

AN ORDINANCE OF THE CITY OF ELIZABETH, IN THE COUNTY OF UNION, NEW JERSEY, APPROVING TRANSFER OF EXISTING FINANCIAL AGREEMENT FROM IKEA CENTER URBAN RENEWAL, INC TO AN URBAN RENEWAL ENTITY TO BE CREATED BY RAYMOUR & FLANIGAN PROPERTIES, LLC.

WHEREAS, the City of Elizabeth, in the County of Union, New Jersey, entered into a Financial Agreement with IKEA Center Urban Renewal, Inc. ("ICUR") dated February 13, 1996, and

WHEREAS, pursuant to Section 8.1 of that Financial Agreement, ICUR has made application for consent by the Municipal Council of the City of Elizabeth ("City") for a sale of part of the ICUR project and transfer of the Financial Agreement with respect to that part of the project to an urban renewal entity being formed by Raymour & Flanigan Properties, LLC that will be known as 'Elizabeth Turnpike Realty Urban Renewal Entity, LLC' (hereinafter "R&F URE"); and

WHEREAS, upon closing of the sale of the Subject Property to R&F URE it is anticipated that considerable improvements will be made to the building, revitalizing it to return it to a productive economy of the City; and

WHEREAS, the ICUR project consisted of separate commercial buildings on Block 1, Lots 1438 and 1439. The proposed change in ownership impacts Block 1, Lot 1438 (which contains approximately 20.87 +/- acres of land) and the commercial building located on Block 1, Lot 1438.X ("Subject Property"). In the near term future, the part of the Project that is located on Block 1, Lot 1439 and the building which is located on Block 1, Lot 1439.X will remain with ICUR (collectively referred to as the "ICUR Retained Property"); and

WHEREAS, the sale of part of the Project and transfer of the Financial Agreement with respect to that part of the Project being transferred to R&F URE was proposed on the conditions set forth in a letter application that ICUR filed on February 20, 2018 with the City, and the conditions were discussed with and reviewed by the City's Chief Financial Officer AND City Attorney, and which conditions were accepted in part and modified in part ("Terms and Conditions"); and

WHEREAS, the most significant of those conditions is that ICUR will assign and R&F URE will fully assume, the Financial Agreement that pertains to the Subject Property pursuant to an Assignment and Assumption Agreement which will result in R&F URE being the party that will have the rights and obligations under the Financial Agreement as they relate to the Subject Property, and ICUR remaining responsible for the Financial Agreement as it relates to the ICUR Retained Property, and ICUR being released from that agreement as it relates to the Subject Property; and

PRESENTED to the Mayor for
APPROVAL or DISAPPROVAL ON
MAY 22 2018
CITY CLERK

WHEREAS, ICUR is not in default regarding any performance required of it under the Financial Agreement and is in full compliance with N.J.S.A. 40A:20-1 et seq.; and

WHEREAS, the above referenced Terms and Conditions applicable to the proposed sale and transfer of the Financial Agreement will be set forth in an Assignment and Assumption Agreement and those Terms and Conditions are on file with the City Clerk and incorporated by reference herein;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELIZABETH, IN THE COUNTY OF UNION, NEW JERSEY (not less than a majority of all members thereof affirmatively concurring), and AS FOLLOWS:

SECTION 1. - The City of Elizabeth hereby approves the sale of part of the ICUR project and transfer of the Financial Agreement with respect to that part of the Project to R&F URE, subject to the Terms and Conditions set forth above and incorporated herein as part of this Ordinance.

SECTION 2. - All ordinances or parts of ordinance inconsistent with the provisions of this ordinance be and the same are hereby repealed.

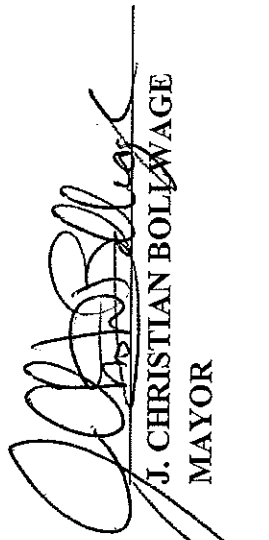
SECTION 3. - If any portion or clause of this ordinance is declared invalid for any reason whatsoever, same shall not affect the validity or constitutionality of any other part or portion of this ordinance.

SECTION 4. - The effective date of this ordinance shall be twenty (20) days after its final passage by City Council and approval by the Mayor at the time and in the manner provided by law.

PASSED: 5-22-18


MANNY GROVA, JR.
PRESIDENT OF CITY COUNCIL

APPROVED: 5-22-18


J. CHRISTIAN BOLLWAGE
MAYOR

ATTEST: 
YOLANDA M. ROBERTS, R.M.C.
MUNICIPAL CLERK