



Legislation Details (With Text)

File #: 18-0089 **Version:** 1 **Name:** Newark Empowerment Group

Type: Resolution **Status:** Adopted

File created: 1/23/2018 **In control:** Economic and Housing Development

On agenda: 9/6/2018 **Final action:** 9/6/2018

Title: Dept/ Agency: Economic and Housing Development
Action: ☐ Ratifying ☒ Authorizing ☐ Amending
Type of Service: Private Sale/Redevelopment
Purpose: Rehabilitate the property as affordable rental or for-sale housing.
Entity Name: Newark Empowerment Group, LLC.
Entity Address: 34 Millington Avenue, Newark, New Jersey 07108
Sale Amount: \$20,000.00
Cost Basis: ☒ \$4.00 PSF ☐ Negotiated ☐ N/A ☐ Other:
Assessed Amount: \$118,400.00
Appraised Amount: \$0.00
Contract Period: To be commenced within three (3) months and be completed within twelve (12) months from the transfer of ownership by the City
Contract Basis: ☐ Bid ☐ State Vendor ☐ Prof. Ser. ☐ EUS
☐ Fair & Open ☐ No Reportable Contributions ☐ RFP ☐ RFQ
☒ Private Sale ☐ Grant ☐ Sub-recipient ☐ n/a
List of Property:
(Address/Block/Lot/Ward)
392-394 Leslie Street/Block 3724-02/Lot 82/South Ward
Additional Information:
(Address/Ward/Block/Lot/Size/Sq. Feet)
392-394 Leslie Street/South/3724-02/82/50X100/5,000
Total Purchase Price: \$20,000.00 (\$4.00 per sf.)
Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned Property

Sponsors: John Sharpe James, Eddie Osborne

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/6/2018	1	Municipal Council	Adopt	Pass

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Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned Property

WHEREAS, the purpose of this resolution is to approve the sale and rehabilitation of the following City-owned Property located in the South 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>
392-394 Leslie Street	South	3724-02	82	50X100	5,000

Total Purchase Price: \$20,000.00 (\$4.00 per sf.); and

WHEREAS, the City of Newark has determined that the above referenced City-owned Property (the "Property") is 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 rehabilitation 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 6S&Fd(S) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned Properties located within the South Ward, which includes the above-referenced Property; and

WHEREAS, the City received a letter of intent for the purchase and rehabilitation of the Property from the owner of the attached property Newark Empowerment Group, LLC, 34 Millington Avenue, Newark, New Jersey 07108 (the "Redeveloper"); and

WHEREAS, the Redeveloper has proposed to the City's Department of Economic and Housing Development to rehabilitate the Property as affordable rental or for-sale housing, a copy of which is attached to the Agreement as Exhibit A (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 Property and to rehabilitate 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 and Redevelopment of Land, the form of which is attached hereto (the "Agreement"), and the South Ward 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 Property to Newark Empowerment Group, LLC, whom is willing to purchase the Property from the City, for the consideration of Twenty Thousand Dollars and Zero Cents (\$20,000.00), for the purpose of rehabilitating said Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South Ward 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 Acting Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land in the form attached hereto with Newark Empowerment Group, LLC, 34 Millington Avenue, Newark, New Jersey 07108, for the private sale and rehabilitation of the following Property, 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 South Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
392-394 Leslie Street	South	3724-02	82	50X100	5,000

Total Purchase Price: \$20,000.00 (\$4.00 per sf.)

2. Said Property shall be sold to Newark Empowerment Group, LLC, by private sale for the purpose of rehabilitating the abovementioned Property as affordable rental or for-sale housing.

3. The Acting 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 Property and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark's Corporation Counsel.

4. The Acting 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 Acting Director of the Department of Economic and Housing Development and the approval of the City of Newark's Corporation Counsel.

5. The Redeveloper shall be designated as the exclusive redeveloper of the Property and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment and/or rehabilitation of the Property are 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 Acting 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 percent (90%) of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg, November 6, 1985; and ten percent (10%) of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6S&FF, June 21, 2006, for the purpose of preserving low and moderate income affordable housing.

8. The Acting Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement for the Sale and Redevelopment of Land, 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, April 5, 1995; the City of Newark's Affirmative Action Plan Resolution 7Rbp, 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 6S&Fc 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 as Exhibit C (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.

10. The rehabilitation of the Property shall be commenced within three (3) months and be completed within twelve (12) months from the transfer of ownership of the Property 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 Property as may be necessary. Should the Redeveloper fail to diligently pursue the rehabilitation of the Property, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Property back to the City, in accordance with the terms and conditions of the Agreement and the deed.

12. The Acting Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. Said Quitclaim Deed conveying title to the Property 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 Acting Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land of Newark Empowerment Group, LLC, 34 Millington Avenue, Newark, New Jersey 07108, for the private sale and rehabilitation of the following Property, 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 and Redevelopment of Land and the South Ward Redevelopment Plan, as amended to rehabilitate the Property as affordable rental or for-sale housing:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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