



Legislation Details (With Text)

File #: 12-2409 **Version:** 1 **Name:** Old Third Ward Redevelopment, LLC

Type: Resolution **Status:** Filed

File created: 12/20/2012 **In control:** Economic and Housing Development

On agenda: 4/23/2013 **Final action:** 4/23/2013

Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: To authorize the private sale and redevelopment of six properties located at Block 2556, Lots 1, 61 & 62 and Block 2563, Lots 1, 75 & 76
Entity Name: Old Third Ward Redevelopment, LLC
Entity Address: 3 East Stow Road, Marlton, New Jersey 08053
Sale Amount: \$ 3,712,000.00
Cost Basis: () \$ 2.00 PSF (X) Negotiated () N/A () Other:
Assessed Amount: \$ 14,639,200.00
Appraised Amount: N/A
Contract Period: Within eighteen (18) months of the commencement of both Phase I and II
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)

1-55 Somerset Street /Block 2556/ Lot 1/Central Ward
136-146 Spruce Street /Block 2556/ Lot 61/Central Ward
28-82 Barclay Street /Block 2556/ Lot 62/Central Ward
84-140 Barclay Street /Block 2563/ Lot 1/Central Ward
135-145 Spruce Street /Block 2563/ Lot 75/Central Ward
57-117.5 Somerset Street /Block 2563/ Lot 76/Central Ward

Additional Information:
The Redevelopment Project will consist of a total of one hundred sixteen (110) units of deed restricted rental housing and two (2) parks with a size equal to or greater than the square footage of the existing parks on the property.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
4/23/2013	1	Municipal Council	Adopt	Pass

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Additional Information:

The Redevelopment Project will consist of a total of one hundred sixteen (110) units of deed restricted rental housing and two (2) parks with a size equal to or greater than the square footage of the existing parks on the property.

WHEREAS, on November 29, 2011 the Municipal Council of the City of Newark adopted Resolution 7R3-A(S) authorizing the Mayor and Deputy Mayor/Director of the Department of Economic and Housing Development to enter into a contract with Old Third Ward Redevelopment, LLC ,3 East Stow Road, Marlton, New Jersey 08053, for the private sale and redevelopment of a portion of six (6) City-owned properties shown on the Official Tax Map of the City, as Block 2556, Lots 1, 61 & 62 and Block 2563, Lots 1, 75 & 76 commonly known as the Douglas Harrison parcels (the "Property") for the sum of three million seven hundred twelve thousand dollars (\$3,712,000.00); and

WHEREAS, as authorized under Resolution 7R3-A(S) 112911, the City signed a contract with Old Third Ward Redevelopment, LLC for the private sale and redevelopment of the Property (the "Redevelopment Agreement"); and

WHEREAS, the City and Old Third Ward Redevelopment, LLC have negotiated an Amended and Restated Redevelopment Agreement in order to modify certain business terms and conditions of the Redevelopment Agreement; and

WHEREAS, pursuant to the Amended and Restated Redevelopment Agreement, Old Third Ward Redevelopment, LLC has agreed to: (i) construct approximately one hundred ten (110) units of deed restricted rental housing affordable to households whose income does not exceed 60% of the Essex County median adjusted income for a family size to be contained in two (2) distinct developments, the first an approximately fifty (50) unit elderly mid-rise development (the "First Phase"), and the second an approximately sixty (60) unit stacked townhouse development for families (the "Second Phase"); and (ii) construct two (2) parks with a size equal to or greater than the square footage of the existing parks on the Property in accordance with the plan for the diversion of recreation and open space approved by New Jersey Department of Environmental Protection (NJDEP); and (iii) construct a sufficient number of parking spaces to accommodate the housing units

and the replacement parks (collectively, and as more specifically defined herein, the “Project”); and

WHEREAS, the Municipal Council has determined that it is appropriate to authorize the execution of an Amended and Restated Redevelopment Agreement with Old Third Ward Redevelopment, LLC in the form attached hereto.

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute an Amended and Restated Redevelopment Agreement with Old Third Ward Redevelopment, LLC, 3 East Stow Road, Marlton, New Jersey 08053, for the private sale and redevelopment of a portion of six (6) City-owned properties shown on the Official Tax Map of the City, as Block 2556, Lots 1, 61 & 62 and Block 2563, Lots 1, 75 & 76 (the “Property”) for the sum of three million seven hundred twelve thousand dollars (\$3,712,000.00).

2. 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 Amended and Restated Redevelopment Agreement annexed hereto and may enter into subordination agreements, access and right of entry agreements, and other relevant documents, subject to the approval as to form and legality by the City’s 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 (2) six (6) month extensions of the term of the Amended and Restated Redevelopment Agreement and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) month extensions.

3. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Bargain and Sale Deed to Old Third Ward Redevelopment, LLC for the Property, which shall include a limited right of reverter and those covenants and restrictions required under the Amended and Restated Redevelopment Agreement and N.J.S.A. 40A:12A-9. Said Deed conveying Title to the Redevelopers shall be approved as to form and legality by the City’s Corporation Counsel and attested to and acknowledged by the Office of the City Clerk.

4. The Director of Finance is hereby authorized to receive the proceeds of the sale of the 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 7RG110685; 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.

5. A copy of the executed Amended and Restated Redevelopment Agreement and Deed shall be filed by the Deputy Mayor/Director of the Department of Economic and Housing Development in the Office of the City Clerk.

6. The redevelopment of the Property must be completed within the timeframe required under the Amended and Restated Redevelopment Agreement. Construction must adhere to all milestones and timelines in a Construction Schedule to be approved by the Deputy Mayor/Director of

the Department of Economic and Housing Development. The redevelopment of the Property must conform to the City of Newark design guidelines, including standards for environmental sustainability, energy efficiency, and historical preservation, as established by the Department of Economic and Housing Development.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute an Amended and Restated Redevelopment Agreement with Old Third Ward Redevelopment, LLC, 3 East Stow Road, Marlton, New Jersey 08053 for the private sale and redevelopment of a portion of six (6) City-owned properties shown on the Official Tax Map of the City, as Block 2556, Lots 1, 61 & 62 and Block 2563, Lots 1, 75 & 76. The sale price for the Property shall be three million seven hundred twelve thousand dollars (\$3,712,000.00) and the redevelopment Project will consist of a total of one hundred ten (110) units of deed restricted rental housing and two (2) parks with a size equal to or greater than the square footage of the existing parks on the property.