



Legislation Text

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AN ORDINANCE AMENDING 6PSF-C, ADOPTED ON JANUARY 5, 2017, AND AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AND EXECUTE A THIRD AMENDMENT TO THE AGREEMENT FOR THE CONVEYANCE OF REAL PROPERTY WITH THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY MODIFYING CERTAIN MILESTONES SET FORTH IN THE SECOND AMENDED AGREEMENT OF SALE AND RECORDED AMENDED DEED OF CONVEYANCE.

WHEREAS, on March 23, 2017, pursuant to Ordinance 6PSF-C adopted on January 5, 2017, the New Jersey Schools Development Authority (the "NJSDA") and the City of Newark (the "City") entered into an Agreement for Conveyance of Real Property (the "Agreement of Sale") whereby the City agreed to purchase various properties from the NJSDA subject to certain conditions imposed by the NJSDA that survive the closing of title; and

WHEREAS, on July 6, 2017, a Deed was executed between the NJSDA and the City and recorded within the Essex County Register of Deeds as Instrument #2017064424 on July 25, 2017; and

WHEREAS, on or about February 21, 2018, the City and the NJSDA entered into a First Amendment of the Agreement of Sale (the "First Amendment") to revise some of the NJSDA's timelines; and

WHEREAS, the City, acting through the Municipal Council, pursuant to and in accordance with the requirements of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"), may contract with redevelopers for the planning, re-planning, construction, or undertaking of any project or redevelopment work; and

WHEREAS, on November 12, 2019, pursuant to Resolution 7R2-a(S), the Municipal Council designated certain areas of Blocks 1784 and 1785 as a condemnation redevelopment area; and

WHEREAS, on September 2, 2020, pursuant to Ordinance 6PSF-b, the Municipal Council adopted the Fairmount Commons Redevelopment Plan ("Redevelopment Plan"); and

WHEREAS, on August 19, 2021, pursuant to Resolution 7R2-i(S), the Municipal Council designated RPM Development, LLC ("RPM") and the Urban League of Essex County Opportunity Corporation ("ULEC") as the designated redevelopers (collectively, the "Redeveloper") of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C), as shown on the Official Tax Map of the City of Newark (collectively, the "Properties") within the Redevelopment Plan area; and

WHEREAS, on April 6, 2022, pursuant to Resolution 7R2-c, the NJSDA and the City entered into a Second Amendment to the Agreement of Sale (the “Second Amendment”) under which the parties agreed to the extension of certain deadlines to allow for the redevelopment of the Properties; and

WHEREAS, on June 22, 2022, an Amended Deed was executed between the NJSDA and the City and recorded within the Essex County Register of Deeds as Instrument #2022063639 on July 6, 2022; and

WHEREAS, it was recently determined that some of the NJSDA’s remaining interests in the Properties and timelines for the completion of the Project adversely affect the Redeveloper’s ability to secure the necessary financing for the Project; and

WHEREAS, the City requested a Third Amendment to the Agreement of Sale (the “Third Amendment”), which was authorized by the NJSDA on December 6, 2023, that will enable the Redeveloper to close on its financing for the Project; and

WHEREAS, the City wishes to adopt the Third Amendment to its Agreement of Sale with the NJSDA to enable the Redeveloper to complete the Project.

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

1. The Mayor of the City of Newark and/or his designee, or the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Third Amendment to the Agreement of Sale between the NJSDA and the City incorporated herewith as Exhibit A, along with accepting the Second Amended Deed affixed thereto, and any necessary ancillary instruments required to be executed in accordance therewith.
2. A copy of the fully executed Third Amendment to the Agreement of Sale, with all exhibits thereto, shall be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.
3. If any section, subsection or paragraph of this ordinance is declared unconstitutional, invalid or inoperative, in whole or in part, by a court of competent jurisdiction, such chapter, section subchapter or paragraph shall to the extent that is not held unconstitutional, invalid or inoperative remain in full force and effect and shall not affect the remainder of this Ordinance.
4. All ordinances and resolutions, and parts of ordinances and resolutions which are inconsistent with provisions of this ordinance shall be, and are hereby, repealed to the extent of any such inconsistency.
5. The Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes the Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Third Amendment to Agreement for the Conveyance of Real Property, modifying certain milestones set forth in the Second Amended Agreement for Conveyance of Real Property and recorded Amended Deed of Conveyance with the New Jersey Schools Development Authority.