



Legislation Text

File #: 21-1166, Version: 1

Dept/ Agency: Economic and Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Private Sale/Redevelopment

Purpose: To designate the Redeveloper and authorize entering into a Master Redevelopment Agreement with RPM Development, LLC and the Urban League of Essex County Opportunity Corporation for properties consisting of Block 1784, Lot 35 (Site A); Block 1784, Lots 6-8 (Site A1); Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B); and Block 1785, Lots 11-18, 20-24 and 64 (Site C) and located within the Fairmount Commons Redevelopment Plan under the Local Redevelopment and Housing Law.

Entity Name: RPM Development, LLC and Urban League of Essex County Opportunity Corporation, jointly the Redeveloper

Entity Address: RPM Development, LLC, 77 Park Street, Montclair, New Jersey 07042 and Urban League of Essex County Opportunity Corporation, 508 Central Avenue, Newark, New Jersey 07107

Sale Amount: \$314,747.92

Cost Basis: () PSF (X) Negotiated () N/A () Other:

Assessed Amount: \$0.00

Appraised Amount: \$0.00

Contract Period: Project Schedule attached hereto as Exhibit C

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
(X) Private Sale () Grant () Sub-recipient () n/a

List of Property:

(Address/Block/Lot/Ward)

- 381-395 South Orange Avenue/Block 1784/Lot 35/West Ward;
- 331 South 11th Street/Block 1784/Lot 6/West Ward;
- 333 South 11th Street/Block 1784/ Lot 7/West Ward;
- 335 South 11th Street/Block 1784/ Lot 8/West Ward;
- 339-341 South 11th Street/Block 1784/Lot 10/West Ward;
- 343 South 11th Street/Block 1784/Lot 11/West Ward;
- 345 South 11th Street/Block 1784/Lot 13/West Ward;
- 347 South 11th Street/Block 1784/Lot 14/West Ward;
- 349 South 11th Street/Block 1784/Lot 15/West Ward;
- 351 South 11th Street/Block 1784/ Lot 16/West Ward;
- 353 South 11th Street/Block 1784/Lot 17/West Ward;
- 330 South 12th Street/Block 1784/Lot 67/West Ward;
- 332 South 12th Street/Block 1784/Lot 66/West Ward;
- 334 South 12th Street/Block 1784/Lot 65/West Ward;
- 336 South 12th Street/Block 1784/ Lot 64/West Ward;
- 338 South 12th Street/Block 1784/Lot 63/West Ward;
- 340 South 12th Street/Block 1784/Lot 62/West Ward;
- 342-344 South 12th Street/Block 1784/Lot 61/West Ward;

346 South 12th Street/Block 1784/Lot 59/West Ward;
348 South 12th Street/Block 1784/Lot 58/West Ward;
350-352 South 12th Street/Block 1784/Lot 57/West Ward;
354 South 12th Street/Block 1784/Lot 55/West Ward;
343-345 South 12th Street/Block 1785/Lot 11, Add'l Lot 12/West Ward;
347 South 12th Street; Block 1785, Lot 13/West Ward;
349 South 12th Street; Block 1785, Lot 14/West Ward;
351 South 12th Street; Block 1785, Lot 15/West Ward;
353 South 12th Street; Block 1785, Lot 16/West Ward;
355 South 12th Street; Block 1785, Lot 17/West Ward;
357-359 South 12th Street; Block 1785, Lot 18/West Ward;
361 South 12th Street/Block 1785/Lot 20/West Ward;
363 South 12th Street/Block 1785/ Lot 21/West Ward;
365 South 12th Street/Block 1785/Lot 22/West Ward;
367 South 12th Street/Block 1785/Lot 23/West Ward;
369 South 12th Street/Block 1785/Lot 24/West Ward;
371-373 South 12th Street/Block 1785/Lot 64/West Ward.

