



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 18-1235, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Demolish the property and combine it with the adjacent parcels for a veterans targeted housing project with parking.

Entity Name: Domus Corporation

Entity Address: 590 North 7th Street, Newark, New Jersey 07107

Sale Amount: \$5,000.00

Cost Basis: (X) \$2.00 PSF () Negotiated () N/A () Other:

Assessed Amount: \$157,600.00

Appraised Amount: \$0.00

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

(X) Private Sale () Grant () Sub-recipient () n/a

List of Property:

(Address/Block/Lot/Ward)

108 3rd Avenue/Block 526/Lot 10/Central Ward

Additional Information:

Total Square Footage = 2,500 X \$2.00 = \$5,000.00

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

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

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
108 3 rd Avenue	Central	526	10	25X100	2,500

Purchase Price: \$5,000.00 (\$2.00 per sq.ft.); and

WHEREAS, the City has determined that the above referenced City-owned property (the "Property") is 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, the Municipal Council thereafter adopted Ordinance 6S&Fe(s) on August 17, 2005, 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 Property; and

WHEREAS, the City received a letter of intent for the purchase and redevelopment of the Property from Domus Corporation, of 590 North 7th Street, Newark, New Jersey 07107 (the “Redeveloper”); and

WHEREAS, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to redevelop the Property by demolishing the Property and combining it with the adjacent parcels for a veterans targeted housing project with parking, a copy of which is attached to the Agreement as Exhibit A (the “Proposal”); and

WHEREAS, redevelopment of said Property 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, recreational facilities, and improved public spaces; 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 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 and Redevelopment of Land, of which is attached hereto (the “Agreement”), and the Central 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 sell the Property to Domus Corporation, whom is willing to purchase the Property from the City, for the consideration of Five Thousand Dollars and Zero Cents (\$5,000.00), for the purpose of redeveloping said Property 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, the Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute an Agreement for the Sale and Redevelopment of Land with Domus Corporation, of 590 North 7th, Newark, New Jersey 07107, 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 Central Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
108 3 rd Avenue	Central	526	10	25X100	2,500

Purchase Price: \$5,000.00 (\$2.00 per sq. ft.)

2. Said Property shall be sold to Domus Corporation, by private sale for the purpose of redeveloping the abovementioned Property as affordable rental or for-sale housing.
3. The 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's Corporation Counsel.
4. The 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 by the Director of the Department of Economic and Housing Development and with the approval of the City's 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 and/or rehabilitation of the Property is 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 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, adopted on 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 6P&FF, adopted on June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The 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 with 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, adopted on April 5, 1995; the City's Affirmative Action Plan Resolution 7Rbp, adopted on 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 Ordinance 6S&Fc, adopted on 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 C (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 Property shall be commenced within three (3) months and be completed within twenty-four (24) months from the transfer of ownership of the Property by the City to the Redeveloper.
11. The project to be implemented by the Redeveloper shall conform to the City of Newark's 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 rehabilitation of the Property, 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 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 hereby authorizes the Mayor and/or his designee and the Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land to Domus Corporation, of 590 North 7th Street, Newark, New Jersey 07107, for the private sale and redevelopment of the following Property at 108 3rd Avenue (Block 526/Lot 10/Central Ward/Size: 25x100/Sq. Ft.:2,500), for the following Purchase Price of \$5,000.00 (\$2.00 per sq. ft.), 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 redevelop the Property by demolishing the Property and combining it with the adjacent parcels for a veterans targeted housing project with parking.