

ORDINANCE NO. 2022-64

ORDINANCE APPROVING THE PURCHASE OF 58-78 W. PARK AVENUE FOR \$1,450,000.00 TO BE USED AS A PUBLIC WORKS AND PROPERTY FACILITY.

WHEREAS, the City's current Public Works and Property Facility, located on E. Walnut Road is no longer adequate for all the needs of the City's Public Work and Property Department;

WHEREAS, VCC West Park Avenue, LLC is owner of 58-78 W. Park Avenue, consisting of approximately 6.1 acres of contiguous land, located on the North side of Park Avenue, with an office building located on the corner of W. Park Avenue and West Avenue.

WHEREAS, VCC West Park Avenue, LLC has offered to sell 58-78 W. Park Avenue to the City of Vineland for \$1,450,000.00 in accordance with the terms of a Letter of Intent dated May 17, 2022, a copy of which is attached.

WHEREAS, an appraisal of the Property performed by Steven W. Bartelt, MAI, SRA, dated July 15, 2022, valued the Property at \$1,450,000.00.

WHEREAS, the current Public Works and Property facility is adequate only for the storage of materials and equipment. However, the location of the 58-78 W. Park Avenue makes the Property an ideal location for a Public Works and Property office and other needed facilities;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Vineland that the Mayor of the City of Vineland is hereby authorized to execute an Agreement to purchase 58-78 W. Park Avenue for \$1,450,000.00 and to execute such other documents necessary to complete the purchase of the Property.

BE IT FURTHER ORDAINED, that the expenditure of \$1,450,000.00 plus cost of due diligence and closing is hereby approved.

This Ordinance shall take effect upon adoption and publication according to Law.

Passed first reading:

Passed final reading:

President of Council

Approved by the Mayor:

Mayor

ATTEST:

City Clerk



ALAN GIEBNER
ASSOCIATE SOLICITOR
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Letter of Intent

Date: May 17, 2022

From: City of Vineland
640 E. Wood Street
Vineland, New Jersey 08360

To: VCC West Park Avenue, LLC
228 W. Park Avenue
Vineland, NJ 08360
Att: Jon Krauser

Dear Mr. Krauser:

The purpose of this letter is to set forth the intent of the City of Vineland with respect to the possible purchase of real estate known as 58 W. Park, Avenue, 66 W. Park Avenue, 72 West Park Avenue, and 78 W. Park Avenue, Block 2232, Lots 18, 19, 20 and 21 of the tax map of the City of Vineland (the "Property"). Except for the consent granted to the City for access to the property to begin its environmental due diligence, this letter is a letter of intent only and is not an agreement binding upon the City or you. The proposed purchase is subject to the execution and delivery by both Buyer and Sellers of a definitive written agreement in form and substance satisfactory to Buyer and Sellers (the "Agreement").

Both Buyer and Sellers acknowledge that the Proposed Terms are neither binding upon nor enforceable against Buyer or Sellers.

Summary of Proposed Terms

1. The City proposes to purchase the Property for the sum of \$1,450,000.00. The parties intend to proceed to closing as soon as possible, but in no event prior all of the contingencies contained in this Letter of Intent being satisfied.

2. The City and Seller will promptly begin to negotiate the Agreement, the execution of which would be subject to the approval of Vineland City Council, containing comprehensive representations, warranties, indemnities, conditions and agreements by the Seller. The City Solicitor would prepare the initial draft of the Agreement.

3. Buyer and Sellers do not intend to be bound by the Proposed Terms unless and until the Agreement has been executed and delivered. If, however, the Agreement were to be successfully negotiated, executed and delivered, it is expected that the Agreement would provide that the Proposed Purchase would be subject to comprehensive terms and conditions, including, among others, the following:



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4000.

- a. The City would purchase the property in its as is condition, subject to environmental due diligence, and Seller's ability to deliver marketable title, insurable at regular rates by a reputable title company.
- b. Passage of an Ordinance by Vineland City Council approving the purchase of the Property, and securing the necessary funds for the purchase of the property.
- c. Seller being responsible for any and all real estate commissions incurred by reason of the sale. **THE CITY REPRESENTS THAT IT IS NOT REPRESENTED BY A BROKER.**
- d. Seller and the City being responsible for their customary share of the closing costs and the customary adjustments being made at closing.
- e. Seller delivering an adequate affidavit of title and bargain and sale deed to the City at the time of closing and any other document necessary to transfer good and marketable title to the City.
- f. The property being free of any leasehold interests, and that the property be vacant and free of any rights held by tenants.
- g. The sale being a strictly as is sale, subject only to the contingencies stated herein.
- h. The City obtaining a bulk sales clearance from the State of New Jersey.
- i. The City obtaining an appraisal showing the value of the property to be \$1,450,000.00.


4. The Proposed Terms are not binding upon, and do not create or constitute any legally binding obligations between, Buyer and Seller. Neither Buyer nor Seller will have any liability to any other party to this letter of intent based upon, arising from, or relating to the Proposed Terms. No prior or subsequent course of conduct or dealing between the parties, oral communications, or other actions not reduced to writing executed by all parties will serve to modify this paragraph or in any way cause the Proposed Terms to become legally binding and enforceable.

5. Please indicate your intent to sell the property subject to the above proposed terms and conditions to the City of Vineland by signing and returning a copy of this letter to the undersigned. Following receipt, the proposed purchase will be placed on the City Council agenda. The Seller hereby consents to the entry onto the property by the City and its contractors to perform its environmental due diligence upon the execution and delivery of this non-binding letter of intent. This consent may be revoked by Sellers at any time upon 7 days written notice.

PURCHASER:
City Of Vineland

By: 
Anthony Fanucci, Mayor

SELLER: **VCC WEST PARK AVENUE LLC**
~~LIR Enterprises, LLC~~

By: 
~~John Krauser, MGR~~
John S.

*** SUBJECT TO RECEIPT OF PROOF OF INSURANCE (CGL)
NAMING SELLER AS ADDITIONAL INSURED.**

