

CITY OF CAMDEN REDEVELOPMENT AGENCY
RESOLUTION SUMMARY

Economic Development

Resolution No.: 09-13-23D

Resolution Title:

Resolution Approving Settlement of Litigation

Project Summary:

- The City of Camden Redevelopment Agency (“CRA) is a party in the litigation captioned City of Camden, et al. v. Victor Urban Renewal, LLC, et al., Superior Court of New Jersey, Law Division, Camden County, Docket No. 004612-18 (the “Litigation”).
- In the Litigation the CRA is seeking a declaration from the Court that the CRA properly terminated a Redevelopment Agreement between the CRA and Dranoff Properties, Inc. (“DPI”) dated May 3, 2006 relating to the redevelopment of the radio lofts property which is known as Block 72, Lots 1 and 28 of the City of Camden Tax Map (the “Radio Lofts Property”) and that DPI has no further rights in the property.
- DPI has filed a counterclaim against CRA in the Litigation, which seeks a declaration from the Court that CRA did not properly terminate the Redevelopment Agreement. The counterclaim also seeks an order requiring CRA to reimburse DPI for all of DPI’s very substantial costs in attempting to redevelop the Radio Lofts Property.
- The City is also a party to the Litigation. The City has asserted various claims against several entities owned or controlled by Carl Dranoff, including a claim that a Dranoff entity owes the City substantial amounts for excess net profits under a Financial Agreement between a Dranoff entity and the City dated August 21, 2002.
- Several Dranoff entities in the Litigation have asserted various counterclaims against the City.
- A global settlement has been proposed that would resolve all claims as to all parties.
- As to the CRA, the proposed settlement is that DPI would immediately release all claims to the Radio Lofts Property so that the CRA can move forward with redevelopment of the property.
- In addition, under the proposed settlement neither CRA nor the City would be required to pay DPI or any other party any consideration for the release of DPI’s interest in the Radio Lofts Property.
- Since the proposed settlement is a global settlement, the CRA cannot proceed with the settlement of its claims unless the City approves the global settlement. Conversely, the City cannot proceed with the settlement of its claims unless the CRA approves the global settlement.

Resolution No.: 09-13-23D (cont'd)

Purpose of Resolution:

To approve settlement of litigation.

Award Process:

N/A

Cost Not to Exceed:

CRA is not required to pay any funds to complete the proposed settlement.

Total Project Cost:

CRA is not required to pay any funds to complete the proposed settlement.

Sources of Funds:

CRA is not required to pay any funds to complete the proposed settlement.

Resolution Approving Settlement of Litigation

WHEREAS, the City of Camden Redevelopment Agency (CRA) is charged with the duty of redevelopment throughout the City of Camden; and

WHEREAS, CRA is the owner of a former RCA industrial building known as the Radio Lofts property which is designated on the City of Camden Tax Map as Block 72, Lots 1 and 28 (the “Radio Lofts Property”); and

WHEREAS, CRA sought to redevelop the Radio Lofts Property into a residential condominium project by way of various agreements entered into with Dranoff Properties, Inc. (“DPI”) who is an entity owned by developer Carl Dranoff; and

WHEREAS, the agreements between CRA and DPI included an Option Agreement dated August 20, 2002, a Property Management Agreement dated January 28, 2005 and Redevelopment Agreement dated May 3, 2006; and

WHEREAS, CRA terminated all rights held by DPI in the Radio Lofts Property by letter dated April 20, 2018 due to the long delay in developing the property and due to many remaining obstacles that made it extremely difficult to complete the redevelopment as a residential project; and

WHEREAS, DPI challenged the termination of its rights which led to litigation captioned: City of Camden, et al. v. Victor Urban Renewal, LLC, et al., Superior Court of New Jersey, Law Division, Camden County, Docket No. 004612-18 (the “Litigation”);

WHEREAS, in the Litigation the CRA is seeking a declaration from the Court that the CRA properly terminated the Redevelopment Agreement between the CRA and DPI dated May 3, 2006 and that DPI had no further rights in the Radio Lofts Property; and

WHEREAS, DPI has filed a counterclaim against CRA in the Litigation which seeks a declaration from the Court that CRA did not properly terminate the Redevelopment Agreement and which further seeks an order requiring CRA to reimburse DPI for all of DPI’s very substantial costs in attempting to redevelop the Radio Lofts Property; and

WHEREAS, the City Camden is also a party to the Litigation and has asserted various claims against several entities owned or controlled by Carl Dranoff, including a claim that a Dranoff entity owes the City substantial amounts for excess net profits under a Financial Agreement between a Dranoff entity and the City dated August 21, 2002; and

WHEREAS, several Dranoff entities in the Litigation have asserted various counterclaims against the City; and

WHEREAS, global settlement of the Litigation has been proposed that would resolve all claims as to all parties; and

09-13-23D (cont'd)

WHEREAS, as to the CRA, the proposed global settlement is that DPI would immediately release all claims to the Radio Lofts Property so that the CRA can move forward with redevelopment of the property; and

WHEREAS, in addition to the above, under the proposed global settlement, neither CRA or the City would be required to pay DPI or any other party any consideration for the release of DPI's interest in the Radio Lofts Property; and

WHEREAS, the proposed global settlement also includes the exchange of mutual releases between the CRA and Carl Dranoff and all Dranoff entities; and

WHEREAS, since the proposed settlement is a global settlement, the CRA cannot proceed with the settlement of its claims unless the City approves the global settlement and conversely, the City cannot proceed with the settlement of its claims unless the CRA approves the global settlement; and

WHEREAS, the City will be seeking approval of the proposed global settlement at a September, 2023 council meeting; and

WHEREAS, counsel for the CRA is recommending approval of the global settlement by CRA since the settlement will provide the CRA will all of the relief CRA is seeking in the Litigation and does not require CRA or any other party to pay funds for the granting of such relief and that all claims against CRA will be dismissed, and

WHEREAS, it is deemed to be in the best interests of the CRA to approve the global settlement.

NOW THEREFORE, BE IT RESOLVED by the governing body of the City of Camden Redevelopment Agency, that the proposed global settlement as set forth in this resolution is approved by the Agency and that the Interim Executive Director, a duly authorized representative of the Agency, is hereby authorized and directed to negotiate and enter into a Settlement Agreement and Release that contains the terms set forth in this resolution and such other and additional terms that are approved by the Interim Executive Director; and

BE IT FURTHER RESOLVED that the Interim Executive Director, or her designee, is hereby authorized and directed to take all actions and execute all documents necessary to carry out the purposes of this resolution, and

BE IT FURTHER RESOLVED that this Resolution is contingent on the City, and all other parties to the Litigation, approving the global settlement and shall be null and void if the City, and all other parties to the Litigation do not approve the global settlement.

09-13-23D (cont'd)

ON MOTION OF: **Maria Sharma**

SECONDED BY: **Jose Javier Ramos**

COMMISSIONER	AYES	NAYS	ABSTENTIONS
Christopher Collins			
Derek Davis	X		
Gilbert Harden, Sr.	X		
Tasha Gainey-Humphrey	X		
Ian K. Leonard	X		
Jose Javier Ramos	X		
Maria Sharma	X		

Ian K. Leonard

Ian K. Leonard
Chairperson

ATTEST:



Olivette Simpson
Interim Executive Director

The above has been reviewed and approved as to form.

Mark P. Asselta

Mark P. Asselta, Esq.
Board Counsel