



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 15-2012, Version: 1

**Dept/ Agency:** Economic & Housing Development

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

**Type of Service:** Private Sale/Redevelopment

**Purpose:** Redevelop two contiguous vacant land parcels into 3-story townhome style apartments.

**Entity Name:** MCI Construction Services, LLC

**Entity Address:** 136 Tiffany Boulevard, Suite 335, Newark, New Jersey 07104

**Sale Amount:** \$26,720.00

**Cost Basis:** (X) \$4.00 PSF ( ) Negotiated ( ) N/A ( ) Other:

**Assessed Amount:** \$112,200.00

**Appraised Amount:** N/A

**Contract Period:** To be commenced within 3 months and be completed within 18 months from the transfer of ownership by the City.

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions (X) RFP ( ) RFQ

(X) Private Sale ( ) Grant ( ) Sub-recipient ( ) n/a

**List of Property:**

**(Address/Block/Lot/Ward)**

400-402 Avon Avenue/Block 2648/Lot 51/South Ward

404 Avon Avenue/Block 2648/Lot 49/South Ward

**Additional Information:**

6,680.sq. ft. X \$4.00 = \$26,720.00

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment, as may be applicable, of the following City-owned properties located in the South Ward of the City of Newark:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
400-402 Avon Ave.	South	2648	51	33.4X100	3,340.
404 Avon Ave.	South	2648	49	33.4X100	3,340.

Total Square Footage: 6,680.

Total Purchase Price: \$26,720.00 (\$4.00/sq. ft.); and

**WHEREAS**, the City of Newark has determined that the above referenced City-owned properties (the "Properties") are no longer needed for public use; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the redevelopment of the area and is conveying properties 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 7RD-O(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**, the Municipal Council thereafter adopted Ordinance 6S&FD(S) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the South Ward, which includes the above-referenced Properties; and

**WHEREAS**, the City received a proposal/letter of intent for the purchase and redevelopment of the Properties from MCI Construction Services, LLC, 136 Tiffany Boulevard., Suite 335, Newark, New Jersey 07104 (the “Redeveloper”), to develop 3 story townhome style apartments; and

**WHEREAS**, based upon the City’s review of the proposal/letter of intent and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Properties and to redevelop and/or rehabilitate it 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**, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell the Properties to MCI Construction Services, LLC, for the consideration of Twenty-Six thousand, Seven Hundred Twenty Dollars and No Cents (\$26,720.00) for the purpose of redeveloping and/or rehabilitating said properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South Ward 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 Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale of Land and Redevelopment attached hereto (the “Agreement”) with MCI Construction Services, LLC, having its address at 136 Tiffany Blvd., Suite 335, Newark, New Jersey 07104 for the private sale and redevelopment of the following Properties, 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>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
400-402 Avon Ave.	South	2648	51	33.4X100	3,340.
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Total Square Footage: 6,680.

Total Purchase Price: \$26,720.00 (\$4.00/sq. ft.); and

2. Said properties shall be sold to MCI Construction Services, LLC, by private sale for the purpose of developing 3 story townhome style apartments, and all deeds shall contain resale and/or use restrictions for a period of not less than ten (10) years.
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 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 Properties and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark Corporation Counsel.
4. The Deputy Mayor/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 Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark Corporation Counsel.
5. The Redeveloper shall be designated as the exclusive redeveloper of the Properties and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Properties 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 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 Deputy Mayor/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 (90) percent of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7RG dated November 6, 1985; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PhS&FF dated June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
8. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale of Land and Redevelopment, the Quitclaim Deed, and all such other executed agreements authorized by this resolution on file in the Office of the City Clerk.
9. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, dated April 5, 1995; the City of Newark's Affirmative Action Plan 7RB-P, dated 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 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 30% of all contractors, subcontractors and suppliers shall be Newark-based companies.

10. The redevelopment and/or rehabilitation of the Properties shall be commenced within three (3) months and be completed within eighteen (18) months from the transfer of ownership of the Properties by the City to the Redeveloper.
11. 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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment and/or rehabilitation of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed.
12. The Deputy Mayor/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 Corporation Counsel and attested to and acknowledged by the City Clerk.

### STATEMENT

This Resolution authorizes the Mayor and/or his designee and the Deputy Mayor/Director of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with MCI Construction Services, LLC, 136 Tiffany Boulevard., Suite 335, Newark, New Jersey 07104 for the private sale and redevelopment of the following Properties, 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 of Land and Redevelopment and the South Ward Redevelopment Plan, as amended:

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