



Legislation Details (With Text)

File #: 13-0824 **Version:** 1 **Name:** Kearny Steel Purchase Agreement & RDA
Type: Resolution **Status:** Filed
File created: 4/22/2013 **In control:** Economic and Housing Development
On agenda: 3/5/2014 **Final action:** 3/5/2014

Title: Dept/ Agency: Economic & Housing Development
Action: Ratifying Authorizing Amending
Type of Service: Private Sale/Redevelopment
Purpose: Sale of City owned land for redevelopment purposes
Entity Name: VerNewark Associates, LLC
Entity Address: 401 South Street Newark, New Jersey 07105
Sale Amount: \$220,000.00
Cost Basis: \$ PSF Negotiated N/A Other:
Assessed Amount: \$
Appraised Amount: \$
Contract Period: Start and end dates
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:
(Address/Block/Lot/Ward)
373-383 South Street/Block 5088/Lot 178/East Ward
373-395 South Street R/Block 5088/ Lot 142/East Ward
Additional Information:
Entity entitled to a \$200,000.00 credit for cost related to environmental remediation Entity plans to expand the existing container business of Kearny Steel Container Ordinance 6S&FE 092105; 1st Amendment to East Ward Redevelopment Plan Ordinance 6S&FF 060601; Approved East Ward Redevelopment Plan Resolution 7RD)(AS) 061505; Designated City "Area in need of Rehabilitation"

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
3/5/2014	1	Municipal Council	Adopt	Pass

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373-395 South Street R/Block 5088/ Lot 142/East Ward

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Ordinance 6S&FE 092105; 1st Amendment to East Ward Redevelopment Plan

Ordinance 6S&FF 060601; Approved East Ward Redevelopment Plan

Resolution 7RD)(AS) 061505; Designated City "Area in need of Rehabilitation"

WHEREAS, in connection with the City's efforts to redevelop the entire City, the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7RM on May 4, 2005 directing the Central Planning Board of the City of Newark (the "Central Planning Board") to undertake an investigation to determine if the City satisfied the statutory criteria as an "area in need of rehabilitation" in accordance with the provisions of N.J.S.A. 40A:12A-14 of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

WHEREAS, the Central Planning Board conducted the requested investigation in accordance with the LRHL, including a public hearing on June 6, 2005, after which hearing the Central Planning Board recommended the designation of the entire City as an "area in need of rehabilitation" to the City Administration and Municipal Council; and

WHEREAS, based upon the recommendation of the Central Planning Board, the Municipal Council adopted Resolution 7RDO(AS) on June 15, 2005 designating the entire City as an "area in need of rehabilitation" (as such term is defined in the LRHL) and such designation became effective on June 17, 2005 upon the transmission of the resolution to the New Jersey Department of Community Affairs by the City Clerk; and

WHEREAS, following the "area in need of rehabilitation" designation by the Municipal Council, pursuant to N.J.S.A. 40A:12A-7, the Municipal Council adopted Ordinance 6S&FE on September 21, 2005 approving the First Amendment to the East Ward Redevelopment Plan for various City owned parcels located throughout the East Ward (the "Redevelopment Plan"); and

WHEREAS, the properties governed by the Redevelopment Plan include certain City-owned properties located at Block 5088, Lots 142 and 178, commonly known as 373-395 South Street R, and 373-383 South Street, Newark, New Jersey 07105 and occupying approximately 32,184 square feet or 0.7388 acres in the City's East Ward (the "Property"); and

WHEREAS, pursuant to the LRHL, the City has determined to act as the redevelopment entity (as such term is defined at N.J.S.A. 40A:12A-3) for the rehabilitation of the Property in accordance with the Redevelopment Plan; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, construction or undertaking of any redevelopment project; and

WHEREAS, the Property is currently used and occupied by Kearny Steel Container

Corporation pursuant to a License Agreement with the City; and

WHEREAS, VerNewark Associates, LLC, an entity related to Kearny Steel Container Corporation, has offered to acquire the Property for a purchase price of two hundred twenty thousand dollars (\$220,000.00) and has agreed to assume the obligation to complete the environmental remediation of the Property in exchange for a credit against the purchase price for the reasonable costs of such environmental remediation (as confirmed by the Acting Director of the Department of Economic and Housing Development) in an amount not to exceed two hundred thousand dollars (\$200,000.00) and to thereafter rehabilitate the Property by installing parking, improvements to ingress and egress, fencing, and the planting of trees and shrubbery in order to allow for the expansion of the existing business operated by Kearny Steel Container Corporation onto the Property (the "Project"); and

WHEREAS, the City has determined that VerNewark Associates, LLC possess the proper qualifications, financial resources and capacity to implement and complete the Project in accordance with the Redevelopment Plan and all other applicable laws, ordinances and regulations; and

WHEREAS, the City believes the Project to be in the best interests of the City and of the East Ward, and that it promotes the health, safety, morals and welfare of the City's residents.

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 Acting Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute the Redevelopment Agreement with VerNewark Associates, LLC, 401 South Street, Newark, New Jersey 07105, in the form attached hereto for the sale of certain City-owned properties located at Block 5088, Lots 142 and 178, commonly known as 373-395 South Street R, and 373-383 South Street, Newark, New Jersey 07105 (the "Property") to VerNewark Associates, LLC for a purchase price of two hundred twenty thousand dollars (\$220,000.00) and for the subsequent environmental remediation and redevelopment of the Property by VerNewark Associates, LLC in accordance with the terms and conditions of the Redevelopment Agreement.

2. Acting Director of the Department of Economic and Housing Development is hereby authorized to sign a deed and any other documents necessary to convey title in the Property to VerNewark Associates, LLC for a purchase price of two hundred twenty thousand dollars (\$220,000.00), with twenty thousand dollars (\$20,000.00) payable at time of closing and with VerNewark Associates, LLC being entitled to a credit against the purchase price for the reasonable costs of the environmental remediation of the Property (as confirmed by the Acting Director of the Department of Economic and Housing Development) in an amount not to exceed two hundred thousand dollars (\$200,000.00).

3. The Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, are hereby authorized to effectuate certain business terms and conditions related to the Redevelopment Agreement and may enter into subordination agreements and/or access and right of entry agreements in forms approved by the City's Corporation Counsel.

4. The Acting Director of Finance is hereby authorized to receive the proceeds of the sale of the Property and to deposit such proceeds as follows: ninety (90) percent of the sales proceeds

shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution No. 7RG110685; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under Ordinance 6PhS&FF062106 for the purpose of preserving or creating low or moderate income affordable housing.

5. The Redevelopment Agreement and Deed, once fully executed, shall be filed with the Office of the City Clerk by the Acting Director of the Department of Economic and Housing Development.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, to enter into and execute a Redevelopment Agreement with VerNewark Associates, LLC, 401 South Street, Newark, New Jersey 07105, for the sale of certain City-owned properties located at Block 5088, Lots 142 and 178, commonly known as 373-395 South Street R, and 373-383 South Street, Newark, NJ 07105 in the City's East Ward (the "Property") for a purchase price of two hundred twenty thousand dollars (\$220,000.00) and for VerNewark Associates, LLC to assume the obligation to complete the environmental remediation of the Property in exchange for a credit against the purchase price for the reasonable costs of such remediation (as confirmed by the Deputy Mayor/Director of the Department of Economic and Housing Development) in an amount not to exceed two hundred thousand dollars (\$200,000.00) and to thereafter rehabilitate the Property by installing parking, improvements to ingress and egress, fencing, and the planting of trees and shrubbery in order to allow for the expansion of the existing business operated by Kearny Steel Container Corporation onto the Property. (East Ward)