



Legislation Details (With Text)

File #: 16-1394 **Version:** 1 **Name:** Newark Burnet, LLC

Type: Resolution **Status:** Adopted

File created: 8/30/2016 **In control:** Economic and Housing Development

On agenda: 11/29/2016 **Final action:** 11/29/2016

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/ Redevelopment
Purpose: Construct market rate residential housing
Entity Name: Newark Burnet, LLC
Entity Address: 128 Main Avenue, Passaic, New Jersey 07055
Sale Amount: \$74,207.04
Cost Basis: (X) \$ 8.00 PSF (X) Negotiated () N/A () Other:
Assessed Amount: \$194,600.00
Appraised Amount: \$160,000.00
Contract Period: To be commenced within three (3) months and be completed within twenty-four (24) months from the transfer of 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 Properties:
(Address/Block/Lot/Ward)
46 Burnet Street/Block 44/Lot 40/Central Ward
48 ½ Burnet Street/Block 44/Lot 42/Central Ward
48 Burnet Street/Block 44/Lot 43/Central Ward
44 Burnet Street/Block 44/Lot 44/Central Ward
42 Burnet Street/Block 44/Lot 45/Central Ward
Additional Information:
Total Square Footage = 9,275.88 x \$8.00 = \$74,207.04
Sale Price as negotiated with purchaser pursuant to the City's authority under N.J.S.A. 40A:12A-8(g).

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
11/29/2016	1	Municipal Council	Adopt	Pass

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Additional Information:

Total Square Footage = 9,275.88 x \$8.00 = \$74,207.04

Sale Price as negotiated with purchaser pursuant to the City's authority under N.J.S.A. 40A:12A-8(g).

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

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>WARD</u>	<u>SIZE</u>	<u>SQ. FEET</u>
46 Burnet Street	44	40	Central	19x100	1,900.00
48 ½ Burnet Street	44	42	Central	18.6X100.8	1,874.88
48 Burnet Street	44	43	Central	18.6X100	1,860.00
44 Burnet Street	44	44	Central	18.11X100	1,811.00
42 Burnet Street	44	45	Central	18.3X100	1,830.00

Total Square Footage: 9,275.88

Total Purchase Price: \$74,207.04 (\$8.00/sq. ft.); and

WHEREAS, the City of Newark 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 redevelopment 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 6PSF-a on January 22, 2009, adopting the Broad Street Station District Redevelopment Plan governing the redevelopment of certain properties located within the Central Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a proposal for the purchase and redevelopment of the Properties from Newark Burnet, LLC (the "Redeveloper"); and

WHEREAS, the Redeveloper, having its address at 128 Main Avenue, Passaic, New Jersey 07055 has proposed to the City's Department of Economic and Housing Development to construct market rate residential housing (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 redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement for the Sale of Land and Redevelopment, the form of which is attached hereto (the "Agreement"), and the Broad Street Station District Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell the Properties to Newark Burnet, LLC, which is willing to purchase the Properties from the City, for the nominal consideration of Seventy-Four Thousand, Two Hundred Seven Dollars and Four Cents (\$74,207.04) for the purpose of redeveloping said properties in accordance with the requirements of N.J.S.A. 40A:12A-8 (g), the Agreement, and the Broad Street Station District Redevelopment Plan, as amended.

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 the Agreement for the Sale of Land and Redevelopment attached hereto with Newark Burnet, LLC, 128 Main Avenue, Passaic, New Jersey 07055, 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 Broad Street Station District Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>WARD</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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Total Square Footage: 9,275.88

Total Purchase Price: \$74,207.04 (\$8.00/sq. ft.)

2. Said properties shall be sold to Newark Burnet, LLC, by private sale for the purpose of redeveloping the Properties by constructing market rate residential housing, and all deeds shall contain resale and/or use restrictions which shall run with the land for a period of not less than ten (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 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 of Newark Corporation Counsel.

4. 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 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 of the City of Newark by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark 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 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, 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 thirty (30) day time period.
7. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety (90) percent of the sale proceeds shall be deposited into the Redevelopment Acquisition Dedicated Trust Fund established under Resolution 7Rcs(AS) dated April 16, 1986; 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 dated June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
8. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale of Land and Redevelopment, 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 be required to comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, dated April 5, 1995; the City of Newark's Affirmative Action Plan 7Rbp, dated 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, dated 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 (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that 30% of all contractors, subcontractors and suppliers shall be Newark-based companies.

10. The redevelopment of the Properties shall be commenced within three (3) months and be completed within twenty-four (24) months from the transfer of ownership of the Properties by 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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Properties, 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 Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Properties. 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.

STATEMENT

This Resolution authorizes the Mayor and/or his designee and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale of Land and Redevelopment with Newark Burnet, LLC, 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 of Land and Redevelopment and the Broad Street Station District Redevelopment Plan, as amended:

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