS**, N.J.S.A. 40A:12A-8(f) authorizes municipalities to enter into contracts or agreements for the planning, construction or undertaking of any development project or redevelopment work in an area designated as an area in need of redevelopment or rehabilitation; and

**WHEREAS**, N.J.S.A. 40A:12A-8(g) authorizes municipalities to lease or convey property or improvements to any other party provided that the lease of conveyance is made in conjunction with a redevelopment plan; and

**WHEREAS**, pursuant to these powers, the City wishes to enter into a Redevelopment Agreement and Lease with Military Park Partnership, Inc. ("MPP"), a New Jersey not-for-profit corporation which has been created pursuant to Title 15A of the New Jersey Statutes for the purpose of serving as a redeveloper under the LRHL, in order to rehabilitate, operate and maintain the Park through a public/private partnership utilizing both public and private funding sources; and

**WHEREAS**, the City has determined that MPP has the financial capability to implement the rehabilitation of the Park with the assistance of experienced professionals and to thereafter operate and maintain the Park in the manner provided under the Redevelopment Agreement and the Lease; and

**WHEREAS**, MPP is willing to rehabilitate the Park and to thereafter operate, maintain and improve the Park in accordance with the provisions of the LDRP, the Redevelopment Agreement, and the Lease; and

**WHEREAS**, the rehabilitation, operation and maintenance of the Park by MPP pursuant to the LDRP, the Redevelopment Agreement and the Lease will result in a public benefit by lessening the burdens on City government and by allowing for a public/private partnership to fund the rehabilitation, operation and maintenance of the Park; and

**WHEREAS**, MPP has agreed to contribute one million dollars (\$1,000,000.00) towards the rehabilitation, operation and maintenance of the Park and to thereafter solicit donations for the operation and maintenance and future improvement of the Park pursuant to its not-for-profit IRS 501

(c)(3) status; and

**WHEREAS**, N.J.S.A. 40A:12A-8 authorizes municipalities do what is necessary to carry out its redevelopment powers, including providing financial assistance to redevelopers in the form of grants or loans to assist with redevelopment projects in accordance with redevelopment plans; and

**WHEREAS**, on May 17, 2006 the Municipal Council adopted Ordinance 6PhS&FA authorizing the appropriation of two million dollars (\$2,000,000.00) for capital improvements for the restoration of Military Park; and

**WHEREAS**, the City intends to enter into a Grant Agreement with MPP to contribute two million dollars (\$2,000,000.00) to MPP in order to assist in the funding of capital improvements and other project expenses in the Park.

**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 the Redevelopment Agreement, the Lease, and the Grant Agreement with Military Park Partnership, Inc., c/o The Newark Alliance, 744 Broad Street, Suite 1705, Newark, New Jersey 07102 ,on behalf of the City in the forms attached hereto.

2. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to effectuate certain business terms and conditions related to the Redevelopment Agreement and Lease with Military Park Partnership, Inc. and may enter into subordination agreements, access and right of entry agreements, and other relevant documents in forms approved by the City's Corporation Counsel.

3. Attached hereto is a certification of funds in the amount of two million dollars (\$2,000,000.00) from the Municipal Comptroller of the City of Newark which states that there are sufficient funds to provide the grant to Military Park Partnership, Inc. described within the Redevelopment Agreement and the Grant Agreement between the City and Military Park Partnership, Inc. from the following source: two million dollars (\$2,000,000.00) from bond Ordinance 6PhS&FA 051706.

4. The Redevelopment Agreement, Lease, and Grant Agreement, once fully executed, shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

### **STATEMENT**

This resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of Economic and Housing Development, to enter into and execute a Redevelopment Agreement and a Lease Agreement with Military Park Partnership, Inc., c/o The Newark Alliance, 744 Broad Street, Suite 1705, Newark, New Jersey 07102, for the rehabilitation, operation and maintenance of real property commonly known as Military Park, a public park owned by the City of Newark and identified on the City's tax map as Block 124, Lot 1 (the "Park") and to enter into and execute a Grant Agreement

providing a two million dollar (\$2,000,000.00) grant to MPP to fund capital improvements and other project expenses in the Park.