



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 14-1046, Version: 2

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

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

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

**Purpose:** 5<sup>th</sup> Amendment to RDA

**Entity Name:** RBH-TRB 17 William, LLC, RBH-TRB Broad Mezz Urban Renewal Entity, LLC and Teachers Village Project B Urban Renewal Entity, LLC

**Entity Address:** c/o RBH Group, 89 Market St., 8<sup>th</sup> Floor, Newark, NJ 07102

**Sale Amount:** \$N/A

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

**Assessed Amount:** \$ N/A

**Appraised Amount:** \$N/A

**Contract Period:** December 31, 2015

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

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

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

**List of Property:**

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

17-19 William Street (Block 57, Lot 1) and 238-242 Halsey Street (Block 57, Lot 9) - Central Ward

**Additional Information:**

Original Agreement for Redevelopment of Land was authorized by Resolution 7R3K, adopted November 7, 2007

**WHEREAS**, on November 7, 2007 the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7R3K authorizing the Deputy Mayor/Acting Director of the Department of Economic and Housing Development to execute a settlement agreement with Jersey Investments, LLC to, among other things, release Jersey Investments, LLC from any further obligation to redevelop certain property formerly owned by the City located at 17-19 William Street (Block 57, Lot 1) and 238-242 Halsey Street (Block 57, Lot 9) (collectively, the "Property") and to enter into an agreement with RBH Group Partners XII, LP ("RBH") for the transfer and redevelopment of the Property; and

**WHEREAS**, pursuant to the Resolution 7R3K 110707, the City entered into an Agreement for Redevelopment of Land with RBH on November 9, 2007 for the redevelopment of the Property (the "Agreement"); and

**WHEREAS**, the Agreement authorized the Deputy Mayor/Acting Director of the Department of Economic and Housing Development (the "Director") to enter into a redevelopment agreement consistent with the terms of the Settlement Agreement; and

**WHEREAS**, on May 16, 2008, the City (through the Deputy Mayor/ Director of Economic and

Housing Development) and RBH entered into a First Amendment to Agreement for Redevelopment of Land (the "First Amendment") amending the Agreement in order to, among other things, require that RBH commence demolition of the structure on the Property within 90 days of RBH's receipt of consent for such demolition from the Newark Landmarks and Historic Preservation Commission (the "Commission"); and

**WHEREAS**, at that time the Commission did not consent to the demolition of the structure on the Property and, instead, RBH determined that it would be able to redevelop the Property through rehabilitating the existing structure on the Property; and

**WHEREAS**, due to this change in the scope of the redevelopment project, in or about April 2010 the City (through the Deputy Mayor/Director of Economic and Housing Development), RBH and RBH-TRB 17 William, LLC, an entity under common management as RBH) ("RBH-TRB"), entered into a Second Amendment to Agreement for Redevelopment of Land (the "Second Amendment") amending the Agreement, as theretofore amended, in order to, among other things, extend the time period for commencement of construction to September 30, 2010, to memorialize the City's consent of the assignment of the Property and of the obligations under the Agreement from RBH to RBH-TRB, to confirm that RBH-TRB shall redevelop the Property through rehabilitation of the existing structure, and to replace the first source employment and pass through language (requiring the inclusion of certain first source employment requirements in leases) with updated language required by the City; and

**WHEREAS**, on September 30, 2010, the City (through the Deputy Mayor of Economic and Housing Development) and RBH-TRB entered into a Third Amendment to Agreement for Redevelopment of Land (the "Third Amendment") amending the Agreement, as theretofore amended, in order to, among other things, extend the time period for commencement of construction until March 1, 2011 and to add additional pass through language required by the City; and

**WHEREAS**, on July 13, 2011, the City (through the Deputy Mayor/ Director of Economic and Housing Development) and RBH-TRB entered into a Fourth Amendment to the Agreement for Redevelopment of Land (the "Fourth Amendment") amending the Agreement, as theretofore amended, in order to, among other things, extend the time period for commencement of construction until March 1, 2012; and

**WHEREAS**, RBH-TRB, together with other entities under common management with it, has continued with its good faith and diligent efforts to obtain approvals, complete environmental remediation, and financing of its redevelopment project relating to its Teachers Village Project, which includes redevelopment of the Property; and

**WHEREAS**, on December 10, 2010, the Municipal Council of the City adopted Ordinance 6SF -A (S) 121410 (the "Ordinance"), authorizing the execution and delivery of a financial agreement with Newark Teachers Village Urban Renewal, L.L.C., an entity under common management with RBH-TRB (the "Initial URE") to implement a mixed-use rental residential, retail and school project (the "Project") consisting of (i) a "Charter School Component" to be undertaken by an affiliate of the Initial URE, RBH-TRB East Mezz Urban Renewal Entity, LLC (the "Charter School Successor URE"), (ii) a "Workforce A Component" to be undertaken by an affiliate of the Initial URE, RBH-TRB West I Mezz Urban Renewal Entity, LLC (the "Workforce A Successor URE") and (iii) a "Workforce B Component" to be undertaken by an affiliate of the Initial URE, RBH-TRB 905/909 Broad Mezz Urban Renewal

