



Legislation Details (With Text)

File #: 23-1045 **Version:** 1 **Name:** PINNACLE REALTY INVESTMENT, LLC

Type: Resolution **Status:** Adopted

File created: 6/26/2023 **In control:** Economic and Housing Development

On agenda: 1/24/2024 **Final action:** 1/24/2024

Title: Dept/ Agency: Economic and Housing Development
 Action: Ratifying Authorizing Amending
 Type of Service: Private Sale/Redevelopment
 Purpose: To provide new construction of an affordable fifty (50) unit apartment building with a parking lot.
 Entity Name: Pinnacle Realty Investments, LLC
 Entity Address: North Caldwell, New Jersey 07006
 Sale Amount: \$23,300.80
 Cost Basis: \$8.00 PSF Negotiated N/A Other:
 Assessed Amount: \$33,000.00
 Appraised Amount: \$0.00
 Contract Period: To commence within three (3) months and be completed within twenty four (24) months following transfer of property ownership from the City to the Redeveloper
 Contract Basis: Bid State Vendor Prof. Ser. EUS
 Fair & Open No Reportable Contributions RFP RFQ
 Private Sale Grant Sub-recipient n/a
 List of Property:
 (Address/Block/Lot/Ward)
 27 Clark Street/Block 448/Lot 1/North Ward
 31 Clark Street/Block 448/Lot 3/North Ward
 Additional Information:
 Sale Price: Total Square Footage X PSF = 2,912.6 X \$8.00 = \$23,300.80.
 Sale at prices set forth by Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
1/24/2024	1	Municipal Council		

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Sale at prices set forth by Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

WHEREAS, the purpose of this Resolution is to approve the sale and redevelopment of the following City-owned property located in the Central Ward of the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
27 Clark Street	448	1	20.6X71	1,462.6
31 Clark Street	448	3	20X72.5	1,450

Total Square Footage: 2,912.6
Purchase Price: \$23,300.80 (\$8.00 per s.f.); and

WHEREAS, the City of Newark (the “City”) has determined that the above referenced City-owned properties (the “Property”) are no longer needed for public use; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the rehabilitation of the area and is conveying property at such prices and upon such terms as it deems reasonable and said conveyance is made in conjunction with the applicable Redevelopment Plan, as amended; and

WHEREAS, the Municipal Council previously adopted Resolution 7Rdo(AS) on June 15, 2005, designating the entire City as an “area in need of rehabilitation” under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the “LRHL”); and

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&FE(S) on August 17, 2005, adopting the First Amendment to the Central Ward Redevelopment Plan, governing the redevelopment of City-owned property located within the Central Ward, which includes the above-referenced Property; and

WHEREAS, the City received a Letter of Intent, attached as Exhibit A of the Agreement for the Sale and Redevelopment of Land (“Agreement”), also known as Proposal, for the purchase and rehabilitation of the Property from Pinnacle Realty Investments, LLC, 7 Overlook Court, North Caldwell, New Jersey 07006 (the “Redeveloper”); and

WHEREAS, the Redeveloper proposed to the City’s Department of Economic and Housing Development to consolidate the Property with adjacent Redeveloper owned property located at 29 Clark Street (Block 448, Lot 2) and 269-271 Mt. Pleasant Avenue (Block 448, Lot 7) to newly construct an affordable 50-unit apartment building with a parking lot (the “Proposal”); and

WHEREAS, based upon the City’s review of the Proposal and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Property and to develop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement , the form of which is attached hereto, and the Central Ward Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development recommends that the City sell the Property to Redeveloper, whom is willing to purchase the Property from the City, for the consideration of Twenty-Three Thousand Three Hundred Dollars and Eighty Cents (\$23,300.80), for the purpose of rehabilitating said Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the Central Ward Redevelopment Plan, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land (“Agreement”) attached hereto with Pinnacle Realty Investments, LLC, 7 Overlook Court, North Caldwell, New Jersey 07006 (“Redeveloper”), for the private sale and rehabilitation of the following Property, for the following Purchase Price, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement and the Central Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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31 Clark Street	448	3	20X72.5	1,450

