



Legislation Details (With Text)

File #: 19-1900 **Version:** 1 **Name:** Jarid Jamar Construction Company Inc.
Type: Resolution **Status:** Adopted
File created: 11/26/2019 **In control:** Economic and Housing Development
On agenda: 12/18/2019 **Final action:** 12/18/2019

Title: Dept/ Agency: Economic and Housing Development
Action: Ratifying Authorizing Amending
Type of Service: Grant Agreement
Purpose: First Amendment to the Agreement to provide a \$500,000.00 guaranty to WORKING IN NEWARK'S NEIGHBORHOODS (WINN), a subsidiary of the New Jersey Redevelopment Authority to secure, in part, Jarid Jamar Construction Company, Inc.'s loan obligations with WINN. The proceeds of the loan will be used to provide financial assistance for the West Ward Model Neighborhood area to be known as the West Ward New Homes Initiative Project.
Entity Name: Jarid Jamar Construction Company, Inc.
Entity Address: 9 Weber Road, West Orange, New Jersey 07052
Grant Amount: \$500,000.00
Funding Source: Entity providing funds
Total Project Cost: \$1,195,000.00
City Contribution: \$500,000.00
Other Funding Source/Amount: New Jersey Redevelopment Authority (NJRA)/ WINN Program/ \$600,000.00
Contract Period: November 1, 2019 through May 1, 2021
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: (if applicable)
(Address/Block/Lot/Ward)
425 South 18th Street, Newark, New Jersey 07103/Block 322/Lot 17/West Ward
479 South 17th Street, Rear, Newark, New Jersey 07103/Block 326/Lot 15/West Ward
479 South 17th Street, Newark, New Jersey 07103 /Block 326/Lot 51/West Ward
467-469 South 15th Street, Newark, New Jersey 07103 /Block 328/Lot 19/West Ward
455-457 South 14th Street, Newark, New Jersey 07103/Block 329/Lots 46 and 47/West Ward
456 South 14th Street, Newark, New Jersey 07103/Block 330/Lot 43/West Ward
454 South 14th Street, Newark, New Jersey 07103/Block 330/Lot 44/West Ward
Additional Information:
Extending guarantee period for the awarding of the balance of \$135,281.70 to Jarid Jamar Construction Company, Inc.
The original contract was approved by Resolution 7R2-k(AS), adopted April 5, 2017.

Sponsors: Joseph A. McCallum, Jr., John Sharpe James

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
12/18/2019	1	Municipal Council	Adopt	Pass

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Additional Information:

Extending guarantee period for the awarding of the balance of \$135,281.70 to Jarid Jamar Construction Company, Inc.

The original contract was approved by Resolution 7R2-k(AS), adopted April 5, 2017.

WHEREAS, pursuant to the terms and conditions of that certain Agreement for the Sale of Land and Redevelopment, dated as of September 24, 2015, by and between City and Redeveloper, Jarid Jamar Construction Company Inc., a New Jersey corporation, 9 Weber Road, West Orange, New Jersey 07052 (the "Entity"), desires to acquire and develop the real property located at 425 South 18th Street (Block 322, Lot 17), 479 South 17th Street Rear (Block 326, Lot 15), 479 South 17th Street (Block 326, Lot 51), 467-469 South 15th Street (Block 328, Lot 19), 455-457 South 14th Street (Block 329, Lots 46 and 47), 456 South 14th Street (Block 330, Lot 43) and 454 South 14th Street (Block 330, Lot 44) in the City of Newark, New Jersey (the "Property"), and construct four (4) two family houses and two (2) three family houses for a total of six (6) homes to be constructed in the West Ward Model Neighborhood area to be known as the "West Ward New Homes Initiative Project" (the "Project"); and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"), and is governed by the West Ward Redevelopment Plan, as amended (the "Redevelopment Plan"); and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, N.J.S.A. 40A:12A-8(f) of the LRHL authorizes municipalities to provide grants to

redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with redevelopment plans; and

WHEREAS, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in order to implement an approved Redevelopment Plan; and

WHEREAS, on June 23, 2016, the Newark Municipal Council duly adopted Resolution 7R3-c (S) (the "Resolution") and recognized the need to complete the above Project and agreed to finance the making of a capital grant in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00), to the Entity (the "Grant") to be used as a subsidy to develop the Project; and

