

City Clerk File No. Ord. 15.020

Agenda No. 3.C 1st Reading

Agenda No. 4.C 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.020

TITLE: ORDINANCE AUTHORIZING THE CITY OF JERSEY CITY TO ENTER INTO A LEASE/PURCHASE AGREEMENT AS LESSEE WITH JERSEY CITY MUNICIPAL, LLC, AS LESSOR FOR OFFICE SPACE TO BE CONSTRUCTED AT THE MLK HUB ON A PORTION OF LOT 17, BLOCK 21201 AT THE INTERSECTION OF KEARNEY AVENUE AND MARTIN LUTHER KING DRIVE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City ("City") has a need for office space for the Department of Health and Human Services and the Department of Housing, Economic Development and Commerce; and

WHEREAS, Lot 17 in Block 21201 on the City's Tax Map is a 6.95 acre parcel of land located near the intersection of Kearney Avenue and Martin Luther King Drive; and

WHEREAS, subject to the approval of this Lease/Purchase Agreement by the City's governing body, Jersey City Municipal, LLC ("JCM") intends to obtain a subdivision of Lot 17 to establish a 0.556 acre vacant lot, purchase the vacant lot, and construct a three story office building of approximately 45,000 square feet ("Property") which the City will lease; and

WHEREAS, the basic term of the Lease/Purchase Agreement is twenty-five (25) years with base rent payments commencing on the date of substantial completion of the building, but not later than February 1, 2017; and

WHEREAS, JCM offers to lease 45,000 square feet of office space to the City at \$21.40 per square foot for a monthly basic rent of \$80,250.00 or \$963,000.00 annually for the first five years of the lease term; and

WHEREAS, the basic rent for years six (6) through twenty-five (25) of the lease term shall be in accordance with Exhibit "B" of the Lease Agreement attached hereto; and

WHEREAS, the City shall have the option to purchase the Property for \$1.00 at the end of the lease term; and

WHEREAS, JCM will construct the "Base Building Work" described in Exhibit "C" of the Lease/Purchase Agreement attached hereto; and

WHEREAS, JCM will perform on the City's behalf the initial fit-up work in or to the building and shall provide the City with an allowance of \$50.00 per square foot or \$2,250,000.00 for 45,000 square feet for the initial fit-up work; and

WHEREAS, the Lease/Purchase Agreement is a bondable triple net lease and the City will be responsible for maintenance and repair costs for the building and the costs for insurance, real estate taxes and utilities; and

WHEREAS, N.J.S.A. 40A:12-5 provides that a municipality may by ordinance acquire property by purchase, gift, devise, lease, exchange, condemnation, or installment purchase agreement; and

WHEREAS, it is the intent of the City and the JCM to treat the Lease/Purchase Agreement as an installment purchase agreement pursuant to N.J.S.A. 40A:12-5(b) such that the obligation of the City to

make payments under the Lease/Purchase Agreement shall be valid and binding for the term thereof and shall not be otherwise subject to annual appropriation.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. Subject to such modifications as may be deemed necessary or appropriate by Corporation Counsel, the Mayor or Business Administrator is authorized to execute a Lease/Purchase Agreement in substantially the form attached with Jersey City Municipal, LLC for an office building to be constructed at the MLK HUB, on a 0.556 acre parcel of vacant land that is currently part of the 6.95 acres of land known as Lot 17 in Block 21201 on the City's Tax Map;
2. The authorization for this Lease/Purchase Agreement is subject to the construction by Jersey City Municipal, LLC, at its own expense, of the improvements described in Paragraph C1 of Exhibit "C" of Lease/Purchase Agreement attached hereto;
3. The Lease/Purchase Agreement shall require that the Landlord will obtain a performance bond and under no circumstances shall such performance bond require any payment from the City's insurance policies for completion of the work described on Exhibit C;
4. The basic term of the Lease/Purchase Agreement is twenty-five (25) years commencing on the date that is the earlier of (i) substantial completion of the improvements or (ii) February 1, 2017;
5. The rent, not including the expenses that are the responsibility of the City, for years one through five of the lease term shall be \$21.40 per square foot for a monthly basic rent of \$80,250.00 or \$963,000.00 annually. Subsequent years' rent shall be as set forth in Exhibit "B" of the attached Lease Agreement;
6. Pursuant to N.J.S.A. 40A:12-5(b), the obligation of the City to make payments under the Lease/Purchase Agreement is valid and binding for the term thereof and shall not otherwise be subject to annual appropriation; and
7. The Mayor and Business Administrator are authorized to take all actions to carry out the purposes and intent of the foregoing resolutions.

A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

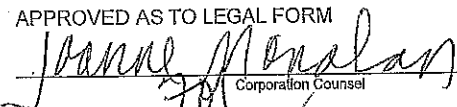
B. This ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

C. This ordinance shall take effect at the time and in the manner as provided by law.

D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

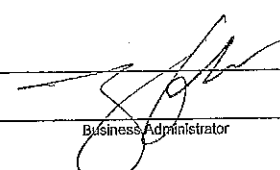
JMcK
2/18/2015

APPROVED AS TO LEGAL FORM


Joanne Monahan
Corporation Counsel

APPROVED: _____

APPROVED: _____


Business Administrator

Certification Required ☐

Not Required @0262688.DOCX

Ordinance of the City of Jersey City, N.J.



ORDINANCE NO. Ord. 15,020
TITLE: 3.C FEB 25 2015 4.C

MAR 11 2015

Ordinance authorizing the City of Jersey City to enter into a lease/purchase agreement as lessee with Jersey City Municipal, LLC as lessor for office space to be constructed at the Martin Luther King Drive HUB on a portion of Lot 17, Block 21201 at the intersection of Kearney Avenue and Martin Luther King Drive.

RECORD OF COUNCIL VOTE ON INTRODUCTION FEB 25 2015 7-2											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING MAR 11 2015 9-0											
Councilperson <u>RIVERA</u> moved, seconded by Councilperson <u>RAMCHAL</u> to close P.H.				COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

LAVERN WASHINGTON
YVONNE BALCER
GERARD BALMIR
TAMIKA MCREYNOLDS
JERMAINE ROBINSON
JAYSON BURG
WILLIAM BRAKER
BRUCE ALSTON
MANUEL OLIVO
ALVIN PETTIT

JAIME VAZQUEZ
KABILI TAYARI
PETER BARNES
JUNE JONES
BERNARD SHIVERS
ESTHER WINTNER
WAYNE HARMON
JEFF KAPLOWITZ
MIA SCANGA
PAUL BYRD

SPEAKERS:

PHILIP CARRINGTON
ROBERT ARITIFICIO
RIAZ WAHID
MATTHIS SHARLESS

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson <u> </u> moved to amend* Ordinance, seconded by Councilperson <u> </u> & adopted				COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMANN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE MAR 11 2015 7-2											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on **FEB 25 2015**

Adopted on second and final reading after hearing on **MAR 11 2015**

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on **MAR 11 2015**

Robert Byrne, City Clerk
Robert Byrne, City Clerk

*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr.
Rolando R. Lavarro, Jr., Council President

Date **MAR 11 2015**

APPROVED:

Steven M. Fulop, Mayor
Steven M. Fulop, Mayor

Date **MAR 12 2015**

Date to Mayor **MAR 12 2015**