

RESOLUTION OF THE CITY OF GLOUCESTER CITY
County of Camden, State of New Jersey
#R 173 - 2020

RESOLUTION OF THE CITY OF GLOUCESTER CITY, CAMDEN COUNTY
APPOINTING CONDITIONAL REDEVELOPER AND AUTHORIZING EXECUTION
OF A MEMORANDUM OF UNDERSTANDING

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the “Redevelopment Law”), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of rehabilitation or redevelopment; and

WHEREAS, by way of Resolution 091-96, adopted on April 4, 1996, the Mayor and Council of the City of Gloucester City (the “City Council”) formally declared Block 48, Lots 2, 2.01 and 4, formerly known as Block 48, Lots 2 and 4, and portions of the abutting and adjoining streets an area in need of redevelopment (the “Redevelopment Area”) pursuant to the Redevelopment Law; and

WHEREAS, pursuant to its plans for the revitalization of the City of Gloucester City, the City Council adopted a redevelopment plan for the Redevelopment Area entitled “Coast Guard Redevelopment Area Plan” dated March 1996 (the “Redevelopment Plan”) setting forth plans for the development, redevelopment, and rehabilitation of the Redevelopment Area; and

WHEREAS, the property identified on the City’s Official Tax Map as Block 48, Lot 2.01 (the “Property”) is located within the Redevelopment Area; and

WHEREAS, the City has been in discussion with Capodagli Property Company, LLC (the “Conditional Redeveloper”) regarding the rehabilitation and redevelopment of the Property; and

WHEREAS, Conditional Redeveloper has presented its rehabilitation and redevelopment concepts to the City, and the City and Conditional Redeveloper desire that the Property be rehabilitated and redeveloped in accordance with the Redevelopment Plan and any amendments thereto; and

WHEREAS, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented, provides for a process for redevelopment entities to enter into agreements with redevelopers to carry out and effectuate the terms of a redevelopment plan; and

WHEREAS, the City and Conditional Redeveloper intend to commence exclusive negotiations toward the formulation of various agreements to develop the Property in accordance with the requirements of the Redevelopment Plan and any amendments thereto; and

WHEREAS, in such event, the City desires to designate Capodagli Property Company, LLC as Conditional Redeveloper in order to negotiate with Conditional Redeveloper for a period

of one hundred and eighty (180) days in an effort to agree upon such agreements for the rehabilitation and redevelopment of the Property; and

WHEREAS, the City and Conditional Redeveloper desire to memorialize, in writing, their agreement under a non-binding Memorandum of Understanding that evidences the Parties' statement of intent.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Gloucester City, County of Camden, State of New Jersey as follows:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. That Capodagli Property Company, LLC is hereby designated as "Conditional Redeveloper" for the Property and the Mayor and City Clerk are hereby authorized to execute a Memorandum of Understanding between the City and Conditional Redeveloper evidencing the Parties' agreement to conduct exclusive negotiations toward the formulation of various agreements for the redevelopment of the Property.
3. This Resolution shall take effect immediately.

ATTEST:

CITY OF GLOUCESTER CITY

Vanessa L. Parent
Vanessa L. Parent, City Clerk

Daniel T. Spence, Jr.
Daniel T. Spence, Jr., Mayor

CERTIFICATION

I, VANESSA L. PARENT, City Clerk, of the City of Gloucester City, do hereby certify that the foregoing resolution was duly adopted by the Municipal Council of the City of Gloucester City at a public meeting held on the 24th day of September, 2020, a quorum being present and voting in the majority.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 24th day of September, 2020.

Vanessa L. Parent
APPROVED: Sept. 24, 2020

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") dated as of the ____ day of September, 2020 by and between CAPODAGLI PROPERTY COMPANY, LLC, having an address of 201 S. Wood Avenue, Linden, New Jersey 07036 and/or its assignee, as provided herein (the "Conditional Redeveloper"), and the CITY OF GLOUCESTER CITY, a municipal corporation of the State of New Jersey, having offices at 512 Monmouth Street, Gloucester City, New Jersey 08030 (the "City"), collectively referred to as the "Parties."

