



Legislation Details (With Text)

File #: 20-0945 **Version:** 1 **Name:** Resolution: Second Amendment to Redevelopment Agreement with Bergen Street Redevelopment Urban Renewal, LLC
Type: Resolution **Status:** Adopted
File created: 7/31/2020 **In control:** Economic and Housing Development
On agenda: 9/2/2020 **Final action:** 9/2/2020

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing (X) Amending
Type of Service: Private Sale/Redevelopment
Purpose: A Resolution authorizing the modification of the definition of "Developer Fee," the extension of time for completion of the Project and the execution of a Second Amendment to Redevelopment Agreement with Bergen Street Redevelopment Urban Renewal, LLC.
Entity Name: Bergen Street Redevelopment Urban Renewal, LLC
Entity Address: 953 Bergen Street, Newark, New Jersey 07112
Sale Amount: \$70,988.20
Cost Basis: (X) \$4.00 PSF () Negotiated () N/A () Other :
Assessed Amount: \$896,400.00
Appraisal Amount: \$0.00
Contract Period: Extend the time for completion of construction of the Project to April 30, 2022
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)
1037-1047 Bergen Street/Block 3661/Lot 3, 5 and 8/South
1057-1059 Bergen Street/Block 3660/Lot 11/South
Additional Information:

Sponsors: John Sharpe James, Eddie Osborne

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/2/2020	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, on December 5, 2012, the Municipal Council adopted Resolution 7R3-b authorizing the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a redevelopment agreement with Bergen Street Redevelopment Urban Renewal, LLC, a New Jersey limited liability company (the "Redeveloper"), 953 Bergen Street, Newark, New Jersey 07112, for the private sale and redevelopment of the following City-owned properties for the purpose of undertaking the construction of forty-five (45) units of affordable housing with ground floor commercial space ("Redevelopment Agreement"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
1037-1047 Bergen Street	SOUTH	3661	3, 5, 8	151.2X90.5	13,683.60
1057-1059 Bergen Street	SOUTH	3660	11	44.9x90.5	4,063.45

Total Square Footage: 17,747.05

Total Purchase Price: \$70,988.20 (\$4.00/Sq. Ft.); and

WHEREAS, the Redevelopment Agreement was executed by the parties on June 25, 2013; and

WHEREAS, June 21, 2017, the Municipal Council adopted Resolution 7R2-s(AS) authorizing the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a First Amendment to the Redevelopment Agreement to correct an error in the Project description (the "First Amended Redevelopment Agreement"); and

WHEREAS, the Redevelopment Agreement and the First Amended Redevelopment Agreement are collectively referred to as the Redevelopment Agreement; and

WHEREAS, as a result of various unforeseen delays and environmental remedial costs beyond the control of the Redeveloper and to ensure that construction of the Project continues and completion remains feasible, the Redeveloper has requested and the City amend the Redevelopment Agreement to modify the definition of the "Developer Fee" and to extend the time to complete construction of the Project to April 30, 2022.

NOW, THEREFORE, BE IT ORDAINED 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, execute and deliver a Second Amendment to the Redevelopment Agreement with Bergen Street Redevelopment Urban Renewal, LLC (the "Redeveloper") (the "Second Amended Redevelopment Agreement"), 953 Bergen Street, Newark, New Jersey 07112, to modify the definition of the "Developer Fee" and to extend the time for completion of construction of the Project to April 30, 2022.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized, directed and empowered to take any and all such further action to ensure that the Project continues to completion.

3. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized, directed and empowered to effectuate all such business terms and conditions related to the Redevelopment Agreement, as amended hereby, annexed hereto, as permitted by New Jersey Law and may enter into any other relevant documents

related to these matters in a form subject to the approval of the Corporation Counsel.

4. The Redeveloper must continue to remain in full compliance with municipal, State and Federal laws Including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd adopted April 5, 1995) and its Affirmative Action Plan (7Rbp adopted on March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services. The Redeveloper has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.

5. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place on file with the Office of the City Clerk a fully executed Second Amended Redevelopment Agreement authorized by this resolution.

6. All other terms of the Redevelopment Agreement shall remain in full force and effect, to the extent not otherwise amended herein.

STATEMENT

This resolution authorizes the Mayor and/or his designee, or the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into, execute and deliver on behalf of the City the Second Amendment to the Redevelopment Agreement with Bergen Street Redevelopment Urban Renewal, LLC, 953 Bergen Street, Newark, New Jersey 07112 to modify the definition of the "Developer Fee" and to extend the time for completion of construction of the Project to April 30, 2022, in connection with the construction and pre-development costs of a mixed used project consisting of two (2) buildings along Bergen Street, Bergen Street: Building A - five (5) stories, thirty-two (32) residential units, over commercial space, and fourteen (14) parking spaces, and Building B - consisting of four (4) stories, ten (10) residential units, and a community center on the ground floor located at 1037-1047 Bergen Street and 1057-1059 Bergen Street, Newark New Jersey 07112 and identified on the Official Tax Map of the City of Newark, as Block 3661, Lot 3, 5 and 8, and Block 3660, Lot 11. (South Ward)