



Legislation Details (With Text)

File #: 20-1666 **Version:** 1 **Name:** Lilac Development Group, LLC
Type: Resolution **Status:** Returned to Administration
File created: 12/18/2020 **In control:** Economic and Housing Development
On agenda: 10/20/2021 **Final action:** 10/20/2021
Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: To develop five (5) affordable multi-family homes in the West Ward.
Entity Name: Lilac Development Group, LLC
Entity Address: 18-20 Bloomfield Avenue, Belleville, New Jersey 07109
Sale Amount: \$116,970.00
Cost Basis: (X) \$6.00 PSF () Negotiated () N/A () Other:
Assessed Amount: \$94,000.00
Appraised Amount: \$0.00
Contract Period: To commence within three (3) months and be completed within eighteen (18) 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
(X) Private Sale () Grant () Sub-recipient () n/a
List of Property:
(Address/Block/Lot/Ward)
545 Sanford Avenue/Block 4120/Lot 21/West Ward
116 Stuyvesant Avenue/Block 4067/Lot 15/West Ward
140 Abinger Place/Block 4111/Lot 36/West Ward
51-53 Underwood Street/Block 4077/Lot 17/West Ward
368-370 Sanford Avenue/Block 4198/Lot 93/West Ward
Additional Information:
Total Price: Square Footage X PSF = 19,495 X \$6.00 = \$116,970.00.
Sale at prices set forth by Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
10/20/2021	1	Municipal Council	Returned to Administration	Pass

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Total Price: Square Footage X PSF = 19,495 X \$6.00 = \$116,970.00.

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 Department of Economic and Housing Development seeks to approve the sale and redevelopment of the following City-owned Properties located in the West Ward of the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
545 Sanford Avenue	4120	21	25X100	2,500
116 Stuyvesant Avenue	4067	15	33.10X100	3,310
140 Abinger Place	4111	36	25X189	4,725
51-53 Underwood Street	4077	17	44X90	3,960
368-370 Sanford Avenue	4198	93	50X100	5,000

Purchase Price: \$116,970.00 (\$6.00 per s.f.); and

WHEREAS, the City of Newark (the "City") has determined that the above referenced City-owned Properties (the "Properties") 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 Properties 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&Fc(AS) on August 17, 2005, adopting the Second Amendment to the West Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the West Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a Letter of Intent, attached as Exhibit A of the Redevelopment Agreement, for the purchase and redevelopment of the Properties from Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109 (the “Redeveloper”); and

WHEREAS, the Redeveloper proposes to the City’s Department of Economic and Housing Development to redevelop the Properties into five (5) affordable multi-family homes across the West Ward (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 Properties 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 for the Sale and Redevelopment of Land, the form of which is attached hereto (the “Agreement”), and the West 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 Properties to Lilac Development Group, LLC, which is willing to purchase the Properties from the City, for the consideration of One Hundred Sixteen Thousand Nine Hundred Seventy Dollars and Zero Cents (\$116,970.00), for the purpose of rehabilitating said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the West 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 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 attached hereto with Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109, for the private sale and rehabilitation of the following Properties, 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 West Ward Redevelopment Plan, as amended:

ADDRESSBLOCKLOT

(S) SIZE SQ.

FEET

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Purchase Price: \$116,970.00 (\$6.00 per s.f.)

2. Said Properties shall be sold to Lilac Development Group, LLC, by private sale for the purpose of redeveloping the above-mentioned Properties into five (5) affordable multi-family homes across the West Ward.

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 Redevelopment 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 Properties 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 Properties and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Properties 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 for the Sale and Redevelopment of Land 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 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, April 5, 1995; the City of Newark's Affirmative Action Plan, 7Rbp, 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 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 Properties shall commence within three (3) months and be completed within eighteen (18) 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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed. The City’s failure or delay in exercising its Right of Reverter shall not result in a waiver or Adverse Possession of the Properties. Any waiver of the 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 Properties. Said Quitclaim Deed conveying title to the Properties 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 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 Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109, for the private sale and redevelopment of the following Properties, 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 West Ward Redevelopment Plan, as amended, to redevelop the Properties into five (5) affordable multi-family homes across the West Ward:

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