



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-0317, Version: 2

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Build a repair and maintenance facility for tractor trailers.

Entity Name: Daybreak Express, Inc.

Entity Address: 500 Avenue P, Newark, New Jersey 07105

Sale Amount: \$2,100,000.00

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

Assessed Amount: \$742,100.00

Appraised Amount: \$1,960,000.00

Contract Period: To commence by June 2016 and be completed within 24 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)

441-459 Avenue P/5020/132/East Ward

Additional Information:

Sale amount is subject to a credit, not to exceed \$1,600,000.00, for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement.

WHEREAS, the purpose of this resolution is to approve the sale and redevelopment, as may be applicable, of the following City-owned property located in the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>
441-459 Avenue P Newark, New Jersey	5020	132

Total Purchase Price: \$2,100,000.00 (Two Million One Hundred Thousand Dollars and Zero Cents), less a credit for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement; and

WHEREAS, the City of Newark hereby determines that the above referenced City-owned property (the "Property") is no longer needed for public use; and

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

WHEREAS, the Municipal Council thereafter adopted Ordinance 6S&Fa on September 16, 1998, adopting the 12th Amendment to the Industrial River Urban Renewal Project Plan governing the redevelopment of City-owned properties located within the Industrial River Urban Renewal Project Area, which includes the above-referenced Property; and

WHEREAS, the Municipal Council previously adopted Resolution 7RD-o (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, on or about March 10, 2015, the City received a proposal for the purchase and redevelopment of the Property from Daybreak Express, Inc. (the “Redeveloper”); and

WHEREAS, the Redeveloper, having its address at 500 Avenue P, , Newark, New Jersey 07105, has proposed to the City’s Department of Economic and Housing Development to erect a repair and maintenance facility for tractor trailers (the “Facility”) of approximately 7,200 square feet, including but not limited to construction of the building, paving the property, erecting fencing and lighting, installing surveillance equipment, and creating a controlled entrance (the “Proposal”); and

WHEREAS, based upon the City’s review of the Proposal and other relevant information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Property and to redevelop it 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 Industrial River Urban Renewal Project Plan, as amended; and

WHEREAS, the Property has been assessed at \$742,100.00 (Seven Hundred Forty Two Thousand One Hundred Dollars and Zero Cents) and appraised at \$1,960,000.00 (One Million Nine Hundred Sixty Thousand Dollars and Zero Cents)

WHEREAS, at closing the Redeveloper is subject to a credit, not to exceed \$1,600,000.00 (One Million Six Hundred Thousand Dollars and Zero Cents), for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement attached hereto for reasonable cost actually incurred by Redeveloper in connection with remediation of the property as approved by the Deputy Mayor/Director of Economic and Housing Development; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Deputy Mayor/Director of the Department of Economic and Housing Development has recommended that the City of Newark sell the Property to Daybreak Express, Inc. which is willing to purchase the Property from the City, for the consideration of approximately \$2,100,000.00 (Two Million One Hundred Thousand Dollars and Zero Cents), less a credit for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement, for the purpose of redeveloping said Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the Industrial River Urban Renewal Project Plan, as amended.

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

1. The Mayor and/or his designee and the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land attached hereto with Daybreak Express, Inc., having an address of 500 Avenue P, Newark, Newark, New Jersey 07105, for the private sale and redevelopment 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 Agreement and the Ward Redevelopment Plan, as amended:

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441-459 Avenue P Newark, New Jersey	5020	132

Total Purchase Price: \$2,100,000 (Two Million One Hundred Thousand Dollars and Zero Cents), subject to a credit at closing in an amount not to exceed \$1,600,000.00 (One Million Six Hundred Thousand Dollars and Zero Cents), for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement for reasonable cost actually incurred by Redeveloper in connection with remediation of the property as approved by the Deputy Mayor/Director of Economic and Housing Development

2. Said property shall be sold to Daybreak Express, Inc., by private sale for the purpose of redeveloping the Property by erecting a repair and maintenance facility for tractor trailers of approximately 7,200 square feet, including but not limited to construction of the building, paving the property, erecting fencing and lighting, installing surveillance equipment, and creating a controlled entrance, and all deeds shall contain resale and/or use restrictions which shall run with the land for a period of not less than ten (10) years.
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 Redevelopment Agreement annexed hereto and may enter into access and right of entry agreements and any related documents which may be necessary in order to effectuate the sale of the Property and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark Corporation Counsel.
4. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two (2) six (6) month extensions of any timeframe set forth in the 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 Corporation Counsel.
5. The Redeveloper shall be designated as the exclusive redeveloper of the Property and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment of the Property is hereby rescinded.
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 Agreement for the Sale and Redevelopment of Land and return same to the Department of Economic and Housing Development. Should Redeveloper fail to execute and return the attached 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 time period.

7. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, dated April 5, 1995; the City of Newark's Affirmative Action Plan 7Rb-p, dated March 1, 1995; Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) regarding the award of goods and services contracts; and the City of Newark Ordinance Amending Title II Administration, Chapter 4, General Administration, Section 20, Hiring of Newark Residents by Contractors or Other Persons Doing Business with the City of Newark and Section 21, Newark Residents' Employment Policy, by Adding Language to Address Immediate Short Term Training and Employment Opportunities and Repealing the Newark Employment Commission, a copy of which is attached to the Agreement (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that 30% of all contractors, subcontractors and suppliers shall be Newark-based companies.
8. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety (90) percent of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg dated November 6, 1985; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PhS&Ff dated June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
9. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale and Redevelopment of Land, the Quitclaim Deed, and all such other executed agreements authorized by this resolution on file in the Office of the City Clerk.
10. The redevelopment of the Property shall be commenced approximately June 2016 and be completed within twenty-four (24) months from the commencement of construction.
11. The project to be implemented by the Redeveloper shall conform to the City of Newark Design Guidelines, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Additionally, the Redeveloper shall conduct any environmental investigation and remediation upon the Property as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Property, then the City, subject to the terms of the Agreement, may terminate the Agreement.
12. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. Said Quitclaim Deed conveying title to the Property to the Redeveloper shall be approved as to form and legality by the City's Corporation Counsel and attested to and acknowledged by the City Clerk.

STATEMENT

This Resolution authorizes the Mayor and/or his designee and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Daybreak Express, Inc., having an address of 500 Avenue P, Newark, New Jersey 07105, for the private sale and redevelopment 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 Agreement for the Sale and Redevelopment of Land and the Industrial River Urban Renewal Project Plan, as amended:

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Total Purchase Price: \$2,100,000.00 (Two Million One Hundred Thousand Dollars and Zero Cents), subject to a credit at closing in an amount not to exceed \$1,600,000.00 (One Million Six Hundred Thousand Dollars and Zero Cents), for Environmental Remediation costs as provided for in Section 3.2(c) of the Redevelopment Agreement for reasonable cost actually incurred by Redeveloper in connection with remediation of the property as approved by the Deputy Mayor/Director of Economic and Housing Development