



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-1669, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Redevelopment as mixed-use, affordable rental housing

Entity Name: Carrino Plaza Apartments, LLC

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

Sale Amount: \$ 800,000.00

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

Assessed Amount: \$

Appraised Amount: \$

Contract Period: Term of City Loan Thirty (30) 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/Lot 1/North Ward

Additional Information:

Purchase money mortgage in amount of \$720,000.00 is being provided to the Entity.

Redevelopment Agreement includes a \$720,000.00 purchase money mortgage with an interest rate of One (1) % per annum for a term of Thirty (30) years with a single balloon payment at end of term.

No Action Taken 7R3-i 102313

WHEREAS, by Resolution 7RM adopted May 4, 2005, the Municipal Council of the City of Newark (the "Municipal Council") directed the Central Planning Board of the City of Newark (the "Central Planning Board") to undertake an investigation to determine if the City satisfied the statutory criteria of an "area in need of rehabilitation" in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

WHEREAS, the Central Planning Board conducted the requested investigation in accordance with the LRHL, including a public hearing on June 6, 2005, after which hearing the Central Planning Board recommended the designation of the entire City as an area in need of rehabilitation; and

WHEREAS, based upon the recommendation of the Central Planning Board, on June 15, 2005 the Municipal Council adopted Resolution 7RDO (A.S.) June 15, 2005, designating the entire City as an area in need of rehabilitation (as defined by the LRHL), and such designation became effective on June 17, 2005 upon the transmission of the resolution to the New Jersey Department of Community Affairs by the City Clerk; and

WHEREAS, subsequent to the designation of the City as an area in need of rehabilitation, the Municipal Council adopted redevelopment plans for each of the City wards governing the sale and

rehabilitation of City-owned property located within those wards; and

WHEREAS, 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 & Girls Club of Newark, Inc. (the “BGCN”) owns the improvements located on the Land (the “Improvements”) and currently leases the Land from the City pursuant to a lease agreement between the City and BGCN approved by the Municipal Council through Resolution 7RE 110106 (the “ BGCN Lease”); and

WHEREAS, the Land and the Improvements (collectively, the “Property”) is located within the North Ward and is governed by the North Ward Redevelopment Plan (the “Redevelopment Plan”); and

WHEREAS, Carrino Plaza Apartments, LLC has indicated that it is interested in acquiring title to the Property from the City and BGCN in order to construct approximately 60 affordable housing units and approximately 6,500 square feet of retail space and associated parking and amenities (collectively, the “Project”) on the Property; and

WHEREAS, BGCN is willing to sell the Improvements to Carrino Plaza Apartments, LLC and to terminate the BGCN Lease and to relinquish its rights thereunder; and

WHEREAS, the City believes that the Project is consistent with the Redevelopment Plan and is in the best interest of the City and of the North Ward and that it promotes the health, safety, morals and welfare of the City’s residents; and

WHEREAS, the City has also determined that Carrino Plaza Apartments, LLC possesses the proper qualifications, financial resources and capacity to implement and complete the Project; and

WHEREAS, the City wishes to sell the land to Carrino Plaza Apartments, LLC for the purchase price of eight hundred thousand dollars (\$800,000.00) so that Carrino Plaza Apartments, LLC may construct the Project on the Property in accordance with the terms and conditions of the Redevelopment Agreement.

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

1. The Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a Redevelopment Agreement with Carrino Plaza Apartments, LLC, 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502, in the form attached hereto for the sale of the land 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”) to Carrino Plaza Apartments, LLC for a purchase price of eight hundred thousand dollars (\$800,000.00), ten percent (10%) of which shall be payable at closing and the other ninety percent (90%) of which shall be payable upon maturity of a note and mortgage for \$720,000.00 which shall be provided by Carrino Plaza Apartments, LLC to the City (the Lender) at closing.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to sign a deed and any other documents necessary to convey title in the Land to Carrino Plaza Apartments, LLC at closing.

3. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to effectuate certain business terms and conditions related to the Redevelopment Agreement and may enter into subordination agreements, access and right of entry agreements, and other relevant documents in forms approved by the City's Corporation Counsel and approval of the Municipal Council.

4. The Director of Finance is hereby authorized to receive the proceeds of the sale of the Land and to deposit such proceeds as follows: ninety (90) percent of the sales proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7RG110685; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under Ordinance 6PhS&FF 062106 for the purpose of preserving or creating low or moderate income affordable housing.

5. The Redevelopment Agreement and Deed, 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.

6. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes the Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute a Redevelopment Agreement with Carrino Plaza Apartments, LLC, 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 official tax map of the City as Block 613, Lot 1 for a purchase price of Eight Hundred Thousand Dollars (\$800,000.00) so that Carrino Plaza Apartments, LLC may construct approximately 60 affordable housing units and approximately 6,500 square feet of retail space and associated parking and amenities on the property in accordance with the terms and conditions of the Redevelopment Agreement.