



Legislation Text

File #: 14-0099, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: First Amendment to Redevelopment Agreement

Entity Name: Carrino Plaza Apartments, LLC

Entity Address: 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502

Sale Amount: N/A

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

Assessed Amount: N/A

Appraised Amount: 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 (x) n/a

List of Property:

(Address/Block/Lot/Ward)

416-426 Broadway/Block 613/ Lot 1/ North Ward

Additional Information: Resolution 7R3-I 102913; designated Carrino Plaza Apartments, LLC as the redeveloper of the property

WHEREAS, the City of Newark (the “City”) owns the land rights to certain real property located at 416-426 Broadway, Newark, New Jersey 07104 and identified on the official tax map of the City as Block 613, Lot 1 (the “Land”); and

WHEREAS, the Boys & Girls Club of Newark, Inc. (the “BGCN”) owns the improvements located on the Property (the “Improvements”) and leases the Land from the City pursuant to a lease agreement between the City and BGCN approved by the Municipal Council through Resolution 7RE 110106 (the “ BGCN Lease”); and

WHEREAS, Carrino Plaza Apartments, LLC, a limited liability company organized under the laws of the State of New Jersey having an address of 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502 (the “Redeveloper”), has indicated that it wants to acquire title to the Land and the Improvements (collectively, the “Property”) in order to construct a redevelopment project consisting of approximately 60 Affordable Housing Units and approximately 6,500 square feet of retail space and associated parking and amenities on the Property (the “Project”); and

WHEREAS, BGCN has entered into a contract of sale to sell the Improvements to the Redeveloper and has indicated that BGCN is willing to terminate the BGCN Lease and to relinquish its rights thereunder if the sale of the Property to the Redeveloper is consummated; and

WHEREAS, on October 29, 2013, the Municipal Council of the City of Newark (the “Municipal

Council”) adopted Resolution 7R3-I designating the Redeveloper as the redeveloper of the Property and authorizing the Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into a redevelopment agreement with the Redeveloper for the sale and redevelopment of the Land (the “Redevelopment Agreement”); and

WHEREAS, the Redeveloper has represented that the New Jersey Housing and Mortgage Finance Agency (the “NJHMFA”) will be providing financing to the Redeveloper for the Project; and

WHEREAS, the Redeveloper has advised the City that the NJHMFA has requested certain minor revisions to the Redevelopment Agreement as a condition of financing the Project, including the insertion of language into the Redevelopment Agreement acknowledging that the NJHMFA shall be financing the Project and shall be provided with notice and a right to cure any default within one hundred twenty (120) days of receipt of such default notice, amending the reverter clause to explicitly indicate that it shall not defeat, render invalid, or limit in any way the lien on the Property arising from the NJHMFA’s mortgage and to clarify when the reverter clause shall terminate, and amending the notice provisions of the Redevelopment Agreement to include the NJHMFA as an entity that will receive notices thereunder; and

WHEREAS, the City and the Redeveloper wish to enter into a First Amendment to the Redevelopment Agreement in order to make the revisions to the Redevelopment Agreement requested by the NJHMFA.

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

1. The Mayor and/or his designee, the Acting Deputy mayor/Acting Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute a First Amendment to the Redevelopment Agreement with Carrino Plaza Apartments, LLC, 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502, in the form attached hereto, in order to make certain revisions to the Redevelopment Agreement requested by the New Jersey Housing and Mortgage Finance Agency (the “NJHMFA”) as a condition of financing this Project, including the insertion of language into the Redevelopment Agreement acknowledging that the NJHMFA shall be financing the Project and shall be provided with notice and a right to cure any default within one hundred twenty (120) days of receipt of such default notice, amending the reverter clause to explicitly indicate that it shall not defeat, render invalid, or limit in any way the lien on the property arising from the NJHMFA’s mortgage and to clarify when the reverter clause shall terminate, and amending the notice provisions of the Redevelopment Agreement to include the NJHMFA as an entity that will receive notices thereunder.

2. The First Amendment to the Redevelopment Agreement, once fully executed, shall be filed with the Office of the City Clerk by the Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development.

3. No municipal funds are required under this resolution.

4. All other terms and conditions of the Redevelopment Agreement not otherwise amended through this resolution are hereby ratified and confirmed.

5. This resolution shall take effect immediately.

STATEMENT

This resolution ratifies and authorizes the Mayor and/or his designee, the Acting Deputy Mayor/ Director of the Department of Economic and Housing Development, to enter into and execute a First Amendment to the Redevelopment Agreement with Carrino Plaza Apartments, LLC, a limited liability company organized under the laws of the State of New Jersey having an address of 1055 Saw Mill River Road, Suite 204, Ardsley, New York 10502, for the sale of the land owned by the City located at 416-426 Broadway, Newark, New Jersey 07104 and identified on the official tax map of the City as Block 613, Lot 1 in order to make certain revisions to the Redevelopment Agreement requested by the New Jersey Housing and Mortgage Finance Agency (the "NJHMFA") as a condition of financing this Project.