



Legislation Details (With Text)

**File #:** 17-1645      **Version:** 1      **Name:** Lilac Development Group, LLC  
**Type:** Resolution      **Status:** Adopted  
**File created:** 9/13/2017      **In control:** Economic and Housing Development  
**On agenda:** 1/24/2018      **Final action:** 1/24/2018

**Title:** Dept/ Agency: Economic and Housing Development  
Action:  Ratifying  Authorizing  Amending  
Type of Service: Private Sale/Redevelopment  
Purpose: Develop two (2) three-family rental or for-sale homes  
Entity Name: Lilac Development Group, LLC.  
Entity Address: 18-20 Bloomfield Avenue, Belleville, New Jersey 07109  
Sale Amount: \$34,051.20  
Cost Basis:  \$4.00 PSF  Negotiated  N/A  Other:  
Assessed Amount: \$63,800.00  
Appraised Amount: \$0.00  
Contract Period: To commence within three (3) months and be completed within eighteen (18) 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)  
80 Montclair Avenue/Block 773/Lot 13/North Ward  
143 Wakeman Avenue/Block 622/Lot 40/North Ward  
Additional Information:  
Total Square Footage = 8,512.8 X \$4.00 = \$34,051.20  
Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned Properties  
Both properties have been demolished and the resulting assessment is revised to \$63,800.00

**Sponsors:** Anibal Ramos, Jr., Gayle Chaneyfield Jenkins

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
1/24/2018	1	Municipal Council	Adopt	Pass

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Both properties have been demolished and the resulting assessment is revised to \$63,800.00

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned Properties located in the North 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>
80 Montclair Avenue	North	773	13	38X155.6	5,912.8
143 Wakeman Avenue	North	622	40	26X100	2,600.0

Total Square Footage: 8,512.8

Total Purchase Price: \$34,051.20 (\$4.00 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 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 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**, the Municipal Council thereafter adopted Ordinance 6S&Fa(S) on August 17, 2005, adopting the Third Amendment to the North Ward Redevelopment Plan governing the redevelopment of City-owned Properties located within the North Ward, which includes the above-referenced Properties; and

**WHEREAS**, the City received a Letter of Intent for the purchase and redevelopment of the Properties from Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109 (the "Redeveloper"); and

**WHEREAS**, the Redeveloper, has proposed to the City's Department of Economic and Housing Development to develop the Properties by constructing two (2) three-family rental or for-sale homes (the "Proposal"); 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 North Ward Redevelopment Plan, as amended; 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 Lilac Development Group, LLC, whom is willing to purchase the Properties from the City, for the consideration of Thirty Four Thousand Fifty-One Dollars and Twenty Cents (\$34,051.20), 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 North 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 of Land and Redevelopment of Land attached hereto with Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109, 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 North 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: 8,512.8

Total Purchase Price: \$34,051.20 (\$4.00 per sf)

2. Said Properties shall be sold to Lilac Development Group, LLC by private sale for the purpose of developing two (2) three-family rental or for-sale homes.
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 Property 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 redevelopment 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 eighteen (18) 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

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.

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 Property. Said Quitclaim Deed conveying title to the Property 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 of Land and Redevelopment with Lilac Development Group, LLC, 18-20 Bloomfield Avenue, Belleville, New Jersey 07109, 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 of Land and Redevelopment and the North Ward Redevelopment Plan, as amended, to develop two (2) three-family rental or for-sale homes:

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