



Legislation Text

File #: 24-0291, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: First Amendment to Master Redevelopment Agreement with RPM Development, LLC and Urban League of Essex County Opportunity Corporation for various properties located within the Fairmount Commons Redevelopment Plan Area.

Entity Name: RPM Development, LLC and Urban League of Essex County Opportunity Corporation, jointly the Redevelopers

Entity Address:

RPM Development, LLC, 77 Park Street, Montclair, New Jersey 07042; and Urban League of Essex County Opportunity Corporation, 508 Central Avenue, Newark, New Jersey 07107

Sale Amount: \$314,747.92

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

Assessed Amount: \$0.00

Appraised Amount: \$0.00

Contract Period: Project Schedule attached hereto as Exhibit C

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)

331-335 South 11th Street/Block 1784/Lot 6/West Ward

339-341 South 11th Street/Block 1784/Lot 10/West Ward

343 South 11th Street/Block 1784/Lot 11/West Ward

345 South 11th Street/Block 1784/Lot 13/West Ward

347 South 11th Street/Block 1784/Lot 14/West Ward

349 South 11th Street/Block 1784/Lot 15/West Ward

351 South 11th Street/Block 1784/Lot 16/West Ward

353 South 11th Street/Block 1784/Lot 17/West Ward;

381-395 South Orange Avenue/Block 1784/Lot 35/West Ward

354 South 12th Street/Block 1784/Lot 55/West Ward

350-352 South 12th Street/Block 1784/Lot 57/West Ward

348 South 12th Street/Block 1784/Lot 58/West Ward

346 South 12th Street/Block 1784/Lot 59/West Ward

342-344 South 12th Street/Block 1784/Lot 61/West Ward

340 South 12th Street/Block 1784/Lot 62/West Ward

338 South 12th Street/Block 1784/Lot 63/West Ward

336 South 12th Street/Block 1784/ Lot 64/West Ward

334 South 12th Street/Block 1784/Lot 65/West Ward

332 South 12th Street/Block 1784/Lot 66/West Ward

330 South 12th Street/Block 1784/Lot 67/West Ward

343-345 South 12th Street/Block 1785/Lot 11, Add'l Lot 12/West Ward
347 South 12th Street; Block 1785, Lot 13/West Ward
349 South 12th Street; Block 1785, Lot 14/West Ward
351 South 12th Street; Block 1785, Lot 15/West Ward
353 South 12th Street; Block 1785, Lot 16/West Ward
355 South 12th Street; Block 1785, Lot 17/West Ward
357-359 South 12th Street; Block 1785, Lot 18/West Ward
361 South 12th Street/Block 1785/Lot 20/West Ward
363 South 12th Street/Block 1785/ Lot 21/West Ward
365 South 12th Street/Block 1785/Lot 22/West Ward
367 South 12th Street/Block 1785/Lot 23/West Ward
369 South 12th Street/Block 1785/Lot 24/West Ward
371-373 South 12th Street/Block 1785/Lot 64/West Ward

Additional Information:

Total Price: Square Footage X PSF =

Sites A and A1 (27,589 SF) sold at \$4.00 PSF (\$110,356.00)

Sites B and C (102,196.46 SF) sold at \$2.00 PSF (\$204,392.92)

All Sites (129,785 SF) = \$314,747.92

Sale at prices set forth in Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

WHEREAS, on March 23, 2017, pursuant to Ordinance 6PSF-c adopted on January 5, 2017, the New Jersey Schools Development Authority (the “**NJSDA**”) and the City of Newark (the “**City**”) entered into an Agreement for Conveyance of Real Property (the “**Agreement of Sale**”) whereby the City agreed to purchase various properties from the NJSDA subject to certain conditions imposed by the NJSDA that survive the closing of title; and

WHEREAS, on July 6, 2017, a Deed was executed between the NJSDA and the City and recorded within the Essex County Register of Deeds as Instrument No. 2017064424 on July 25, 2017; and

WHEREAS, on February 21, 2018, pursuant to Ordinance 6PSF-g, the City and the NJSDA entered into a First Amendment of the Agreement of Sale (the “**First Amendment**”) to revise some of the NJSDA’s timelines; and

