



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-2094, Version: 1

Dept/ Agency: Economic & Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Redevelopment Grant Agreement

Purpose: Rehabilitation to 767 South Orange Avenue, Newark, New Jersey 07106

Entity Name: Babyland Family Services, Inc.

Entity Address: 755 South Orange Avenue, Newark, New Jersey 07106

Grant Amount: \$150,000.00

Funding Source: Strategic Housing Redevelopment Project Enhancement Program - West Ward Interest Accrual Allotment

Total Project Cost: \$150,000.00

City Contribution: \$ 150,000.00

Other Funding Source/Amount:

Contract Period: 24 months upon Notice to Proceed

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale (X) Grant () Sub-recipient () n/a

List of Property: (if applicable)

(Address/Block/Lot/Ward)

767 South Orange Avenue/ Block 4207/ Lot 13/ West Ward

Additional Information:

Sponsor, Ronald C. Rice, West Ward CouncilMember

WHEREAS, under Ordinance 6S&FH 050504, the Newark Housing Authority ("authority") raised \$200,420,000.00 through the issuance of bonds ("Bonds Proceeds") backed by the capitalization of the revenue stream of Marine Terminal Additional Rent ("Additional Rent") under the 19th Supplemental Lease Agreement between the City and the Port Authority for the lease of the City's marine and air terminals and together with the other available accrued annual payments from the Additional Rent ("Accrued Annual Payments"); and

WHEREAS, the Municipal Council under Ordinance 6S&FH 050504 authorized the use of such Bond Proceeds and Accrued Annual Payments to fund the development and construction activities in the Downtown Core District Redevelopment Area (under the Newark Downtown Core District Redevelopment Plan and Amendment to the Newark Plaza Urban Renewal Plan as adopted by the Municipal Council) and other neighborhood redevelopment areas throughout the City; and

WHEREAS, the Municipal Council, pursuant to Ordinance 6S&FH 050504, authorized the appropriation to the City of \$10,000,000.00 from the Bond Proceeds to fund the Strategic Housing and Redevelopment Project Enhancement Program ("Neighborhood Program") to ensure that the monies made available from the Bond Proceeds benefit worthy projects within the neighborhoods throughout the City, and where such funds shall together with \$10 million in other available monies committed to the City from the New Jersey Redevelopment Agency, be utilized to promote economic

development throughout the neighborhoods of Newark; and

WHEREAS, the Municipal Council, pursuant to Ordinance 6S&FH 050504, authorized the entry and execution of a Service Agreement by and between the City and the Authority for the Authority to, among other things, (i) undertake the issuance of bonds backed by the capitalization of Additional Rent, (ii) appropriate a portion of the Bond Proceeds or Accrued Annual Payments to a dedicated account (designated as the Newark Revitalization Account as defined in the Authority's bond resolution) to fund the development and construction of the Public Facilities as may be determined from time to time by the Municipal Council, and (iii) appropriate \$10,000,000.00 from the Bond Proceeds to the City for the Neighborhood Program; and

WHEREAS, pursuant to Resolution 7RF 120804, the Municipal Council authorized the Department of Administration to manage, administer and otherwise disburse the \$10,000,000.00 for the Strategic Housing and Redevelopment Project Enhancement Program; and

WHEREAS, the \$10,000,000.00 Bond Proceeds for the Neighborhood Program were evenly allocated among the five (5) wards of the City such that the maximum allotment for each ward allocation would not exceed \$2 million; and

WHEREAS, Resolution 7RCS(AS) 051706 stipulates that interest revenue accrued on the \$10 million bond proceeds shall be directed to each ward as it applies from the interest earned for each ward; and

WHEREAS, the earned interest will vary among each ward due to the amount of grant awards approved by the sponsoring Council Member and monthly payments charged to the grant account; and

WHEREAS, the interest accrual aggregate amount for the West Ward is \$342,037.00; and

WHEREAS, the Department of Economic & Housing Development on behalf of the Department of Administration seeks authorization to utilize funds from the **West Ward** interest allocation, to enter into a grant agreement with Babyland Family Services, Inc., in the amount of \$150,000.00, for the purpose of rehabbing 767 South Orange Avenue, Newark, New Jersey for a contract period commencing on the date Babyland Family Services, Inc., receives its Notice to Proceed until no later than twenty four months (24) months thereafter; and

