



Legislation Details (With Text)

File #: 16-0528 **Version:** 1 **Name:** Funding Agreement between the City and Newark CEDC
Type: Resolution **Status:** Adopted
File created: 3/17/2016 **In control:** Economic and Housing Development
On agenda: 5/10/2016 **Final action:** 5/26/2016

Title: Dept/ Agency: Economic and Housing Development
Action: (X) Ratifying (X) Authorizing () Amending
Type of Service: Exception to Public Bidding - [Extraordinary Unspecifiable Services]
Purpose: Continue to implement the various initiatives, goals and programs in furtherance of economic development and redevelopment activities including providing \$3,000,000.00 in funding to carry out the administration and management of the City's Urban Enterprise Zone Program
Entity Name: Newark Community Economic Development Corporation
Entity Address: 111 Mulberry Street, Market Street LL Suite, Newark, New Jersey 07102
Contract Amount: Not to exceed \$3,000,000.00
Funding Source: Urban Enterprise Zone
Contract Period: September 1, 2015 through December 31, 2017
Contract Basis: () Bid () State Vendor () Prof. Ser. (X) EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale () Grant () Sub-recipient () n/a
Additional Information:
The City will be receiving \$1,082.93 per month for use of City-owned property at 111 Mulberry Street.
Failed 7R3-a (s) 051016
Deferred 7R3-c 051816

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
5/26/2016	1	Municipal Council	Adopt	Pass
5/18/2016	1	Municipal Council	Defer to a Special Meeting	Pass
5/10/2016	1	Municipal Council	Adopt	Fail

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WHEREAS, Newark CEDC (formerly Brick City Development Corporation (“BCDC”)), with offices at 111 Mulberry Street, Market Street LL Suite, Newark, New Jersey 07102, was formed for the purpose of the receipt and administration of funds for charitable purposes and the performance of activities pertaining to economic development within the City, including development of residential, commercial, industrial, and other real estate in a manner beneficial to the City, all as more specifically set forth in Newark CEDC’s Certificate of Incorporation; and

WHEREAS, the Parties recognize that Newark CEDC, through funding by the City, is the City’s Economic Development arm; and

WHEREAS, the services to be provided by Newark CEDC to the City were originally outlined in a Funding Agreement, which was authorized by Municipal Council by Resolution 7R3-j(AS) on July 1, 2009; and

WHEREAS, in or around late-2014, Newark CEDC underwent a period of reorganization and reconstruction; and

WHEREAS, the City determined after investigations, staff changes, consultations, interviews and installation of new leadership that Newark CEDC is fully qualified to continue to perform and undertake such activities for and on behalf of the City; and

WHEREAS, by Resolution 7R3-d(S) on December 23, 2014, the Municipal Council ratified an MOU (the “2014 MOU”) between the City and Newark CEDC whereby, for the time period September 1, 2014 through August 31, 2015, Newark CEDC would continue to perform the services outlined in the Funding Agreement; and

WHEREAS, on January 1, 2015 Newark CEDC began to use the City-owned property located at 111 Mulberry Street, Lower Level, as Newark CEDC’s primary place of business; and

WHEREAS, the City desires to continue to grant to the Newark CEDC the exclusive right to use and occupy the Property by entering into a use and occupancy agreement effective January 1, 2015 until December 31, 2017; and

WHEREAS, pursuant to Resolution 7R3-a, adopted on January 21, 2015, the City named Newark CEDC as the City’s agent for and administrator of the \$5,000,000.00 in grant funds (the “Grant Funds”) formally held by Greenspaces (a fund of the Community Foundation of New Jersey with a principal place of business at 35 Knox Hill Road, Morristown, New Jersey 07962); and

WHEREAS, although the original delineated purposes for the Grant Funds included but were not limited to the acquisition, design, improvement and maintenance of riverfront parks located in the vicinity of 3 Penn Plaza East, 943-973 Raymond Boulevard, Newark, New Jersey 07105, Resolution 7R3-a, January 21, 2015 expanded the allowable uses of the funds to include the funding of the administration and operations of NCEDC; and

WHEREAS, the City and Newark CEDC now seek to enter into this Funding Agreement for the continuation of the services undertaken by Newark CEDC; and

