



Legislation Details (With Text)

File #: 16-1680 **Version:** 1 **Name:** Purchase of Property from New Jersey Schools Development Authority (West Side Heights)
Type: Ordinance **Status:** Adopted
File created: 10/25/2016 **In control:** Economic and Housing Development
On agenda: 12/21/2016 **Final action:** 1/5/2017

Title: ORDINANCE AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AN AGREEMENT FOR CONVEYANCE OF REAL PROPERTY FROM THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY ("NJSDA") TO THE CITY OF NEWARK FOR THE PURCHASE OF CERTAIN NJSDA-OWNED PROPERTIES IN THE WEST WARD FOR THE SUM OF ONE DOLLAR AND ZERO CENTS (\$1.00) AND SATISFACTION OF ADDITIONAL CONTRACTUAL CONDITIONS.

Sponsors: Joseph A. McCallum, Jr., Carlos M. Gonzalez

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
1/5/2017	1	Municipal Council	Close on Public Hearing and Adopt	Pass
12/21/2016	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

ORDINANCE AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AN AGREEMENT FOR CONVEYANCE OF REAL PROPERTY FROM THE NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY ("NJSDA") TO THE CITY OF NEWARK FOR THE PURCHASE OF CERTAIN NJSDA-OWNED PROPERTIES IN THE WEST WARD FOR THE SUM OF ONE DOLLAR AND ZERO CENTS (\$1.00) AND SATISFACTION OF ADDITIONAL CONTRACTUAL CONDITIONS.

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (referred to herein as the "Act"), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of rehabilitation and redevelopment; 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 Act; and

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&Fc(S) on August 17, 2005, adopting the Second Amendment to the West Ward Redevelopment Plan (the "Plan") governing the redevelopment of City-owned properties located within the West Ward; and

WHEREAS, the City of Newark desires that a portion of the real property within the Plan Area be redeveloped as shown on Exhibit 5, (entitled "Project Area") to the Conveyance Agreement, which is annexed herein as Schedule 'A'; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-4, the City may contract with any other public body to carry out a redevelopment project within its jurisdiction; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8, upon adoption of the redevelopment plan, the City may proceed to carry out and effectuate the purposes of the Local Redevelopment and Housing Law, including to acquire land for a redevelopment project; to contract with public agencies to undertake any project; lease or convey property without public bidding where the price and upon terms it deems reasonable, conduct such investigations as are necessary; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-22(o), the City may enter into any agreements necessary to perform the duties granted to it by the Redevelopment and Housing Law; and

WHEREAS, the New Jersey Schools Development Authority (NJSDA) is the owner of the following parcels of real property located in the West Ward Redevelopment Plan Area within the City of Newark, Essex County, New Jersey:

<u>Address</u>	<u>Block</u>	<u>Lot</u>	<u>Ward</u>	<u>Size</u>	<u>Sq. Feet</u>
339-341 S. 11 th Street	1784	10	West	30x100	3,000
345 S. 11 th Street	1784	13	West	30x100	3,000
375 S. 11 th Street	1784	28	West	30x100	3,000
381-395 South Orange Ave	1784	35	West	20,089	
376 S. 12 th Street	1784	44	West	30x77	2,310
372-374 S. 12 th Street	1784	45	West	30x100	3,000
354 S. 12 th Street	1784	55	West	43.5x100	4,350
350-352 S. 12 th Street	1784	57	West	43.5x100	4,350
348 S. 12 th Street	1784	58	West	25x100	2,500
338 S. 12 th Street	1784	63	West	28x100	2,800
317-319 S. 12 th Street	1785	1	West	42.7x100	4,270
321-323 S. 12 th Street	1785	2	West	56x100	5,600
325 S. 12 th Street	1785	4	West	28x100	2,800
327 S. 12 th Street	1785	5	West	28x100	2,800
329 S. 12 th Street	1785	6	West	28x100	2,800
331-333 S. 12 th Street	1785	7	West	28x100	2,800
335 S. 12 th Street	1785	8	West	28x100	2,800
343-345 S. 12 th Street	1785	11,12	West	53.6x100	5,360
347 S. 12 th Street	1785	13	West	25x100	2,500
349 S. 12 th Street	1785	14	West	28x98.11	289,811
351 S. 12 th Street	1785	15	West	28x97.4	2,727.2
353 S. 12 th Street	1785	16	West	28x95.11	2,663.08
355 S. 12 th Street	1785	17	West	28x94.4	2,643.2
357-359 S. 12 th Street	1785	18	West	28x92.10	2,578.8
361 S. 12 th Street	1785	20	West	28x91.4	2,559.2
363 S. 12 th Street	1785	21	West	28x90	2,520
365 S. 12 th Street	1785	22	West	28x88.6	2,424.8
367 S. 12 th Street	1785	23	West	28x86.9	2,433.2
369 S. 12 th Street	1785	24	West	31x84.3	2,613.3
399-401 S. 12 th Street	1785	47	West	50.4x95	4,788
397 South Orange Avenue	1785	62	West	25.3x101	2,555.3
375-377 S. 12 th Street	1785	63	West	40x81	3,240
371-373 S. 12 th Street	1785	64	West	47x83.1	3,905.7

(407,591.78 Total Sq. Ft)

(the "NJSDA Property"); and

WHEREAS, the City seeks to acquire the NJSDA Property for the purpose of redevelopment, including

the construction of a 5,000 sq. ft. Early Childhood Center (“ECC”), at a cost of no less than One Million Dollars and Zero Cents (\$1,000,000.00), to be located on that part of the NJSDA Property identified as Block 1784, Lots 13 and 10 (the “ECC Property”), as marked on Exhibit 2 to Schedule ‘A’, entitled “West Side ECC”; and

WHEREAS, the City contemplates entering into agreements with redevelopers, (referenced on Schedule ‘A’ as “Development Agreements”) as authorized by the Act, for the construction of the ECC, and the rehabilitation or redevelopment of the remainder of the NJSDA Property (the “Conveyance Property”), together with adjacent City-owned parcels; and

WHEREAS, pursuant to N.J.S.A. 40A:12-5(a), the City is authorized to acquire real property by Ordinance “[s]ubject to lawful conditions, restrictions or limitations as to its use by the county or municipality, provided the Governing Body accepts such lawful conditions, restrictions or limitations”; and

WHEREAS, pursuant to N.J.S.A. 52:18A-238, NJSDA has the power “To sell, convey or lease to any person all or any portion of its properties, for such consideration and upon such terms as the development authority may determine to be reasonable”; and

WHEREAS, through negotiations with the NJSDA, the City has determined that it is in the best interest of each for the City to purchase the NJSDA properties for the sum of One Dollar and Zero Cents (\$1.00), and other good and valuable consideration set forth herein below, and subject to the City’s compliance with certain terms and conditions, as outlined herein; and

WHEREAS, the Conveyance Agreement requires that the City:

1. Take a fee simple determinable title to the NJSDA Properties in its current condition, “as is/where is, with all faults”; and
2. Shall have a period of sixty (60) days in which to conduct due diligence, including a review of the status of title, environmental conditions, and other facts or matters relating to the NJSDA properties which the City shall deem appropriate, at the City’s sole cost and expensed, during which time the City shall have the right to terminate its purchase of the NJSDA Properties; and
3. Release and indemnify NJSDA with regard to the environmental condition of the NJSDA Properties; and
4. Submit the plans and specifications for the construction of the ECC approved by the District and the NJSDA, to the New Jersey Department of Education within two (2) years of closing; and
5. Demolish all existing improvements on the NJSDA Properties within three (3) years from closing; and
6. Be responsible for the construction of the ECC, at a cost of not less than One Million Dollars and Zero Cents and to obtain a Certificate of Occupancy for the ECC within five years of closing; and
7. Agree that the ECC Properties shall be used only as an early childhood center for the benefit of the City of Newark Public School District for a period of fifty (50) years from the date of closing; and
8. Agree that if the ECC facility comprises a larger mixed use building, other uses in such building will be compatible with the educational use of the ECC as determined by the New Jersey Department of Education; and
9. Agree to provide a long-term lease of no less than fifty (50) years, at a rental rate of \$1.00 per year, or to convey in fee simple, at a nominal rate, the ECC to the Newark Public School District; and

10. Agree to, with the consent of NJSDA, enter into Development Agreement(s) for the purposes of rehabilitating, redeveloping, and improving the ECC Property, and the Conveyance Property, together with adjacent City properties, which agreements shall incorporate the provisions outlined in the Conveyance Agreement, and all exhibits thereto; and

11. Agree to share, as more specifically set forth in Exhibit C, to the Conveyance Agreement, entitled "Recapture of Profits on Transfer," certain profits from the sale or lease of any part of the NJSDA Property; and

12. Agree that, if it is unable to obtain a Certificate of Occupancy for the ECC within five years of closing, the NJSDA Property will revert to NJSDA as more specifically set forth in Exhibit A to the Conveyance Agreement, entitled "Covenant to Build", or, at the election of NJSDA, the City will pay to NJSDA the sum of One Million Dollars and Zero Cents, plus interest, compounded annually.

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 is hereby authorized to: (i) execute an Agreement for Conveyance of Real Properties for the purchase price of One Dollars and Zero Cents (\$1.00); (ii) to accept and record a deed in the form annexed hereto as Schedule 'B' conveying title of the NJSDA property to the City; and (iii) to effectuate any other terms and conditions contained in the Conveyance Agreement and Exhibits annexed hereto. Such authorized officers are hereby further authorized to take such additional actions as may be necessary to consummate the transactions contemplated by the Conveyance Agreement.

Properties to be conveyed to the City by the NJSDA:

339-341 S. 11 th Street	1784	10	West	30x100	3,000
345 S. 11 th Street	1784	13	West	30x100	3,000
375 S. 11 th Street	1784	28	West	30x100	3,000
381-395 South Orange Ave	1784	35	West		20,089
376 S. 12 th Street	1784	44	West	30x77	2,310
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331-333 S. 12 th Street	1785	7	West	28x100	2,800
335 S. 12 th Street	1785	8	West	28x100	2,800
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397 South Orange Avenue	1785	62	West	25.3x101	2,555.3
375-377 S. 12 th Street	1785	63	West	40x81	3,240
371-373 S. 12 th Street	1785	64	West	47x83.1	3,905.7

2. A copy of the fully executed Agreement for Conveyance of Real Property, with all exhibits thereto, shall be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.
3. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

Passage of this Ordinance shall authorize the City of Newark to execute an Agreement for Conveyance of Real Property for the purchase sale of certain properties owned by the New Jersey Schools Development Authority identified as:

339-341 S. 11 th Avenue Street	1784	10	West	30x100	3,000
345 S. 11 th Street	1784	13	West	30x100	3,000
375 S. 11 th Street	1784	28	West	30x100	3,000
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For the sum of One Dollar and Zero Cents (\$1.00), and other good and valuable consideration set forth herein.