Entity, LLC (the “Workforce B Successor URE”); and

**WHEREAS**, on February 3, 2012, the City and the Initial URE entered into a Financial Agreement pursuant to the Ordinance (the “Financial Agreement”); and

**WHEREAS**, pursuant to the Financial Agreement, a portion of the Property consisting of Block 57, Lot 9 (the “Charter School Lot”) was allocated to the Charter School Component, and said Charter School Lot has since been conveyed by or on behalf of RBH-TRB to the Charter School Successor URE; and

**WHEREAS**, construction of the Charter School Component has been substantially completed by Teachers Village School QALICB Urban Renewal, L.L.C., the permitted lessee from the Charter School Successor URE; and

**WHEREAS**, pursuant to the Financial Agreement, a portion of the Property consisting of Block 57, Lot 1 (the “Workforce B Lot”) was allocated to the Workforce B Component, and said Workforce B Lot has since been conveyed by or on behalf of RBH-TRB to the Workforce B Successor URE; and

**WHEREAS**, the Workforce B Successor URE has represented that, due to further reassessment of the suitability of the existing structure on the Workforce B Lot for the original rehabilitation design, it has concluded that the existing building structure needs to be demolished in part (while preserving and rehabilitating certain exterior elements of the first floor), and has obtained consent for up to the full demolition of said structure from the Commission; and

**WHEREAS**, due to the change in the design of the Workforce B Component, it is necessary to further amend the Agreement, as heretofore amended, in order to permit the partial demolition and rehabilitation of the structure on the Workforce B Lot and modify the time deadlines contained in the Agreement, as heretofore amended; and

**WHEREAS**, the Workforce B Successor URE has further represented that, due to the financing of the Workforce B Component via a New Markets Tax Credit transaction, it needs to create a condominium structure whereby the Workforce B Successor URE will own the residential condominium consisting of approximately 33,775 square feet of the residential space comprising 39 residential units (the “Residential Condo”) and a related entity, Teachers Village Project B Urban Renewal Entity, LLC (the “Project B QALICB”), will own approximately 48,371 square feet of the residential, retail and community space including 42 residential units (the “Commercial Condo”); and

**WHEREAS**, the City, the Initial URE and the Workforce B Successor URE are entering into a First Amendment to the Financial Agreement (the “First Amendment to Financial Agreement”), amending the Financial Agreement to, among other things, provide for the above-referenced condominium structure for the Workforce B Component; and

**WHEREAS**, the City now desires to recognize the Workforce B Successor URE and the Project B QALICB as the successor entities bound by the continuing obligations of RBH-TRB under the Agreement, as amended, in respect of the Workforce B Lot; and

**WHEREAS**, the City has determined that there is good cause for the modifications to the time deadlines and ownership structure as aforesaid and that it is appropriate for the City to ratify and/or

consent to the above-referenced partial transfers of the Property;

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

1. The Fifth Amendment to Agreement for Redevelopment of Land (the "Fifth Amendment"), in the form presented to this meeting, is hereby approved. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development of the City, are hereby ratified and authorized to enter into and execute the Amendment with RBH-TRB, the Workforce B Successor URE and the Project B QALICB in the form attached hereto.
2. The Director of the Department of Economic and Housing Development is further authorized to enter into those required documents which may be necessary in order to effectuate the terms of the Fifth Amended Redevelopment Agreement, subject to the approval of the Corporation Counsel. In no way is this intended to mean that the Director of the Department of Economic and Housing Development is authorized to make any further changes or amendments to the redevelopment agreement, as amended herein. Any further changes to the redevelopment agreement, as amended herein, shall be in writing and approved by the City of Newark Municipal Council.
3. The executed Fifth Amendment shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development
4. This resolution shall take effect immediately.

**STATEMENT**

This Resolution ratifies and authorized the Mayor and/or his designee, the Director of the Department of Economic and Housing Development, to enter into and execute a Fifth Amendment to the Agreement for the Redevelopment of Land (the "Fifth Amendment") with RBH-TRB 17 William, LLC, RBH-TRB Broad Mezz Urban Renewal Entity, LLC and Teachers Village Project B Urban Renewal Entity, LLC (collectively, the "Redevelopers"), amending certain provisions of an Agreement for Redevelopment of Land, dated November 9, 2007, as heretofore amended (the "Agreement"). The Agreement provided for the sale by the City of certain property located at 17-19 William Street (Block 57, Lot 1) and 238-242 Halsey Street (Block 57, Lot 9) (collectively, the "Property"), which constitute a portion of the sites on which the Redevelopers are undertaking a mixed-use rental residential, retail and school project known generally as "Teachers Village". The Fifth Amendment ratifies and consents to certain transfers of the Property, extends certain time deadlines and authorizes a condominium structure for the "Workforce B Component" of the redevelopment project.