



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-1895, Version: 2

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Agreement for the redevelopment of land consisting of twenty-one (21) residential units and two (2) retail spaces

Entity Name: Gomes and Gomes Development, LLC.

Entity Address: 91 Kossuth Street, Newark, New Jersey 07105

Sale Amount: \$180,000.00

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

Assessed Amount: \$198,000.00

Appraised Amount: \$300,000.00

Contract Period: To commence within three (3) months and be completed within two (2) years 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)

262-264 Orange Street/Block 2853/Lot 30/Central Ward

266 Orange Street/Block/2853/Lot 29/Central Ward

268 Orange Street/Block 2853/Lot 28/Central Ward

Additional Information:

WHEREAS, the purpose of this resolution is to approve the sale and rehabilitation of the following City-owned properties located in the Central Ward of the City of Newark (the "City"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>
262-264 Orange Street	Central	2853	30
266 Orange Street	Central	2853	29
268 Orange Street	Central	2853	28

Total Assessed Amount: \$198,000.00

Total Appraised Amount: \$300,00.00

Environmental Remediation Cost: \$120,000.00

Total Negotiated Amount: \$180,000.00 and

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

WHEREAS, pursuant to N.J.S.A. 40A: 12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, re-planning, construction or undertaking of any redevelopment project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City may “convey properties without public bidding and 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 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 adopted Ordinance 6S&Fe(S) on August 17, 2005, adopting the First Amendment to the Central Ward Redevelopment Plan, governing the redevelopment of City-owned Properties located within the Central Ward, which includes the above-referenced properties; and

WHEREAS, Gomes and Gomes Development, LLC (the “Redeveloper”), 91 Kossuth Street, Newark, New Jersey, 07105, expressed an interest in participating in the City’s initiative to revitalize the Central Ward; and

WHEREAS, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to purchase and redevelop the Properties for the purpose of undertaking a redevelopment project consisting of twenty-one (21) residential units as well as two (2) retail spaces, which shall include the undertaking of environmental remediation and demolition on the Properties (the “Project”); and

WHEREAS, redevelopment of said Properties 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 reinvigorate neighborhoods with quality housing; additional stores, services and recreational facilities; and improved public spaces; and

WHEREAS, based upon the City’s review of the request and other such information, the City has determined that the Redeveloper possesses 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 and Redevelopment of Land, the form of which is attached hereto (the “Agreement”), and the Central Ward Redevelopment Plan, as amended; and

WHEREAS, the combined fair market value of the City Properties, determined as though the City Property were remediated, has been appraised at the combined amount of Three Hundred Thousand (\$300,000.00) Dollars and Zero Cents; and

WHEREAS, the Redeveloper obtained an Environmental Cost Estimate from All American Environmental, LLC, which estimated the total environmental remediation and demolition costs associated with the Properties to be approximately One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00); and

WHEREAS, the City has agreed to credit the Redeveloper for costs associated with environmental remediation and demolition in the amount of One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00); and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell the Properties to Gomes and Gomes Development, LLC, whom is willing to purchase the Properties from the City, for the consideration of One Hundred Eighty Thousand Dollars and Zero Cents (\$180,000.00) (“Purchase Price”), 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 Central Ward Redevelopment 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 Acting 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 Gomes and Gomes Development, LLC, 91 Kossuth Street, Newark, New Jersey, 07105, for the private sale and redevelopment of the following Properties, 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 West Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>
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2. Said properties shall be sold to the Redeveloper for the purpose of redeveloping the Property as Twenty-One (21) residential units and Two (2) retail spaces, which shall include the undertaking of environmental remediation and demolition on the Properties.
3. The Acting 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 Redevelopment Agreement, subject to the approval of the City of Newark’s Acting Corporation Counsel.
4. The Acting 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 Acting Director of the Department of Economic and Housing Development and the approval of the City of Newark's Acting Corporation Counsel.

5. The Redeveloper shall be designated as the exclusive redeveloper of the Properties and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment of the Properties 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 the 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 Acting Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety percent (90%) of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg, November 6, 1985; and ten percent (10%) of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PS&Ff, June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The executed Redevelopment Agreement, the Quitclaim Deed, and all other executed agreements authorized by this resolution shall be placed on file in the Office of the City Clerk by the Acting Director of the Department of Economic and Housing Development and/or his designee.
9. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, April 5, 1995; the City of Newark's Affirmative Action Plan 7Rbp, 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 6PSF -c June 17, 2015, 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 thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.
10. The redevelopment or rehabilitation of the Properties shall be commenced within three (3) months and be completed within two (2) years from the transfer of ownership of the Properties by the City to the Redeveloper.
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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed.

12. The Acting Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Properties. Said Quitclaim Deed conveying title to the Properties to the Redeveloper shall be approved as to form and legality by the City's Acting Corporation Counsel or its Designee and attested to and acknowledged by the City Clerk.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, and the Acting Director of the Department of Economic and Housing Development, to enter into and execute an Agreement for the Sale and Redevelopment of Land with Gomes and Gomes Development, LLC, 91 Kossuth Street, Newark, New Jersey, 07105, for the private sale and redevelopment of the following Properties, 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 Central Ward Redevelopment Plan, as amended to undertake a redevelopment project consisting of Twenty-One (21) residential units as well as Two (2) retail spaces.

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