



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-0024, Version: 2

Dept/ Agency: Economic & Housing Development

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

Type of Service: Loan Agreement

Purpose: Construction of twenty four Emerging Market Condominium units

Entity Name: Mid-Atlantic Investment Alliance, LLC

Entity Address: 11 Florence Place, West Orange, New Jersey 07052

Grant Amount: \$300,000.00

Funding Source: Newark Economic Development Corporation

Contract Period: April 1, 2012 through December 31, 2014

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: (If applicable)

(Address/Block/Lot/Ward)

31 Brunswick Street (aka Block 2826, Lot 37), East Ward

33 Brunswick Street, (aka Block 2826, Lot 38), East Ward

27 Brunswick Street (aka Block 2826, Lot 35), East Ward

90-96 Clinton Avenue (aka Block 2826, Lot 3), East Ward

29 Brunswick Street (aka Block 2826, Lot 36), East Ward

N/A

WHEREAS, Mid-Atlantic Investment Alliance, LLC (the "Entity"), having its principal place of business at 11 Florence Place, West Orange, New Jersey 07052, intends to develop and construct a project known as the Lofts at Lincoln Park (the "Project") on certain parcels of real property located at 31 Brunswick Street (aka Block 2826, Lot 37), 33 Brunswick Street, (aka Block 2826, Lot 38), 27 Brunswick Street (aka Block 2826, Lot 35), 90-96 Clinton Avenue (aka Block 2826, Lot 3), and 29 Brunswick Street (aka Block 2826, Lot 36) in the (E.W- East Ward). The project will consist of twenty-four (24) for sale "Emerging Market" Condominium Units; and

WHEREAS, the entity has applied for funding for the Project from the New Jersey Housing and Mortgage Finance Agency under its Choices in Home Ownership Incentives Created for Everyone (CHOICE) Program; and

WHEREAS, the Entity has applied to the City for a forgivable loan in the amount of Three Hundred Thousand Dollars (\$300,000.00) (the "Loan") as additional funding necessary to complete construction of the Project; and

WHEREAS, the City of Newark has determined that it is in the best interest to provide such funding to the Entity in furtherance of the City's redevelopment efforts, provided that the Entity obtain

a firm commitment for the funds under the CHOICE program; and

WHEREAS, accordingly, the City of Newark desires to enter into a Loan Agreement (“Loan Agreement”) with the Entity to memorialize the terms of the Loan and desires to accept a promissory note; and

WHEREAS, the Loan Agreement will provide that the City’s obligation to fund the loan is expressly contingent upon the Entity’s closing of the CHOICE Program loan; and

WHEREAS, the Loan is to be funded under the budget line appropriation 026-38880 (NEDC); and

WHEREAS, this contract is being awarded pursuant to the non-fair and open procedures of the State Pay-to-Play Law, N.J.S.A 19:44A-20.5.

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a loan agreement on behalf of the City of Newark with Mid-Atlantic Investment Alliance, LLC, 11 Florence Place, West Orange, New Jersey 07052 (the “Entity”), to provide \$300,000.00 in funding for the Project which funds will come from the following source:

<u>Business Unit</u>	<u>Department</u>	<u>Account #</u>	<u>Budget REF.:</u>
NW026	BS	38880	B2011

for the period commencing April 1, 2012 through December 31, 2014. Upon completion of the project, the loan will be forgiven.

2. The contract is being awarded pursuant to the non-fair and open procedures of the State Pay-to-Play Law, N.J.S.A 19:44A20-5, and is in compliance with Newark Executive Order MEO-07-0001 effective March 31, 2007.

3. The Entity must remain in compliance with Municipal, State and Federal laws including, but not limited to the City of Newark’s Minority Set-Aside Ordinance (6S&FD 040595) and its Affirmative Action Plan (7RBP 030195) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services. The Entity has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.

4. The additional program funds in the amount of Three Hundred Thousand Dollars (\$300,000.00) are only being made available for the purpose of applying for and receiving 2011 Choices in Home Ownership Incentives Created for Everyone program funds through the New Jersey Housing and Mortgage Finance Agency, and should the developer not receive a 2011 CHOICE award from NJHMFA, the additional program funds will be rescinded and no

additional program funds will be available to the Project.

5. 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 Agreement annexed hereto and may enter into subordination agreements, access and right of entry agreements, mortgages and other relevant documents related to this fund allocation in a form subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions of the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.
6. An executed copy of said contract shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.
7. Attached hereto is a certification from the Municipal Comptroller of the City of Newark which states (1) that there are sufficient funds for the purpose set forth hereinabove and (2) that the line appropriation of the official budget which shall be charged is as follows:

<u>Business Unit</u>	<u>Department</u>	<u>Account #</u>	<u>Budget REF.</u>
NW026	BS	38880	B2011

STATEMENT

Passage of this resolution will permit the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Loan Agreement with Mid-Atlantic Investment Alliance, LLC, 11 Florence Place, West Orange, New Jersey 07052, to provide funding in order to construct twenty-four (24) for sale Emerging Market Condominium units for sale in the Lofts at Lincoln Park Project, in the amount of Three Hundred Thousand Dollars (\$300,000.00), for the period commencing April 1, 2012 through December 31, 2014.