



Legislation Text

File #: 15-1266, Version: 1

ORDINANCE OF THE CITY OF NEWARK AUTHORIZING THE ACQUISITION BY PURCHASE OR CONDEMNATION OF 168-188 BLANCHARD STREET, NEWARK, NEW JERSEY, COMMONLY KNOWN AS BLOCK 5001, LOTS 48 AND 49, ON THE OFFICIAL TAX MAP AND TAX DUPLICATES OF THE CITY (“THE PROPERTY”), NOW OR FORMERLY OWNED BY B & B BLANCHARD, LLP, IN THE AMOUNT OF \$1,500,000 OR AS MODIFIED; THE APPROVAL OF THE APPRAISAL OF THE PROPERTY PREPARED BY THE FIRM OF LASSER SUSSMAN ASSOCIATES; THE ACCEPTANCE OF THE DEPOSIT OF ACQUISITION FUNDS BY THE REDEVELOPER; AND AN AGREEMENT BETWEEN THE CITY AND REDEVELOPER GOVERNING THE RECEIPT AND EXPENDITURE OF SAID DEPOSITED FUNDS. (EAST WARD)

WHEREAS, in accordance with N.J.S.A. 40A:12-5(a)(1) “any municipality, by ordinance, may provide for the acquisition of any real property, capital improvement, or personal property: (1) by purchase, gift, devise, lease, exchange, or condemnation;” and

WHEREAS, on December 17, 2008, by Resolution No. 7R3-D, the City of Newark (“City”) Municipal Council authorized the Planning Board to undertake a preliminary investigation to determine whether Block 5001, Lots 93, 50, 50.01, 49, 48, 46, 42, and 40; and Block 2438, Lots 74, 76, 78, 82, 84, 85, and 92 (the “Blanchard Street Redevelopment Area”) (Collectively referred to as the “Study Area”) should remain designated as in need of redevelopment; and

WHEREAS, on May 2, 2011, the City’s Central Planning Board adopted a resolution that recommended to the City’s Municipal Council the Designation of the Study Area as an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law (“LRHL”), N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, by Resolution No. 7R3-B, adopted on August 3, 2011, the City’s Municipal Council determined that the Study Area qualified as an “area in need of redevelopment” under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, the Blanchard Street Redevelopment Area is subject to the 13th Amendment to the Urban Renewal Plan Industrial River Project (“Redevelopment Plan”), which was adopted on September 21, 2005 by the City’s Municipal Council through Ordinance No. 6S&FD; and

WHEREAS, on March 15, 2006 the City’s Municipal Council, through Resolution 7RG, designated Morris Fairmount Associates, LLC, 350 Veterans Boulevard, Rutherford, New Jersey 07070, now known as Morris Fairmount Associates Urban Renewal, LLC (“Redeveloper”) as the redeveloper for the Blanchard Street Redevelopment Area and authorized the City to enter into a Redevelopment Agreement with the Redeveloper, which was fully executed by all of the parties on April 11, 2006 (“Redevelopment Agreement”); and

WHEREAS, Section 8.1 of the Redevelopment Agreement provides, among other things, that the “Redeveloper shall be required to make good-faith efforts to acquire properties within the Project Area through private negotiations with the individual property owners. If the Redeveloper is unable to acquire the property(s) through private negotiations, Redeveloper shall notify the City in writing and the City shall expeditiously commence the necessary actions to acquire said property(s) pursuant to Eminent Domain under State Law and this Agreement;” and

WHEREAS, pursuant to the Redevelopment Agreement, the Redeveloper engaged in efforts to acquire 168-188 Blanchard Street, Newark, New Jersey, commonly known as Block 5001, Lots 48 and 49 on the Official Tax Map and Tax Duplicates of the City, (the “Property”), but was unsuccessful in doing so, and therefore, the Redeveloper notified the City in writing to pursue acquisition of the Property in accordance with the Redevelopment Agreement and the Redevelopment Plan; and

WHEREAS, Section 8.4 of the Redevelopment Agreement provides, among other things, that “[f]ollowing the City’s authorization to proceed with the condemnation action of each parcel of property or property of interest that is subject of the Condemnation Notice but prior to the City commencing condemnation proceedings to acquire the relevant parcel(s) of property or property interest, the Redeveloper shall deposit with the City an amount as per the following formula: one hundred and twenty (120%) percent of the Offer Price;” and

WHEREAS, Section 8.5 of the Redevelopment Agreement provides, among other things, that the “Redeveloper, as part of its obligations herein, shall be responsible to pay all reasonable costs and fees incurred by the City in acquiring properties in the Project Area through Eminent Domain, including but not limited to: (a) Condemnation Award; (b) all cost and fees incurred, including the cost of professional fees, expert fees, inspections, appraisals, court deposits and the like; (c) all costs and fees for relocation assistance paid to the residents or businesses displaced by the Project in accordance with the WRAP”; and

WHEREAS, in accordance with Section 8.6 of the Redevelopment Agreement, the Redeveloper deposited an initial escrow (“Acquisition Escrow”) of \$50,000.00 to pay for costs associated with implementing the Redevelopment Plan including cost of acquisition, appraisals, and professional fees and agreed to replenish the Acquisition Escrow to the full amount of \$50,000.00 if it was reduced to an amount of \$10,000.00 or less; and

