



Legislation Text

File #: 18-0140, Version: 1

Dept./ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Authorizing First Amendment to the Redevelopment Agreement with Dunbar Center, Inc., for the construction of a professional medical office complex with parking.

Entity Name: Dunbar Center, Inc.

Entity Address: One Gateway, Suite 2600, Newark, New Jersey 07102

Sale Amount: \$141,078.00

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

Assessed Amount: \$442,900.00

Appraised Amount: \$0.00

Contract Period: To commence within three (3) months and be completed within eighteen (18) 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)

- 775 Bergen Street/Block 2711/Lot 1/South Ward
- 779-781 Bergen Street/Block 2711/Lot(s) 3, 4/South Ward
- 783 Bergen Street/Block 2711/Lot 6/South Ward
- 785 Bergen Street/Block 2711/Lot 7/South Ward
- 787-791 Bergen Street/Block 2711/Lot 8/South Ward
- 793 Bergen Street/Block 2711/Lot 11/South Ward
- 178 W Runyon Street/Block 2711/Lot 53/South Ward
- 174-176 W Runyon Street/Block 2711/Lot 54/South Ward
- 172 W Runyon Street/Block 2711/Lot 56/South Ward

Additional Information:

Resolution 7R2-d(AS) adopted on July 12, 2017

WHEREAS, the purpose of this Resolution is to modify Resolution 7R2-d(AS) adopted July 12, 2017 for the sale and redevelopment of the following City-owned Properties located in the South Ward of the City of Newark (the "City"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
775 Bergen Street	South	2711	1	25X105	2,625.0
779-781 Bergen Street	South	2711	3,4	50X105	5,250.0
783 Bergen Street	South	2711	6	35.9X105	3,769.5
785 Bergen Street	South	2711	7	25X105	2,625.0
787-791 Bergen Street	South	2711	8	75X105	7,875.0
793 Bergen Street	South	2711	11	25X105	2,625.0
178 W Runyon Street	South	2711	53	33X100	3,300.0

174-176 W Runyon Street	South	2711	54	36X100	3,600.0
172 W Runyon Street	South	2711	56	36X100	3,600.0

Total Square Footage: 35,269.5

Total Purchase Price: \$141,078.00 (\$4.00 per sf.); and

WHEREAS, the City determined that the above referenced City-owned Properties (the "Properties") were no longer needed for public use; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City proceeded with the redevelopment of the area and conveyed the Properties at such prices and upon such terms as it deems reasonable and said conveyance were made in conjunction with the applicable Redevelopment Plan, as amended; and

WHEREAS, the Municipal Council previously adopted Resolution 7Rdo(AS) on June 15, 2005, designating the entire City as an "area in need of rehabilitation" under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. (the "LRHL"); and

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&Fd(S) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned Properties located within the South Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a proposal for the purchase and redevelopment of the Properties from Dunbar Center, Inc., One Gateway, Suite 2600, Newark, New Jersey 07102 (the "Redeveloper"); and

WHEREAS, the Redeveloper proposed to the City's Department of Economic and Housing Development to construct a professional medical office complex with parking (the "Proposal"); and

WHEREAS, based upon the City's review of the request and other such information, the City determined that the Redeveloper possessed the proper qualifications and requisite financial resources and capacity to acquire the Properties and to redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement for the Sale of Land and Redevelopment, the form of which is attached hereto (the "Agreement"), and the South Ward Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development recommended that the City of Newark sell the Properties to Dunbar Center, Inc., which is willing to purchase the Properties from the City, for the consideration of One Hundred Forty-One Thousand Seventy-Eight Dollars and Zero Cents (\$141,078.00) for the purpose of redeveloping said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South Ward Redevelopment Plan, as amended; and

WHEREAS, on July 12, 2017, the Municipal Council of the City of Newark approved and adopted Resolution 7R2-d (AS) for the sale of the aforesaid properties to Dunbar Center, Inc.; and

