



Legislation Details (With Text)

File #: 16-1688 **Version:** 1 **Name:** 38-60 Blanchard LLC
Type: Resolution **Status:** Adopted
File created: 10/26/2016 **In control:** Economic and Housing Development
On agenda: 11/29/2016 **Final action:** 11/29/2016

Title: Dept/ Agency: Economic and Housing Development
Action: Ratifying Authorizing Amending
Type of Service: Private Sale/Redevelopment
Purpose: Construct an industrial complex with a warehouse and office space; and a biogas renewable energy facility which will consist of several buildings, including an office building and storage silos
Entity Name: 38-60 Blanchard, LLC.
Entity Address: 75 Parkhurst Street, Suite 2, Newark, New Jersey 07114
Sale Amount: \$75,000.00
Cost Basis: \$ PSF Negotiated N/A Other:
Assessed Amount: \$1,206,500.00
Appraised Amount: \$2,400,000.00
Contract Period: To be commenced within three (3) months and be completed within twenty-four (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)
38-60 Blanchard Street Rear/Block 5001/Lot 16/East Ward
Additional Information:
This resolution authorizes the sale and redevelopment of a contaminated site formerly used as a landfill. The appraised value of the property, without accounting for its environmental condition, is \$2.4 million dollars. The estimated cost to remediate the site is \$5.46 million dollars.

Sponsors: Augusto Amador, Carlos M. Gonzalez

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
11/29/2016	1	Municipal Council	Adopt	Pass

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38-60 Blanchard Street Rear/Block 5001/Lot 16/East Ward

Additional Information:

This resolution authorizes the sale and redevelopment of a contaminated site formerly used as a landfill. The appraised value of the property, without accounting for its environmental condition, is \$2.4 million dollars. The estimated cost to remediate the site is \$5.46 million dollars.

WHEREAS, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned property located in the East Ward of the City of Newark:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
38-60 Blanchard St., Rear	East	5001	16	147,668.4

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

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, *et seq.*, as amended and supplemented (the "Act"), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, pursuant to the Act, the City is proceeding with the redevelopment of the area and is conveying properties at such prices and upon such terms as it deems reasonable and said conveyance is made in accordance with the applicable Redevelopment Plan, as amended; and

WHEREAS, by Ordinance 6S&Ff dated June 6, 2001, the Municipal Council of the City of Newark (the "Municipal Council") adopted the "East Ward Redevelopment Plan and Feasibility of Relocation for Various City-Owned Parcels throughout the East Ward" (the "Redevelopment Plan"), which provided for the facilitation of the redevelopment of certain City-owned parcels in the East Ward for residential, commercial, and industrial use; 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 Act; and

WHEREAS, by Ordinance 6PS&Ff dated September 21, 2005, the Municipal Council adopted the First Amendment to the East Ward Redevelopment Plan, which amended the Redevelopment Plan to provide for the automatic inclusion of all City-owned parcels within the East Ward into the Redevelopment Plan; and

WHEREAS, 38-60 Blanchard, LLC, 75 Parkhurst Street, Suite 2, Newark, New Jersey, 07114 (the "Redeveloper"), has proposed to acquire the Property from the City for the purpose of constructing a moderate size industrial complex with two separate components- a 15,000 sq. ft. two-story warehouse with office space and a biogas renewable energy facility, to produce a relatively

clean burning, colorless, and odorless form of energy to be produced from biodegradable food and animal waste, which will consist of several buildings, including a three-story office building and storage silos, as more fully set forth in Exhibit A of the Agreement for the Sale of Land and Redevelopment, attached hereto (the "Proposal"); and

WHEREAS, the Proposal also includes the undertaking of extensive environmental remediation and monitoring; and

WHEREAS, based upon the City's review of the Proposal and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Property and to remediate and redevelop it 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 "Agreement"), and the Redevelopment Plan, as amended; and

