



Legislation Details (With Text)

File #: 17-0787 **Version:** 1 **Name:** Newark Makerhoods, LLC
Type: Resolution **Status:** Adopted
File created: 4/20/2017 **In control:** Economic and Housing Development
On agenda: 8/2/2017 **Final action:** 8/2/2017

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: Construction of a mixed-use complex consisting of approximately 66 units of housing, of which approximately 16 units will be affordable housing and approximately 16 affordable workshops where tenants will operate small businesses, as well as the rehabilitation of the Krueger- Scott Mansion into a business incubation space, with approximately 20,000 square feet of office space for local commercial entities.
Entity Name: Newark Makerhoods, LLC.
Entity Address: 200 Central Park South-9R, New York, New York, 10019-1001
Sale Amount: \$605,396.10
Cost Basis: (X) \$10.00 PSF () Negotiated () N/A () Other:
Assessed Amount: \$1,223,600.00
Appraised Amount: \$0.00
Contract Period: To commence within three (3) months and be completed within thirty six (36) months from the transfer of ownership by the City
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)
145 Court Street/Block 2508/Lot 18/Central Ward
143 Court Street/Block 2508/Lot 19/Central Ward
141 Court Street/Block 2508/Lot 20/Central Ward
137 Court Street/Block 2508/Lot 22/Central Ward
139 Court Street/Block 2508/Lot 21/Central Ward
597-601 ML King Boulevard/Block 2508/Lot 29/Central Ward
607-609 ML King Boulevard/Block 2508/Lot 34/Central Ward
20-22 College Place/Block 2508/Lot 43/Central Ward
24-26 College Place/Block 2508/Lot 46/Central Ward
28 College Place/Block 2508/Lot 47/Central Ward
129-135 Court Street/Block 2508/Lot 52/Central Ward
Additional Information:
Total Square Footage = 60,539.61 X \$10.00 = \$605,396.10
Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned Properties

Sponsors: Mildred C. Crump, Gayle Chaneyfield Jenkins

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/2/2017	1	Municipal Council	Adopt	Pass

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Additional Information:

Total Square Footage = 60,539.61 X \$10.00 = \$605,396.10

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 rehabilitation of the following City-owned properties located in the Central Ward of the City of Newark:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
145 Court Street	Central	2508	18	25X91.2	2,280.00
143 Court Street	Central	2508	19	25X100	2,500.00
141 Court Street	Central	2508	20	25X100	2,500.00
137 Court Street	Central	2508	22	25X100	2,500.00
139 Court Street	Central	2508	21	25X100	2,500.00
597-601 ML King Boulevard	Central	2508	29	129X138.6	17,879.40
607-609 ML King Boulevard	Central	2508	34	43X190.3	8,182.90
20-22 College Place	Central	2508	43	50X67.6	3,380.00

24-26 College Place	Central	2508	46	50X66.8	3,340.00
28 College Place	Central	2508	47	25X74.11	1,852.75
129-135 Court Street	Central	2508	52	101.6X134.1	13,624.56

Total Square Footage: 60,539.61

Total Purchase Price: \$605,396.10 (\$10.00 per sq. ft.); and

WHEREAS, the City of Newark 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 of the City of Newark (“the Municipal Council”) by Ordinance 6PSF-e adopted on October 5, 2011, approved the 20th amendment to the Urban Renewal Plan Old Third Ward Renewal Project (NJR-6) (“Old Third Ward Redevelopment Plan”) which includes the above reference Properties; and

WHEREAS, the Property is the site of the historic Krueger-Scott Mansion, (“the Mansion”) a 19th century Victorian mansion and Historic Landmark so designated by both the State of New Jersey and the National Register of Historic Places; and

WHEREAS, the City received a letter of intent for the purchase and rehabilitation of the Properties from Newark Makerhoods, LLC, 200 Central Park South-9R, New York, New York, 10019-1001, (the “Redeveloper”); and

WHEREAS, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to construct a mixed-use complex consisting of approximately 66 units of housing, of which approximately 16 units will be affordable housing, and approximately 16 affordable workshops where tenants can operate small businesses and to rehabilitate the Mansion into a business incubation space, with approximately 20,000 square feet of office space for local commercial entities, while preserving the Mansion’s historic character (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 rehabilitate 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 of Land and Redevelopment, the form of which is attached hereto (the “Agreement”), and the Old Third Ward Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic

and Housing Development has recommended that the City of Newark sell the Properties to Newark Makerhoods, LLC, as it is willing to purchase the Properties from the City, for the consideration of Six Hundred Five Thousand Three Hundred Ninety Six Dollars and Ten Cents (\$605,396.10) 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 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 and/or his designee and 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 Newark Makerhoods, LLC, 200 Central Park South-9R, New York, New York, 10019-1001, 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 Central Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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Total Square Footage: 60,539.61

Total Purchase Price: \$605,396.10 (\$10.00 per sq. ft.)

2. Said properties shall be sold to Newark Makerhoods, LLC, by private sale for the purpose of rehabilitating the abovementioned properties into rental or for-sale housing.
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 Acting 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 Acting 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 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, 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 6PS&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 (the "First Source Ordinance"), all as may be applicable. 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 rehabilitation of the Properties shall be commenced within three (3) months and be completed within thirty-six (36) months from the transfer of ownership of the Properties by 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 rehabilitation 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.

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 Acting Corporation Counsel and attested to and acknowledged by the City Clerk.

STATEMENT

This Resolution authorizes the Mayor and/or his designee and 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 Newark Makerhoods, LLC, 200 Central Park South-9R, New York, New York, 10019-1001, 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 for the Sale and Redevelopment of Land and the Central Ward Redevelopment Plan, as amended:

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