WHEREAS, Dunbar Center, Inc., has expressed to the City a desire for relief from certain constraints of pages 3 through 7 of the Redevelopment Agreement in order to satisfy the entirety of the Redevelopment Agreement, to wit:

Page 3, 2(b) - Due Diligence Period - extending the Redeveloper's Due Diligence Period for an additional six-months from 60 days to 18 months'

Page 4, (c) - Application for Site Plan Approval - extending the Redeveloper's site plan approval time frame from 30 days to six (6) months,

Page 5, Conditions Precedent, (b)(viii) - extending the time frame to satisfy all of the Conditions Precedent from three (3) months to eighteen (18) months,

Page 5, (f) - Transfer of Ownership - Substituting the City's obligation to provide a Quitclaim Deed with a Bargain and Sale Deed instead,

Page 6, III. Implementation of the Project, 1. Project Description - extending the project description submission time frame from 30 days to 60 days,

Page 6, III. Implementation of the Project, 2. Project Schedule - extending the project description submission time frame from 30 days to 60 days,

Page 7, III. Implementation of the Project, 3. Project Budget- extending the project budget submission time frame from 30 days to 60 days,

Page 7, III. Implementation of the Project, 7. Certificate of Occupancy - extending the time frame to secure a Certificate of Occupancy from 30 days to 60 days; and

WHEREAS, the City, upon review of the requested changes from Dunbar Center, Inc., believes that the requested changes are reasonable and necessary for the completion of the Redevelopment, which is in the best interest of the City.

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 Acting Director of the Department of Economic and Housing Development are hereby authorized to enter into a First Amendment to the Redevelopment Agreement, in the form attached hereto, with Dunbar Center, Inc., One Gateway, Suite 2600, Newark, New Jersey 07102,

To amend Pages 3 through 7 of the Redevelopment Agreement as follows:

Page 3, 2(b) - Due Diligence Period - extending the Redeveloper's Due Diligence Period for an additional six-months from 60 days to 18 months.

Page 4, (c) - Application for Site Plan Approval - extending the Redeveloper's site plan approval time frame from 30 days to six (6) months.

Page 5, Conditions Precedent, (d)- extending the time frame to satisfy all of the Conditions Precedent from three (3) months to eighteen (18) months.

Page 5, (f) - Transfer of Ownership - Substituting the City's obligation to provide a Quitclaim Deed with a Bargain and Sale Deed instead.

Page 6, III. Implementation of the Project, 1. Project Description - extending the project description submission time frame from 30 days to 60 days.

Page 6, III. Implementation of the Project, 2. Project Schedule - extending the project description submission time frame from 30 days to 60 days.

Page 7, III. Implementation of the Project, 3. Project Budget- extending the project budget submission time frame from 30 days to 60 days.

Page 7, III. Implementation of the Project, 7. Certificate of Occupancy - extending the time frame to secure a Certificate of Occupancy from 30 days to 60 days.

2. The Redeveloper shall have thirty (30) days from the date of this Resolution to execute the attached First Amendment to the Redevelopment Agreement and return same to the Department of Economic and Housing Development. Should the Redeveloper fail to execute and return the attached contract within this thirty (30) day time period, the authorization provided by this Resolution shall be null and void unless the Acting Director of the Department of Economic and Housing Development agrees to extend this thirty (30) day time period.
3. The Acting Director of the Department of Economic and Housing Development shall place a copy of this resolution and fully executed First Amendment to the Redevelopment Agreement, authorized by this resolution, on file in the Office of the City Clerk.
4. All other terms of Resolution 7R2-d(AS) adopted on July 12, 2017 and the Redevelopment Agreement shall remain in full force and effect, to the extent not otherwise amended herein.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, to enter into a First Amendment to the Redevelopment Agreement, in the form attached hereto, with Dunbar Center, Inc., One Gateway, Suite 2600, Newark, New Jersey 07102, to substantially amend the Redevelopment Agreement between the parties by, among other things, adding more time for the Site Plan Approval, and extending the project budget or the project description submission time frame for various aspects of the project.