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented ("Redevelopment Law"), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of rehabilitation or redevelopment; and

WHEREAS, the City, pursuant to N.J.S.A. 40A:12-1 et seq., via Resolution 091-96, adopted on April 4, 1996, formally declared Block 48, Lots 2, 2.01 and 4, formerly known as Block 48, Lots 2 and 4, and portions of the abutting and adjoining streets an area in need of redevelopment (the "Redevelopment Area"); and

WHEREAS, in order to facilitate the redevelopment of the Redevelopment Area, the City adopted Ordinance #16-96, adopting the "Coast Guard Redevelopment Area Plan" ("Redevelopment Plan"); and

WHEREAS, the Redevelopment Law, N.J.S.A. 40A:12A-8(f), authorizes the City to arrange or contract with a redeveloper for the undertaking of any project or redevelopment work in an area designated as an area in need of rehabilitation or redevelopment; and

WHEREAS, the City has been in discussions with Conditional Redeveloper regarding redevelopment of a portion of the Redevelopment Area commonly known as 101 S. King Street,

Gloucester City, New Jersey 08030 and known as Block 48, Lot 2.01 within the Redevelopment Area (the “Project Site”); and

WHEREAS, the redevelopment work may call for, among other things, redevelopment, rehabilitation and/or demolition of the existing improvements and construction of new improvements consisting of a six (6) story building containing a mixed use of residential units and commercial space (the “Project Improvements”); and

WHEREAS, the City and Conditional Redeveloper have engaged in such preliminary negotiations and the City has determined that it is in the best interests of the City to enter into exclusive negotiations with Conditional Redeveloper and therefore to enter into this MOU with Conditional Redeveloper regarding redevelopment and rehabilitation of the Project Site.

NOW, THEREFORE, in consideration of the Parties’ promises and mutual representations, covenants and agreements set forth herein, the Parties, each binding itself, its successors and assigns, do hereby mutually promise, covenant and agree as follows:

1. **Designation as Conditional Redeveloper.** The City has, pursuant to Resolution No. 2020-____, designated Capodagli Property Company, LLC as Conditional Redeveloper for the Project Improvements on the Project Site, and pursuant to this MOU, hereby agrees to negotiate solely with Conditional Redeveloper for a period of one hundred and eighty (180) days from the date of this MOU, in good faith, for the redevelopment and rehabilitation of the Project Site, which period can be extended by the Parties’ mutual written agreement.

2. **Redevelopment Agreements.** The Parties hereby agree to immediately commence good faith negotiations of the intended terms and conditions of a redevelopment agreement (the “Redevelopment Agreement”) and other agreements, which shall include, but not be limited to,

provisions for the following: project schedule; financial guarantee(s); compliance with, or amendment to the Redevelopment Plan; local planning approval; and project oversight.

3. **The “Interim Period.”** Conditional Redeveloper shall pay the City all Interim Costs (as defined below) incurred by the City from August 1, 2020 to the time the City and Conditional Redeveloper enter into a Redevelopment Agreement or the time the City or the Conditional Redeveloper determines that a Redevelopment Agreement cannot be executed for any reason (hereinafter referred to as the “Interim Period”). Conditional Redeveloper shall pay all Interim Costs even if a Redevelopment Agreement cannot be executed for any reason.

4. **Payment of “Interim Costs.”**

A. **“Interim Costs”** shall include all reasonable fees and costs of any professional consultant, planner, contractor, legal counsel or vendor retained by the City during the Interim Period related to the Redevelopment Agreement or Financial Agreement, including but not limited to the negotiation and preparation of the agreements, amendments to the Redevelopment Plan for the Project Site, and review of plans for the redevelopment of the Project Site.

B. **Interim Fund.** Within three (3) business days of the execution of this MOU, Conditional Redeveloper shall establish a separate escrow account with the City by depositing the amount of Fifteen Thousand Dollars (\$15,000.00) (“Interim Fund”) to be drawn down by the City to pay Interim Costs. If the Interim Fund is drawn down to Seven Thousand Five Hundred Dollars (\$7,500.00), the City shall notify Conditional Redeveloper in writing and Conditional Redeveloper shall replenish the Interim Fund to Fifteen Thousand Dollars (\$15,000.00) within thirty (30) days. If the Interim Fund is not so replenished, the City may terminate this Agreement immediately upon delivery of a Letter of Termination from the City to Conditional Redeveloper or its legal representative. In the case of termination, Conditional Redeveloper shall be responsible to

immediately pay all costs due up to the date of termination. Except as otherwise specifically provided herein, the Interim Fund shall be administered in accordance with N.J.S.A. 40:55D-53.1 and N.J.S.A. 40:55D-53.2.

C. Statement and Invoices. The City shall provide Conditional Redeveloper with monthly invoices during the course of the Interim Period; setting forth the Interim Costs incurred by the City which the City determines are to be paid from the Interim Fund. The City shall provide a final invoice within thirty (30) days of the date a Redevelopment Agreement is executed, or the date the City determines that such an agreement cannot be executed.

D. Disposition of Interim Fund Balance. Any balance in the Interim Fund upon execution of a Redevelopment Agreement shall be refunded to the Conditional Redeveloper at the end of the Interim Period or may be rolled over into any escrow required under the Redevelopment Agreement.

