



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 18-0638, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Assignment of Contract Agreement

Purpose: Consenting to the Assignment of the Financial Agreement from RGC Grace West Urban Renewal, LLC., to New Grace West Urban Renewal, LLC., of an Affordable Housing Project Located at 221-305 Irvine Turner Boulevard.

Entity Name: New Grace West Urban Renewal, LLC.

Entity Address: 551 Fifth Avenue, 23rd Floor, New York, New York 10176

Contract Amount: N/A

Funding Source: N/A

Contract Period: N/A

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale () Grant () Sub-recipient () n/a

List of Property:

221-305 Irvine Turner Boulevard/Block 2583/Lot 1/Central Ward

Additional Information:

WHEREAS, on December 23, 2014, Newark Municipal Council adopted Ordinance No. 6PSF-b(S) granting a long term tax abatement to RGC Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176 (the "Assignor") pursuant to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Long Term Tax Exemption Law"), for a project to renovate four hundred twenty-nine (429) affordable housing units on real property commonly known as 221-305 Irvine Turner Boulevard, Newark, New Jersey and identified on the City's tax map as Block 2583, Lot 1 (the "Project"); and

WHEREAS, as authorized under Ordinance 6PSF-b(S), the City entered into a Financial Agreement with the Assignor governing the tax abatement for the Project (the "Financial Agreement"); and

WHEREAS, the Assignor has entered into a contract with the New Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176, (the "Assignee") to sell the Project, which contract requires that the City approve the transfer of the Financial Agreement to the Assignee; and

WHEREAS, the Assignee has filed an application with the City (the "Application") seeking City consent to the sale of the Project and of the transfer of the Financial Agreement from the Assignor to the Assignee; and

WHEREAS, the City has reviewed the Application and has determined that the Assignee has the capacity and experience to own and operate the Project and to assume all of the rights and

obligations of the Assignor under the Financial Agreement; and

WHEREAS, the Municipal Council wishes to adopt this resolution in order to reflect the City's consent to the conveyance of the Project and of the transfer of the Financial Agreement to the Assignee and to authorize the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement between the City, Assignor, and Assignee.

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

1. The City hereby consents to (i) the conveyance of the Project by RGC Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176 (the "Assignor") to New Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176, (the "Assignee") and (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee.

2. The Municipal Council hereby authorizes the Mayor to execute, on behalf of the City, the Assignment and Assumption Agreement of the Financial Agreement amongst the City, the Assignor and the Assignee (the "Assignment Agreement") in the form attached hereto.

3. The long term tax abatement for the Project, adopted by Newark Municipal Council by Ordinance 6PSF-b(S) December 23, 2014, will expire February 2, 2045 and will remain in effect until such time provided that the Assignee complies with all applicable State statutes, City Ordinances, Resolutions, and terms of the Assignment Agreement and Financial Agreement. This Resolution will not extend the period of the tax abatement beyond the date of expiration.

4. The Assignee shall pay all outstanding amounts due to the City, including without limitation, all water and sewer charges and all other amounts due under the Financial Agreement, within thirty (30) days of the adoption of this resolution.

5. The Assignment Agreement, once fully executed, shall be filed by the Acting Director of the Department of Economic and Housing Development with the Office of the City Clerk.

STATEMENT

This resolution memorializes the City's consent to (i) the conveyance of the four hundred twenty-nine (429) affordable housing unit project located on real property commonly known as 221-305 Irvine Turner Boulevard, Newark, New Jersey and identified on the City's tax map as Block 2583, Lot 1 (the "Project"); by RGC Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176 ("Assignor") to New Grace West Urban Renewal, LLC, 551 Fifth Avenue, 23rd Floor, New York, New York 10176 ("Assignee") and to (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee. This resolution also authorizes the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement with the Assignor and the Assignee in the form attached to the resolution.