



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 21-0105, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: To convey City-owned property to facilitate development of affordable housing.

Entity Name: Kawaida Towers, L.P.

Entity Address: 909 Third Avenue, 21st Floor, New York, New York 10022

Sale Amount: \$23,847.68

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

Assessed Amount: \$2,276,400.00

Appraised Amount: \$1,180,000.00

Contract Period: Construction to commence within six (6) months of obtaining governmental approval and be completed within eighteen (18) months of commencement.

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)

17-21 Halsey Street/Block 20/Lot 1/Central Ward

Additional Information:

Sale Price: Total Square Footage X PSF = 5961.92 X \$4.00 = \$23,847.68

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

WHEREAS, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned property located in the Central Ward of the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
17-21 Halsey Street	20	1	60.10x99.2	5961.92

Purchase Price: \$23,847.68 (\$4.00 per sq. feet); and

WHEREAS, the City of Newark (the "City") has determined that the above referenced City-owned property (the "Property") is no longer needed for public use and that redevelopment of the Property will contribute to the social and economic improvement of the Central Ward in accordance with the intent, goals and objectives of the City's strategy to rehabilitate and provide quality affordable housing within the City; and

WHEREAS, pursuant to N.J.S.A. 40A: 12A-8(g), the City is proceeding with the rehabilitation 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 adopted Resolution 7RDO(AS) on June 15, 2005 in order to stimulate the reinvigoration of the City and designated 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 subsequently, approved the Living Downtown Redevelopment Plan, within which the Property is located (the “Redevelopment Plan”); and

WHEREAS, the City sought proposals from numerous redevelopers to partner with the City in the development of an affordable housing project to be known as Kawaida Towers (the “Project”); and

WHEREAS, after receiving proposals, the City interviewed potential redevelopers for the Project; and

WHEREAS, the City determined that Omni America, LLC and Mid-Atlantic Investment Alliance, LLC (hereinafter collectively the “Redeveloper”), as local development partner, presented a comprehensive proposal to meet the goals of providing affordable housing and empowerment of local developers; and

WHEREAS, the City has determined that the Redeveloper possesses the proper qualifications, financial resources, and the capacity to acquire and redevelop and construct the Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the Department of Economic and Housing Development recommends the City sell the Property to the Redeveloper as a partner with the City for Twenty-Three Thousand Eight Hundred Forty-Seven Dollars and Sixty-Eight Cents (\$23,847.68) (the “Purchase Price”); and

WHEREAS, the City and Redeveloper desire to enter into the attached Agreement for the Sale and Redevelopment of Land (the “Agreement”) to memorialize the terms and conditions of the sale and redevelopment of the Property; and

WHEREAS, this Agreement shall supersede any previous Agreement(s) or conditions related to the redevelopment of the Property.

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 Agreement for the Sale and Redevelopment of Land referenced hereto with Kawaida Towers, L.P., 909 Third Avenue, 21st Floor, New York, New York 10022 (the “Redeveloper”), 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 Living Downtown Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FT.</u>
17-21 Halsey Street	Central	20	1	5961.92

Purchase Price: \$23,847.68 (\$4.00 per sq. feet).

2. Said Property shall be sold to Kawaida Towers, L.P., by private sale, for the purpose of redeveloping/constructing the above-mentioned Property to provide affordable housing to residents of the City of Newark.
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's Corporation Counsel.
4. 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.
5. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute the real estate closing documents for the conveyance of the Property to the Redeveloper. Said real estate closing documents 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.
6. Should the Redeveloper fail to pursue diligently the redevelopment of the Property, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Property back to the City, in accordance with the terms and conditions of the Agreement. Failure to exercise or delay in exercising this Right of Reverter by the City of Newark shall not constitute a waiver nor shall such failure and/or delay serve as a basis for adverse possession of the Property. Any and all waivers of the City's Right of Reverter shall be in writing.
7. 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 real estate closing documents, and all such other executed agreements authorized by this resolution on file in the Office of the City Clerk.

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 an Agreement for the Sale and Redevelopment of Land with Kawaida Towers, L.P., which provides 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.

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FT.</u>
17-21 Halsey Street	Central	20	1	5961.92

Purchase Price: \$23,847.68 (\$4.00 per sq. feet).