5. Amendments. Any and all amendments to this MOU shall be in writing and shall require the mutual agreement of both Parties.

6. Entire Agreement. This MOU sets forth all of the promises, covenants, agreements, conditions and undertakings between the Parties hereto with respect to the subject matter hereto, and supersedes all prior or contemporaneous agreements and undertakings, inducements or conditions, express or implied, oral or written, between the Parties hereto.

7. Not Binding on Individuals. No covenant, condition or agreement contained in this MOU shall be deemed to be the covenant, condition or agreement of any past, present or future member, manager, trustee, official, officer, agent or employee of either Party, in his or her individual capacity, and neither the members, managers, trustees, officials, officers, agents or employees of such Party or Parties, nor any individual executing this MOU, shall be personally

liable on this MOU or by reason of the execution hereof by such person, or arising out of any transaction or activity relating to this MOU.

8. **Governing Law.** The terms of this MOU shall be governed, construed, interpreted, and enforced in accordance with the laws of the State of New Jersey, including all matters of enforcement, validity, and performance.

7. **Non-Binding Effect.** Except for the City's obligation to negotiate exclusively and in good faith with Conditional Redeveloper, as well as Conditional Redeveloper's obligation to negotiate in good faith and to be responsible for all Interim Costs, this MOU does not constitute a binding commitment between the Parties hereto, as the Parties' respective rights and obligations remain to be fully defined in their Redevelopment Agreement.

8. **Counterparts.** This MOU may be executed in counterparts. All such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

9. **Effective Date.** This MOU shall become effective upon the execution of this MOU.

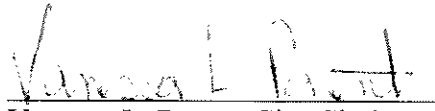
10. **Electronic Signature.** Electronic delivery via email and/or fax of an executed MOU by either and/or both parties shall bind the signatory entity to the same extent as delivery of a hard copy.

[Signature Page to Follow]

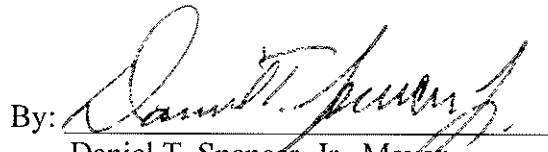
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be properly executed and their corporate seals (where applicable) affixed and attested to as of the day and year first above written.

ATTEST:

THE CITY OF GLOUCESTER CITY



Vanessa L. Parent, City Clerk

By: 

Daniel T. Spencer, Jr., Mayor

WITNESS:

CAPODAGLI PROPERTY COMPANY, LLC

By: _____

By: _____
George M. Capodagli, Managing Member

Vanessa Parent

From: Lori Ryan
Sent: Wednesday, August 26, 2020 11:16 AM
To: Vanessa Parent
Subject: FW: Capodagli Properties
Attachments: Resolution-Conditional Redeveloper and MOU FINAL.doc; MOU - Meridia Capodagli FINAL.docx

From: Jack Lipsett <jlipsett@cityofgloucester.org>
Sent: Wednesday, August 26, 2020 8:07 AM
To: Dan Spencer (danspencer1@comcast.net) <danspencer1@comcast.net>
Cc: Lori Ryan <lryan@cityofgloucester.org>
Subject: FW: Capodagli Properties

Dan:

As we discussed you want to discuss the below mentioned issue at the September 1st work session. Correct?

Jack

From: Michael Maley <mmaley@maleygivens.com>
Sent: Tuesday, August 25, 2020 4:50 PM
To: Jack Lipsett <jlipsett@cityofgloucester.org>
Cc: James Maley <jmaley@maleygivens.com>
Subject: RE: Capodagli Properties

Jack,

Per our telephone call earlier, attached is a Resolution appointing Capodagli as Conditional Redeveloper and authorizing the MOU to establish the escrow. Please let me know if you have any questions. Thanks.

Michael

M. Michael Maley
MALEY GIVENS, P.C.
1150 Haddon Avenue, Suite 210
Collingswood, New Jersey 08108
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F 856-858-2944

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From: Jack Lipsett <jlipsett@cityofgloucester.org>
Sent: Thursday, August 20, 2020 4:42 PM
To: Michael Maley <mmaley@maleygivens.com>
Subject: RE: Capodagli Properties

Not tonight

From: Michael Maley <mmaley@maleygivens.com>
Sent: Thursday, August 20, 2020 4:03 PM
To: Jack Lipsett <jlipsett@cityofgloucester.org>
Subject: Capodagli Properties

Jack,

For tonight's meeting are you planning on appointing Capodagli as conditional redeveloper for the coast guard?

Michael

M. Michael Maley
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