Legislation Details (With Text)

File #:	12-1862 **Version:** 1	**Name:**	ADDED STARTER: Newark Community Health Centers, Inc.,
Type:	Resolution	**Status:**	Filed
File created:	9/5/2012	**In control:**	Economic and Housing Development
On agenda:	9/6/2012	**Final action:**	9/6/2012

Title:

Dept/ Agency: Economic & Housing Development
Action: ( ) Ratifying   (X) Authorizing   ( ) Amending
Type of Service: Subordination Agreement
Purpose: Subordinate City's reverter rights to the lien of a mortgage for property conveyed by the City to a non-profit, which is subject to certain conditions.
Entity Name: Newark Community Health Centers, Inc.
Entity Address: 741 Broadway, Newark, New Jersey 07104
Lender's Name: Reinvestment Fund, Inc.
Lender's Address: 1700 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103
Contract Period: N/A
Contract Basis: ( ) Bid   ( ) State Vendor   ( ) Prof. Ser.   ( ) EUS
( ) Fair & Open   ( ) No Reportable Contributions   ( ) RFP   ( ) RFQ
( ) Private Sale   ( ) Grant   ( ) Sub-recipient   (X) n/a
List of Property: (If applicable)
(Address/Block/Lot/Ward)
 737-749 Broadway and 57 Grafton Avenue, Block 772, Lots 1,6 & 56/North Ward
Additional Information:
Sale of property was made pursuant to Ordinance 6PSF-F, adopted on June 2, 2010, to be used as a non-profit Federally Qualified Healthcare Center.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/6/2012	1	Municipal Council	Adopt	Pass

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Additional Information:
Sale of property was made pursuant to Ordinance 6PSF-F, adopted on June 2, 2010, to be used as a non-profit Federally Qualified Healthcare Center.

 WHEREAS, pursuant to Ordinance 6PSF-F, adopted on June 2, 2010, the sale of City owned property located at 737-749 Broadway and 57 Grafton Avenue, Newark, New Jersey, 07104, as shown on the official tax map of the City as Block 772, Lots 1, 6 and 56 (the "Property") to Newark Community Health Centers, Inc. ("NCHC") for use as a federally qualified health care center; and

 WHEREAS, such sale was authorized pursuant to N.J.S.A. 40A:12-21(c), which requires that such conveyance be subject to the condition that the NCHC use the Property as a non-profit hospital and should the NCHC cease such use, that title to the Property revert back to the City (the "Reverter Right"); and

 WHEREAS, an additional condition of such sale was that NCHC construct a 15,683 square foot addition to the facility located on the Property at a cost of approximately $9,657,576.00 (the "Project"); and

 WHEREAS, in order to obtain the financing necessary to complete the Project, NCHC, at the request of its lender, The Reinvestment Fund, Inc. (the "Lender"), of 1700 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103, has requested that the City subordinate the Reverter Right to the lien of a mortgage to be granted by NCHC to the Lender; and

 WHEREAS, such subordination is expressly permitted under N.J.S.A. 40:60-51.2; and

 WHEREAS, the City believes the Project to be in the best interest of the City, that the requested subordination is necessary to permit the Project to be carried out, and that the Subordination Agreement negotiated between the City and the Lender provide sufficient protections to protect the properties use as a federally qualified health care center.

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

 1. The Mayor and/or his designee, Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into a Subordination Agreement with Reinvestment Fund, Inc., 1700 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103, and Newark Community Health Centers, Inc., 741 Broadway, Newark, New Jersey 07104, related to the property located at 737-749 Broadway and 57 Grafton Avenue, Newark, New Jersey 07104, as shown on the official tax map of the City as Block 772, Lots 1, 6 and 56, to permit the construction of significant improvements to the property and expanding healthcare services provided as a non-profit hospital to the residents of the City of Newark.

 2. The Deputy Mayor/Director of the Department of Economic and Housing Development shall provide a copy of the executed contract on file in the Office of the City Clerk.

 3. This resolution shall take effect immediately.

STATEMENT

This resolution hereby authorizes the Mayor and/or Deputy Mayor/Director of the Department of Economic and Housing Development to subordinate the City's Reverter Rights to the lien of a mortgage be granted to Reinvestment Fund, Inc., of 1700 Market Street, 19th Floor, Philadelphia, Pennsylvania 19103, in order for Newark Community Health Centers, Inc., 741 Broadway, Newark, New Jersey 07104, to acquire financing necessary to significantly rehabilitate the property located at 737-749 Broadway and 57 Grafton Avenue, Newark, New Jersey 07104, as shown on the official tax map of the City as Block 772, Lots 1, 6 and 56, to permit the construction of significant improvements to the property and expanding healthcare services provided as a non-profit hospital to the residents of the City of Newark.