



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 18-1717, Version: 1

ORDINANCE AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO A CONTRACT FOR THE PURCHASE OF REAL ESTATE WITH ALPERT AND ALPERT DEVELOPMENT, LTD. FOR THE ACQUISITION OF THE SHANI BARAKA CENTER PROPERTY LOCATED AT 276-300 CLINTON AVENUE, NEWARK, NEW JERSEY, ALSO KNOWN AS BLOCK 2670, LOT 1.14, IN THE SOUTH WARD, FOR TWO MILLION THREE HUNDRED TWENTY THOUSAND ONE HUNDRED DOLLARS AND ZERO CENTS (\$2,320,100.00), WITH CREDIT OF 35% OF TOTAL RENT TO DATE, \$140,875.00, AND DEBIT OF RENT DUE AND OWING OF \$192,500.00.

Deferred 6F-a 012319

Deferred 6PSF-a 020619

WHEREAS, the City of Newark (“City”) is authorized to acquire real and personal property, for public purposes pursuant to the Local Lands and Buildings Law (N.J.S.A. 40A:12-1 et seq.); and

WHEREAS, in accordance with N.J.S.A. 40A:12-3(a) “Any county or municipality may acquire, construct and maintain such buildings or other capital improvements as may be necessary and suitable for the performance of its functions, the accommodation of the courts required to be held in the county or municipality, the conduct of public business and the use of the county and municipal departments, officers, boards, commissions and agencies in charge of institutions and facilities and any other county or municipal public purposes, and from time to time as necessary, repair, alter, enlarge, rebuild, furnish, refurnish, refurbish or rehabilitate such buildings.”; and

WHEREAS, on May 16, 2000, the Municipal Council of the City of Newark (“Municipal Council”) adopted Resolution 7Rb(S) that authorized the execution of an Agreement for Private Sale and Redevelopment of City Block 2670 (the “Agreement”) to Alpert and Alpert Development, Ltd., 1 Parker Plaza Fort Lee, New Jersey 07024 (“Redeveloper”); and

WHEREAS, on November 5, 2015, by Resolution 7R3-b, the Municipal Council authorized the Mayor and/or his designee, the Director of the Department of Economic and Housing Development, to enter into the First Amended and Restated Redevelopment Agreement (“Amended Agreement”) and Lease (the “Lease”) between the City and Redeveloper; and

WHEREAS, the Amended Agreement provided for the redevelopment of the property located at 276-300 Clinton Avenue, Newark, New Jersey, Block 2670, Lot 1.14 (the “Property”) into a federally qualified women’s health and resource center; and

WHEREAS, the Lease, which is attached, provided for the City to lease the Property from the Redeveloper for a period of twenty (20) years, at Seventeen Thousand Five Hundred Dollars and

Zero Cents (\$17,500.00) per month, with the option to renew, as well as the option to purchase the Property from the Redeveloper; and

WHEREAS, Section 26 of the Lease Agreement, provides, among other things, that the City “shall have the right to purchase the Property and all improvements thereon. This option to purchase may be exercised at any time during the Term or any extension thereof”; and

WHEREAS, the City intends to exercise its option to purchase the Property pursuant to Section 26 of the Lease Agreement, dated February 1, 2017, between the City and the Redeveloper for the public purpose of providing community-based health services in underserved areas; and

WHEREAS, in accordance with Section 26 of the Lease Agreement, the Purchase Price shall be \$2,320,100.00, “less a credit of thirty-five percent (35%) of the total rent if option is exercised within the first two (2) years of the Term of the Lease (“Purchase Price”)”, which amount equals One Hundred Forty Thousand Eight Hundred Seventy- Five Dollars and Zero Cents (\$140,875.00). The credit amount is calculated based on rent for twenty-three (23) months, February 2017 through December 2018, at Seventeen Thousand Five Hundred Dollars and Zero Cents (\$17,500.00) per month, which equals Four Hundred Two Thousand Five Hundred Dollars and Zero Cents (\$402,500.00); and

WHEREAS, the City intends to purchase the Property for the Purchase Price pursuant to an Agreement of Sale between the City and the Redeveloper, attached hereto as **Exhibit A**, which provides, in paragraph 1.2(b) that the City will pay to the Redeveloper any rent due and owing on the Property. The outstanding balance good through December 31, 2018, pursuant to the attached rent history, is \$192,500.00; and

WHEREAS, the Municipal Council wishes to authorize the Mayor and/or the Director of the Department of Economic and Housing Development to execute the Agreement of Sale with the Redeveloper, and to accept the Bargain and Sale Deed with Covenants Against Grantor’s Acts in substantially the form attached as **Exhibit B** for the acquisition of the Property.

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

SECTION 1. The City is hereby authorized to acquire 276-300 Clinton Avenue, Newark, New Jersey (the “Property”) in accordance with N.J.S.A. 40A:12-3 and the terms of the Agreement of Sale attached as **Exhibit A** in order to provide for the provision of community-based health care services in underserved areas and other public purposes associated with the mission of the federally qualified Women’s Health Center.

SECTION 2. In accordance with the terms and conditions of the Lease Agreement and Agreement of Sale, the City shall purchase the Property for a total of \$2,320,100.00, less a credit of \$140,875.00, which represents thirty- five percent (35%) of the total rents to date, \$402,500.00, including those in arrears, plus back rents due and owing per attached rent history in the amount of \$192,500.00,

SECTION 3. The Mayor, his designee, the Director of the Department of Economic and Housing Development, and all City officials, employees, and consultants are hereby authorized to

take action as necessary to effect the purposes of this Ordinance.

SECTION 4. Attached hereto is a Resolution of the New Jersey State Local Finance Board, dated August 8, 2018, approving the City’s dedication of the sum of Two Million Three Hundred and Twenty Thousand Dollars and Zero Cents (\$2,320,000.00) to the purchase of the Maria Eliza Mahoney Women’s Health Center (to be known as the “Shani Baraka Center”). Accordingly, no Certification of Funds is needed.

SECTION 5. The Shani Baraka Center will provide social service programs for victims/survivors of domestic violence and sexual assault in the City of Newark and surrounding municipalities. Such services will include counseling, support groups, job placement and development, and crisis intervention.

SECTION 6. The Mayor and/or his designee, the Director of the Department of Economic and Housing Development are hereby authorized to execute any and all agreements and other legal documents necessary to accomplish the acquisition of the Property, including, but not limited to, the Agreement of Sale, in the form attached hereto, and to receive and record the Bargain and Sale Deed with Covenants Against Grantor’s Acts in substantially the form attached as **Exhibit B** for the acquisition of the Property in accordance with N.J.S.A. 40A:12-1, et seq.

SECTION 7. A copy of the Ordinance and any agreements authorized herein shall be placed on file with the City Clerk’s Office by the Director of the Department of Economic and Housing Development.

SECTION 8. If any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provisions so adjudicated, and the remainder of the Ordinance shall be deemed valid and effective.

SECTION 9. This Ordinance shall take effect in accordance with the laws of the State of New Jersey after final passage and publication.

STATEMENT

This Ordinance authorizes the execution of a contract for the purchase of 276-300 Clinton Avenue, Newark, New Jersey, Block 2670, Lot 1.14, on the Official Tax Map and Tax Duplicates of the City, in the amount of \$2,320,100.00 with the following credit and debit to the City:

Credit of \$35% of Total Rent to Date:	(\$140,875.00)
Plus Rent Due & Owing:	\$192,500.00.