



Legislation Details (With Text)

File #: 24-0633 **Version:** 1 **Name:** Valentines Day Sale Default/reverter - 204 Peshine Avenue
Type: Ordinance **Status:** Public Hearing, Second Reading and Final Passage
File created: 4/22/2024 **In control:** Economic and Housing Development
On agenda: 5/22/2024 **Final action:**

Title: AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO EXERCISE ITS RIGHT OF REVERTER IN CONNECTION WITH THE PROPERTY COMMONLY KNOWN AS, 204 PESHINE AVENUE AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2690, LOT 55, PURSUANT TO THE REDEVELOPMENT AGREEMENT FOR THE CITY OF NEWARK VALENTINE’S DAY LAND SALE.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
6/5/2024	1	Municipal Council		
5/22/2024	1	Municipal Council		

AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO EXERCISE ITS RIGHT OF REVERTER IN CONNECTION WITH THE PROPERTY COMMONLY KNOWN AS, 204 PESHINE AVENUE AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2690, LOT 55, PURSUANT TO THE REDEVELOPMENT AGREEMENT FOR THE CITY OF NEWARK VALENTINE’S DAY LAND SALE.

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the "Act"), authorizes municipalities to participate in the redevelopment and improvement of areas that are in need of redevelopment or rehabilitation; 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 (the "City") was designated as an area in need of rehabilitation pursuant to the Act; and

WHEREAS, in order to further this objective, on February 14, 2015, the City conducted the Valentine’s Day Land Sale to transform vacant properties into the opportunities for home ownership by selling certain City-owned lots, for the price of \$1,000.00 per lot, to couples (i.e. two (2) individuals), who wish to build an owner-occupied home consisting of one (1), two (2), or three (3) residential units, with or without retail use (the "Project"); and

WHEREAS, on June 17, 2015, the Municipal Council approved Resolution 7R3-m(AS) (the "Resolution") authorizing the City to enter into a Redevelopment Agreement for the City of Newark Valentine’s Day Land Sale (the "Redevelopment Agreement") with Anthony Neal and Vilma Esther Paige (collectively, the "Redeveloper") for the construction of the Project on the City-owned property, commonly known as 204 Peshine Avenue and identified on the Official Tax Map of the City of

Newark, as Block 2690, Lot 55 (the "Property"); and

WHEREAS, the City transferred the Property to the Redeveloper by way of a Quit Claim Deed dated January 2, 2018 and recorded in the Essex County Clerk's Office on March 14, 2018, which contained a Right of Reverter to the City should the Redeveloper breach the Redevelopment Agreement by failing to construct the Project (the "Quit Claim Deed"); and

WHEREAS, pursuant to the Resolution and the Redevelopment Agreement, the Redeveloper was required to commence construction of the Project within three (3) months of the March 14, 2018 closing date and complete construction of the Project eighteen (18) of the March 14, 2018 closing date; and

WHEREAS, the Redeveloper has in fact breached the Redevelopment Agreement by failing to commence or complete construction of the Project within the timeframe set forth in the Redevelopment Agreement and by selling and transferring the Property to SIMRA Holdings, LLC without the prior written consent of the City; and

WHEREAS, the Quit Claim Deed transferring the property to the Redeveloper contained a Right of Reverter, which states that should the Redeveloper fail to commence or complete construction, then all rights, title and interests that the Redeveloper had in the Property shall cease and revert immediately back to the City; and

WHEREAS, by way of letter dated November 30, 2023, the City provided Redeveloper with notice that the Redeveloper was in breach of the Redevelopment Agreement for: (1) the Redeveloper's failure to commence or complete construction of the Project; and (2) selling and transferring the Property to SIMRA Holdings, LLC without the prior written consent from the City; and

WHEREAS, the City's letter dated, November 30, 2023 further notified the Redeveloper that the City intended to exercise the Right of Reverter contained in the Quit Claim Deed to re-vest title of the Property back into the City; and

WHEREAS, in response to the City's November 30, 2023 letter, the Redeveloper and SIMRA Holdings, LLC have voluntarily agreed to relinquish title of the Property and have executed a deed to vest title of the Property back to the City; and

WHEREAS, the City and Redeveloper have agreed to record a deed, in a form substantially consistent with the deed attached hereto as Exhibit A, to vest title of the Property back to the City.

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

1. The Recitals set forth above are incorporated herein as if set forth at length.

2. The Mayor of the City of Newark, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to take whatever action is required to effectuate the Right of Reverter of the Property to the City contained in the Redevelopment Agreement for the City of Newark Valentine's Day Land Sale with Anthony Neal and Vilma Ester Paige, authorized by the Municipal Council on June 17, 2015, through Resolution 7R3-m (AS), the Right of Reverter contained in the Quit Claim Deed dated January 2, 2018 recorded in the Essex County Clerk's Office on March 14, 2018, and the deed between SIMRA Holdings, LLC and the City of Newark, attached hereto as Exhibit A, in connection with the property commonly known as 204 Peshine Avenue and identified on the Official Tax Map of the City of Newark, as Block 2690, Lot

55.

3. Said Deed conveying title of 204 Peshine Avenue, Block 2690, Lot 55 from SIMRA Holdings, LLC to the City of Newark shall be approved as to form and legality by the City's Corporation Counsel and attested to and acknowledge by the City Clerk.

4. The executed and recorded deed between SIMRA Holdings, LLC and the City of Newark and 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.

5. The City of Newark is authorized to engage in any and all necessary actions of law to enforce said property interest, in the event of non-cooperation in this regard by SIMRA Holdings, LLC.

STATEMENT

This Ordinance authorizes the Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to Deputy Mayor/Director of the Department of Economic and Housing Development are authorized to effectuate the Right of Reverter contained in the Redevelopment Agreement for the City of Newark Valentine's Day Land Sale with Anthony Neal and Vilma Ester Paige authorized by Resolution 7R3-m(AS) dated June 17, 2015, which contained the Quit Claim Deed dated January 2, 2018 recorded in the Essex County Clerk's Office on March 14, 2018, and the deed between SIMRA Holdings, LLC and the City of Newark, attached hereto as Exhibit A, in connection with the property commonly known as 204 Peshine Avenue and identified on the Official Tax Map of the City of Newark, as Block 2690, Lot 55.