WHEREAS, Lasser Sussman Associates, 469 Morris Avenue, Summit, New Jersey 07901, who was retained by the City, determined the value of the Property to be \$1,500,000.00 as more fully set forth in the Appraisal entitled “Summary Appraisal Report, Industrial Buildings, 168-188 Blanchard Street, Block 5001, Lots 48 and 49, City of Newark, Essex County, New Jersey,” dated May 12, 2015, which is attached hereto and made a part of this Ordinance; and

WHEREAS, the Municipal Council wishes to authorize the Mayor and/or the Deputy Mayor/Director of the Department of Economic and Housing Development to negotiate for the acquisition of the Property in an amount up to 120% of the appraised value of the property or such greater amount in the event that such greater amount has been deposited by the Redeveloper pursuant to Section 2 of this Ordinance, along with the Redeveloper’s unconditional written authorization to use such funds for the acquisition, and if negotiated purchase cannot be effectuated, to initiate eminent domain actions to acquire title to the Property under the Eminent Domain Act of

1971, N.J.S.A. 20:3-1 et seq. so long as all legal prerequisites for eminent domain are satisfied and to thereafter prosecute such eminent domain actions to completion and to arrange for the City to satisfy any judgments entered in such eminent domain proceedings.

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

Section 1. The appraisal of the Property (168-188 Blanchard Street, Newark, New Jersey; Block 5001, Lots 48 and 49), now or formerly owned by 146-148 Broad Const. & Renewal Inc. a/k/a the "Morales Property" prepared June 8, 2015 by the firm of Lasser Sussman Associates, 469 Morris Avenue, Summit, New Jersey 07901, on behalf of the City is hereby accepted and approved in its entirety, including but not limited to the appraised value of \$1,500,000.00.

Section 2. After the effective date of this Ordinance, Morris Fairmount Associates, LLC, 350 Veterans Boulevard, Rutherford, New Jersey 07070, now known as Morris Fairmount Associates, Urban Renewal, LLC (the "Redeveloper") shall deposit not less than one hundred and twenty (120%) percent of the appraised value with the City, pursuant to the terms of the Redevelopment Agreement authorized by Resolution 7RG 051506 and the City is authorized to accept the funds for the purposes set forth herein.

Section 3. Upon notification of receipt of funds from the Redeveloper in connection with this Ordinance, the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to enter into an execute documents with the Redeveloper that governs receipt and expenditure of the above-referenced deposited funds to effectuate the purpose of this Ordinance.

Section 4. Upon the receipt of the above-referenced funds from the Redeveloper in connection with this Ordinance, the Deputy Mayor/ Director of the Department of Economic and Housing Development shall submit a complete copy of the agreement(s) with the Redeveloper and any associated documents as well as a copy of the Certification of Funds to both the Corporation Counsel and the Business Administrator for review, approval, and signature.

Section 5. Provided that sufficient funds have been deposited by the Redeveloper and that the Redeveloper has provided unconditional written authorization to use such funds for the acquisition, the Mayor and/or his designee, the Deputy Mayor/ Director of the Department of Economic and Housing Development, are hereby authorized to negotiate for the acquisition by purchase and condemnation of 168-188 Blanchard Street, Newark, New Jersey, commonly known as Block 5001, Lots 48 and 49, on the Official Tax Map and Tax Duplicates of the City, (the "Property") in the amount for the purpose of reversing conditions of deterioration within the Redevelopment Area and promoting the advancement of community interests in accordance with N.J.S.A. 40A:12A-1 et seq.

Section 6. The Mayor and/or his designee, the Deputy Mayor/ Director of the Department of Economic and Housing Development are hereby authorized to execute any and all agreements and other legal documents necessary to accomplish the acquisition of the

Property, including but not limited to a written offer for the purchase of the aforementioned property, land sale contracts and deeds for the sale of the Property and Verified Complaints, Declarations of Taking, and any other necessary documents for eminent domain proceedings for the Property in accordance with the Eminent Domain Act of 1971, N.J.S.A. 20:3-1 et seq.

Section 7. No funds shall be expended by the City to effectuate the purpose of this Ordinance until the Acting Director of Finance approves a Certification of Funds.

Section 8. A copy of the Ordinance, any agreements authorized herein and the Certification of Funds shall be placed on file with the City Clerk's Office by the Deputy Mayor/Director of the Department of Economic and Housing Development.

Section 9. If any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged by the courts to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause or provisions so adjudicated, and the remainder of the Ordinance shall be deemed valid and effective.

Section 10. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes the acquisition by purchase or condemnation of 168-188 Blanchard Street, Newark, New Jersey, commonly known as Block 5001, Lots 48 and 49, on the Official Tax Map and Tax Duplicates of the City ("the Property"); and the approval of the appraisal of the Property prepared by the firm of Lasser Sussman Associates; the acceptance of the deposit of acquisition funds by Morris Fairmount Associates, LLC, 350 Veterans Boulevard, Rutherford, New Jersey 07070, now known as Morris Fairmount Associates, Urban Renewal, LLC (the "Redeveloper"); and an agreement between the City and Redeveloper governing the receipt and expenditure of said deposited funds. (East Ward)