WHEREAS, in connection with the Resolution, the City was authorized to enter into a grant agreement with the Entity to provide them with capital grant funds in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00), with funds for this grant to be provided from the City's Community and Economic Development Dedicated Trust Fund established by Resolution 7Rg, adopted by the Municipal Council on November 6, 1985, for the purpose of financing the development costs associated with redevelopment projects, urban revitalization projects, economic stabilization and stimulation projects and such other projects within the City which are consistent with the activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, as amended ("Title I"); and

WHEREAS, subsequent to adoption of the Resolution, and as a condition to obtaining additional required financing to acquire the Property and complete the Project, the Entity's other lender, Working in Newark's Neighborhoods ("WINN"), a subsidiary of the New Jersey Redevelopment Authority (the "RDA"), a public body corporate and politic constituting an instrumentality of the State of New Jersey (the "State"), is requiring the City to guaranty certain of the obligations of the Entity (the "Guaranty") in connection with a Loan Agreement to be entered into between WINN and the Entity (the "Loan Agreement") pursuant to which WINN has agreed to lend to the Entity the aggregate sum of \$600,000.00 (the "**Loan**"); and

WHEREAS, in connection therewith, the City acknowledged that but for the provision of the requested guaranty and the other financial assistance provided to the Entity, that the Project would not be undertaken and entered into that certain guaranty agreement in favor of WINN in the form attached hereto limited to \$500,000.00 (the "Guaranty Agreement"); and

WHEREAS, the City's guarantee and authorization of the Guaranty Agreement is necessary to effectuate and facilitate the Redevelopment Plan within the meaning of the LRHL and is consistent with the purposes set forth in the Resolution; and

WHEREAS, the Municipal Council of the City by Resolution 7R2-k (AS), adopted on April 05, 2017, authorized and granted the Entity's requested Guaranty Agreement for a certain period, to wit, May 1, 2017 through October 31, 2019; and

WHEREAS, the Entity has completed three (3) of six (6) units, consisting of 1 three-family and 2 two-family residential units and expended Three Hundred Sixty-Four Thousand, Seven Hundred Eighteen Dollars and Thirty Cents (\$364, 718.30) of the Five Hundred Thousand Dollars (\$500,000.00) previously guaranteed by Resolution 7R2-k (AS); and

WHEREAS, the City's Guaranty lapsed on October 31, 2019 prior to the disbursement of the balance of One Hundred Thirty-Five Thousand Dollars, Two Hundred and Eighty-One Dollars and Seventy Cents (\$135,281.70), promised to the Entity; and

WHEREAS, WINN is further requiring the City to guaranty the balance of One Hundred Thirty-Five Thousand, Two Hundred Eighty-One Dollars and Seventy Cents (\$135,281.70) promised to the Entity, via operation of a resolution, as a condition of WINN providing the Entity with the aggregate sum of \$600,000.00 Loan needed to fulfill its obligation to the City; and

WHEREAS, the City still believes that its Guaranty is necessary to effectuate and facilitate the Redevelopment Plan within the meaning of the LRHL and is consistent with the terms of Resolution 7R2-k (AS), adopted on April 05, 2017.

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

1. The Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, hereby reaffirm the City's commitment to the Project and its Guaranty of the remaining balance of One Hundred Thirty-Five Thousand, Two Hundred Eighty-One Dollars and Seventy Cents (\$135,281.70), promised to the Entity, which is necessary to effectuate and facilitate the Redevelopment Plan, the Project, the redevelopment of the City and implementing related activities.
2. The Acting Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Guaranty Agreement as permitted by New Jersey Law.
3. This Resolution shall take effect immediately.

STATEMENT

Resolution hereby ratifies, amends and authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, to guaranty the provision of the balance of One Hundred Thirty-Five Thousand, Two Hundred Eighty-One Dollars and Seventy Cents (\$135,281.70), promised to the Entity by Resolution 7R2-k (AS), for the period November 1, 2019 through May 1, 2021 to secure, in part, Jarid Jamar Construction Company, Inc.'s loan obligations with WINN. The proceeds of the loan will be used to provide financial assistance for the West Ward New Homes Initiative Project.