



Legislation Details (With Text)

File #: 17-1666 Version: 2 Name: 281 Passaic Street Urban Renewal, LLC
Type: Resolution Status: Adopted
File created: 9/18/2017 In control: Economic and Housing Development
On agenda: 11/8/2017 Final action: 11/13/2017

Title: Dept/ Agency: Economic and Housing Development
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Type of Service: Private Sale/Redevelopment
Purpose: Redevelopment project for warehouse/distribution and/or light manufacturing uses (Central Ward)
Entity Name: 281 Passaic Street Urban Renewal, LLC.
Entity Address: 857 Broad Street, Newark, New Jersey 07102
Sale Amount: \$40,000.00
Cost Basis: ( ) \$ PSF (X) Negotiated ( ) N/A ( ) Other:
Assessed Amount: \$1,059,900.00
Appraised Amount: \$1,000,000.00
Contract Period: To commence within three (3) months and be completed within two (2) years 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)
281-289 Passaic Street/Block 436/Lot 13/Central Ward
1266-1270 McCarter Highway/Block 436/Lot 18//Central Ward
1272 McCarter Highway/Block 436/Lot 21/Central Ward
1274 McCarter Highway/Block 436/Lot 22/Central Ward
Additional Information:
Deferred 7R2-f (s) 110817

Sponsors: Gayle Chaneyfield Jenkins, Anibal Ramos, Jr.

Indexes:

Code sections:

Table with 5 columns: Date, Ver., Action By, Action, Result. Rows show legislative actions on 11/13/2017 and 11/8/2017.

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**Additional Information:**

**Deferred 7R2-f (s) 110817**

**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>
281-289 Passaic Street	Central	436	13
1266-1270 McCarter Highway	Central	436	18
1272 McCarter Highway	Central	436	21
1274 McCarter Highway	Central	436	22

Total Assessed Amount:	\$1,059,900.00
Total Appraised Amount:	\$1,000,000.00
Environmental Remediation Cost:	\$7,267,000.00
Total Negotiated Amount:	\$40,000.00; and

**WHEREAS**, 281 Passaic Street Urban Renewal, LLC (the “Redeveloper”), a New Jersey corporation located at 875 Broad Street, Newark, New Jersey, 07102, desires to enter in to an Agreement with the City of Newark (the “City”) for the purpose of undertaking a redevelopment project consisting of warehouse/distribution and/or light manufacturing uses; and

**WHEREAS**, in order to stimulate the reinvigoration of the City, by Resolution 7Rdo (AS) adopted by the Municipal Council on June 15, 2005, the entire City of Newark was designated as an area in need of rehabilitation pursuant to the to the Local Redevelopment and Housing Law, N.J.S.A. 40A: 12A-1, et seq. (the “Act”); and

**WHEREAS**, by Ordinance 6S&Fa(S) dated August 17, 2005, the Municipal Council of the City of Newark (the “Municipal Council”) adopted “An Ordinance Amending Ordinance 6S&Fd dated June 6, 2002, to Approve the Third Amendment to the Central Ward Redevelopment Plan and the Feasibility of Relocation For Various City-owned parcels throughout the entire Central Ward” (the “Redevelopment Plan”), which provided for the facilitation of the redevelopment of certain City-owned parcels in the Central Ward for residential, commercial, and industrial use; and

**WHEREAS**, said Redevelopment Plan complies with the requirements of all applicable State and Federal statutes and regulations promulgated thereunder; and

**WHEREAS**, the Redevelopment Plan is applicable to the development and redevelopment of City-owned properties, including the Property, as that term is defined herein; 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, re-planning, construction or undertaking of any redevelopment project; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City may “convey property without public bidding and at such prices and upon such terms as it deems reasonable”; and

**WHEREAS**, the City is the owner of that certain parcel of real property shown on the official tax map of the City of Newark as Block 436, Lots 13, 18, 20, 21, and 22 located in the Central Ward of the City, more commonly known as 281-289 Passaic Street; 1266-1270 McCarter Highway; 1272 McCarter Highway; and 1274 McCarter Highway (hereinafter, the "Property" or the "City Property"); and

