RESOLUTION OF NEW JERSEY INSTITUTE OF TECHNOLOGY ("NJIT")
APPROVING THE EXTENSION OF THE CONDITIONAL DESIGNATION
OF THE HANINI GROUP, CRAWFORD STREET PARTNERS AND L&M DEVELOPMENT PARTNERS FOR THE DEVELOPMENT OF BLOCK 2857 AND BLOCK 2858 (West Side)

WHEREAS, on or about September, 2007, NJIT, in cooperation with other area stakeholders, created a comprehensive plan for the redevelopment and rehabilitation of approximately 21.5 acres of land located within the City of Newark (the "City") in order to serve as a gateway between the NJIT campus and existing neighborhoods and in order to enhance the quality of life of both NJIT and existing residential communities (the "NJIT Gateway Plan"); and

WHEREAS, on March 31, 2008, the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7R3-B(S) conditionally designating NJIT as the redeveloper for the area described within the NJIT Gateway Plan, subject to the adoption of a redevelopment plan for that area by the City and the negotiation of a redevelopment agreement between the City and NJIT; and

WHEREAS, on September 22, 2008, the Central Planning Board of the City of Newark adopted a resolution recommending that the Municipal Council adopt a redevelopment plan for certain portions of the City, including the area described within the NJIT Gateway Plan; and

WHEREAS, on January 21, 2009, the Municipal Council adopted Ordinance 6PSF-a012109 adopting the Broad Street Station Area Redevelopment Plan (the "Redevelopment Plan") in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., as amended and supplemented; and

WHEREAS, on January 21, 2009, the Municipal Council designated NJIT as the redeveloper of the area described within the NJIT Gateway Plan which area is within the area governed by the Redevelopment Plan, and the City and NJIT have entered into a redevelopment agreement dated October 19, 2009 (the "Redevelopment Agreement") for the redevelopment of the area within the NJIT Gateway Plan, which includes the MLK Gateway Sub-Project (as such term is defined in the Redevelopment Agreement); and

WHEREAS, the MLK Gateway Sub-Project is the second of four (4) Sub-Projects to be constructed in phases pursuant to the Redevelopment Agreement; and

WHEREAS, a portion of the MLK Gateway Sub-Project relates to certain properties within the City known as Block 2857, Lots 1, 2, and 5-30, and Block 2858, Lots 1, 2, 10, 12, 14-16, 18, 20, 23, 43, 45, and 50, as shown on the City's Tax Maps in the University Heights District and currently comprised of private businesses, surface parking lots and fraternity houses (collectively, the "Property"); and
WHEREAS, NJIT does not own or control any of the Property; and

WHEREAS, the Redevelopment Agreement provides that NJIT may carry out the redevelopment of the Redevelopment Area in its own name or through an entity of which NJIT retains control; and

WHEREAS, it is the intention of NJIT that the acquisition of the Property and its redevelopment be carried out through a to-be-formed entity ("CGF Entity"), whose members will include Campus Gateway Foundation, Inc., a New Jersey not-for-profit corporation ("CGF") and an experienced development partner to provide direction, financing and oversight of the redevelopment process, subject to control by NJIT's subsidiary CGF; and

WHEREAS, on March 20, 2014, NJIT had previously conditionally designated the Hanini Group, Crawford Street Partners and L&M Development Partners Inc., as developers of the MLK Gateway Sub-Project; and

WHEREAS, the Hanini Group, Crawford Street Partners and L&M Development Partners, Inc. have extensive experience in redevelopment in Newark and the resources necessary to effectively implement a large scale, mixed-use development; and

WHEREAS, the Hanini Group, Crawford Street Partners and L&M Development Partners, Inc. have progressed the execution of the MLK Gateway Sub-Project to the best of their ability, including negotiating the terms for the acquisition of key properties, executed environmental due diligence culminating in Phase 1 environmental assessment, and performed survey work of the property; and

WHEREAS, the CGF, the Hanini Group and Crawford Street Partners and L&M Development Partners ("Hanini et als.") will enter into a joint venture agreement and based on such experience and resources, NJIT will extend the conditional designation of the joint venture between the CGF and Hanini et als. as the Redeveloper for the MLK Gateway Sub-Project within the Property; and

WHEREAS, as part of the conditional designation, Hanini et al. will finalize the preparation of a detailed proposal for the redevelopment of the Property, which redevelopment is expected to include the construction on the Property of residential units, ground floor retail spaces, a parking structure with a minimum of nine hundred (900) parking spaces and community gathering spaces in a manner compliant with the Redevelopment Plan ("Project"); and

WHEREAS, if the proposal for the Project is acceptable to NJIT, NJIT expects to enter into (a) a development agreement (the "Development Agreement") between NJIT and the CGF Entity, comprised of CGF and Hanini et als., in order to set forth the terms and conditions under which the CGF Entity shall carry out the obligations of NJIT with respect to the redevelopment of the Property in accordance with the Redevelopment Agreement and (b) a parking license agreement (the "Parking Agreement") in order to set forth the terms and conditions under which NJIT shall utilize the parking spaces in the garage that is a component of the Project.
NOW, THEREFORE, BE IT RESOLVED THAT THE NEW JERSEY INSTITUTE OF TECHNOLOGY BOARD OF TRUSTEES HEREBY:

1. Extends the previously issued conditional designation of Hannini et al. as the developer of the MLK Gateway sub-project until September 11, 2014 in order to prepare a proposal, and a pro forma including sources and uses for the Project.

2. Conditionally designates the CGF Entity, with Hanini et al. as a partner therein, to carry out the redevelopment of the Project, subject to the following conditions:

   (i) The proposal for the Project shall be subject to the consideration of and approval by the NJIT Board of Trustees in its sole discretion.

   (ii) CGF and Hanini et als., or approved affiliates thereof, shall enter into a mutually acceptable joint venture agreement forming the CGF Entity that complies with the Redevelopment Agreement.

   (iii) NJIT and the CGF Entity shall enter into the Development Agreement and the Parking Agreement on terms and conditions deemed appropriate by this Board of Trustees, in its sole discretion.

   (iv) The above designations shall expire if each of the foregoing conditions are not satisfied by September 11, 2014 at the sole discretion of the Board of Trustees. However, this conditional designation can be extended by written mutual agreement of both parties.

3. Authorizes the administration of NJIT and their legal and other authorized representatives to commence negotiation of a term sheet with terms and conditions leading to a Development Agreement and a Parking Agreement subject to the approval of the NJIT Board of Trustees in its sole discretion.

4. Authorizes the administration of NJIT to reimburse Hanini et al. a sum not to exceed $400,000 for authorized expenses related to property acquisition should the parties be unable to come to terms and enter into a Development Agreement and Parking Agreement to which NJIT will obtain ownership of said properties.
5. Grants no rights to Hanini et al. with respect to the Project other than the right to negotiate exclusively as described above, and grants no rights to the development of same, any such rights to be established exclusively in the Development Agreement and Parking Agreement if same can be agreed upon.

Holly C. Stern, Esq.
General Counsel and
Secretary to the Board of Trustees
New Jersey Institute of Technology

July 24, 2014
Board Resolution 2015-1