



Legislation Details (With Text)

File #: 08-0890 Version: 1 Name:
Type: Resolution Status: Adopted
File created: 8/6/2008 In control: Law
On agenda: Final action: 8/6/2008

Title: Private sale and redevelopment of City owned properties to construct approximately 152 new luxury market rate housing units in a multi-story residential tower with parking for approximately 154 cars with the Central Ward Redevelopment area; redevelopment agreement with 36-54 Rector, LLC,

Sponsors:

Indexes:

Code sections:

Table with 5 columns: Date, Ver., Action By, Action, Result

FORM 2-5.000 20 lb. Bond
7R7-n 080608
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Titg of Mitt& N.J.
AUG 0 6 2008
Date of Adoption
Dept./ Agency: Department of Law
Ratifying (4) Authorizing (4)
Type of Service: Contract
Purpose: Private Sale and Redevelopment of City
multi-story residential tower with parking Entity Name(s): 36-54 Rector, LLC
Contract Amount: \$2,750,000.00
act Period: This resolution shall take effect immediately. Contract Basis: Bid ()
Fair & Open ()
Prof. Ser. (4) EUS ()
Non-Fair & Open () RFP () RFQ ()
Amending ()
Owned Properties to construct approximately 152 new luxury market rate housing units in a for approximately 154 cars with the Central Ward Redevelopment Area.
Address
Lot
Additional Comments:
Block
17 26 36-54 Rector Street
Approved as to Form . n u Legality on Basis of Facts Set Forth
dr00111111
Corporation Counsel
Size Area
23 90.1 21,0
Title
Council Member -/ ,21:22_
presents the following Resolution:
WHEREAS, the City of Newark has determined that the property listed as follows:
BLOCK 17 LOT ADDRESS SIZE AREA COST
26 36-54 Rector St 233.6 x 90.1 21,047.36 \$2,750,000.00
Total Sq Ft. 21,047.36.
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(a total of 21,047.36 square feet in area) within the Central Ward Redevelopment Area, is owned and not needed for municipal purposes; and
WHEREAS, 36-54 Rector, L.L.C., a duly formed corporation in the State of New Jers having its offices at 442 Northfield Avenue, West Orange, NJ 07052 was in negotiation with t City of Newark to acquire certain properties pursuant to the provisions of N.J.S.A. 40A:12A-8(g3)
WHEREAS, before the enactment of legislation and before the execution of a contract between the City of Newark and 36-54 Rector, L.L.C., the Superior Court of the New Jersey, Lavito Division, Essex County entered an Order to Show Cause with Temporary Restraints on May 31,

2006 and an Injunction on June 28, 2006, under docket no. ESX-L-4430-06 ("Land Sales Litigation"), enjoining the closing of any contract entered into prior to May 31, 2006, for the sale of City-owned land; and

WHEREAS, the Superior Court of New Jersey entered a Consent Order amending the Injunction on June 22, 2007, permitting the City of Newark, commencing from June 22, 2007, to enter into and close on any contract for the sale of City-owned property in accordance with N.J.S.A. 40A:12A-8; and

WHEREAS, the City of Newark has named 36-54 Rector, L.L.C. as a defendant in the Superior Court action identified above and has continued negotiations begun prior to entry of the Order to Show Cause and Injunction; and

WHEREAS, the parties have reached a settlement whereby the City of Newark has agreed to sell and 36-54 Rector, L.L.C. has agreed to purchase one property, totaling 21,047.36 sq. ft., for a total consideration of \$2,750,000.00, and to undertake the construction of market rate housing, in accordance with the Stipulation of Settlement and Release and redevelopment agreement annexed hereto; and

WHEREAS, the Stipulation of Settlement and Release and redevelopment agreement resolve all property interest claims asserted or which could have been asserted in the Land Sales Litigation between the City of Newark and 36-54 Rector, L.L.C. with respect to any legislation and any redevelopment agreement related to any prior legislation with 36-54 Rector, L.L.C.; and

FORM 3-5,000 20 lb. Bond

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No Page Date.

