



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Details (With Text)

File #: 12-1795 **Version:** 1 **Name:** MERIT INC
Type: Resolution **Status:** Filed
File created: **In control:** Economic and Housing Development
On agenda: 10/3/2012 **Final action:** 10/3/2012
Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: Development of office headquarters and aquaponic and hydroponic farm and market
Entity Name: M.E.R.I.T. Inc.
Entity Address: 211 Warren Street, Suite 218, Newark, New Jersey 07103
Sale Amount: \$16,121.00
Cost Basis: (X) \$4.097 Approx. PSF () Negotiated () N/A () Other:
Assessed Amount: \$122,200.00
Appraised Amount: N/A
Contract Period: Commenced within (3) months and completed within (18) months from the transfer of ownership
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions (X) RFP () RFQ
(X) Private Sale () Grant () Sub-recipient () n/a
List of Property:
(Address/Block/Lot/Ward)
72-76 Boyden Street/2858/45/Central Ward
178 Orange Street/2858/1/Central Ward
Additional Information:
N/A

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
10/3/2012	1	Municipal Council	Adopt	Pass

Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: Development of office headquarters and aquaponic and hydroponic farm and market
Entity Name: M.E.R.I.T. Inc.
Entity Address: 211 Warren Street, Suite 218, Newark, New Jersey 07103
Sale Amount: \$16,121.00
Cost Basis: (X) \$4.097 Approx. PSF () Negotiated () N/A () Other:
Assessed Amount: \$122,200.00
Appraised Amount: N/A
Contract Period: Commenced within (3) months and completed within (18) months from the transfer of ownership
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions (X) RFP () RFQ
(X) Private Sale () Grant () Sub-recipient () n/a

List of Property:

(Address/Block/Lot/Ward)

72-76 Boyden Street/2858/45/Central Ward

178 Orange Street/2858/1/Central Ward

Additional Information:

N/A

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

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
72-76 Boyden Street	Central	2858	45	80 X 29.15	2,332.00
178 Orange Street	Central	2858	1	23.92 X 67	1,602.64

; and

WHEREAS, the City of Newark has determined that the above referenced properties are City-owned and not needed for municipal purposes; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the redevelopment of these areas and is conveying properties at such prices and upon such terms as it deems reasonable and said conveyance is made in conjunction with a Redevelopment Plan; and

WHEREAS, the Municipal Council previously adopted Resolution 7RDO (A.S.) 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 6PhS&Fe(S) on August 17, 2005, adopting the Central Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the Central Ward, which includes the above-referenced City-owned properties; and

WHEREAS, on or about November 14, 2011, the City issued a Request for Proposals (the “RFP”) soliciting proposals for the sale and redevelopment of the above-referenced properties, which was to be accepted beginning on November 14, 2011 and concluding on December 9, 2011; and

WHEREAS, in response to the RFP, M.E.R.I.T. Inc., having its address at 211 Warren Street, Suite 218, Newark, New Jersey 07103, submitted a development proposal package to the City’s Department of Economic and Housing Development outlining its proposal to redevelop the above properties into an office headquarters and an aquaponic and hydroponic farm and market, in accordance with the Central Ward Redevelopment Plan; and

WHEREAS, based upon the City’s review of the development proposal package submitted by M.E.R.I.T. Inc., the City determined that M.E.R.I.T. Inc, possesses the proper qualifications, financial resources and the necessary capacity to acquire said properties and to redevelop them in

accordance with the requirements of N.J.S.A. 40A:12A-8(g), the contract for the private sale and redevelopment of land and the Central Ward Redevelopment Plan; and

WHEREAS, pursuant to the abovementioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell and M.E.R.I.T. Inc. is willing to purchase from the City certain properties listed herein for the purpose of redeveloping said properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the attached contract for private sale and redevelopment of land and the Central Ward Redevelopment Plan.

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 a redevelopment agreement, in the form attached hereto, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) and the Central Ward Redevelopment Plan, with M.E.R.I.T. Inc., 211 Warren Street, Suite 218, Newark, New Jersey, 07103 the designated Redeveloper, for the private sale and redevelopment of the properties listed below:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
72-76 Boyden Street	Central	2858	45	80 X 29.15	2,332.00
178 Orange Street	Central	2858	1	23.92 X 67	1,602.64

Total Purchase Price: \$16,121.00 (approx. \$4.097/Sq. Ft.)

2. Said properties shall be sold to M.E.R.I.T. Inc., by private sale for the purpose of redeveloping the abovementioned properties for use as an office headquarters and an aquaponic and hydroponic farm and market, and all deeds shall contain resale and/or use restrictions for a period of not less than 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 subordination agreements, access and right-of-entry agreements, and any required documents which may be necessary in order to effectuate the sale of the properties listed in Paragraph 1 herein and the terms of the Redevelopment Agreement associated with the sale and construction of said property, in a form subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions of the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.

4. Any other prior legislation authorizing or intended to authorize the sale of the properties listed in Paragraph 1 herein is hereby rescinded.
5. The Redeveloper shall have 60 days from the date this Resolution is certified by the Office of the City Clerk to execute the attached redevelopment agreement and return same to the Department of Economic and Housing Development. Should Redeveloper fail to execute and return the attached redevelopment agreement within this 60-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 60-day time period.
6. The Director of Finance is hereby authorized to receive proceeds of sale and to deposit same as follows: ninety (90) percent of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under City Resolution No 7RG 110685; 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 062106 for the purpose of preserving low and moderate income affordable housing.
7. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed redevelopment agreement, the deed, and all executed agreements authorized in Paragraph 3 herein on file in the Office of the City Clerk.
8. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance (6S&FI040595) and its Affirmative Action Plan (7RBP 030195) and Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) regarding the award of goods and services contracts. In addition, the redeveloper has agreed to ensure that a minimum of 40% of workers employed during the construction shall be local Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
9. The redevelopment of the abovementioned properties must be commenced within 3 months and be completed within 18 months from the transfer of ownership by the City.
10. The properties must 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. Should the Redeveloper fail to timely redevelop the properties then the City, in its sole discretion, may direct the redeveloper to transfer title to these properties back to the City.
11. The Deputy Mayor/ Director of the Department of Economic and Housing Development is hereby authorized to execute a Quit Claim deed to the Redeveloper for the properties listed above. Said deed conveying title 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

Passage of this resolution shall permit the Mayor and/or his designee and the Deputy Mayor/Director of Economic and Housing Development to enter into and execute a redevelopment agreement with M.E.R.I.T. Inc., 211 Warren Street, Suite 218, Newark, New Jersey 07103 for the private sale and

redevelopment of the City-owned properties listed as follows, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) and the Central Ward Redevelopment Plan:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
72-76 Boyden Street	Central	2858	45	80 X 29.15	2,332.00
178 Orange Street	Central	2858	1	23.92 X 67	1,602.64

Total Purchase Price: \$16,121.00 (approx. \$4.097/Sq. Ft.)

to redevelop for use as office headquarters and an aquaponic and hydroponic farm and market.