



Legislation Details (With Text)

**File #:** 21-0202      **Version:** 1      **Name:** Gomes Group, LLC Release of Reverter Rights  
**Type:** Ordinance      **Status:** Adopted  
**File created:** 2/12/2021      **In control:** Economic and Housing Development  
**On agenda:** 4/13/2021      **Final action:** 4/27/2021

**Title:** AN ORDINANCE AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AND EXECUTE A REDEVELOPMENT AGREEMENT WITH GOMES GROUP, LLC, OF NEWARK, NEW JERSEY 07105, AND A RELEASE OF DEED RESTRICTIONS, SPECIFIED IN ORDINANCES 6S&Fs ADOPTED ON APRIL 18, 1990, 6S&Fg ADOPTED ON NOVEMBER 6, 1997, AND 6S&Fe ADOPTED ON SEPTEMBER 17, 2003, AND/OR INCLUDED IN THE RELATED DEEDS CONVEYING CERTAIN PROPERTY TO NEWARK RENAISSANCE HOUSE, INC. (CENTRAL WARD)

PUBLIC HEARING TO BE HELD ON APRIL 27, 2021

**Sponsors:**

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
4/27/2021	1	Municipal Council	Close on Public Hearing and Adopt	
4/27/2021	1	Municipal Council	Close on Public Hearing and Adopt	Pass
4/21/2021	1	Municipal Council	Maintained on Public Hearing and Deferred	Pass
4/13/2021	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

**AN ORDINANCE AUTHORIZING THE MAYOR, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AND EXECUTE A REDEVELOPMENT AGREEMENT WITH GOMES GROUP, LLC, OF NEWARK, NEW JERSEY 07105, AND A RELEASE OF DEED RESTRICTIONS, SPECIFIED IN ORDINANCES 6S&Fs ADOPTED ON APRIL 18, 1990, 6S&Fg ADOPTED ON NOVEMBER 6, 1997, AND 6S&Fe ADOPTED ON SEPTEMBER 17, 2003, AND/OR INCLUDED IN THE RELATED DEEDS CONVEYING CERTAIN PROPERTY TO NEWARK RENAISSANCE HOUSE, INC. (CENTRAL WARD)**

**PUBLIC HEARING TO BE HELD ON APRIL 27, 2021**

**WHEREAS**, by Ordinance 6S&Fs, adopted on April 18, 1990, Ordinance 6S&Fg, adopted on November 6, 1997, and Ordinance 6S&Fe, adopted on September 17, 2003 (the "Ordinances"), the Municipal Council, authorized the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into Contracts of Sale and to execute Bargain and Sale Deeds to convey the following City-owned properties to Newark Renaissance House, Inc. ("Renaissance House"), a duly incorporated non-profit organization of the State of New Jersey, subject to the provisions of the "Nominal Sale" statute as set forth in N.J.S.A. 40A:12-21(k)

and certain terms and restrictions:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT(S)</u>
62-72 Norfolk Street	2838	35,36,37,38,39
47 Newark Street	2838	1
49 Newark Street	2838	2
51 Newark Street	2838	3
50-56 Norfolk Street	2838	43
53 Newark Street	2838	4
55 Newark Street	2838	5

(collectively, the “Properties”)(Central Ward); and

**WHEREAS**, subsequent to the adoption of the ordinances, the Properties were transferred to Renaissance House; and

**WHEREAS**, the Ordinances, Contracts and Deeds contained restrictions affecting the subsequent transfer of the Properties, and required Renaissance House to continue to operate for the benefit of the community within the City by providing medical, and social services to the public in exchange for City-owned properties, otherwise the Properties would revert back to the City of Newark (“City”)(the “Restrictions”); and

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

**WHEREAS**, because of the recession and the COVID-19 pandemic, Renaissance House suffered tremendous financial losses, and it could no longer service its debts or maintain the Properties; and

**WHEREAS**, as a result of its financial instability, Renaissance House, sold the Properties on or about June 12, 2020, to Gomes Group, LLC, of Newark, New Jersey 07105 (“Purchaser”); and

