



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-2089, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Second Amendment to RDA with Springfield Avenue Marketplace

Entity Name: TDAF I Springfield Avenue Holding Urban Renewal Company, LLC

Entity Address: 799 Central Avenue, Suite 300, Highland Park, IL 60035

Sale Amount:

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

Assessed Amount:

Appraised Amount:

Contract PeriodContract 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)

Blocks 236, 237 and 238 and the vacated portions of Beacon and Rankin Streets, now known as Block 236.01, Lots 1.01, 1.02, 1.03 and 1.04 in the Central Ward.

Additional Information: [Walmart Project](#)

Resolution 7RDE (AS) 100604; Land sale agreement for redevelopment with Springfield Marketplace, LLC.

Resolution 7RCR (AS) 031605; Revised agreement to land sale agreement and redevelopment of Springfield Market Place.

Resolution 7R3-a (S3) 102108; Amendment to land sale agreement

No Action Taken, November 20, 2012

WHEREAS, pursuant to Resolution No. 7RDE(A.S.) adopted by the Municipal Council of the City of Newark (the "City") on October 6, 2004, as amended by Resolution No. 7RCR(A.S.) adopted by the Municipal Council of the City on March 16, 2005, the City and Springfield Avenue Marketplace, LLC ("SAM") entered into an Agreement for the Sale of Land and Redevelopment of Springfield Marketplace dated April 6, 2005 (the "Original Agreement"), for the purpose of memorializing the rights and obligations of the parties with respect to the sale of certain real property described as Blocks 236, 237 and 238 (specifically including the street and street beds of Beacon and Rankin Streets) and Lots 1-10, 53-54 and 56 within Block 235 (collectively, the "Property") by the City to SAM and the development of a redevelopment project by SAM, as the redeveloper; and

WHEREAS, pursuant to Resolution No. 7R3-a(S3) adopted on October 21, 2008, the City, SAM and TDAF I Springfield Avenue Holding, LLC (now known as TDAF I Springfield Avenue Holding Urban Renewal Company, LLC) ("TDAF") entered into an Amendment to Agreement for Sale of Land and Redevelopment, Dated April 6, 2005, and Letter Agreement, Dated February 26, 2007, for the Springfield Avenue Marketplace Project dated November 20, 2008 (the "First Amendment") to transfer to TDAF the right to develop a portion of the Property described as Blocks 236, 237 and 238 and the vacated portions of Beacon and Rankin Streets, now known as Block 236.01, Lots 1.01,

1.02, 1.03 and 1.04 (collectively, the “TDAF Redevelopment Parcel”) and to provide a revised description of the redevelopment project to be constructed by TDAF on the TDAF Redevelopment Parcel (the “TDAF Project”), while retaining to SAM the right to develop the remaining portions of the Property, and in order to amend certain provisions of the Original Agreement and the referenced letter agreement; and

WHEREAS, in the First Amendment the TDAF Project was contemplated to include the construction of approximately 250,000 square feet of commercial/retail uses along with associated parking, and required that construction of the TDAF Project commence by May 1, 2009, with the erection of steel to commence by November 1, 2009; and

WHEREAS, as a result of the economic downturn which began in the Fall of 2008, the development of the TDAF Project has been delayed, and TDAF has requested that the Original Agreement, as heretofore amended by the First Amendment (collectively, the “Existing Agreement”), be amended in order to, *inter alia*, modify the TDAF Project to a combined commercial/retail and market rate housing project and to adjust the deadlines by which certain redevelopment actions must be taken; and

WHEREAS, the City and TDAF now wish to enter into a Second Amendment to Agreement for Sale of Land and Redevelopment, Dated April 6, 2005, for the TDAF Project in the form attached hereto (the “Second Amendment”) in order to amend certain provisions of the Existing Agreement as they relate to the TDAF Project; and

WHEREAS, in the Second Amendment the TDAF Project is redefined to consist of: (i) commercial, retail, restaurant and bank uses, which uses may total up to 200,000 square feet in gross floor area, which are anticipated (but not required) to be located within six (6) proposed buildings with 60,000-100,000 square feet of gross floor area dedicated to a retail anchor store and the remainder of the square footage distributed between small and junior retail shops, restaurant and bank uses along with associated parking; and (ii) a residential component, which use may total up to 145,000 square feet in gross floor area, which is anticipated (but not required) to contain up to 165 residential units and associated parking; and

WHEREAS, the TDAF Project, as so redefined, is consistent with the Fourth Amendment to the University Heights Redevelopment Plan, which controls the zoning for the TDAF Redevelopment Parcel; and

WHEREAS, City has determined that no provision for low or moderate income housing is required to be made as part of the TDAF Project; and

WHEREAS, the City has determined that the Second Amendment will facilitate the timely redevelopment of the TDAF Redevelopment Parcel in furtherance of the applicable redevelopment plan(s) applicable thereto, and is therefore in the best interest of the City;

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 Deputy Mayor/Director of the Department of Economic and Housing Development (the “Director”) are hereby authorized to enter into the Second Amendment

with TDAF in the form attached hereto. The Director is hereby authorized to effectuate certain business terms and conditions related to the Second Amendment annexed hereto and may enter into subordinate agreements, access and right of entry agreements, and other relevant documents subject to approval as to form and legality by the City's Corporation Counsel and the approval of the City of Newark Municipal Council.

2. A copy of the executed Second Amendment shall be placed on file in the Office of the City Clerk by the Director.

3. The redevelopment of the TDAF Project must be commenced within one hundred eighty (180) days of final, un-appealable site plan, subdivision and variance approvals (the "Commencement Date"). Construction shall be deemed to have commenced when all necessary permits have been issued for the proposed improvements and construction has actually commenced. Upon commencement of construction, TDAF shall diligently pursue the completion of construction. The Director shall have the authority to consider and grant two (2) extensions of the Commencement Date, upon TDAF's request, which extensions shall not be unreasonably withheld. Each extension may be for a period of up to six (6) months, subject to the approval of the City of Newark Municipal Council. The time deadlines contained in Section 3 of Resolution No. 7R3-a(S3)102108 are hereby superseded by those contained in this Section.

4. Pursuant to N.J.S.A. 52:27D-329.9(d), the Municipal Council hereby determines that none of the newly-constructed residential units comprising the TDAF Project shall be required to be reserved for occupancy by low or moderate income households.

STATEMENT

Resolution authorizing the execution of a Second Amendment to Agreement for Sale of Land and Redevelopment, dated April 6, 2005, for the TDAF Project with TDAF I Springfield Avenue Holding Urban Renewal Company, LLC ("TDAF"), relating to a redevelopment project to be undertaken by TDAF, consisting of up to 200,000 gross square feet of commercial, retail, restaurant and bank space and up to 145,000 gross square feet of market rate residential space and associated parking, on land formerly owned by the City and identified as Blocks 236, 237 and 238 and the vacated portions of Beacon and Rankin Streets, now known as Block 236.01, Lots 1.01, 1.02, 1.03 and 1.04 in the Central Ward.