



Legislation Text

File #: 16-0379, Version: 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT BETWEEN THE CITY OF NEWARK (TENANT) AND 52 AMSTERDAM NEWARK, LIMITED LIABILITY COMPANY (LANDLORD) FOR THE LEASING OF THE PREMISES COMMONLY KNOWN AS 52-90 AMSTERDAM STREET, BLOCK 2085, LOT 1, CONSISTING OF AN APPROXIMATE SQUARE FOOTAGE NOT TO EXCEED 350,000, PURSUANT TO N.J.S.A. 40A:12-5 FOR A PERIOD OF TWENTY-FIVE (25) YEARS FROM THE DATE OF COMMENCEMENT, AS DEFINED IN THE LEASE AGREEMENT, TO BE USED AS THE CITY'S FLEET OPERATION AND VEHICLE REPAIR/STORAGE CENTER FOR AUTOMOTIVE MOTORS STORAGE, SERVICE, REPAIR AND HEAVY REPAIR, AT AN APPROXIMATE ANNUAL RENTAL NOT TO EXCEED \$4,725,000.00 IN YEAR ONE (1) AND ESCALATING TO AN APPROXIMATE ANNUAL RENTAL NOT TO EXCEED \$7,599,866.00 IN YEAR TWENTY-FIVE (25), WITH ONE ADDITIONAL FIVE (5) YEAR OPTION TO RENEW.

WHEREAS, 52 Amsterdam Newark, Limited Liability Company (Landlord), is the owner of the Property located at 52-90 Amsterdam Street, Newark, New Jersey, Block 2085, Lot 1 (formerly known as Block 2068, Lots 1, 5, 7, 10, 14, 25, 27, 28, 29, 30, 32, 33, 41, & 60; Block 2083, Lot 19; and Block 2085, Lots 1, 3 & 20), containing up to approximately 350,000 rentable square feet; and

WHEREAS, the City of Newark (Tenant), desires to have 52 Amsterdam Newark, Limited Liability Company (Landlord) construct three (3) new buildings on the Property, that will serve as the City of Newark's Fleet Operation and Vehicle Repair/Storage Center for automotive motors storage, service, repair and heavy repair; and

WHEREAS, the City of Newark (Tenant), desires to enter into a Lease Agreement with 52 Amsterdam Newark, Limited Liability Company (Landlord), to cover all construction, in addition to the lease of the Property for the above purpose for a period of twenty-five (25) years, with an option to renew for an additional five (5) years and an option to purchase the Property any time during the term, as per the terms and conditions of the Lease Agreement.

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

Section 1. The Mayor and/or his designees, the Director of the Department of Engineering and the Business Administrator, are hereby authorized to enter into and execute a Lease Agreement, in the form attached hereto, on behalf of the City of Newark (Tenant) with 52 Amsterdam Newark, Limited Liability Company, (Landlord), pursuant to N.J.S.A. 40A:12-5, to lease the Property located at 52-90 Amsterdam Street, Newark, New Jersey, Block 2085, Lot 1, consisting of an approximate square footage not to exceed 350,000, to serve as the City of Newark's Fleet Operation and Vehicle Repair/Storage Center for automotive motors storage, service, repair and heavy repair.

Section 2. The Mayor and/or his designees, the Director of the Department of Engineering and the Business Administrator, are hereby authorized to enter into and execute a Work Agreement and a Rent Commencement Agreement, in substantially the forms attached to the Lease Agreement as Exhibits C & D, subject to approval of the Corporation Counsel.

Section 3. The term of this lease shall be for the period of twenty-five (25) years from date of commencement of the lease, as defined therein, with an option to renew for one (1) additional five (5) year period.

Section 4. If the final fully completed buildings to be leased by the City exceed 350,000 square feet, the Lease Agreement authorized herein must be amended accordingly, subject to the approval of the Municipal Council.

Section 5. There shall be no advance payment on this lease.

Section 6. A copy of the Lease Agreement and preliminary plans and architectural drawings for construction are attached hereto and made a part hereof.

Section 7. This is a multi-year lease and pursuant to N.J.A.C. 5:30-5.5(d)(2) is subject to the availability and appropriation annually of sufficient funds as required to meet the extended obligation of the agreement.

Section 8. A Certification of Funds is not required at this time as the lease does not commence until Landlord completes construction, a final Certificate of Occupancy is issued to the Landlord, and the Landlord delivers possession of the leased property to the City of Newark. Funds for the lease shall be provided from the City of Newark prior to the commencement of the lease. A copy of the Certification of Funds, when issued, shall be filed in the Office of the City Clerk.

Section 9. This Lease Agreement is in compliance with the prerequisite for leasing private space, set forth in the City of Newark Municipal Code 2:4-16, as suitable space under the control of the City of Newark is not available.

Section 10. A copy of the Lease Agreement and this Ordinance approving the same shall be permanently filed in the Office of the City Clerk by the Director of the Department of Engineering.

Section 11. 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 Mayor and/or his designees, the Director of the Department of Engineering and the Business Administrator, to enter into and execute a Lease Agreement with 52 Amsterdam Newark, Limited Liability Company, (Landlord), pursuant to N.J.S.A. 40A:12-5 to lease the Property located at 52-90 Amsterdam Street, Newark, New Jersey, Block 2085, Lot 1, consisting of an approximate square footage not to exceed 350,000, for a period of twenty-five (25) years with an option to renew for one (1) period of five (5) years, at an approximate annual rental not to exceed \$4,725,000.00 in year one (1) and escalating to an approximate annual rental not to exceed

\$7,599,866.00 in year twenty-five (25), to serve as the City of Newark's Fleet Operation and Vehicle Repair/Storage Center for automotive motors storage, service, repair and heavy repair.