WHEREAS, the City, acting through the Municipal Council, pursuant to and in accordance with the requirements of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “**Redevelopment Law**”), may contract with redevelopers for the planning, re-planning, construction, or undertaking of any project or redevelopment work; and

WHEREAS, on November 12, 2019, pursuant to Resolution 7R2-a(s), the Municipal Council of the City designated certain areas of Blocks 1784 and 1785 as an area in need of redevelopment for condemnation purposes; and

WHEREAS, on September 2, 2020, pursuant to Ordinance No. 6PSF-b, the Municipal Council of the City adopted the Fairmount Commons Redevelopment Plan (“**Redevelopment Plan**”); and

WHEREAS, on August 19, 2021, pursuant to Resolution 7R2-i (s), the Municipal Council designated RPM Development, LLC (“**RPM**”) and the Urban League of Essex County Opportunity Corporation (“**ULEC**”) as the designated redevelopers (collectively, the “**Redeveloper**”) of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C), as shown on the official tax map of the City (collectively, the “**Properties**”) within the Redevelopment Plan area; and

WHEREAS, on April 6, 2022, pursuant to Resolution 7R2-c, the NJSDA and the City entered into a Second Amendment to the Agreement of Sale (the “**Second Amendment**”) under which the parties agreed to the extension of certain deadlines to allow for the redevelopment of the Properties; and

WHEREAS, on June 22, 2022, an Amended Deed was executed between the NJSDA and the City and recorded within the Essex County Register of Deeds as Instrument No. 2022063639 on July 6, 2022; and

WHEREAS, it was recently determined that some of the NJSDA’s remaining interests in the Properties and timelines for the completion of the Project adversely affect the Redeveloper’s ability to secure the necessary financing for the Project; and

WHEREAS, the City requested a Third Amendment to the Agreement of Sale (the “**Third Amendment**”), which was authorized by the NJSDA on December 6, 2023, that will enable the Redeveloper to close on its financing for the Project; and

WHEREAS, on _____, 2024, pursuant to Ordinance No. _____ adopted on _____, 2024, the Municipal Council authorized the City’s entry into the Third Amendment to the Agreement of Sale and the NJSDA delivered to the City a Second Amended Deed dated _____, 2024 (the “**Second Amended Deed**”); and

WHEREAS, due to the adoption of the Third Amendment to the Agreement of Sale and Second Amended Deed, the Master Redevelopment Agreement must be amended to account for the extension of certain milestones and newly adopted conditions pertaining to the construction of the early childhood education center as part of Phase 1 of the Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8 and N.J.S.A. 40A:12A-9 of the Redevelopment Law, the City has negotiated a First Amendment to the Master Redevelopment Agreement with the Redeveloper for the Project to proceed

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

1. The terms and conditions contained in the First Amendment to the Master Redevelopment Agreement by and between the City and the Redeveloper, as the designated redeveloper of the Properties located within the Fairmount Commons Redevelopment Plan area consisting of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C), are hereby accepted and approved.

2. The Mayor, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to execute the First Amendment to the Master Redevelopment Agreement, substantially in the form attached hereto and made part hereof, upon adoption of this Resolution by the Municipal Council.

3. The Mayor, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the fully executed First Amendment to the Master Redevelopment Agreement authorized by this Resolution on file in the Office of the City Clerk.

4. This Resolution shall only repeal or replace the portions of Resolution No. 7R2-i(s) adopted on August 19, 2021, which are inconsistent with the provisions of this Resolution only to the extent of any such inconsistency.

5. This Resolution shall become effective immediately pursuant to law.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a First Amendment to the Master Redevelopment Agreement with RPM Development, LLC ("RPM"), 77 Park Street, Montclair, New Jersey 07042, and Urban League of Essex County Opportunity Corporation ("ULEC"), 508 Central Avenue, Newark, New Jersey 07107, for the private sale and redevelopment of the Properties consisting of Block 1784, Lot 35 (Site A), Block 1784, Lots 6-8 (Site A1), Block 1784, Lots 10-11, 13-17, 55, 57-59, and 61-67 (Site B), and Block 1785, Lots 11-18, 20-24 and 64 (Site C) in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached First Amendment to the Master Redevelopment Agreement and the Fairmount Commons Redevelopment Plan.