



Legislation Details (With Text)

File #:	14-1894	Version:	1	Name:	Team Academy First Amendment to Redevelopment Agreement
Type:	Resolution	Status:			Filed
File created:	11/6/2014	In control:			Economic and Housing Development
On agenda:	11/17/2014	Final action:			11/17/2014

Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing (X) Amending
Type of Service: Amending Private Sale/Redevelopment
Purpose: First Amendment to Redevelopment Agreement to extend the Due Diligence Period, address the Environmental Conditions discovered to date, and permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed and effectuate certain business terms and conditions related to the filing of applications for HDSRF Grants from the New Jersey Department of Environmental Protection
Entity Name: The Friends of TEAM Academy Charter School and Ashland School Inc.
Entity Address: 60 Park Place, Suite 802, Newark, New jersey 07102
Sale Amount: Two Hundred Sixty-One Thousand Five Hundred Seventy-Six Dollars and 88/100 Cents (\$261,576.88)
Cost Basis: () \$ PSF () Negotiated (X) N/A () Other:
Assessed Amount: \$ N/A
Appraised Amount: \$ N/A
Contract Period: Due Diligence Period runs from November 18, 2013 to March 18, 2016
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:
(Address/Block/Lot/Ward)
City of Newark as Block 317, Lots 1, 2, 3, 4, 5, 6, 7, 13, 15, 56, and 58, and Block 2853, Lots 19, 21, 23, 28, 29 and 30
424-430 S. Orange Avenue/317/1, 2, 3, 4/West Ward
418-422 S. Orange Avenue/317/5, 6, 7/West Ward
406-408 S. Orange Avenue/317/13/West Ward
9 Ashland Street/317/15/West Ward
410-414 S. Fourteenth Street/317/56/West Ward
416-422 S. Fourteenth Street/317/58/West Ward
18 Newark Street/2853/19/Central Ward
16 Newark Street/2853/21/Central Ward
14 Newark Street/2853/23/Central Ward
Additional Information:
This resolution authorizes an amendment to the Redevelopment Agreement with The Friends of TEAM Academy Charter School and Ashland School Inc. (collectively, the Redeveloper), authorized by Resolution 7R3-n 090513, to extend the Due Diligence Period authorized by the Redevelopment Agreement to a date that is no later than March 18, 2016 in order to give the Redeveloper sufficient time to address the Environmental Conditions discovered to date, and permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed. This resolution also authorizes the amendment of the Redevelopment Agreement to remove the following properties from the proposed sale to the Redeveloper at the request of the City: (i) 268 Orange Street (Block 2853, Lot 28); and (ii) 266 Orange Street (Block 2853, Lot 29); and (iii) 262-264 Orange Street (Block 2853, Lot 30) (collectively, the "Orange Street Lots").

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
11/17/2014	1	Municipal Council	Adopt	Pass

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This resolution authorizes an amendment to the Redevelopment Agreement with The Friends of TEAM Academy Charter School and Ashland School Inc. (collectively, the Redeveloper), authorized by Resolution 7R3-n 090513, to extend the Due Diligence Period authorized by the Redevelopment Agreement to a date that is no later than March 18, 2016 in order to give the Redeveloper sufficient time to address the Environmental Conditions discovered to date, and permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed. This resolution also authorizes the amendment of the Redevelopment Agreement to remove the following properties from the proposed sale to the Redeveloper at the request of the City: (i) 268 Orange Street (Block 2853, Lot 28); and (ii) 266 Orange Street (Block 2853, Lot 29); and (iii) 262-264 Orange Street (Block 2853, Lot 30) (collectively, the "Orange Street Lots").

WHEREAS, pursuant to Resolution 7R3-n adopted by the Municipal Council on September 5, 2013, the City of Newark designated The Friends of TEAM Academy Charter School, a New Jersey Non-Profit Organization, and Ashland School Inc., (collectively, the Redeveloper) as redeveloper of the following property:

424-430 S. Orange Avenue	Block 317	Lots 1, 2, 3, 4/West Ward
418-422 S. Orange Avenue	Block 317	Lots 5, 6, 7/West Ward
406-408 S. Orange Avenue	Block 317	Lot 13/West Ward
9 Ashland Street	Block 317	Lot 15/West Ward
410-414 S. Fourteenth Street	Block 317	Lot 56/West Ward
416-422 S. Fourteenth Street	Block 317	Lot 58/West Ward
18 Newark Street	Block 2853	Lot 19/Central Ward
16 Newark Street	Block 2853	Lot 21/Central Ward
14 Newark Street	Block 2853	Lot 23/Central Ward
268 Orange Street	Block 2853	Lot 28/Central Ward
266 Orange Street	Block 2853	Lot 29/Central Ward
262-264 Orange Street	Block 2853	Lot 30/Central Ward

(the Property); and

WHEREAS, pursuant to Resolution 7R3-n 090513 the City authorized the sale of the Property to the Redeveloper for the consideration of Two Hundred Sixty-One Thousand Five Hundred Seventy-Six Dollars and 88/100 Cents (\$261,576.88), to undertake the construction of a recreational area, including athletic fields and other open or green space, ancillary to and for the use of The TEAM Academy Charter school (the Project); and

WHEREAS, pursuant to Resolution 7R3-n 090513 the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development were authorized to enter into a Redevelopment Agreement with Redeveloper and the Redevelopment Agreement was executed on November 18, 2013; and

WHEREAS, the Redevelopment Agreement provided the Redeveloper with a Due Diligence Period of sixty (60) days from November 18, 2013 to conduct investigations regarding the Property; and

