



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 13-0825, Version: 1

Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: Sale of City-owned property for redevelopment purposes
Entity Name: Emmet Street, LLC
Entity Address: 600 Main Street, Toms River, New Jersey 08753
Sale Amount: Not less than \$200,000.00
Cost Basis: () \$ PSF (x) Negotiated () N/A () Other:
Assessed Amount: \$
Appraised Amount: \$
Contract Period: Date of execution of agreement to completion of project
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:
271 Emmet Street/Block 1275/Lot 23/East Ward
78-84 Avenue C/Block 1275/Lot 7/East Ward
86 Avenue C/Block 1275/Lot 6/East Ward
Additional Information:
Deferred 7R3-j 080713
Deferred 7R3-b 090513
Deferred 7R3-b 091813
No Action Taken 7R3-b 100213
No Action Taken 7R3-b 101013
Deferred 7R3-b 101713
No Action Taken 7R3-b 102313

WHEREAS, by Resolution 7RM adopted May 4, 2005, the Municipal Council of the City of Newark (the "Municipal Council") directed the Central Planning Board of the City of Newark (the "Central Planning Board") to undertake an investigation to determine if the City satisfied the statutory criteria of an "area in need of rehabilitation" in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

WHEREAS, the Central Planning Board conducted the requested investigation in accordance with the LRHL, including a public hearing on June 6, 2005, after which hearing the Central Planning Board recommended the designation of the entire City as an area in need of rehabilitation; and

WHEREAS, based upon the recommendation of the Central Planning Board, on June 15, 2005 the Municipal Council adopted Resolution 7RDO (A.S.), designating the entire City as an area in need of rehabilitation (as defined by the LRHL), and such designation became effective on June 17, 2005 upon the transmission of the resolution to the New Jersey Department of Community Affairs

by the City Clerk; and

WHEREAS, subsequent to the designation of the City as an area in need of rehabilitation, the Municipal Council adopted redevelopment plans for each of the City wards governing the sale and rehabilitation of City-owned properties within those wards; and

WHEREAS, the City is the owner of real property identified on the official tax map of the City of Newark as Block 1275, Lots 6, 7, 23 (Lot 25 was merged with Lot 7) (the “City Property”); and

WHEREAS, the City Property is located within the East Ward and is governed by the East Ward Redevelopment Plan (the “Redevelopment Plan”); and

WHEREAS, the City has determined that pursuant to N.J.S.A. 40A:12A-8 and 22 of the LRHL, it will contract with Brick City Development Corporation (“BCDC”) to administer and supervise the redevelopment of the City Property and to undertake such other duties and responsibilities under the Redevelopment Plan for the City Property as the City may properly assign or delegate to BCDC, as the City’s agent, under applicable laws; and

WHEREAS, the City has determined to act as the redevelopment entity (as such term is defined under the LRHL) for the rehabilitation of the City Property in accordance with the Redevelopment Plan; 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, replanning, construction or undertaking of any redevelopment project; and

WHEREAS, Emmet Street, LLC (the “Redeveloper”) has indicated that it has or can obtain site control over real property adjacent to the City Property and identified on the official tax map of the City of Newark as 303-309 Emmet Street, Block 1275, Lo 28 (the “Adjoining Property”); and

WHEREAS, the Redeveloper has expressed an interest in redeveloping the City Property along with the Adjoining Property as a recycling center or for other purposes that may be approved by the City and that comply with the terms and conditions of the Redevelopment Agreement and the Redevelopment Plan (as defined more fully within the Redevelopment Agreement, the “Project”); and

WHEREAS, the City has determined that the Redeveloper has or will obtain site control of the Adjoining Property and appears to possess the proper qualifications, financial resources, and capacity to implement and complete the Project in accordance with the Redevelopment Plan and all other applicable laws, ordinances and regulations; and

WHEREAS, the City believes the Project to be in the best interests of the City and of the East Ward, and that it promotes the health, safety, morals and welfare of the City’s residents.

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

1. The Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a Redevelopment Agreement with

Brick City Development Corporation and with Emmet Street, LLC in the form attached hereto for the sale and subsequent redevelopment of certain City-owned properties located in the City's East Ward at 271 Emmet Street; 78-84 Avenue C; 86 Avenue C; Block 1275, Lots 6, 7, 23 (Lot 25 was merged with Lot 7) (collectively, the "City Property") to Emmet Street, LLC for a purchase price of the fair market value of the City Property (as determined by an appraisal to be obtained by Brick City Development Corporation) less an environmental remediation credit for the actual direct costs and expenses incurred and paid by Emmet Street, LLC for the remediation of the City Property; provided, however, that that in no event shall the purchase price of the City Property be less than two hundred thousand dollars (\$200,000.00).

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to sign a deed and any other documents necessary to convey title in the City Property to Emmet Street, LLC and to enter into subordination agreements, access and right of entry agreements, and other relevant documents in forms approved by the City's Corporation Counsel.

3. The Director of Finance is hereby authorized to receive the proceeds of the sale of the City Property and to deposit such proceeds as follows: ninety (90) percent of the sales proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7RG 110685; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under Ordinance 6PhS&FF 062106 for the purpose of preserving or creating low or moderate income affordable housing.

4. The Redevelopment Agreement and Deed, once fully executed, shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

STATEMENT

This resolution authorizes the Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute a Redevelopment Agreement with Brick City Development Corporation and with Emmet Street, LLC for the sale and subsequent redevelopment of certain City-owned properties located in the City's East Ward at 271 Emmet Street; 78-84 Avenue C; 86 Avenue C; Block 1275, Lots 6, 7, 23 (Lot 25 was merged with Lot 7) (collectively, the "City Property") to Emmet Street, LLC for a purchase price of the fair market value of the City Property (as determined by an appraisal to be obtained by Brick City Development Corporation) less an environmental remediation credit for the actual direct costs and expenses incurred and paid by Emmet Street, LLC for the remediation of the City Property; provided, however, that that in no event shall the purchase price of the City Property be less than two hundred thousand dollars (\$200,000.00).