

NEW JERSEY INSTITUTE OF TECHNOLOGY

**RESOLUTION TO APPROVE THE TERMINATION OF THE CONDITIONAL
DESIGNATION OF PRC FOR THE DEVELOPMENT OF THE MLK GATEWAY
BLOCK 2857 AND BLOCK 2858 (“WEST SIDE”) AND BLOCK 43 LOTS 38, 39, 40, 41,
46, 48 (“EAST 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 (the "NJIT Gateway Area"), subject to the adoption of a comprehensive redevelopment plan for a larger area of the City known as the "Broad Street Station Area" 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 the Broad Street Station Area of the City, including the NJIT Gateway Area; 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 NJIT Gateway Area which area is within the area governed by the Redevelopment Plan;

WHEREAS, the City and NJIT entered into a redevelopment agreement dated October 19, 2009 (the "Redevelopment Agreement") for the redevelopment of the NJIT Gateway Area, which includes the MLK Gateway Sub-Project (as such term is defined in the Redevelopment Agreement); and

WHEREAS, the MLK Gateway Sub-Project (the "Project") is the second of four (4) Sub-Projects to be constructed in phases pursuant to the Redevelopment Agreement and includes 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 "West Side") as well as Block 43, Lots 38, 39, 40, 41, 46, 48 as shown on the City's Tax Maps in the University Heights District and currently comprised of the former NJIT Enterprise Development Center, 240 Dr. Martin Luther King Jr. Blvd., and the adjacent 236

Dr. Martin Luther King Jr. Blvd. (collectively, the “East Side” and together with the West Side, the “Property”); and

WHEREAS, the Redevelopment Agreement provides that NJIT may carry out the redevelopment of the NJIT Gateway 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 (the “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, upon approval of a proposed plan for redevelopment from an experienced developer NJIT expects that: (a) CGF and the experienced developer will enter into a joint venture agreement (“JVA”) creating the CFG Entity; (b) NJIT and the CFG Entity will enter into a development agreement (the “Development Agreement”) setting 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 (c) NJIT and the CFG Entity will enter into 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 West Side of the Project; and

WHEREAS, on or about June 6, 2016 the NJIT Board of Trustees conditionally designated PRC OZ LLC (“PRC”) as the developer of the West Side of the Project subject to the terms and conditions set forth in the June 6, 2016 Resolution of the Board, including, without limitation, approval by the Board of Trustees of PRC’s proposed plans for the development of the West Side of the Project and negotiation and execution of a JVA, Development Agreement, and Parking Agreement (collectively, the “Conditions”), which such Conditions were to be satisfied by November 18, 2016; and

WHEREAS, at the November 2016 Board of Trustees Meeting, the NJIT Board of Trustees extended PRC’s conditional designation as developer of the West Side of the Project through April 13, 2017, and on April 13, 2017 issued a resolution again extending PRC’s conditional designation as developer of the West Side of the Project through November 9, 2017; and

WHEREAS, on or about June 1, 2017 the NJIT Board of Trustees expanded the conditional designation of PRC as developer to include the East Side component of the Project, subject to the Conditions, which such Conditions were expanded to include the East Side of the Project and which were to be satisfied by November 9, 2017; and

WHEREAS, the NJIT Board of Trustees further extended PRC’s conditional designation as developer of the Project by way of resolutions dated November 9, 2017, June 7, 2018, July 19, 2018, September 20, 2018, April 11, 2019, September 26, 2019, November 7, 2019, and June 25, 2020; and

WHEREAS, each of the aforementioned resolutions expressly resolves that the NJIT

Board of Trustees grants no rights to PRC with respect to the Project other than the right to negotiate exclusively as described above, and grants no rights to the development of the Project, as any such rights were to be established exclusively in the Development Agreement and Parking Agreement if same were to be agreed upon, and further reserves the Board of Trustees right to terminate negotiations with PRC if the Board of Trustees concludes that there has not been sufficient evidence of progress on the satisfaction of the Conditions; and

WHEREAS, after eight years of negotiations the Conditions remain unsatisfied as no JVA, Development Agreement or Parking Agreement were ever agreed upon or entered into by PRC, NJIT or CGF, and the Board of Trustees has concluded that insufficient progress towards satisfaction of these Conditions has been made by PRC, and therefore the Board of Trustees has allowed the conditional designation of PRC as developer of the Project to expire and now desires to formally terminate the conditional designation.

NOW, THEREFORE, BE IT RESOLVED THAT THE NEW JERSEY INSTITUTE OF TECHNOLOGY BOARD OF TRUSTEES HEREBY:

1. Authorizes the Administration to formally terminate the conditional designation of PRC as developer of the Project.
2. Further authorizes the Administration to take all necessary actions in furtherance of engaging a new experienced development partner to provide direction, financing and oversight of the redevelopment of the Project, subject to control by NJIT's subsidiary, CGF.



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