



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 19-0687, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Develop approximately 48 residential housing units, one mixed-use and one commercial property

Entity Name: Newark Interfaith LLC

Entity Address: One Gateway Center, Suite 2600, Newark, New Jersey 07102

Sale Amount: \$548,233.28

Cost Basis: (X) \$4.00-\$10.00 PSF () Negotiated () N/A () Other:

Assessed Amount: \$1,099,100.00

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

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

List of Property:

(Address/Block/Lot/Ward)

40-50 Kent Street/Block 2615/Lot 23/South Ward

379-381 Avon Avenue/Block 2632/Lot 22/South Ward

687-689 Clinton Avenue/Block 3008/Lot 1/South Ward

522-524 Hawthorne Avenue/Block 3067/Lot 1/South Ward

520 Hawthorne Avenue/Block 3067/Lot 3/South Ward

510-512 Hawthorne Avenue/Block 3067/Lot 7.01/South Ward

827-829 Bergen Street/Block 3590/Lot 33/South Ward

831-833 Bergen Street/Block 3590/Lot 35, 36/South Ward

835 Bergen Street/Block 3590/Lot 37/South Ward

837-839 Bergen Street/Block 3590/Lot 38, 39/South Ward

841-843 Bergen Street/Block 3590/Lot 40.01/South Ward

845 Bergen Street/Block 3590/Lot 40.02/South Ward

12-16 Wolcott Terrace/Block 3617/Lot 15, 16/South Ward

10 Wolcott Terrace/Block 3617/Lot 26/South Ward

22-26 Wolcott Terrace/Block 3618/Lot 11/South Ward

24 Patten Place/Block 3618/Lot 10/South Ward

Additional Information:

Square Feet 29,598.07 X \$4.00 = \$118,392.28

Square Feet 42,984.10 X \$10.00 = \$429,841.00

Total Sales Price: \$548,233.28

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

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

<u>PROPERTY ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>LOT SIZE</u>	<u>SQUARE FEET</u>	<u>PRICE PSF</u>	<u>SALE PRICE \$</u>
40-50 Kent St	2615	23	135.9X98.3	13,358.97	4.00	53,435.88
379-381 Avon Ave	2632	22	50X100	5,000.00	4.00	20,000.00
687-689 Clinton Ave	3008	1	52.7X123 AVG.	6,482.10	10.00	64,821.00
522-524 Hawthorne Ave	3067	1	5202 SF	5,202.00	10.00	52,020.00
520 Hawthorne Ave	3067	3	20X100	2,000.00	10.00	20,000.00
510-512 Hawthorne Ave	3067	7.01	4500 SF	4,500.00	10.00	45,000.00
827-829 Bergen St	3590	33	50X100	5,000.00	10.00	50,000.00
831-833 Bergen St	3590	35, 36	50X100	5,000.00	10.00	50,000.00
835 Bergen St	3590	37	30X100	3,000.00	10.00	30,000.00
837-839 Bergen St	3590	38, 39	45X100	4500.00	10.00	45,000.00
841-843 Bergen St	3590	40.01	3750 SF	3750.00	10.00	37,500.00
845 Bergen St	3590	40.02	3550 SF	3550.00	10.00	35,500.00
12-16 Wolcott Terr	3617	15, 16	68.9X69	4754.10	4.00	19,016.40
10 Wolcott Terr	3617	26	32X62.7	2006.40	4.00	8,025.60
22-26 Wolcott Terr	3618	11	69X29.4	2028.60	4.00	8,114.40
24 Patten Pl	3618	10	35X70	2450.00	4.00	9,800.00

29,598.07 Sq. Feet X \$4.00 = \$118,392.28
42,984.10 Sq. Feet X \$10.00 = X \$429,841.00
Total Purchase Price: \$548,233.28; 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 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&Fd(AS) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned Properties located within the South Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a letter of intent, attached as Exhibit A of the Redevelopment Agreement also known as proposal, for the purchase and redevelopment of the Properties from Newark Interfaith LLC, One Gateway Center, Suite 2600, Newark, New Jersey 07102 (the “Redeveloper”); and

WHEREAS, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to redevelop the Properties by constructing approximately 48 residential

housing units, one mixed-use and one commercial property. (the “Proposal”); 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 Properties and to develop 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, the form of which is attached hereto (the “Agreement”), and the South 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 Newark Interfaith LLC whom is willing to purchase the Properties from the City, for the consideration of Five Hundred Forty Eight Thousand, Two Hundred Thirty Three Dollars and Twenty Eight Cents (\$548,233.28), 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 South 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 and Redevelopment of Land attached hereto with Newark Interfaith LLC, One Gateway Center, Suite 2600, Newark, New Jersey 07102, 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 South Ward Redevelopment Plan, as amended:

<u>PROPERTY ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>LOT SIZE</u>	<u>SQUARE FEET</u>	<u>PRICE PSF</u>	<u>SALE PRICE \$</u>
40-50 Kent Street	2615	23	135.9X98.3	13,358.97	4.00	53,435.88
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29,598.07 Sq. Feet X \$4.00 = \$118,392.28
42,984.10 Sq. Feet X \$10.00 = X \$429,841.00
Total Purchase Price: \$548,233.28; and

2. Said Properties shall be sold to Newark Interfaith LLC, by private sale for the purpose of developing the above-mentioned Properties by constructing approximately 48 residential housing units, one mixed-use and one commercial property.
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 Properties and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark's 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 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 Properties 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 Acting Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. The Acting 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.
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 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 development of the Properties shall commence 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 Properties 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 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.

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 and Redevelopment of Land with Newark Interfaith LLC, One Gateway Center, Suite 2600, Newark, New Jersey 07102, 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 and Redevelopment of Land and the South Ward Redevelopment Plan, as amended, to develop approximately 48 residential housing units, one mixed-use and one commercial property.

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