WHEREAS, the City seeks to expand Newark CEDC's ongoing role in economic development throughout the City by: (1) appointing Newark CEDC as the administrator and manager of the City's Urban Enterprise Zone Program (the "UEZ Program"); (2) authorizing Newark CEDC to engage in redevelopment activities on behalf of the City; and (3) undertaking additional services as requested by the Mayor and/or Deputy Mayor/Director of the Department of Economic and Housing Development; and

WHEREAS, the Municipal Council wishes to adopt this resolution in order to reflect the City's consent to allow Newark CEDC to continue to perform the services previously undertaken on behalf of the City, to expand the role of Newark CEDC as stated above, to authorize the Mayor and/or his designees, the Deputy Mayor/Director of the Department of Economic and Housing Development and the Business Administrator, to sign the Funding Agreement; memorializing these terms including the revised use and occupancy agreement; and

WHEREAS, this Funding Agreement is being awarded to Newark CEDC in compliance with the Local Public Contracts Law, including but not limited to N.J.S.A. 40A:11-5(1)(a)(ii); and

WHEREAS, this Funding Agreement is being awarded to a non-profit organization and as such is not governed by the State Pay-to-Play Law N.J.S.A. 19:44A-20.5 or the City of Newark Contractor Pay-to-Play Reform Ordinance, R.O. 2:4-22C.

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

1. The Municipal Council of the City of Newark hereby consents to the continuation of the services previously undertaken by Newark CEDC and authorizes the Mayor and/or his designees, the Deputy Mayor/Director of the Department of Economic and Housing Development and the Business Administrator, to enter into and execute a Funding Agreement with Newark CEDC, for a term of September 1, 2015 through December 31, 2017, in the form attached hereto, for the purpose of implementing various initiatives, goals and programs in furtherance of economic development and redevelopment related activities on behalf of the City of Newark. The Municipal Council further consents to the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development entering into an extension for one year.

2. The Municipal Council of the City of Newark hereby consents to the appointment of the Newark Community Economic Development Corporation ("Newark CEDC") as the City's administrator and manager of the City's UEZ Program for consideration of no less than \$3,000,000.00 from the City's UEZ funds.

3. The Funding Agreement is ratified from September 1, 2015 until the date of adoption of this authorizing resolution.

4. The Mayor and/or his designees, the Deputy Mayor/Director of the Department of Economic and Housing Development and the Business Administrator, are hereby authorized to enter into and execute a Use and Occupancy Agreement with Newark CEDC, in the form set forth in Exhibit B to the Funding Agreement, to use the City-owned property located at 111 Mulberry Street,

Lower Level, as its primary place of business, for a fee of \$1,082.93 per month, for the term of January 1, 2015 through December 31, 2017.

5. The Use and Occupancy Agreement is ratified from January 1, 2015 until the date of adoption of this authorizing resolution.

6. The Funding Agreement is being awarded pursuant to the fair and open procedures of the State Pay-to-Play Law (N.J.S.A. 19:44A-20.5) and pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-5(1)(a)(i)).

7. Attached hereto are Certifications of Funds from the Director of Finance, which states that (1) there are sufficient funds for the purpose set forth hereinabove and (2) the line appropriation of the official budget which shall be charged is as follows:

Business Unit	Department/ID	Div/Proj.	Activity	Account#	Budget
NW051	G12	D12A0	A	72090	B2012
NW051	G09	A19B0	A	72250	B2009
NW051	G09	A19J0	A	71280	B2009
NW051	G07	A17S0	A	71280	B2007
NW051	G06	A16D0	A	71280	B2006

8. A copy of the fully executed Funding Agreement, Use and Occupancy Agreement herein authorized and the Certifications of Funds shall be filed in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

9. A notice of this action shall be published in the newspaper authorized by law to publish a legal advertisement and as required by law within ten (10) days of the adoption of this Resolution.

STATEMENT

This resolution ratifies and authorizes the Mayor and/or his designees, the Deputy Mayor/Director of the Department of Economic and Housing Development and the Business Administrator, to enter into and execute a Funding Agreement with Newark CEDC, for a term of September 1, 2015 through December 31, 2017.