



Legislation Details (With Text)

**File #:** 17-1634      **Version:** 1      **Name:** Scott Towers

**Type:** Resolution      **Status:** Adopted

**File created:** 9/11/2017      **In control:** Economic and Housing Development

**On agenda:** 5/10/2018      **Final action:** 5/23/2018

**Title:** Dept/ Agency: Economic and Housing Development  
 Action:  Ratifying  Authorizing  Amending  
 Type of Service: Private Sale/Redevelopment  
 Purpose: Construct approximately 90 units of affordable and market rate housing with thirty-five (35) parking spaces and one (1) commercial/retail space  
 Entity Name: AC and J Restoration Group, Corporation  
 Entity Address: 836 South 19th Street, Newark, New Jersey 07108-0710  
 Sale Amount: \$200,000.00  
 Cost Basis:  \$15.00 PSF  Negotiated  N/A  Other:  
 Assessed Amount: \$635,400.00  
 Appraised Amount: \$330,000.00  
 Contract Period: To commence within three (3) months and be completed within twenty (24) months from the transfer of ownership by the City  
 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)  
 333 Mulberry Street/Block 884/Lot 18/Central Ward  
 337 Mulberry Street/Block 884/Lot 20/Central Ward  
 339 Mulberry Street/Block 884/Lot 22/Central Ward  
 17 Scott Street/Block 884/Lot 27/Central Ward  
 19 Scott Street/Block 884/Lot 26/Central Ward  
 21 Scott Street/Block 884/Lot 25/Central Ward  
 23 Scott Street/Block 884/Lot 24/Central Ward  
 Additional Information:  
 Appraised Value: \$330,000.00  
 Estimated Demolition & Remediation: \$95,000.00  
 Negotiated Sale Price: \$200,000.00  
 Total Square Footage = 13,329.58 X \$~15.00 = \$200,000.00  
 Deferred 7R2-d 051018

**Sponsors:** Gayle Chaneyfield Jenkins, Carlos M. Gonzalez

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
5/23/2018	1	Municipal Council	Adopt	Pass
5/10/2018	1	Municipal Council	Defer	Pass

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Estimated Demolition & Remediation: \$95,000.00  
Negotiated Sale Price: \$200,000.00  
Total Square Footage = 13,329.58 X \$~15.00 = \$200,000.00

**Deferred 7R2-d 051018**

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment 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>	<u>SIZE</u>	<u>SQ. FEET</u>
333 Mulberry Street	Central	884	18	22.4X71.6	1,603.84
337 Mulberry Street	Central	884	20	24.11X100	2,411.00
339 Mulberry Street	Central	884	22	21X100	2,100.00
17 Scott Street	Central	884	27	25X73.6	1,840.00
19 Scott Street	Central	884	26	22.6X73.4	1,658.84
21 Scott Street	Central	884	25	25X73.3	1,832.50
23 Scott Street	Central	884	24	25.8X73	1,883.40

Total Square Footage: 13,329.58  
Appraised Value: \$330,000.00  
Estimated Demolition & Remediation: \$95,000.00  
Negotiated Sale Price: \$200,000.00 (~\$15.00 per sf.); and

**WHEREAS**, the City of Newark has determined that the above referenced City-owned Properties (the "Properties") are no longer needed for public use; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the

rehabilitation of the area and is conveying Properties at such prices and upon such terms as it deems reasonable and said conveyance is made in conjunction with the applicable Redevelopment Plan, as amended; 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 Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, *et seq.* (the “LRHL”); and

**WHEREAS**, on August 17, 2005 the Municipal Council thereafter adopted Ordinance 6S&Fe (S) adopting the First Amendment to the Central Ward Redevelopment Plan, governing the redevelopment of City-owned Properties located within the Central Ward, which includes the above-referenced Properties respectively; and

**WHEREAS**, the City received a proposal for the purchase and redevelopment of the Properties from AC and J Restoration Group, Corporation, 836 South 19<sup>th</sup> Street, Newark, New Jersey 07108-0710 (the “Redeveloper”); and

**WHEREAS**, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to develop the Properties into approximately 90 units of affordable and market rate housing with thirty-five parking spaces and one (1) commercial/retail space (the “Proposal”); and

**WHEREAS**, redevelopment of said Properties will contribute to the social and economic improvement of the Central Ward in accordance with the intent, goals and objectives of the City’s strategy to rehabilitate and reinvigorate neighborhoods with quality housing; additional stores, services and recreational facilities; and improved public spaces; and

**WHEREAS**, based upon the City’s review of the request and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Properties and to redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement for the Sale of Land and Redevelopment, the form of which is attached hereto (the “Agreement”), and the Central Ward Redevelopment Plan, as amended; and

**WHEREAS**, the combined fair market value estimate of the City Properties is Three Hundred Thirty Thousand Dollars and Zero Cents (\$330,000.00); and

**WHEREAS**, the redeveloper obtained a cost estimate from G&G Lewis and Sons, which estimated the minimum demolition and environmental costs associated with the Properties to be Ninety-Five Thousand Dollars and Zero Cents (\$95,000.00); and

**WHEREAS**, the City has agreed to credit the Redeveloper for the costs associated with demolition and environmental remediation in the amount of Ninety-Five Thousand Dollars and Zero Cents (\$95,000.00); and

**WHEREAS**, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell the Properties to AC and J Restoration Group, Corporation, whom is willing to purchase the Properties from the City, for the negotiated consideration of Two Hundred Thousand Dollars and Zero Cents (\$200,000.00) for the purpose of redeveloping said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8

(g), the Agreement, and the Central Ward Redevelopment Plan, as amended.

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

1. The Mayor and/or his designee and the Acting Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land attached hereto with AC and J Restoration Group, Corporation, 836 South 19<sup>th</sup> Street, Newark, New Jersey 07108-0710, for the private sale and redevelopment of the following Properties, for the following Purchase Price, 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:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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Total Square Footage: 13,329.58

Appraised Value: \$330,000.00

Estimated Demolition & Remediation: \$95,000.00

Negotiated Sale Price: \$200,000.00 (~\$15.00 per sf.); and

2. Said Properties shall be sold to AC and J Restoration Group, Corporation, by private sale for the purpose of redeveloping the abovementioned Properties to construct approximately 90 units of affordable and market rate housing with thirty-five parking spaces and one (1) commercial/retail space.
3. The Acting 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 Properties and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark's Acting Corporation Counsel.
4. The 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 Director of the Department of Economic and Housing Development and the approval of the City of Newark's Acting Corporation Counsel.

5. The Redeveloper shall be designated as the exclusive redeveloper of the Properties and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Properties are 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 Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. 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.
8. The Acting Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale and Redevelopment of Land, the Quitclaim Deed, and all such other executed agreements authorized by this resolution on file in the Office of the City Clerk.
9. 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.
10. The redevelopment of the Properties shall be commenced within three (3) months and be completed within twenty-four (24) months from the transfer of ownership of the Properties by the City to the Redeveloper.
11. 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 rehabilitation of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed.

12. The 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 and attested to and acknowledged by the City Clerk.

**STATEMENT**

This Resolution authorizes the Mayor and/or his designee and the Acting Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of AC and J Restoration Group, Corporation, 836 South 19<sup>th</sup> Street, Newark, New Jersey 07108-0710, for the private sale and redevelopment of the following Properties, for the following Purchase Price, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement for the Sale and Redevelopment of Land and the Central Ward Redevelopment Plan, as amended to construct approximately 90 units of affordable and market rate housing with thirty-five parking and one (1) commercial/retail space:

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