**WHEREAS**, the City has determined that the Property is no longer needed for any public use and that the redevelopment of the Property will contribute to the reinvigoration of the City; and

**WHEREAS**, the Redeveloper has expressed an interest in redeveloping the Property for warehouse/distribution and/or light manufacturing uses, which shall include the undertaking of extensive environmental remediation of the Property (the (“Project”)); and

**WHEREAS**, the combined fair market value of the City Property, determined as though the City Property were remediated, has been appraised at the combined amount of One Million Dollars and Zero Cents (\$1,000,000.00); and

**WHEREAS**, the City has received cost estimates reflecting estimated remediation costs of Seven Million Two Hundred Sixty-Seven Thousand Dollars and Zero Cents (\$7,267,000.00); and

**WHEREAS**, as the cost to remediate the Property for the Redeveloper’s use is well in excess of the appraised value of the Property, the Department of Economic and Housing Development of the City has recommended that Forty Thousand Dollars and Zero Cents (\$40,000.00), is an appropriate Purchase Price for the Property; and

**WHEREAS**, the City has determined that it is appropriate for the City to authorize the execution of a Redevelopment Agreement to reflect the foregoing.

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

1. The Redevelopment Agreement, in substantially the form presented to this meeting, is hereby approved. The Mayor and/or the Acting Deputy Mayor/Director of the Department of Economic and Housing Development of the City, or either of them, are hereby authorized to enter into and execute the Redevelopment Agreement, which includes the sale of Block 436, Lots 13, 18, 20, 21, and 22, more commonly known as 281-289 Passaic Street; 1266-1270 McCarter Highway; 1272 McCarter Highway; and 1274 McCarter Highway for the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00). The Redevelopment Agreement shall be 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.

2. Said property shall be sold to 281 Passaic Street Urban Renewal, LLC (the "Redeveloper"), 875 Broad Street, Newark, New Jersey, 07102, for the purpose of redeveloping the Property for warehouse/distribution and/or light manufacturing uses, which shall include the undertaking of extensive environmental remediation of the Property.
3. The Acting 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 Property and the terms and conditions of the Redevelopment Agreement, subject to the approval of the City of Newark's Acting Corporation Counsel.
4. The Acting Deputy Mayor/Acting 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 Acting Deputy Mayor/Acting 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 Property and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment of the Property 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 Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. The rehabilitation of the Property shall be commenced within three (3) months and be completed within two (2) years from the transfer of ownership of the Property by the City to the Redeveloper.
8. 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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Property back to the City, in accordance with the terms and conditions of the Agreement and the deed.
9. 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.

10. 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.
11. The Acting Deputy Mayor/Acting 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 or its Designee and attested to and acknowledged by the City Clerk.
12. The executed Redevelopment Agreement, the Quitclaim Deed, and all such other executed agreements authorized by this resolution shall be placed on file in the Office of the City Clerk by the Acting Deputy Mayor/Acting Director of Department of Economic and Housing Development and/or his designee.

### STATEMENT

This resolution authorizes the Mayor and/or his designee and the Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development to enter into and execute a Redevelopment Agreement with 281 Passaic Street Urban Renewal, LLC, 281 Passaic Street, Newark, New Jersey 07102, a New Jersey corporation, which provides for the sale by the City of certain properties located at Block 436, Lots 13, 18, 20, 21, and 22, more commonly known as 281-289 Passaic Street; 1266-1270 McCarter Highway; 1272 McCarter Highway and 1274 McCarter Highway, for the purchase price of Forty Thousand Dollars and Zero Cents (\$40,000.00), in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Redevelopment Agreement and the Central Ward Redevelopment Plan, as amended to develop a warehouse/distribution and/or light manufacturing uses.

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1272 McCarter Highway	Central	436	21

1274 McCarter Highway                      Central                      436                      22

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Total Appraised Amount:                      \$1,000,000.00  
Environmental Remediation Cost:                      \$7,267,000.00  
Total Negotiated Amount:                      \$40,000.00; and