Total Square Footage: 2,912.6
Purchase Price: \$23,300.80 (\$8.00 per s.f.);

2. Said Property shall be sold to Redeveloper, by private sale for the purpose of consolidating the Property with adjacent Redeveloper owned property located at 29 Clark Street (Block 448, Lot 2) and 269-271 Mt. Pleasant Avenue (Block 448, Lot 7) for the new construction of an affordable 50-unit apartment building with a parking lot.
3. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Agreement annexed hereto and may enter into access and right of entry agreements and any related documents, which may be necessary in order to effectuate the sale of the Property and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark’s Corporation Counsel.
4. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two (2) six (6) month extensions of any timeframe set forth in the Agreement, subject to full written disclosure of such extension(s) (in

the form of a signed Memorandum to be submitted to the Office of the City Clerk prior to adoption) to the Municipal Council of the City of Newark by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark's Corporation Counsel.

5. The Redeveloper shall be designated as the exclusive redeveloper of the Property and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Property is hereby rescinded.
6. The Redeveloper shall have thirty (30) days from the date this Resolution is certified by the Office of the City Clerk to execute the attached Agreement and return same to the Department of Economic and Housing Development. Should the Redeveloper fail to execute and return the attached Agreement within this thirty (30) day time period, then the authorization provided by this Resolution shall be null and void, unless the Deputy Mayor/Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. The Director of the Department of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety percent (90%) of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg, November 6, 1985; and ten percent (10%) of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6S&Ff, June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale and Redevelopment of Land, the Quitclaim Deed, and all such other executed agreements authorized by this Resolution on file in the Office of the City Clerk.
9. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, adopted on April 5, 1995; the City of Newark's Affirmative Action Plan, 7Rbp, adopted on March 1, 1995; Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) regarding the award of goods and services contracts; and the City of Newark Ordinance 6PSF-c, adopted on June 17, 2015, Amending Title II, Administration, Chapter 4, General Administration, Section 20, Hiring of Newark Residents by Contractors or Other Persons Doing Business with the City of Newark and Section 21, Newark Residents' Employment Policy, by Adding Language to Address Immediate Short Term Training and Employment Opportunities and Repealing the Newark Employment Commission, a copy of which is attached to the Agreement as Exhibit C (the "First Source Ordinance"), all as may be applicable. The Redeveloper shall provide the Department of Economic and Housing Development with the required forms showing compliance with the above, and a copy of these forms shall be filed with the Office of the City Clerk. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.
10. The development of the Property shall commence within three (3) months and be completed within twenty-four (24) months following the transfer of Property ownership from the City to the Redeveloper.

11. The Project to be implemented by the Redeveloper shall conform to the City of Newark Design Guidelines, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Additionally, the Redeveloper shall conduct any environmental investigation and remediation upon the Property as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Property, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Property back to the City, in accordance with the terms and conditions of the Agreement and the deed. The City's failure to exercise or delay in exercising this Right of Reverter shall not constitute a waiver nor shall such failure and/or delay serve as a basis for Adverse Possession of the Property. Any and all waivers of the City's Right of Reverter shall be in writing.
12. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. Said Quitclaim Deed conveying title to the Property to the Redeveloper shall be approved as to form and legality by the City's Corporation Counsel and attested to and acknowledged by the City Clerk.

STATEMENT

This Resolution authorizes the Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Pinnacle Realty Investments, LLC, 7 Overlook Court, North Caldwell, New Jersey 07006, for the private sale and rehabilitation of the following Property, for the following Purchase Price, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement for the Sale and Redevelopment of Land and the Central Ward Redevelopment Plan, as amended, to construct an affordable 50-unit apartment building with a parking lot:

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