



Legislation Text

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AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO ENTER INTO AND EXECUTE THE SALE AND TRANSFER OF CITY PROPERTY IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 1830, LOT 1.01, PURSUANT TO AN AGREEMENT FOR SALE AND REDEVELOPMENT OF LAND.

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the "Act"), authorizes municipalities to participate in the redevelopment and improvement of areas that are in need of redevelopment or rehabilitation; and

WHEREAS, in order to stimulate the reinvigoration of the City, by Resolution 7Rdo(AS) adopted by the Municipal Council on June 15, 2005, the entire City of Newark was designated as an area in need of rehabilitation pursuant to the Act; and

WHEREAS, on November 13, 2014, the Municipal Council adopted Resolution 7R7-b(S) that authorized a Settlement Agreement and Stipulation of Settlement by and among the City of Newark (the "City"), Public Service Electric and Gas Company ("PSE&G") the Fairmont Housing Neighborhood Association ("FHNA") and the Urban League of Essex County (the "Redeveloper") in settlement of a litigation docketed OAL Docket #: PU04056-14 and BPU Docket #: EO14020185, related to the construction of the McCarter Switching Station ("PSE&G Facility") in the Fairmont Heights Neighborhood (the "Settlement Agreement"); and

WHEREAS, on November 26, 2014, the City, PSE&G, the FHNA, and the Redeveloper entered into the Stipulation of Settlement related to the McCarter Switching Station in the Fairmont Heights Neighborhood; and

WHEREAS, pursuant to the Settlement Agreement, the City agreed that PSE&G would undertake environmental remediation of Block 1830, Lots 10 and 1, and upon completion of the remediation of such properties, PSE&G would convey portions of such properties (more specifically described as 484 Central Avenue and designated as Block 1830, Lot 1 (the "Excess Property")), to the City at no cost; and

WHEREAS, the Settlement Agreement further provided that once the Excess Property was conveyed to the City, the City would sell the Excess Property to the Redeveloper for Fifty Thousand Dollars and Zero Cents (\$50,000.00) and, upon transfer, designate the Redeveloper or any successor as the designated Redeveloper for the Excess Property; and

WHEREAS, the parties further agreed that, with respect to the development of the Excess Property, the City would reserve Fifty Thousand Dollars and Zero Cents (\$50,000.00) to be awarded

to and controlled by the Redeveloper for development purposes, and, moreover, the City agreed to support and fund the construction of a community center on the Excess Property, such funding to be provided with a portion of the proceeds of a financial agreement between the City and PSE&G; and

WHEREAS, as part of that Financial Agreement, the City agreed to bond for approximately Twenty-Five Million Dollars and Zero Cents (\$25,000,000.00) in Redevelopment Area Bond Financing, the proceeds of which may be assigned by the City for any purpose; and

WHEREAS, it was understood by the parties that the City would allocate Five Million Dollars and Zero Cents (\$5,000,000.00) of the Redevelopment Area Bond Financing to fund the construction of the Redeveloper's Project ("RAB Proceeds"), which shall be comprised of the construction of a community center on the Excess Property, or an alternative property of Redeveloper, and a mixed-use project on Redeveloper's Property (the "Project") (the Excess Property and Redeveloper's Property, together, shall be referred to herein as the "Project Area"); and

WHEREAS, the City has determined that the Redeveloper appears to possess the proper qualifications, financial resources, and capacity to implement and complete the Project in accordance with the Redevelopment Plan and all other applicable laws, ordinances and regulations; and

WHEREAS, the City and the Redeveloper have engaged in negotiations relative to the Project and the City has determined that in furtherance of goals and objectives of the Redevelopment Plan, it is in the City's best interest to enter into a Redevelopment Agreement with the Redeveloper for the purpose of setting forth in detail each Parties' respective undertakings, rights and obligations in connection with the development and construction of the Project; and

WHEREAS, the Redeveloper will implement the development, design, financing and construction of the Project in conformity with the Redevelopment Plan and in accordance with the Redevelopment Law; and

WHEREAS, the City and Redeveloper desire to enter into an Agreement in order to memorialize the terms and conditions of the Project, sale and redevelopment of the Property, in a form substantially consistent to the Agreement, attached hereto as Exhibit A; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the Department of Economic and Housing Development has recommended that the City sell the Excess Property to the Redeveloper for the consideration of Fifty Thousand Dollars and Zero Cents (\$50,000.00) ("Purchase Price"), which price, and under such terms as, the City deems to be reasonable, for the purpose of redeveloping the Property, in accordance with the Act, the Agreement, and the Redevelopment Plan; and

WHEREAS, the Agreement shall supersede any previous agreement(s) or conditions related to the redevelopment of the Property.

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

1. The Recitals set forth above are incorporated herein as if set forth at length.
2. The Mayor of the City of Newark, and/or his designee, the Deputy Mayor/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 (the "Agreement") in a form substantially consistent with the one attached hereto as Exhibit A.

3. 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 Agreement concerning the sale and transfer of the City's property and may enter into and execute any related documents, which may be necessary to effectuate same, including, but not limited a Quitclaim Deed with a Right of Reverter clause for the property commonly known as 478-492 Central Avenue and identified on the Official Tax Map of the City of Newark as Block 1830, Lot 1.01 (the "Property").

4. 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 acknowledge by the City Clerk.

5. The Director of the Department of Finance is hereby authorized to receive proceeds of the sale and to deposit same in the Community Economic and Development Trust Fund.

6. The executed Agreement and all exhibits thereto, the Quitclaim Deed and all additional executed agreements shall be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of Department of Economic and Housing Development.

STATEMENT

This Ordinance authorizes the Mayor of the City of Newark, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to effectuate certain business terms and conditions related to the Agreement for the Sale and Redevelopment of Land concerning the sale and transfer of the City's property and may enter into any related documents which may be necessary to effectuate same, including, but not limited to a Quitclaim Deed with a Right of Reverter clause for the commonly known as 478-492 Central Avenue, Newark, New Jersey 07107 and identified on the Official Tax Map of the City of Newark, as Block 1830, Lot 1.01.