WHEREAS, attached hereto is the Sponsorship Letter from the Honorable Councilman Ronald C. Rice, Council Member, representing the West Ward, approving funds for the project; and

WHEREAS, this contract awarded to Babyland Family Services, Inc., is in compliance with the New Jersey Local Public Contracts Law, (N.J.S.A. 40:11-1 et seq.); and

WHEREAS, the Mayor of the City of Newark signed into law Executive Order Number MEO-07-0001 (hereinafter "Pay-to-Play Executive Order"), which requires reporting of political contributions to Newark Municipal Candidates and prohibits certain political contributions during the duration of the contract.

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 Deputy Mayor/Director of the Department of Economic & Housing Development are hereby authorized to enter into and execute on behalf of the Department of Administration, a Grant Agreement in the amount of \$150,000.00 from the Strategic Housing and Redevelopment Project Enhancement Program; ("Neighborhood Program") interest allotment by and between the City of Newark and Babyland Family Services, Inc. 755 South Orange Avenue, Newark, New Jersey 07106, to assist with the rehabilitation of 767 South Orange Avenue, Newark, New Jersey.
2. The contract period shall commence on the date Babyland Family Services, Inc., receives its Notice to Proceed until no later than twenty four (24) months thereafter.
3. Attached hereto is a certification of funds from the Municipal Comptroller of the City of Newark, which states (1) that there are sufficient funds for the purpose set forth hereinabove and (2) that the line appropriation of the official budget which shall be charged is: Business Unit: 051, Department: G09, Division D19X0, Account: 72090, Budget Ref. B2009
4. Funds in the amount of \$150,000.00 will be released in the form of a drawdown to Babyland Family Services, Inc., for the physical rehabilitation, which consists of the renovation to 767 South Orange Avenue, Newark, New Jersey.
5. The Agreement complies with the New Jersey Local Public Contracts Law, (N.J.S.A. 40:11-1 et seq.) and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007. By executing the attached Agreement, Babyland Family Services, Inc. 755 South Orange Avenue, Newark, New Jersey 07106, certifies that it, nor any of its principals, has neither made nor will make a prohibited contribution in violation of any applicable federal or state laws, or City ordinances including, but not limited to, the Pay-to-Play Executive Order MEO-07-0001, effective March 31, 2007.
6. The total amount of said grant agreement shall not exceed \$150,000.00 and shall be paid from the Neighborhood Program **West Ward** accrued interest allotment approved under Resolution 7RCS(AS) 051706 and inserted into the City's budget under Resolution 7R1-F 052009.
7. The provisions of Resolution 7RF 120804, Resolution 7RCS(AS) 051706 and any other resolution allocating the Neighborhood Program funds among the five wards of the City are hereby amended to the extent necessary to permit \$150,000.00 of the West Ward allocation to be used for the project described in this Resolution, notwithstanding that such project is located in the West Ward.
8. This Resolution and executed copy of said Contract shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic & Housing Development.
9. This resolution shall take effect upon adoption in accordance with law.

STATEMENT

Resolution authorizing the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic & Housing Development on behalf of the Department of Administration to secure funds from the Neighborhood Program **West Ward** interest accrual allotment of \$342,037.00 in the amount of \$150,000.00 to enter into a Grant Agreement with Babyland Family Services, Inc., 755 South Orange Avenue, Newark, New Jersey 07106, where the funds will be used for physical rehabilitation to 767 South Orange Avenue, Newark, New Jersey, located within the West Ward. The contract period shall commence on the date Babyland Family Services, Inc., receives its notice to proceed until no later than twenty four (24) months thereafter. The Agreement shall comply with the provisions of the New Jersey Local Public Contracts Law (N.J.S.A. 40:11-1 *et seq.*), and is in compliance with Executive Order MEO-07-0001, effective March 31, 2007. By executing the attached Agreement, Babyland Family Services, Inc., certifies that it, nor any of its principals, has neither made nor will make a prohibited contribution in violation of any applicable federal or state laws, or City ordinances including, but not limited to, the Pay-to-Play Executive Order MEO-07-0001.