



Legislation Text

File #: 23-1640, Version: 1

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

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

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

**Purpose:** First Amendment to the Agreement for the Sale of Land and Redevelopment to The Washington Bay Group I, LLC to amend the scope of the Project.

**Entity Name:** The Washington Bay Group I, LLC

**Entity Address:** Newark, New Jersey 07108

**Sale Amount:** \$57,200.00

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

**Assessed Amount:** \$158,400.00

**Appraised Amount:** \$0.00

**Contract Period:** To commence within three (3) months and be completed within twelve (12) months from the transfer of ownership by the City

**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)**

719 South 11<sup>th</sup> Street/Block 2631/Lot 5/South Ward

721 South 11<sup>th</sup> Street/Block 2631/Lot 6/South Ward

725 South 11<sup>th</sup> Street/Block 2631/Lot 7/South Ward

716-718 South 12<sup>th</sup> Street/Block 2631/Lot 46/South Ward

723 South 11<sup>th</sup> Street/Block 2631/Lot 53/South Ward

**Additional Information:**

Resolution 7R2-a adopted on July 12, 2017 authorized the Private Sale/Redevelopment Agreement.

This Resolution authorizes a First Amendment to the Agreement for the Sale of Land and Redevelopment to amend the scope of the Project.

**No Action Taken 7R2-e 111323**

**WHEREAS**, on July 12, 2017, the Newark Municipal Council adopted Resolution 7R2-a (the "Original Resolution"), which authorized the sale of the following City-owned property (the "Property") to The Washington Bay Group I, LLC, 811 Clinton Avenue, Newark, New Jersey 07108 ("Redeveloper"), pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., located within the South Ward, no longer needed for public use, in accordance with the Third Amendment to the South Ward Redevelopment Plan, adopted by Ordinance 6S&Fd(S) on August 17, 2005, as amended, which governs the redevelopment of City-owned property located in the South Ward, in the amount of Fifty-Seven Thousand Two Hundred Dollars and Zero Cents (\$57,200.00):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
----------------	-------------	--------------	------------	-------------	-----------------

---

719 South 11 <sup>th</sup> Street	South	2631	5	28X100	2,800
721 South 11 <sup>th</sup> Street	South	2631	6	28X100	2,800
725 South 11 <sup>th</sup> Street	South	2631	7	28X100	2,800
716-718 South 12 <sup>th</sup> Street	South	2631	46	31X100	3,100
723 South 11 <sup>th</sup> Street	South	2631	53	28X100	2,800

Total Square Footage: 14,300

Total Purchase Price: \$57,200.00 (\$4.00 per sq. ft.); and

**WHEREAS**, the Original Resolution and the Agreement for the Sale of Land and Redevelopment with Redeveloper (the “Agreement”) (attached hereto as **Exhibit A**), which was executed on or about September 18, 2017, provides for the construction of a five (5) story residential affordable housing complex with parking (“Project Scope”); and

**WHEREAS**, while the Redeveloper has actively worked towards completing the purchase of the Property, pursuant to the Agreement and commence the redevelopment of the Property, it has not been successful due to unrealized funding commitments required for the acquisition of the Property; and

**WHEREAS**, as a result, the Property was not transferred to Redeveloper and the Redeveloper is requesting an amendment of the Project Scope in the Agreement to the construction of five (5) two or three family homes (“Amended Project”); and

**WHEREAS**, the Deputy Mayor/Director of the Department of Economic Housing and Development has reviewed and approved the Amended Project and recommends that the Newark Municipal Council authorize same; and

**WHEREAS**, the Newark Municipal Council believes the Amended Project, as that term is defined herein, is in the vital and best interests of the City of Newark (“City”) and that it promotes the health, safety, morals and welfare of the City’s residents; and

**WHEREAS**, the City and Redeveloper desire to amend the Original Resolution and enter into the First Amendment to the Agreement for the Sale of Land and Redevelopment (“Amended Agreement”) in order to memorialize the terms and conditions of the sale and redevelopment of the Property, in a form substantially consistent to the Amended Agreement, attached hereto as **Exhibit B**.

**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 the First Amendment to the Agreement for the Sale of Land and Redevelopment, in the form attached hereto as **Exhibit B**, with The Washington Bay Group I, LLC, 811 Clinton Avenue, Newark, New Jersey 07108 (the “Redeveloper”), for the private sale and rehabilitation of the

following Property, 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 First Amendment to the Agreement for the Sale of Land and Redevelopment, and the South Ward Redevelopment Plan, as amended, to amend the Project Scope to allow for the construction of five (5) two or three family homes (“Amended Agreement”):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
719 South 11 <sup>th</sup> Street	South	2631	5	28X100	2,800
721 South 11 <sup>th</sup> Street	South	2631	6	28X100	2,800
725 South 11 <sup>th</sup> Street	South	2631	7	28X100	2,800
716-718 South 12 <sup>th</sup> Street	South	2631	46	31X100	3,100
723 South 11 <sup>th</sup> Street	South	2631	53	28X100	2,800

Total Square Footage: 14,300

Total Purchase Price: \$57,200.00 (\$4.00 per sq. ft.).

2. All other terms and conditions of Resolution 7R2-a adopted by the Newark Municipal Council on July 12, 2017 (“Original Resolution”) and the Agreement for the Sale of Land and Redevelopment, entered into on or about September 18, 2017 shall remain in full force and effect.
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 Amended Agreement and may enter into any related documents, which may be necessary in order to effectuate the Amended Agreement.
4. The executed Amended Agreement shall be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.
5. The Deputy Mayor/Director of the Department of Economic and Housing Development is authorized to enter into a maximum of two (2) six (6) month extensions of any timeframe set forth in the Amended 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’s Corporation Counsel.
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 Amended Agreement and return same to the Department of Economic Housing Development. Should the Redeveloper fail to execute and return the attached Amended 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 period.

**STATEMENT**

This Resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, on behalf of the City of Newark, to enter into a First Amendment to the Agreement for the Sale of Land and Redevelopment with The Washington Bay Group I, LLC, 811 Clinton Avenue, Newark, New Jersey 07108 ("First Amendment"), for the private sale and rehabilitation of the following Property, 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 First Amendment and the South Ward Redevelopment Plan, as amended to rehabilitate the Property and construct five (5) two or three family homes:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
719 South 11 <sup>th</sup> Street	South	2631	5	28X100	2,800
721 South 11 <sup>th</sup> Street	South	2631	6	28X100	2,800
725 South 11 <sup>th</sup> Street	South	2631	7	28X100	2,800
716-718 South 12 <sup>th</sup> Street	South	2631	46	31X100	3,100
723 South 11 <sup>th</sup> Street	South	2631	53	28X100	2,800

Total Square Footage: 14,300

Total Purchase Price: \$57,200.00 (\$4.00 per sq. ft.).