



Legislation Text

File #: 19-0568, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Resolution Endorsing

Purpose: Resolution of the Municipal Council of the City of Newark Consenting to a Certain Transfer of Membership Interest in Spring Street Commons Urban Renewal, LLC to Spring Street Commons OZ Partnerships, LLC

Additional Information:

Ordinance 6PSF-f adopted on July 11, 2018

WHEREAS, Spring Street Commons Urban Renewal, LLC (the “Entity”) applied for a tax exemption pursuant to the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq., (the “Long Term Tax Exemption Law”) for a project to demolish two (2) existing buildings and construct a new 99,010 square foot, five (5) story mixed use building with three (3) commercial units on the ground floor measuring approximately 4,630 square feet and eighty-four (84) market rate residential units located at 2-16 Spring Street/73-87 Clay Street, Newark, New Jersey and identified on the City’s tax map as Block 8, Lot 9.03 (collectively, the “Project”); and

WHEREAS, on July 11, 2018, the Municipal Council adopted Ordinance 6PSF-f granting a fifteen (15) year tax abatement for the Project and authorizing the execution of the “Financial Agreement” (the “Agreement”) memorializing the terms and conditions applicable to the tax exemption; and

WHEREAS, SBIP Spring Street, LLC, is the sole managing member of the entity; and

WHEREAS, Sterling Bridge Investments Partners is the sole managing member of SBIP Spring Street, LLC, which is owned by Louis Reynolds and Marc Chase equally (50% each); and

WHEREAS, SBIP Spring Street, LLC is seeking to transfer its membership interest in the Entity to Spring Street Commons OZ Partnership, LLC, which is 99.5% owned by Spring Street Commons OZ Fund, LLC, the tax credit investor, and 0.5% Spring Street Commons Manager, LLC (of which Louis Reynolds and Alex Von Summer shall each own 50% thereof, respectively); and

WHEREAS, while Article IX of the Agreement does not require the City’s consent for the transfer of membership interest or corporate structure change, the Entity is requesting the City’s consent to the transfer to comply with their financial institution’s requirement.

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

1. The City hereby consents for Spring Street Commons Urban Renewal, LLC to transfer its membership interest to Spring Street Commons OZ Partnerships, LLC, to demolish two (2)

existing buildings and construct a new 99,010 square foot, five (5) story mixed use building with three (3) commercial units on the ground floor measuring approximately 4,630 square feet and eighty-four (84) market rate residential units located at 2-16 Spring Street/73-87 Clay Street, Newark, New Jersey and identified on the City's tax map as Block 8, Lot 9.03.

2. The ownership of the Entity, as set forth in Exhibit A hereto, is hereby approved.
3. The entity shall submit a copy of its amended Certificate of Formation, as approved by the New Jersey Department of Community Affairs and filed with the Secretary of State, to the City.
4. All provisions of Ordinance 6PSF-f, adopted July 11, 2018, and the terms and conditions of the Financial Agreement shall remain in effect.
5. This resolution shall take effect immediately.

STATEMENT

This resolution provides the City's consent for Spring Street Commons Urban Renewal, LLC to transfer its membership interest to Spring Street Commons Oz Partnership, LLC.