Legislation Text

File #: 19-1806, **Version:** 1

Dept/ Agency: Economic and Housing Development
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Type of Service: Private Sale/Redevelopment
Purpose: To construct six (6) two (2) family residential homes for rent.
Entity Name: Das 1 Holding, LLC
Entity Address: 2165 Morris Avenue, Suite 2, Union, New Jersey 07083
Sale Amount: $101,400.00
Cost Basis: (X) $6.00 PSF ( ) Negotiated ( ) N/A ( ) Other:
Assessed Amount: $193,700.00
Appraised Amount: $0.00
Contract Period: To commence within three (3) months and be completed within eighteen (18) months following the transfer of property 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)
167 Johnson Avenue/Block 2700/Lot 16/South Ward
171 Johnson Avenue/Block 2700/Lot 18/South Ward
185 North 7th Street/Block 1917/Lot 51/Central Ward
316 7th Avenue W/Block 1911/Lot 2/Central Ward
155 Ridgewood Avenue/Block 2703/Lot 1/South Ward
161 Ridgewood Avenue/Block 2703/Lot 4/South Ward
Additional Information:
Sale Price: Total Square Footage X PSF = 16,900 X $6.00 = $101,400.00
Sale at prices set forth by Ordinance 6S&Fh, adopted April 7, 2004, establishing the minimum sale price of City-owned properties.

WHEREAS, the Department of Economic and Housing Development seeks to approve the sale and redevelopment of the following City-owned properties located in the South and Central Wards of the City of Newark:

ADDRESS	BLOCK	LOT	SIZE	SQ. FEET
167 Johnson Avenue	2700	16	25X133	3,325
171 Johnson Avenue	2700	18	25X133	3,325
185 N 7th Street	1917	51	25X100	2,500
316 7th Avenue W	1911	2	25X100	2,500
155 Ridgewood Avenue	2703	1	25X105	2,625
161 Ridgewood Avenue	2703	4	25X105	2,625

Purchase Price: $101,400.00 ($6.00 per sf.); and

WHEREAS, the City of Newark (the "City") 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 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 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 6S&Fd(AS) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the South Ward, which includes the above-referenced Property; and

WHEREAS, the Municipal Council thereafter 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 Property; and

WHEREAS, the City received a Letter of Intent, attached as Exhibit A of the Redevelopment Agreement, also known as Proposal, for the purchase and redevelopment of the Properties from Das 1 Holding, LLC, 2165 Morris Avenue, Suite 2, Union, New Jersey 07083 (the "Redeveloper"); and

WHEREAS, the Redeveloper proposes to the City's Department of Economic and Housing Development to develop the Properties to construct six (6) two (2) family residential homes for rent (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 develop it 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 South Ward Redevelopment Plan and the Central Ward Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development recommends that the City of Newark sell the Properties to Das 1 Holding LLC, which is willing to purchase the Properties from the City, for the consideration of One Hundred One Thousand Four Hundred Dollars and Zero Cents ($101,400.00), for the purpose of developing said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South Ward Redevelopment Plan 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:

powered by Legistar™

1. The Mayor and/or his designee and the 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 Das 1 Holding, LLC, 2165 Morris Avenue, Suite 2, Union, New Jersey 07083, 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 South Ward Redevelopment Plan and the Central Ward Redevelopment Plan, as amended:

ADDRESS	BLOCK	LOT	SIZE	SQ. FEET
167 Johnson Avenue	2700	16	25X133	3,325
171 Johnson Avenue	2700	18	25X133	3,325
185 N 7th Street	1917	51	25X100	2,500
316 7th Avenue W	1911	2	25X100	2,500
155 Ridgewood Avenue	2703	1	25X105	2,625
161 Ridgewood Avenue	2703	4	25X105	2,625

Purchase Price: $101,400.00 ($6.00 per sf.)

2. Said Properties shall be sold to Das 1 Holding, LLC, by private sale for the purpose of developing the above-mentioned Properties to construct six (6) two (2) family residential homes for rent.

3. The 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's Corporation Counsel.

4. The 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 by the Director of the Department of Economic and Housing Development and the approval of the City's 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 and/or rehabilitation 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, then the authorization provided by this resolution shall be null and void, unless the Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.

powered by Legistar™

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, adopted on 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 6S&Ff, adopted on June 21, 2006, for the purpose of preserving low and moderate income affordable housing.

8. The 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 comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, adopted on April 5, 1995; the City of Newark's Affirmative Action Plan 7Rbp, adopted on 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, adopted on 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 as Exhibit C (the "First Source Ordinance"), all as may be applicable. The Redeveloper shall provide the Department of Economic and Housing Development with the required forms showing compliance with the above, and a copy of these forms shall be filed with the Office of the City Clerk. 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 development of the Properties shall commence within three (3) months and be completed within eighteen (18) months following the transfer of Property ownership from 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 Property as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Property, 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 Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. 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.

powered by Legistar™

STATEMENT

This resolution authorizes the Mayor and/or his designee and the Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Das 1 Holding, LLC, 2165 Morris Avenue, Suite 2, Union, New Jersey 07083, 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 South Ward Redevelopment Plan and the Central Ward Redevelopment Plan, as amended, to rehabilitate the Properties for owner-occupied housing:

ADDRESS	BLOCK	LOT	SIZE	SQ. FEET
167 Johnson Avenue	2700	16	25X133	3,325
171 Johnson Avenue	2700	18	25X133	3,325
185 N 7th Street	1917	51	25X100	2,500
316 7th Avenue W	1911	2	25X100	2,500
155 Ridgewood Avenue	2703	1	25X105	2,625
161 Ridgewood Avenue	2703	4	25X105	2,625

Purchase Price: $101,400.00 ($6.00 per sf.)

powered by Legistar™