



Legislation Text

File #: 16-1081, Version: 1

**Dept/ Agency:** Economic and Housing Development

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

**Type of Service:** Private Sale/Redevelopment

**Purpose:** Construct a mixed-use commercial and market rate residential development with parking

**Entity Name:** Ganesh Ji Springfield, L.L.C.

**Entity Address:** 2449 JFK Boulevard, Suite 100, Jersey City, New Jersey 07304

**Sale Amount:** \$314,529.68

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

**Assessed Amount:** \$1,041,700.00

**Appraised Amount:** \$1,400,000.00

**Contract Period:** To be commenced within three (3) months and be completed within twenty-four (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)**

- 473 Springfield Avenue/Block 2608/Lot 17/Central Ward
- 457 Springfield Avenue/Block 2608/Lot 22/Central Ward
- 402-416 18<sup>th</sup> Avenue/Block 2608/Lot 23/Central Ward
- 455 Springfield Avenue/Block 2608/Lot 26/Central Ward
- 453 Springfield Avenue/Block 2608/Lot 27/Central Ward
- 451 Springfield Avenue/Block 2608/Lot 28/Central Ward
- 400 18<sup>th</sup> Avenue/Block 2608/Lot 65/Central Ward
- 418 18<sup>th</sup> Avenue/Block 2608/Lot 74/Central Ward

**Additional Information:**

Total Square Footage = 78,632.42 X \$4.00 = \$314,529.68

Sale Price as set forth by Ordinance 6S&Fh, adopted April 7, 2004, establishing the minimum sale price of City-owned property.

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

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>WARD</u>	<u>SIZE</u>	<u>SQ. FEET</u>
473 Springfield Avenue	2608	17	Central	25X121	3,025.00
457 Springfield Avenue	2608	22	Central	49.4X115	5,681.00
402-416 18 <sup>th</sup> Avenue	2608	23	Central	-----	55,983.00
455 Springfield Avenue	2608	26	Central	25.4X114.8	2,915.92
453 Springfield Avenue	2608	27	Central	25X111.9	2,797.50
451 Springfield Avenue	2608	28	Central	25X104.8	2,620.00
400 18 <sup>th</sup> Avenue	2608	65	Central	26.10X100	2,610.00

418 18<sup>th</sup> Avenue                      2608    74    Central    25X120                      3,000.00

Total Square Footage: 78,632.42

Total Purchase Price: \$314,529.68 (\$4.00/sq. ft.); 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(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 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 thereafter adopted Ordinance 6PSF-b on April 1, 2009, adopting the Kent/Brenner/Springfield Redevelopment Plan governing the redevelopment of certain properties located within the Central and South Wards, which includes the above-referenced Properties; and

**WHEREAS**, the City received a proposal for the purchase and redevelopment of the Properties from Ganesh Ji Springfield, L.L.C. (the “Redeveloper”); and

**WHEREAS**, the Redeveloper, 2449 John F. Kennedy Boulevard, Jersey City, New Jersey 07304, has proposed to the City’s Department of Economic and Housing Development to construct a three story mixed use building, containing 30 market rate residential apartment units on the second and third floors, approximately 15,000 square feet of commercial/retail on the ground floor as well as 75-80 onsite parking spaces for residential and retail uses (the “Proposal”); and

**WHEREAS**, based upon the City’s review of the Proposal 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 of Land and Redevelopment, the form of which is attached hereto (the “Agreement”), and the Kent/Brenner/Springfield Redevelopment Plan, as amended; 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 Ganesh Ji Springfield, L.L.C., which is willing to purchase the Properties from the City, for the nominal consideration of Three Hundred Fourteen Thousand, Five Hundred Twenty-Nine Dollars and Sixty-Eight Cents (\$314,529.68) 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 Kent/Brenner/Springfield 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 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 Ganesh Ji Springfield, L.L.C, 2449 John F. Kennedy Boulevard, Jersey City, New Jersey 07304, 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 Kent/Brenner/Springfield Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>WARD</u>	<u>SIZE</u>	<u>SQ. FEET</u>
473 Springfield Avenue	2608	17	Central	25X121	3,025.00
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Total Square Footage: 78,632.42

Total Purchase Price: \$314,529.68 (\$4.00/sq. ft.); and

2. Said properties shall be sold to Ganesh Ji Springfield, L.L.C, by private sale for the purpose of redeveloping the Properties by constructing a three story mixed use building, containing 30 market rate residential apartment units on the second and third floors, approximately 15,00 square feet of commercial/retail on the ground floor as well as 75-80 onsite parking spaces for residential and retail uses, 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 Properties 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 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 Deputy Mayor/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 (90) percent of the sale proceeds shall be deposited into the Redevelopment Acquisition Dedicated Trust Fund established under Resolution 7Rcs(AS) dated April 16, 1986; 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.
8. 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.
9. 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 7Rbp, 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 6PSF-c, dated 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 30% of all contractors, subcontractors and suppliers shall be Newark-based companies.
10. The redevelopment of the Properties shall be commenced within three (3) months and be completed within twenty-four (24) months 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 Deputy Mayor/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 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 Ganesh Ji Springfield, L.L.C, 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 Kent/Brenner/Springfield Redevelopment Plan, as amended:

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for the purpose of constructing a three story mixed-use commercial and market rate residential development with parking.