



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-1907, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: To construct twenty-four (24) residential units and three (3) retail spaces.

Entity Name: 760 Clinton Ave Shoho, LLC.

Entity Address: 1037 Route 46 East, Suite 101, Clifton, New Jersey 07013

Sale Amount: \$71,344.00

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

Assessed Amount: \$1,018,300.00

Appraised Amount: \$215,000.00

Contract Period: To commence within six (6) months and be completed within two (2) years 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

760-766 Clinton Avenue/3042/1&5/South

Additional Information:

Total Assessed Amount:	\$1,018,300.00
Total Appraised Amount:	\$215,000.00
Demolition Cost Amount:	\$159,000.00
City Demolition Credit:	-\$143,656.00
Total Negotiated Amount:	\$71,344.00
Total Appraised Amount:	\$215,000.00
City Demolition Credit:	-\$143,656.00
Total Purchase Price:	\$71,344.00

WHEREAS, the purpose of this resolution is to approve the sale and rehabilitation of the following City-owned property located in the South Ward of the City of Newark (the "Property"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOTS</u>
760-766 Clinton Avenue	SOUTH	3042	1 & 5

Total Assessed Amount:	\$1,018,300.00
Total Appraised Amount:	\$215,000.00
Demolition Cost Amount:	\$159,000.00
City Demolition Credit:	-\$143,656.00
Total Negotiated Amount:	\$71,344.00; and

WHEREAS, the City has determined that the above-referenced City-owned property (the

“Property”) is no longer needed for any public use and that the redevelopment of the Property will contribute to the reinvigoration of the City; and

WHEREAS, pursuant to N.J.S.A. 40A: 12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, replanning, construction or undertaking of any redevelopment project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City may “convey property without public bidding and 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, on August 17, 2005 the Municipal Council thereafter adopted Ordinance 6S&Fd adopting the “Third Amendment to the South Ward Redevelopment Plan and Feasibility of Relocation for Various City-owned Parcels throughout the entire South Ward” (the “Redevelopment Plan” or “South Ward Redevelopment Plan”), which includes the above-referenced Property respectively; and

WHEREAS, the City received a proposal for the purchase and redevelopment of the Property from 760 Clinton Ave Shoho, LLC, a New Jersey corporation, located at 1037 Route 46 East, Suite 101, Clifton, New Jersey 07013 (the “Redeveloper”); and

WHEREAS, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to construct the Property as twenty-four (24) residential units as well as three (3) retail spaces, which shall include the undertaking of environmental remediation and demolition on the Property (the “Proposal”); and

WHEREAS, based upon the City’s review of the request and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Property and to redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement for the Sale of Land and Redevelopment, the form of which is attached hereto (the “Agreement”), and the South Ward Redevelopment Plan, as amended; and

WHEREAS, the City estimates the value of the Property, without considering the effects of any environmental contamination and/or demolition costs associated with the Property, to be Two Hundred Fifteen Thousand Dollars and Zero Cents (\$215,000.00); and

WHEREAS, the Property currently contains a two (2) story masonry building, a two and one half (2.5) story masonry building, a one and a half (1.5) story garage, as well as black top, junk and debris; and

WHEREAS, the Redeveloper obtained a Demolition Cost Estimate from Chalen, LLC, which estimated that the total costs to (1) remove and dispose of the blacktop, junk and debris and (2) to demolish the two (2) story masonry building, the two and one-half (2.5) story masonry building, the one and one-half (1.5) story garage (“Demolition”) will be approximately One Hundred Fifty-Nine

Thousand Dollars and Zero Cents (\$159,000.00); and

WHEREAS, the City has agreed to partially credit the Redeveloper for Demolition associated with the Property in an amount not to exceed One Hundred Forty-Three Thousand Six Hundred and Fifty-Six Dollars and Zero Cents (\$143,656.00) (“Demolition Credit”); and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City sells the Property to the Redeveloper for the consideration of Seventy-One Thousand Three Hundred Forty-Four Dollars and Zero Cents (\$71,344.00), (“Purchase Price”), for the purpose of redeveloping the Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement and the 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 760 Clinton Ave Shoho, LLC, 1037 Route 46 East, Suite 101, Clifton, New Jersey 07013 (the “Redeveloper”), for the private sale and redevelopment of the following Property, 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>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOTS</u>
760-766 Clinton Avenue	SOUTH	3042	1 & 5

Total Assessed Amount:	\$1,018,300.00
Total Appraised Amount:	\$215,000.00
Demolition Cost Amount:	\$159,000.00
City Demolition Credit:	-\$143,656.00
Total Negotiated Amount:	\$71,344.00

Total Appraised Amount:	\$215,000.00
City Demolition Credit:	<u>-\$143,656.00</u>
Total Purchase Price:	\$71,344.00

2. Said Property shall be sold to the Redeveloper for the purpose of redeveloping the abovementioned Property as twenty-four (24) residential units as well as three (3) retail spaces, which shall include the undertaking of environmental remediation and demolition on the 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 Property and the terms and conditions of the Redevelopment Agreement, subject to the approval of the City of Newark’s Acting 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's Acting 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 of the Property 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 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 6PS&Ff, June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
8. 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 (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.
9. The Redevelopment of the Property shall commence within Six (6) months and shall be completed within two (2) years from the transfer of ownership of the Property by the City to the Redeveloper.
10. 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 Property as may be necessary. Should the Redeveloper fail to diligently pursue and complete the redevelopment of the Property, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Property back to the City, in accordance with the terms and conditions of the Agreement in the deed.

11. 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 Acting Corporation Counsel or its Designee and attested to and acknowledged by the City Clerk.
12. 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.

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 Agreement for the Sale and Redevelopment of Land with 760 Clinton Ave Shoho, LLC, 1037 Route 46 East, Suite 101, Clifton, New Jersey 07103, which provides for the private sale and redevelopment of the following Property, 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 the Land and the South Ward Redevelopment Plan, as amended to construct twenty-four (24) residential units as well as three (3) retail spaces:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOTS</u>
760-766 Clinton Avenue	SOUTH	3042	1 & 5
Total Assessed Amount:		\$1,018,300.00	
Total Appraised Amount:		\$215,000.00	
Demolition Cost Amount:		\$159,000.00	
City Demolition Credit:		-\$143,656.00	
Total Negotiated Amount:		\$71,344.00	
Total Appraised Amount:		\$215,000.00	
City Demolition Credit:		-\$143,656.00	
Total Purchase Price:		\$71,344.00	