Additional Information:

Total Price: Square Footage X PSF

Sites A and A1 (27,589 SF) sold at \$4 PSF (\$110,356.00)

Sites B and C (102,196.46 SF) sold at \$2 PSF (\$204,392.92)

All Sites (129,785 SF) = \$314,747.92

Sale at prices set forth in Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

No Action Taken 7R2-i (s) 081721

WHEREAS, on November 12, 2019, pursuant to Resolution 7R2-a(s), the Municipal Council of the City of Newark (the "**City**") designated certain areas of Blocks 1784 and 1785 as an area in need of redevelopment for condemnation purposes; and

WHEREAS, on September 2, 2020, pursuant to Ordinance 6PSF-b, the Municipal Council of the City adopted the Fairmount Commons Redevelopment Plan ("**Redevelopment Plan**"); and

WHEREAS, on October 30, 2020, the City solicited Letters of Intent ("**LOI**") for prospective redevelopers to purchase and redevelop certain properties owned by the City within the Redevelopment Plan area; and

WHEREAS, the City is the owner of certain real property designated as Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C), as shown on the official tax map of the City (collectively, the "**Properties**") within the Redevelopment Plan area; and

WHEREAS, RPM Development, LLC, an affordable housing redeveloper with extensive development experience in the City of Newark, and the Urban League of Essex County Opportunity Corporation, a non-profit Community Housing Development Organization active in the redevelopment of the Fairmount Commons neighborhood in the West Ward (collectively, the "**Redeveloper**") responded with a proposal to jointly develop affordable rental housing, a childhood education center

and townhomes (the "**Project**") upon the Properties; and

WHEREAS, on or about March 3, 2021, the City announced that the Redeveloper was conditionally selected as the redeveloper of the Properties within the Redevelopment Plan area subject to its entry into a Redevelopment Agreement; and

WHEREAS, pursuant to this Resolution, the City seeks to formally designate the Redeveloper as the redeveloper of the Properties to develop the proposed Project in conformance with the Redevelopment Plan; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8 and N.J.S.A. 40A:12A-9, the City has negotiated a Master Redevelopment Agreement with the Redeveloper for the Project to proceed.

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

1. The terms and conditions contained in the Master Redevelopment Agreement by and between the City of Newark, RPM Development, LLC and the Urban League of Essex County Opportunity Corporation, the designated redeveloper of the Properties located within the Fairmount Commons Redevelopment Plan area consisting of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C), is hereby accepted and approved.

2. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized and directed to execute the Master Redevelopment Agreement, in the form attached hereto and made part hereof upon adoption of this Resolution by the Municipal Council.

3. Upon the adoption of this Resolution and the Redeveloper's execution of the Master Redevelopment Agreement, RPM Development, LLC and the Urban League of Essex County Opportunity Corporation, shall hereby be formally deemed as the designated redeveloper of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C) within the Fairmount Commons Redevelopment Plan area for all purposes under the law.

4. 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 Master 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 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 is hereby rescinded.

6. 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 6S&Ff, June 21, 2006, for the purpose of preserving low and moderate income affordable housing.

7. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Master Redevelopment Agreement, the Quitclaim Deed, and all such other executed agreements authorized by this Resolution on file in the Office of the City Clerk.

8. 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 as Exhibit H (the "First Source Ordinance"), all as may be applicable. The Redeveloper shall provide the Department of Economic and Housing Development with the required forms showing compliance with the above, and a copy of these forms shall be filed with the Office of the City Clerk. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.

9. 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 Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed. The City's failure or delay in exercising its Right of Reverter shall not be deemed a waiver or result in adverse possession of the property. Any waiver of the City's Right of Reverter shall be in writing.

10. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper conveying title to 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 Corporation Counsel and attested to and acknowledged by the City Clerk.

11. This Resolution shall become effective immediately pursuant to law.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Master Redevelopment Agreement with RPM Development, LLC ("RPM"), 77 Park Street, Montclair, New

Jersey 07042, and Urban League of Essex County Opportunity Corporation (“ULEC”), 508 Central Avenue, Newark, New Jersey 07107, for the private sale and redevelopment of the Properties consisting of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C) in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Master Redevelopment Agreement and the Fairmount Commons Redevelopment Plan.