WHEREAS, the City obtained an appraisal report for the Property, attached as Exhibit D to the Agreement, which estimated the value of the Property, without considering the effects of any environmental contamination on the Property, to be Two Million, Four Hundred Thousand Dollars and Zero Cents (\$2,400,000.00); and

WHEREAS, the Redeveloper obtained an Environmental Cost Estimate from Matrix New World Consultants, attached as Exhibit E to the Agreement, which estimated the total cost of environmental remediation on the Property to be approximately Five Million, Four Hundred Fifty-Eight Thousand, Five Hundred Sixty-Three Dollars and Zero Cents (\$5,458,563.00); and

WHEREAS, the Property was previously used as a landfill, and is subject to a Deed Notice with Engineering Controls (the "Deed Notice") imposed by the New Jersey Department of Environmental Protection in accordance with N.J.S.A. 58:10B-13, which restricts the use of certain parts of the Property; and

WHEREAS, pursuant to the above-mentioned statutory authority, and taking into account the substantial cost of remediating the Property, the Deputy Mayor/Director of the Department of Economic and Housing Development has recommended that the City of Newark sell the Property to 38-60 Blanchard, LLC, which is willing to purchase the Property, for the consideration of Seventy Five Thousand Dollars and Zero Cents (\$75,000.00) for the purpose of redeveloping the Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the 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 Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute an Agreement for the Sale of Land and Redevelopment between the City of Newark and 38-60 Blanchard, LLC, in the form attached hereto as **Exhibit A**, with 38-60 Blanchard, LLC, of 75 Parkhurst Street, Suite 2, Newark, New Jersey 07114, for the private sale and redevelopment of the following property, for the purchase price stated herein, in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement and the East Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
38-60 Blanchard St, Rear	East	5001	16	147,668.4

Purchase Price: \$ 75,000.00

2. Said Property shall be sold to 38-60 Blanchard, LLC by private sale for the purpose of redevelopment by constructing a moderate size industrial complex with two separate components- a 15,000 sq. ft. two-story warehouse with office space and a biogas renewable energy facility, to produce a relatively clean burning, colorless, and odorless form of energy to be produced from biodegradable food and animal waste, which will consist of several buildings, including a three-story office building and storage silos, which will include the undertaking of extensive environmental remediation.
3. 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 Deputy Mayor/Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
4. The Deputy Mayor/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 Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark 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 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 Agreement, all in forms subject to the approval of the City of Newark Corporation Counsel.
7. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety (90) percent of the sale proceeds shall be deposited into the Redevelopment Acquisition Dedicated Trust Fund established under Resolution 7Rcs(AS) dated April 16, 1986; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PS&Ff dated June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
8. The Deputy Mayor/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, dated April 5, 1995; the City of Newark’s Affirmative Action Plan 7Rbp, dated 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 30% of all contractors, subcontractors and suppliers shall be Newark-based companies.
10. The remedial investigation of the Property shall be commenced within 30 days of the Closing of Title, and the redevelopment of the Property shall be completed within twenty-four (24) months from the commencement of construction.
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 Property as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Property, then the City, subject to the terms of the Agreement, may terminate the Agreement.
12. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. Said Quitclaim Deed conveying title to the Property to the Redeveloper shall be approved as to form and legality by the City’s Corporation Counsel and attested to and acknowledged by the City Clerk.

STATEMENT

This Resolution authorizes the Deputy Mayor/Director of the Department of Economic and Housing Development to execute and implement an Agreement for the Sale of Land and Redevelopment between the City of Newark and 38-60 Blanchard, LLC, 75 Parkhurst St., Suite 2, Newark, New Jersey 07114, for the private sale and redevelopment of the following property, 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 East Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
38-60 Blanchard St., Rear	East	5001	16	147,668.4

Purchase Price: \$75,000.00

for the purpose of constructing a moderate size industrial complex with two separate components- a

15,000 sq. ft. two-story warehouse with office space and a biogas renewable energy facility, to produce a relatively clean burning, colorless, and odorless form of energy to be produced from biodegradable food and animal waste, which will consist of several buildings, including a three-story office building and storage silos.