



Legislation Details (With Text)

File #: 21-1604 **Version:** 1 **Name:** Invest Newark - Funding Agreement (with Use and Occupancy attachment)
Type: Resolution **Status:** Adopted
File created: 10/28/2021 **In control:** Economic and Housing Development
On agenda: 11/14/2022 **Final action:** 11/14/2022

Title: Dept./ Agency: Economic and Housing Development
Action: Ratifying Authorizing Amending
Type of Service: Funding Agreement
Purpose: To authorize the execution of:
1) a Funding Agreement between the City of Newark and Invest Newark under which the City will provide funding to Invest Newark for economic development and redevelopment related activities from January 1, 2021 through December 31, 2023; and
2) to authorize the execution of a Use and Occupancy Agreement, attached to the Funding Agreement as Exhibit B, for Invest Newark's use and occupancy of City-owned property located at 111 Mulberry Street, as its primary place of business from January 1, 2021 through December 31, 2023.
Entity Name: Invest Newark
Entity Address: 111 Mulberry Street, LL Suite, Newark, New Jersey 07102
Funding Amount: Not to exceed \$5,000,000.000 annually for the duration of the term of the Use and Occupancy Agreement
Contract Period: January 1, 2021 through December 31, 2023
Contract Basis: Bid State Vendor Prof. Ser. EUS
 Fair & Open No Reportable Contributions RFP RFQ
 Private Sale Grant Sub-recipient N/A
Additional Information:
The funding amount of (\$5,000,000.00) is inclusive of (\$3,000,000.00), as the administrator for the Land Bank, as Ordinance 6PSF-a adopted on April 7, 2020.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
11/14/2022	1	Municipal Council		

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() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale () Grant () Sub-recipient (X) N/A

Additional Information:

The funding amount of (\$5,000,000.00) is inclusive of (\$3,000,000.00), as the administrator for the Land Bank, as Ordinance 6PSF-a adopted on April 7, 2020.

WHEREAS, Invest Newark, formerly Newark Community Economic Development Corporation (“Newark CEDC”), 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 Invest Newark’s Certificate of Incorporation; and

WHEREAS, the Parties recognize that Invest Newark is the City’s Economic Development arm; and

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

WHEREAS, the 2009 Funding Agreement commenced on September 1, 2009 and terminated on August 31, 2014; and

WHEREAS, by Resolution 7R3-d(S) on December 23, 2014, the Municipal Council ratified a Memorandum of Understanding (the “2014 MOU”) between the City and Newark CEDC whereby, for the time period of September 1, 2014 through August 31, 2015, Newark CEDC would continue to perform the services outlined in the 2009 Funding Agreement; 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”) formerly 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 Blvd., Newark, New Jersey 07105, Resolution 7R3-a expanded the allowable uses of the funds to include the funding of the administration and operations of Invest Newark; and

WHEREAS, pursuant to Resolution 7R3-a(S), adopted on May 26, 2016, the Municipal Council consented to the continuation of services previously undertaken by Invest Newark and authorized a new Funding Agreement for a term of September 1, 2015 through December 31, 2017 to implement the redevelopment activities on behalf of the City of Newark and consented to the appointment of Invest Newark as the City’s administrator and manager of the City’s UEZ Program for consideration of no less than Three Million Dollars and Zero Cents (\$3,000,000.00) from the City’s UEZ funds; and

WHEREAS, pursuant to Resolution 7R3-a(S), adopted on May 26, 2016, the Municipal Council ratified and authorized the City to enter into and execute a Use and Occupancy Agreement with Invest Newark to use the City-owned property located at 111 Mulberry Street Lower Level (the “City Property”), as Invest Newark’s primary place of business for the period of January 1, 2015 through December 31, 2017; and

WHEREAS, in or around late 2019, Invest Newark underwent a period of reorganization and reconstruction; and

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

WHEREAS, pursuant to Resolution 7R6-a(S), adopted on December 10, 2019, the Municipal Council authorized Invest Newark to continue to provide the services previously undertaken by Newark CEDC and Brick City Development Corporation in relation to the administration of the UEZ/BCDC GAP Financing Loan Program until December 31, 2023; and

WHEREAS, pursuant to Ordinance 6PSF-g, adopted on April 7, 2020, the City of Newark designated Invest Newark to serve as the City’s land bank entity as authorized by Section 4(b) of the New Jersey Land Bank Law P.L. 2019. C. 159 and 18:14-2 of the Land Bank Ordinance of the City of Newark, and to exercise within the City the powers, duties, functions, and responsibilities of a land bank entity under the New Jersey Land Bank Law and the Land Bank Ordinance of the City of Newark; and

WHEREAS, the City desires to continue to grant to Invest Newark the exclusive right to use and occupy the City Property by entering into a new use and occupancy agreement effective January 1, 2021 until December 31, 2023, attached to the Funding Agreement as Exhibit B; and

WHEREAS, the City and Invest Newark further seek to enter into this Agreement for the continuation of the services undertaken by Invest Newark as the parties have determined that the continuation of successful work being performed by the Invest Newark, will continue to be realized by providing additional financial support to Invest Newark; and

WHEREAS, Invest Newark has provided the City with assurances that it has come into compliance with the Reporting Requirements required in the 2009 Funding Agreement, as amended through Resolution 7R3-d(S), adopted December 23, 2014, Resolution 7R3-a, adopted on January 21, 2015, and Resolution 7R3-aSs), adopted on May 26, 2016 (“Required Reporting Requirements”) and will stay in compliance with the same during the term of this Agreement, and Invest Newark represents that it understands that being in compliance with the Required Reporting Requirements herein is a material term of the Agreement.

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 services undertaken by Invest Newark and authorizes the Mayor and/or his designees, Deputy Mayor/Director of the Department of Economic and Housing Development and the

Business Administrator to enter into and execute a Funding Agreement with Invest Newark, for the period beginning on January 1, 2021 to December 31, 2023, 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.

2. The Funding Agreement is ratified from January 1, 2021 until the date of adoption of this authorizing resolution.
3. 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 Invest Newark, the form attached hereto as 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 \$1,000.00 per month, from January 1, 2021 through December 31, 2023.
4. The Use and Occupancy Agreement is ratified from January 1, 2021 until the date of adoption of this authorizing resolution.
5. The Municipal Council consents to the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development extending the Funding Agreement and the Use and Occupancy Agreement for one (1) additional year upon the expiration of the term stated herein.
6. There shall be no advance payment on this agreement in accordance with N.J.S.A. 40A:5-16. Funds for 2022 and subsequent years are contingent upon appropriations, pursuant to N.J.A.C. 5:30-5.5(d)
7. Attached hereto are Certifications of Funds from the Director of Finance, which state that 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
NW 051	G22	ARP2N	A	71280	B2022

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 Invest Newark from January 1, 2021 through December 31, 2023.