REAS, the parties have determined that it is in their respective best interests to

re Land Sales Litigation and to enter into the Stipulation of Settlement and Release and

red ment agreement;

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

1. The Corporation Counsel and the City's outside counsel, Chasen Leyner & Lamparello, P.C. are hereby authorized on behalf of the City of Newark to execute and accept the terms of the Stipulation of Settlement and Release, in the form annexed hereto. The Deputy Mayor and Director of the Department of Economic Housing and Development are hereby authorized to enter into a redevelopment agreement in the form annexed hereto. The Director of the Department of Economic and Housing Development or his designee is hereby authorized to effectuate certain business terms and conditions related to the Stipulation of Settlement and Release annexed hereto and may enter into subordination agreements, access and right of entry agreements, and other relevant documents, subject to the approval as to form and legality by the City's Corporation Counsel. In addition, the Deputy Mayor is hereby authorized to enter into a maximum of two six month extensions of the term of the redevelopment contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor or his designee and the approval as to form and legality by the City's Corporation Counsel. The Stipulation of Settlement and Release and redevelopment agreement shall be for the private sale and redevelopment of the property listed below:

BLOCK	LOT	ADDRESS	SIZE	AREA	COST	
17	26	36-54 Rector St	233.6 x 90.1		21,047.36	\$2,750,000.00
Total Sq Ft.			21,047.36			

(a total of 21,047.36 square feet in area) within the Central Ward Redevelopment Area, is city owned and not needed for municipal purposes.

2. Said property shall be sold to 36-54 Rector, L.L.C. by private sale for consideration of a total amount of Two Million Seven. Hundred Fifty Thousand Dollars and Zero Cents (\$2,750,000.00), to undertake the construction of market rate housing, with the properties consisting of a total of 21,047.36 square feet, in accordance with the Stipulation of Settlement and Release and redevelopment agreement annexed hereto.

3. The Director of the Department of Economic and Housing Development is hereby authorized to execute a Bargain and Sale deed to the Redeveloper for the property. Said deed conveying title 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. Pursuant to N.J.S.A. 40A:12A-9, this deed shall contain a covenant running with the land requiring that the owner shall construct only the uses established in the current redevelopment plan; a provision requiring the redeveloper to begin the building of the improvements for those uses within a period of time which the City of Newark fixes as reasonable; a provision that the redeveloper shall be without power to sell, lease or otherwise transfer the project, or any part thereof, without the written consent of the municipality.

4. The Director of Finance is hereby authorized to receive proceeds of sale and to deposit same as follows: ninety (90) percent of the sales proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under City Resolution No. 7RG110685; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PhS&FF062106 for the purpose of preserving or creating low or moderate income affordable housing.

5. A copy of the executed Stipulation of Settlement and Release, redevelopment agreement and deed shall be placed on file in the Office of the City Clerk by the Director of the Department of Economic and Housing Development.

6. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance (6S&FD 040595) and its Affirmative Action Plan (7RBP030195) and Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) with respect to the award of goods and services contracts. In addition, the Redeveloper has agreed to ensure

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that a Minimum of 40% of workers employed during the construction will be local Newark residents and that 30% of all contractors, subcontractors and suppliers shall be companies with their principal place of business in Newark, NJ.

7. The redevelopment of the properties must commence within 12 months of the transfer of ownership by the City and must be completed within 30 months from the commencement of construction (unless these time frames are extended in writing by the Director of Economic and Housing Development and approved as to form and legality by the City's Corporation Counsel) and must adhere to all milestones and timelines in the redevelopment agreement annexed hereto and a Project Schedule to be approved by the Department of Economic and Housing Development. The property must conform to the City of Newark Design Guidelines, and all residential units shall be energy star certified. Should the redeveloper fail to redevelop the property, then the City, in its sole discretion, may direct the Redeveloper to transfer title of these properties back to the City.

8. Any prior legislation on behalf of 36-54 Rector, L.L.C., authorizing or attempting to authorize the conveyance of the City-owned property listed, is hereby rescinded.

9. This resolution shall take effect immediately.

STATEMENT

Passage of this resolution shall permit the City of Newark to execute the Stipulation of Settlement and Release and redevelopment agreement for the private sale and redevelopment of the City-owned property listed as follows:

BLOCK	LOT	ADDRESS	SIZE	AREA	COST
17	26	36-54 Rector St	233.6 x 90.1	21,047.36	\$2,750,000.00
Total Sq Ft.		21,047.36			

(a total of 21,047.36 square feet in area) to acquire the property and to construct approximately 152 new luxury market rate housing units in a multi-story residential tower, with parking for approximately 154 cars within the Central Ward Redevelopment Area.

CERTIFIED TO BY ME THIS

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RECORD OF COUNCIL VOTE ON FINAL PASSAGE

Council Member	AYE	NAY	NV	AB	Council Member	AYE	NAY	NV	AB	Council Member	
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James / Indicates Vote	AB - Absent				Ramos					Crump. Pres. in	
											NV -11e Voting

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it of the City of Newark, NJ.,
President of the Council
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This Resolution when adopted must remain in the custody of the City Clerk. Certified copies are available.