



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-0025, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Second Amendment to Redevelopment Agreement with Carrino Plaza Apartments, LLC

Entity Name: Carrino Plaza Apartments, LLC

Entity Address: 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502

Sale Amount: \$800,000.00 (\$80,000 cash plus \$720,000.00 mortgage in favor of the City)

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

Assessed Amount: \$

Appraised Amount: \$

Contract Period: Term of Loan is Forty-Two (42) years

Contract 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)

416-426 Broadway/Block 613/Lot1/North Ward

Additional Information:

Resolution 7R3-i 102913, Authorized Sale and Redevelopment Agreement

Resolution 7R3-c 021914, Authorized First Amendment To RDA Agreement

Resolution 7R3-h 102913, Authorized the Tax Abatement Agreement

Resolution 7R3-a(S) 112415, Authorized Subordination Agreement

WHEREAS, the City of Newark (the "City") owns the land rights to certain real property located at 416-426 Broadway, Newark, New Jersey 07104 and identified on the official tax map of the City as Block 613, Lot 1 (the "Land"); and

WHEREAS, the Boys and Girls Club of Newark, Inc. (the "BGCN") owns the improvements located on the property (the "Improvements") and leases the Land from the City pursuant to a lease agreement between the City and BGCN approved by the Municipal Council through Resolution 7Re November 6, 2006 (the "BGCN lease")

WHEREAS, Carrino Plaza Apartments, LLC, a limited liability company organized under the laws of the State of New Jersey, having an address of 1055 Saw Mill River Road, Suite 204, Ardsley, New York, 10502 (the "Redeveloper"), has indicated that it wants to acquire title to the Land and Improvements (collectively, the "Property") in order to construct a redevelopment project consisting of approximately 60 Affordable Housing Units and approximately 6,500 square feet of retail space and associated parking and amenities on the Property (the "Project"); and

WHEREAS, BGCN has entered into a contract of sale to sell the Improvements to the Redeveloper and has indicated that it is willing to terminate the BGCN Lease and to relinquish its

rights thereunder if the sale of the Property to the Redeveloper is consummated; and

WHEREAS, on October 29, 2013, the Municipal Council of the City of Newark (the “Municipal Council”) adopted Resolution 7R3-i designating the Redeveloper as the redeveloper of the Property and authorizing the Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into a redevelopment agreement with the Redeveloper for the sale and redevelopment of the Land (the “Redevelopment Agreement”); and

WHEREAS, the Redeveloper has represented that the Department of Housing and Urban Development (the “HUD”) will be providing financing to the Redeveloper for the Project; and

WHEREAS, the City adopted Resolution 7R3-a(S) November 24, 2015, authorizing a Subordination Agreement and in error publicly published the purported statement as Second Amendment authorizing a subordination agreement;and

WHEREAS, the Redeveloper has advised the City that HUD has requested a revision to the Redevelopment Agreement as a condition of financing the Project, including an extension of the term of the Purchase Money Mortgage to a term of forty-two (42) years, to be co-terminus with HUD financing obtained for the Project; and

WHEREAS, the City and the Redeveloper wish to enter into a Second Amendment to the Redevelopment Agreement in order to make the revisions to the Redevelopment Agreement requested by HUD; and

NOW, THEREFORE, BE IT RESOLVED BY THE NEWARK 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, are hereby authorized to enter into and execute a Second Amendment to the Redevelopment Agreement with Carrino Plaza Apartments, LLC, 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502, in the form attached hereto, in order to make a revision to the Redevelopment Agreement to extend the term of the Purchase Money Mortgage to forty-two (42) years as a condition of financing the Project.
2. The Second Amendment to the Redevelopment Agreement, once fully executed, shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.
3. No municipal funds are required under this resolution.
4. All other terms and conditions of the Amended Redevelopment Agreement not otherwise amended by this resolution are hereby ratified and confirmed.
5. This resolution shall take effect immediately.

STATEMENT

This resolution ratifies and authorized the Mayor and/or his designee, the Deputy Mayor/Director of Economic and Housing Development, to enter into and execute a Second Amendment to the Redevelopment Agreement with Carrino Plaza Apartments, LLC, a limited liability company organized under the laws of the State of New Jersey having an address at 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502, for the sale of the land owned by the City located at 416-426 Broadway, Newark, New Jersey 07104 and identified on the tax map of the City of Newark as Block 613, Lot 1 in order to make a revision to the Redevelopment Agreement requested by the Department of Housing and Urban Development (the "HUD") as a condition of financing this Project.