



Legislation Details (With Text)

File #: 16-1215 **Version:** 1 **Name:** Resolution: Essex Property Management Group LLC

Type: Resolution **Status:** Adopted

File created: 7/18/2016 **In control:** Economic and Housing Development

On agenda: 3/7/2017 **Final action:** 3/7/2017

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To grant financial assistance for a project consisting of seventeen (17) residential units located within the South Ward Redevelopment Plan and identified on the Official Tax Map of the City as Block 3004, Lot 30.
Entity Name: Essex Property Management Group, LLC.
Entity Address: 59 East Runyon Street, Newark, New Jersey 07114
Grant Amount: \$150,000.00
Funding Source: Redevelopment Community Trust Account
Total Project Cost: \$1,334,140.00
City Contribution: \$150,000.00
Other Funding Source/Amount: \$0.00
Contract Period: The term of this Agreement shall be for a period of two (2) years from the execution of the Grant Agreement.
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale (X) Grant () Sub-recipient () n/a
(Address/Block/Lot/Ward)
611-613 Clinton Avenue/Block 3004/Lot 30/South Ward
Additional Information:
Resolution 7RCS(as) adopted on April 16, 1986
Resolution 7R3-d(as) adopted on August 5, 2015

Sponsors: John Sharpe James, Anibal Ramos, Jr.

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
3/7/2017	1	Municipal Council	Adopt	Pass

Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To grant financial assistance for a project consisting of seventeen (17) residential units located within the South Ward Redevelopment Plan and identified on the Official Tax Map of the City as Block 3004, Lot 30.
Entity Name: Essex Property Management Group, LLC.
Entity Address: 59 East Runyon Street, Newark, New Jersey 07114
Grant Amount: \$150,000.00
Funding Source: Redevelopment Community Trust Account
Total Project Cost: \$1,334,140.00
City Contribution: \$150,000.00

Other Funding Source/Amount: \$0.00

Contract Period: The term of this Agreement shall be for a period of two (2) years from the execution of the Grant Agreement.

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale (X) Grant () Sub-recipient () n/a

(Address/Block/Lot/Ward)

611-613 Clinton Avenue/Block 3004/Lot 30/South Ward

Additional Information:

Resolution 7RCS(as) adopted on April 16, 1986

Resolution 7R3-d(as) adopted on August 5, 2015

WHEREAS, on August 5, 2015, the Municipal Council of the City of Newark (“Municipal Council”) adopted Resolution 7R3-d(as) authorizing the conveyance of certain abandoned property and City-owned property, including the real property located at 611-613 Clinton Avenue (Block 3004, Lot 30) in the City of Newark, New Jersey, to Essex Property Management Group, LLC having its address at 59 East Runyon Street, Newark, New Jersey 07114 (the “Entity”), for the purpose of redevelopment pursuant to the terms and conditions of the Redevelopment Agreement attached therein; and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “LRHL”), and is governed by the South Ward Redevelopment Plan, as amended (the “Redevelopment Plan”); and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, *N.J.S.A. 40A:12A-8(f)* of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with the Redevelopment Plan; and

WHEREAS, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in order to implement an approved Redevelopment Plan; and

WHEREAS, the Newark Municipal Council recognizes the need to complete the above Project and desires to finance the making of a capital grant in the amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) to the Entity to be used as a subsidy to develop the Project; and

WHEREAS, the City of Newark desires to enter into a Grant Agreement with Essex Property Management Group, LLC in order to memorialize the terms and conditions of a capital grant of up to One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), with funds for this grant to be provided from the City’s Redevelopment Trust Fund established by Resolution 7RCS(AS) adopted on April 16, 1986, as financial assistance for the sole purpose to renovate the Property and develop the Project.

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 a Grant Agreement with Essex Property Management Group, LLC (the "Entity"), 59 East Runyon Street, Newark, New Jersey 07114, in the form attached hereto as Exhibit A ("Grant Agreement"), in the amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) from the City of Newark Redevelopment Development Dedicated Fund (the "Grant Funds"), to be used as financing for the renovation of the Properties and development of the Project which shall facilitate redevelopment of the City and implementation of related activities.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish and record a declaration of covenants, conditions and restrictions to ensure that the City shall be repaid the full amount of the Grant Funds disbursed to the Entity upon the occurrence of an event of default under the Grant Agreement by the Entity by requiring the Entity to execute a separate Mortgage and Mortgage Note for the full amount of funding provided to the Entity in the Grant Agreement. Said covenants, conditions and restrictions shall run with the land and bind the Entity and any subsequent purchasers and owners, their heirs, executors, administrators and assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns during the term of the Grant Agreement and the City shall discharge such Mortgage and lien in connection therewith upon its issuance of a Certificate of Completion for the Project.
3. The term of the Grant Agreement shall commence on the date of execution and delivery of the Grant Agreement by the Entity and the City and expire upon the City's issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
4. The Department of Economic and Housing Development shall be responsible for the recordation of the final fully executed Grant Agreement, Mortgage and Security Agreement, the Note and any amendments thereto in the Office of the Essex County Register's Office.
5. 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 Grant Agreement as permitted by New Jersey Law and may enter into access and right of entry agreements and other relevant documents related to these fund allocations in forms 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 (2) six (6) month extensions of the term set forth in the Grant Agreement and any contract timelines and milestones contained therein, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) 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.
6. The Entity must adhere to all milestones and timelines in the Project Schedule as further set forth in the Grant Agreement. The Project must conform to the City of Newark Design and Construction Standards Guidelines for New Home Construction, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Entity fail to complete the Project within the specified time frame set forth in the Grant Agreement, then the City, in its sole discretion, in

addition to any other remedy available by the Grant Agreement or as allowed by law, may direct the Entity to repay all funding authorized in the Grant Agreement.

7. The Entity must remain in compliance with all Municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd adopted April 5, 1995) and its Affirmative Action Plan (7Rbp adopted March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services, as may be amended from time to time. The Entity has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
8. Attached hereto is a Certification of Funds from the Director of Finance of the City of Newark, which states that: (1) there are sufficient funds in the amount of One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00) and; (2) that the line appropriation of Official Budget which shall be charged is as follows:

Business Unit	Dept.	Activity	Account#	Budget Ref.	Amount
026	BS	N/A	32100	B2016	\$150,000.00

9. A copy of the fully executed Grant Agreement, the Mortgage Note and the recorded Mortgage must be placed on file in 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/or his designee, and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Grant Agreement with Essex Property Management Group, LLC, 59 East Runyon Street, Newark, New Jersey 07114, for Grant Funds from the City of Newark Redevelopment Development Dedicated Fund in the amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) to subsidize the redevelopment and/or rehabilitation of a Project consisting of seventeen (17) residential units nine (9) three-bedrooms, eight (8) two-bedrooms located at 611-613 Clinton Avenue, Newark, New Jersey (South Ward) and identified on the Official Tax Map of the City of Newark as Block 3004, Lot 30 for a period of two (2) years from the execution date of the Grant Agreement.