WHEREAS, the Redevelopment Agreement authorized the Director of Housing and Economic Development (the "Director") to provide up to two (2) six month extensions of the Due Diligence Period; and

WHEREAS, the Director provided the Redeveloper with a sixty (60) day extension of the Due Diligence Period by letter dated January 10, 2014, whereby the Due Diligence Period was extended to March 18, 2014; and

WHEREAS, the Director provided the Redeveloper with a six (6) month extension of the Due Diligence Period by letter dated March 13, 2014, whereby the Due Diligence Period was extended to September 18, 2014; and

WHEREAS, the Redeveloper has conducted due diligence investigations as permitted by the Redevelopment Agreement which have disclosed Environmental Conditions at the Property that require further study and investigation; and

WHEREAS, it is in the best interests of the City and the Redeveloper to enter into the First

Amendment to Redevelopment Agreement attached hereto to extend the Due Diligence Period authorized by the Redevelopment Agreement for up to three (3) additional six (6) month periods so that the outside date for the conclusion of the Due Diligence Period would be no later than March 18, 2016 in order for the Redeveloper to address the Environmental Conditions discovered to date, and permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed; and

WHEREAS, the City has requested that the Redeveloper not purchase the following lots which were originally included in the Redevelopment Agreement: (i) 268 Orange Street (Block 2853, Lot 28); and (ii) 266 Orange Street (Block 2853, Lot 29); and (iii) 262-264 Orange Street (Block 2853, Lot 30) (collectively, the "Orange Street Lots") and the Redeveloper has submitted a letter dated October 2, 2014 wherein the Redeveloper agrees that it will not acquire the Orange Street Lots because the City has expressed its desire to retain the Orange Street Lots; and

WHEREAS, the Purchase Price for the Property will be pro-rated at the time of closing to account for the removal of the Orange Street Lots.

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 Director of the Department of Economic and Housing Development, are hereby authorized to enter into the First Amendment to Redevelopment Agreement with The Friends of TEAM Academy Charter School and Ashland School Inc. 60 Park Place, Suite 802, Newark, New Jersey 07102, in the form attached hereto to extend the Due Diligence Period authorized by the Redevelopment Agreement to no later than March 18, 2016 in order for Redeveloper to address the Environmental Conditions discovered to date, to permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed and to remove from the Redevelopment Agreement (i) 268 Orange Street (Block 2853, Lot 28); and (ii) 266 Orange Street (Block 2853, Lot 29); and (iii) 262-264 Orange Street (Block 2853, Lot 30) collectively the "Orange Street Lots".
2. The Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the First Amendment to Redevelopment Agreement annexed hereto, subject to the approval of the City of Newark Municipal Council, including but not limited to causing the preparation of applications and the filing of applications for HDSRF Grants from the New Jersey Department of Environmental Protection to address the Environmental Conditions at the property, signing HDSRF Grant related documentation or consenting to the filing of HDSRF grant related documentation by the Redeveloper, entering into the Funding Agreement described in the First Amendment that requires that the Redeveloper fund certain of the City's costs and that the City use the purchase price for portions of the Property to pay for the City's 25% match in connection with HDSRF Remedial Action grants, and entering into the Ground Lease described in the First Amendment to permit the Redeveloper to ground lease portions of the property to facilitate the Remediation of the Environmental Conditions and the construction of the Project described in the Redevelopment Agreement.
3. The Director of the Department of Economic and Housing Development is hereby authorized to execute a Bargain and Sale Deed to the Redeveloper for the Property as contemplated by

the First Amendment to Redevelopment Agreement annexed hereto which shall be approved as to form and legality by the City's Corporation Counsel and attested to and acknowledged by the City Clerk.

4. The Acting Director of Finance is hereby authorized to establish an escrow fund or escrow funds for the purpose of receiving the funds described in Section 6 of the First Amendment to Redevelopment Agreement which are for the purpose of paying the City's out of pocket costs and funding the 25% City match for HDSRF Remedial Action grants.
5. A copy of the executed First Amendment to Redevelopment Agreement and any deeds shall be placed on file in the Office of the City Clerk by the Director of the Department of Economic and Housing Development.

STATEMENT

This resolution authorizes the Mayor and/or his designee the Director of the Department of Economic and Housing Development to enter into a First Amendment to Redevelopment Agreement with The Friends of TEAM Academy Charter School and Ashland School Inc. The purpose of the First Amendment is to extend the Due Diligence Period authorized by the Redevelopment Agreement to a date no later than March 18, 2016 in order for the Redeveloper to address the Environmental Conditions discovered to date, and permit the expeditious redevelopment of the Property, or portions thereof, while the Environmental Conditions are being addressed. This resolution also authorizes the amendment of the Redevelopment Agreement to remove the following properties from the proposed sale to the Redeveloper at the request of the City: (i) 268 Orange Street (Block 2853, Lot 28); and (ii) 266 Orange Street (Block 2853, Lot 29); and (iii) 262-264 Orange Street (Block 2853, Lot 30) (collectively, the "Orange Street Lots") This resolution also authorizes the Director of Economic and Housing Development to apply for and execute documents in connection with HDSRF Grant applications for the Property, to enter into a Funding Agreement with the Redeveloper to pay the City's out of pocket costs and establish an escrow for the City's 25% matching grant for HDSRF Remedial Grants and to enter into a ground lease with the Redeveloper to permit the Redeveloper to obtain access to certain portions of the Property for the purpose of undertaking Remediation prior to the Redeveloper accepting a deed to the portions of the property that require Remediation and to execute one or more deeds with the Redeveloper to facilitate the expeditious redevelopment of the Property..