

CITY OF VINELAND

RESOLUTION NO. 2016-286

RESOLUTION AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE REDEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY COUNCIL OF THE CITY OF VINELAND AS REDEVELOPMENT ENTITY AND NEWCOMB MEDICAL ALLIANCE CENTER, LLC FOR THE FORMER CAMPUS OF NEWCOMB HOSPITAL.

WHEREAS, on August 3, 2015, the City Council of the City of Vineland as the Redevelopment Entity and Newcomb Medical Alliance Center, LLC, A New Jersey Limited Liability Company with offices located at 12 Crest Court North Halden, New Jersey, as the Redeveloper entered into a Redevelopment Agreement for the redevelopment of the former campus of Newcomb Hospital known as Block 4216, Lots 1, 2 and 3 on the City of Vineland tax map (Redevelopment Agreement); and

WHEREAS, Section 3.7 of the Redevelopment Agreement anticipated UEZ funding for the cost of demolition of the structures. However, after further evaluation by EHS Environmental it has been determined that the cost for demolition will be substantially increased due to the need for asbestos remediation; and

WHEREAS, the UEZ past approved an increase in the loan for demolition to include asbestos remediation, as well as additional architectural services.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Vineland , and as the Redevelopment Entity that the Council President is hereby authorized to execute the First Amendment to the Redevelopers Agreement in the form and substance as attached hereto and made a part hereof.

Adopted:

---

President of Council

ATTEST:

---

City Clerk

**AMENDMENT TO THE REDEVELOPMENT  
AGREEMENT DATED AUGUST 3, 2015**

THIS AMENDMENT TO THE REDEVELOPMENT AGREEMENT is dated and effective July 5, 2016, and replaces Section 3.7 (a) of the Redevelopment Agreement dated August 3, 2015 by and between the VINELAND CITY COUNCIL, the Governing Body of the CITY OF VINELAND ("City"), a municipal corporation of the State of New Jersey, maintaining its principal offices at 640 E. Wood Street, Vineland, County of Cumberland, NJ 08362-1508, acting in the capacity of Redevelopment Entity pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, and Newcomb Medical Alliance Center, LLC, a New Jersey Limited Liability Company with its principal office located at 12 Crst Court, North Haledon, New Jersey 07508 ("Redeveloper"). Together the City and the Redeveloper are the "Parties."

WHEREAS, on August 3, 2015 the Parties entered into a Redevelopment Agreement for the redevelopment of the Former Campus of Newcomb Hospital, known as Block 4216, Lot 1, Lot 2 and Lot 3 of the tax map of the City of Vineland (the "Redevelopment Agreement").

WHEREAS, Section 3.7 (a) of the Redevelopment Agreement anticipated that the Redeveloper would receive certain financing from the Enterprise Zone Development Corporation of Vineland and Millville (the "UEZ") to be used to (1) to pay off an existing mortgage on Block 4216, Lot 2 held by M&T Bank in an approximate amount of \$200,000.00 and (2) for the required demolition of existing structures (remnants of Newcomb Hospital).

WHEREAS, the cost of demolition will be approximately \$1,000,000.00 more than the anticipated based on a proposal submitted by Archetto Construction Inc. dated October 22, 2015. This includes an additional \$900,000.00 for asbestos abatement which is based on an Asbestos Identification Survey prepared by EHS Environmental dated September 30, 2015.

WHEREAS, the Redeveloper will incur additional costs related to the design of the EMT Station to be incorporated into the Redevelopment Project for the benefit of the City.

WHEREAS, the terms of the Commitment issued by the Enterprise Zone Development Corporation of Millville and Vineland, dated December 23, 2015, differed from the terms anticipated in the Redevelopment Agreement.

NOW THEREFORE, to render the terms of the Redevelopment Agreement consistent with the terms of the Commitment issued by the Enterprise Zone Development Corporation of Millville and Vineland, and for other good and valuable consideration the Parties agree as follows:

Section 3.7 (a) of the Redevelopment Agreement is hereby replaced by the following:

This Agreement is contingent on the Enterprise Zone Development Corporation of Vineland and Millville making a loan to the Redeveloper in an amount not to exceed \$2,500,000.00 at 3% interest (the "New Loan"). The New Loan shall be secured by a first mortgage on Block 4216, Lot 2 consisting of the Medical Officer Building and Parking Garage as shown on the Concept Plan (Exhibit "C" to the Redevelopment Agreement) and located on a Block 4216, Lot 2, which is adjacent to proposed Lots D and E, as shown on said Concept Plan. The New Loan shall also be secured by a Collateral Assignment of the Design and Construction Documents for the Redevelopment Project. The New Loan shall include an Interest Only Period of 3 months, beginning on the date of closing. The Interest Only Period shall end upon completion of the Demolition Work, or three months from the date of closing, or any extension thereof, whichever shall have first occurred. The expiration of the Interest Only Period may be extended only

with the written consent of the UEZ and only to render it consistent with any extension granted by the City for completion of the Demolition Work as set forth in the Project Schedule (Exhibit D to the Redevelopment Agreement). Upon the expiration of the Interest Only Period the New Loan will begin to amortize over a period of 40 years at 3% interest per annum. The proceeds of the New Loan shall be used by the Redeveloper (1) to pay closing costs; (2) to pay off an existing mortgage on Block 4216, Lot 2 held by M&T Bank in an approximate amount of \$200,000.00; and (3) for the demolition of existing structures required by the Redevelopment Agreement, including demolition of the remnants of Newcomb Hospital; selective demolition of the Cunningham Wing and emergency room; environmental abatement; backfill and compaction to existing grade (the "Demolition Work"). In addition, \$25,000.00 of the UEZ loan shall be earmarked and used to pay expenses related to the preparation of the plans and specifications for the EMT Station which is to be incorporated into the Redevelopment Project as provided for in Section 3.2 (p) of the Redevelopment Agreement. Only so much of the loan proceeds necessary to pay off the existing mortgage on Block 4216, Lot 2, and to cover the closing costs will be disbursed at closing. The remaining proceeds shall be disbursed in accordance with the progress of the Demolition Work as determined the UEZ. Final disbursement shall be based on the actual cost of the Demolition Work and payoff of the existing mortgage and closing costs, and shall not exceed, in total, \$2,500,000.00. The New Loan shall also be subject to the terms and conditions set forth in the December 23, 2015 Commitment issued by the UEZ to make the loan. During the term of the New Loan or any other UEZ Loan the Redeveloper shall take all reasonable steps necessary to apply and acquire New Market Tax Credits (NMTC) for the Redevelopment Project. The Redeveloper agrees to apply 100% of all funds received from the NMTC to all outstanding UEZ loan obligations; first to the payment of the New Loan and second to the payment of the existing \$6,000,000.00 Loan.

In the event that the City elects not to have the EMT Station constructed it shall reimburse the Redeveloper the actual cost incurred in connection with the preparation of the plans and specifications for the EMT Station, not to exceed \$25,000.00. In the event the City elects to have the EMT Station constructed, the actual cost incurred in connection with the preparation of the plans, not to exceed \$25,000.00 will be included in the contract price. The \$25,000.00 earmarked for the preparation of the plans and specifications for the EMT Station shall be disbursed as the expense is incurred and documented to the satisfaction of the City.

The Redeveloper hereby transfers, pledges and assigns to the City, its successor and assigns, and grants to the City, its successors and assigns a security interest, in the Design and Construction Documents, as that term is defined below, and all rights, powers, interests, privileges proceeds, income, profits and remedies, but none of the responsibilities or obligations of the Redeveloper under the Design and Construction Documents.

The words "Design and Construction Documents" mean and include, to the extent they have been prepared or issued:

- (a) all Architectural Drawings, Plans, Permits, Specifications, Approvals, Licenses, Engineering Work, Surveys, As-Built Drawings, and Contracts, prepared, issued or executed in connection with or in any way related to the EMT Station;
- (b) such other rights and documents as to allow the City, its successors or assigns to continue and/or complete the construction of the EMT Station.

The City may exercise its rights in and to the Design and Construction Documents regardless of whether it elects to proceed with the construction of the EMT Station.

All of the remaining provisions of the Redevelopment Agreement dated August 3, 2015 between the parties shall remain in full force and effect.

This Amendment to the Redevelopment Agreement may be executed in counterparts, each of which shall be binding against the party whose signature appears thereon. All such counterparts, together, shall consist of one and the same document. This Amendment to the Redevelopment Agreement may be executed and delivered by exchange of facsimile or PDF copies showing signatures of all parties, and those signatures need not be affixed to the same copy. The facsimile or PDF copy showing the signatures of all parties will constitute originally signed copies requiring no further execution.

Witness: **NEWCOMB MEDICAL ALLIANCE CENTER,  
LLC, a New Jersey Limited Liability Company:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: Angelo J. Danza,  
Title: Managing Member  
Execution Date:

Witness: **THE CITY OF VINELAND:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: Anthony Fanucci  
Title: City Council President  
Execution Date: