



Legislation Details (With Text)

File #: 23-0227 **Version:** 1 **Name:** Resolution: Default for a Financial Agreement with GK Preservation, LLC
Type: Resolution **Status:** Adopted
File created: 2/1/2023 **In control:** Municipal Council
On agenda: 2/1/2023 **Final action:** 2/1/2023

Title: Dept/ Agency: Offices of Municipal Council/City Clerk
Action: () Ratifying (X) Authorizing () Amending
Purpose: Issuance of an event of Default for a Financial Agreement with GK Preservation, LLC.
Project Information:
Additional Information:
RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY DETERMINING THAT AN EVENT OF DEFAULT HAS OCCURRED PURSUANT TO THE FINANCIAL AGREEMENT WITH GK PRESERVATION, LLC FOR PROPERTY located at 200 AND 250 Georgia King Village, 4-70 Littleton Avenue, 352-374 West Market Street and 17-49 Bergen Street and identified on the OFFICIAL TAX MAP OF THE CITY OF NEWARK, as Block 1808, Lot 1.01, Block 1832, Lot 1 and Block 1833, Lots 1, 60 and 65.

Sponsors: Dupré L. Kelly, Patrick O. Council

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
2/1/2023	1	Municipal Council	Adopt	Pass

Dept/ Agency: Offices of Municipal Council/City Clerk
Action: () Ratifying (X) Authorizing () Amending
Purpose: Issuance of an event of Default for a Financial Agreement with GK Preservation, LLC.
Project Information:
Additional Information:
RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY DETERMINING THAT AN EVENT OF DEFAULT HAS OCCURRED PURSUANT TO THE FINANCIAL AGREEMENT WITH GK PRESERVATION, LLC FOR PROPERTY LOCATED AT 200 AND 250 GEORGIA KING VILLAGE, 4-70 LITTLETON AVENUE, 352-374 WEST MARKET STREET AND 17-49 BERGEN STREET AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 1808, LOT 1.01, BLOCK 1832, LOT 1 AND BLOCK 1833, LOTS 1, 60 AND 65.

WHEREAS, in an effort to encourage and increase development within the City of Newark (the “City”), the City may grant a tax exemption for certain development projects, including housing projects, all in accordance with the Code of the City of Newark, Title 10, Finance and Taxation, Chapter 24, Procedures for Application, Approval and Administration of Tax Exemption and Abatement; and

WHEREAS, the City considers the grant of a tax exemption and the corresponding reduction in real property taxes to be a significant benefit to a project and its developer; and

WHEREAS, in return for granting such a significant benefit, the City expects and demands that a developer of a housing project receiving a tax exemption will develop a decent, safe and well maintained project; and

WHEREAS, in the event that a developer does not meet the City's basic expectations, the City should no longer provide the developer with such a significant benefit; and

WHEREAS, on May 14, 2018, the City entered into a Financial Agreement, as amended and supplemented, a copy of which is attached hereto as Exhibit A, with GK Preservation, LLC (the "Developer") granting a tax exemption for a Project to significantly rehabilitate a four hundred twenty-two (422) unit housing complex, including two (2) 18-story high rise buildings and twenty-four (24) two and three-story townhouse style buildings grouped in six (6) clusters, located at 200 and 250 Georgia King Village, 4-70 Littleton Avenue, 352-374 West Market Street, and 17-49 Bergen Street and identified on the Official Tax Map of the City of Newark, as Block 1808, Lot 1.01, Block 1832, Lot 1 and Block 1833, Lots 1, 60 and 65 (the "Project"); and

WHEREAS, the Financial Agreement requires the Developer to maintain compliance with all Federal, State and City laws, ordinances, resolutions and regulations; and

WHEREAS, the Developer has not maintained the Project in accordance with the requirements of the Financial Agreement and is in default of the Financial Agreement; and

WHEREAS, the City desires to issue a default notice to the Developer and in the event the default shall not be cured to authorize the termination of the Financial Agreement and the tax exemption.

NOW, THEREFORE BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The City has determined that the Developer is in default of the Financial Agreement.
2. The Deputy Mayor/Director of the Department of Economic Housing and Development and Housing, and/or her designee, is hereby authorized to issue a Default Notice to the Developer in accordance with the terms of the Financial Agreement and, in the event the default shall not be cured, to terminate the Financial Agreement.
3. This Resolution shall take effect immediately.

STATEMENT

The Resolution of the Municipal Council determining that an Event of Default has occurred, pursuant to the Financial Agreement with GK Preservation, LLC for property known as 200 and 250 Georgia King Village, 4-70 Littleton Avenue, 352-374 West Market Street, and 17-49 Bergen Street and identified on the Official Tax Map of the City of Newark, as Block 1808, Lot 1.01, Block 1832, Lot 1 and Block 1833, Lots 1, 60 and 65 and authorizing the Deputy Mayor/Director of the Department of Economic Housing and Development to issue a Notice of Default.