**WHEREAS**, the Purchaser, as part of a two-phase development desires to redevelop one of the Properties located at 50-56 Norfolk Street, and known on the Official Tax Map of the City of Newark as Block 2838, Lot 43 (Lots 1,2,and 3 were merged with Lot 43 in 2006), for a mixed-use development consisting of twenty-nine (29) residential units, approximately 2,000 square feet ground level retail/commercial space and associated on site parking, where Renaissance House had operated a facility providing medical and social services to the public, as Phase I; and

**WHEREAS**, as Phase II, the Purchaser agrees to limit redevelopment of the remaining Properties to residential, commercial, and/or mixed-use development, in compliance with the ordinances of the City of Newark; 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**, the City has determined that the redevelopment of the Properties will contribute to the reinvigoration of the City; and

**WHEREAS**, the City desires to have the Properties become taxable properties if they can no longer serve the original purpose intended under the original sale of such Properties, for a nominal sum, to Renaissance House, as permitted by law; and

**WHEREAS**, the City also requires the Properties to continue to provide a public purpose in the form of affordable housing; and

**WHEREAS**, the Purchaser, has agreed in Phase I to provide five (5) affordable housing units (the "Affordable Units"), as part of its redevelopment at 50-56 Norfolk Street, Newark, New Jersey and known on the Official Tax Map of the City of Newark as Block 2838, Lot 43, although affordable units are not required in this instance based on the number of units to be constructed pursuant to the City of Newark Inclusionary Zoning Ordinance, 6PSF-b, adopted on October 4, 2017; and

**WHEREAS**, in exchange for the Purchaser committing to the construction of Affordable Units as part of its redevelopment of Phase I, the City is willing to enter into an Agreement for the Sale and Redevelopment of Land ("Redevelopment Agreement"), release the Restrictions, and waive its Reversionary Rights for said Properties under N.J.S.A. 40A:12-21; and

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

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

1. The Mayor, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute: (i) a Release of Deed Restriction and Right of Reverter, with respect to the Deed Restrictions, (ii) An Agreement for the Sale and Redevelopment of Land ("Redevelopment Agreement") with guaranty of construction of five (5) Affordable Units; and (iii) execution of Quit Claim Deed, with and for Gomes Group, LLC, of Newark, New Jersey 07105 ("Redeveloper"), for the following Properties, pursuant to N.J.S.A. 40A:12A-8(f), the terms and conditions of the attached Redevelopment Agreement, and the Central Ward Redevelopment Plan, as amended:

ADDRESSBLOCKLOT(S)

62-72 Norfolk Street	2838	35
50-56 Norfolk Street	2838	43
53 Newark Street	2838	4
55 Newark Street	2838	5

(collectively, the "Properties") .

2. The Release of Deed Restriction and Right of Reverter, Agreement for the Sale and Redevelopment of Land, Quit Claim Deed, and any other documents necessary to effectuate the intent of this ordinance shall all be in form subject to the approval of the City's Corporation Counsel.

3. 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 Redevelopment 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 by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City's Corporation Counsel.

4. The Redeveloper shall be designated as the exclusive Redeveloper of the Properties and any other prior legislation authorizing or intending to authorize the sale and/or redevelopment and/or rehabilitation of the Properties is hereby rescinded.

5. The development of the Properties shall commence within three (3) months of receipt of permits, and Phase I shall be completed within thirty-six (36) months of Release of Deed Restriction and Right of Reverter and full execution of Redevelopment Agreement and Quit Claim Deed. Phase II shall be completed within five (5) years of the issuance of the first Certificate of Occupancy on Phase I.

6. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the following: (i) executed and recorded Release, with all exhibits thereto; (ii) executed Agreement for the Sale and Redevelopment of Land, including all attachments and related documents not limited to Proposal and Quit Claim Deed; and (iii) all such other executed agreements authorized by this ordinance on file in the Office of the City Clerk.

### **STATEMENT**

This ordinance authorizes the execution of a **Redevelopment Agreement With Gomes Group, LLC, of Newark, New Jersey 07105**, for the Sale and Redevelopment of Land, Quit Claim Deed, and Release of Deed Restriction and Right of Reverter outlined in Ordinance 6S&Fs, adopted on April 18, 1990, Ordinance 6S&Fg, adopted on November 6, 1997, and Ordinance 6S&Fe, adopted on September 17, 2003.