



Legislation Text

File #: 20-0313, Version: 2

ORDINANCE AUTHORIZING SALE/LEASEBACK AGREEMENT AS A CAPITAL LEASE WITH BRANDYWINE ACQUISITION AND DEVELOPMENT, LLC, AS THE DESIGNATED REDEVELOPER, FOR THE REDEVELOPMENT OF THE BERGEN STREET POLICE AND FIRE TRAINING ACADEMY SITE FOR THE CITY OF NEWARK.

WHEREAS, on June 15, 2005, pursuant to Council Resolution 7Rdo(AS), the entire City of Newark was designated an “area in need of rehabilitation” as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., including the lots located at 687-689 Bergen Street, 691 Bergen Street, 693 Bergen Street, 695-715 Bergen Street, 158 Chadwick Avenue, 160 Chadwick Avenue, 162 Chadwick Avenue and 164 Chadwick Avenue, also known as Block 2687, Lots 14, 16, 17, 25, 40, 41, 42, 43 and 60 on the tax maps of the City of Newark (“Property”); and

WHEREAS, on January 5, 2017, pursuant to Council Ordinance 6PSF-b, the City of Newark adopted the South Bergen Street Redevelopment Plan (the “Redevelopment Plan”), as last amended January 7, 2020, which governs the zoning of the Property; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8, the City and the Redeveloper have negotiated a Capital Sale/Leaseback Agreement (“Agreement”) to govern the conveyance, financing and construction of the Properties that is to constitute the new Police and Fire Training Academy site; and

WHEREAS, N.J.S.A. 40A:12A-8(g) authorizes the City to “lease or convey properties or improvements to any other party . . . without public bidding and at such prices and upon such terms as it deems reasonable, provided that the lease or conveyance is made in conjunction with a redevelopment plan . . .”; and

WHEREAS, under the Agreement, the City will convey the Properties to the designated redeveloper for the development of a new Police and Fire Training Academy pursuant to the City’s specifications that will be privately financed through capital lease payments for a term of 20 years, after which time full fee ownership of the property and improvements revert back to the City; and

WHEREAS, the City has determined that the Agreement is beneficial by ensuring that the Police and Fire Training Academy is completed expeditiously and within a guaranteed maximum contract price without incurring any new debt.

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

1. The above recitals are incorporated by reference as if fully set forth herein.
2. The Mayor and/or his designee, the Director of the Department of Economic and Housing

Development, are hereby authorized to enter into and execute the Capital Sale/Leaseback Agreement, in the form attached hereto, for the redevelopment of a new Police and Fire Training Academy with Brandywine Acquisition and Development, LLC, pursuant to the terms and conditions contained therein, which is attached hereto and made part hereof.

3. The Municipal Council hereby authorizes and directs the Mayor to execute the Capital Sale/Leaseback Agreement upon adoption of this Ordinance.

4. There shall be no advance payment on this Lease Agreement.

5. The Municipal Council hereby authorizes and directs the City Business Administrator, Chief Financial Officer, Corporation Counsel, City Engineer and other City employees and agents to take any necessary and appropriate actions to effectuate the implementation of this Ordinance and the Capital Sale/Leaseback Agreement.

6. All ordinances of the City which are inconsistent with the provisions of this Ordinance are hereby repealed as to the extent of such inconsistency.

7. If any section, subsection, clause or phrase of this ordinance is for any reason held to be unconstitutional or invalid by any court of competent jurisdiction, such decision shall not affect the remaining portion of this Ordinance.

8. This Ordinance shall take effect immediately upon final passage, approval and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes a Capital Sale/Leaseback Agreement as a capital lease for 20 years with Brandywine Acquisition & Development, LLC, for redevelopment of certain properties within the Bergen Street Redevelopment Plan area for the development of a new Police and Fire Training Academy for the City of Newark.