



Legislation Details (With Text)

File #: 18-1659 **Version:** 1 **Name:** 34 Commerce Street, LLC
Type: Resolution **Status:** Filed
File created: 10/19/2018 **In control:** Economic and Housing Development
On agenda: 12/5/2018 **Final action:** 12/11/2018

Title: Dept/ Agency: Economic and Housing Development
Action: ☐ Ratifying ☒ Authorizing ☐ Amending
Type of Service: Private Sale/Redevelopment
Purpose: Agreement for redevelopment of land
Entity Name: 34 Commerce Street, LLC.
Entity Address: 436 Albany Court, West New York, New Jersey 07093
Sale Amount: \$900,000.00
Cost Basis: ☐ \$ PSF ☐ Negotiated ☐ N/A ☐ Other:
Assessed Amount: \$0.00
Appraised Amount: \$900,000.00
Contract Period: N/A
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)
34 Commerce Street/Block 145/Lot 28/Central Ward
Additional Information:
Deferred 7R2-j (as) 120518

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
12/11/2018	1	Municipal Council	Adopt	Pass
12/5/2018	1	Municipal Council	Defer to a Special Meeting	Pass

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WHEREAS, in order to stimulate the reinvigoration of the City, by Resolution 7Rdo (AS) adopted by the Municipal Council on June 15, 2005, the entire City of Newark was designated as an area in need of rehabilitation pursuant to the Act; and

WHEREAS, by Ordinance 6S&Fg dated September 3, 2008, the Municipal Council of the City of Newark (the “Municipal Council”) adopted an Ordinance approving the “Living Downtown Plan” (the “Redevelopment Plan”); and

WHEREAS, the Redevelopment Plan has been amended four (4) times since its initial passage by the Municipal Council including the First Amendment by Ordinance 6PSF-a(S) adopted on June 30, 2010, the Second Amendment by Ordinance 6PSF-a(S) adopted on September 21, 2010, the Third Amendment by Ordinance 6PSF-c adopted on December 16, 2015, and the Fourth Amendment by Ordinance 6PSF-b(S) adopted on April 10, 2018; and

WHEREAS, said Redevelopment Plan complies with the requirements of all applicable State and Federal statutes and regulations promulgated thereunder; and

WHEREAS, the Redevelopment Plan is applicable to the development and redevelopment of City-owned properties, including that certain parcel of real property shown on the official tax map of the City of Newark as Block 145, Lot 28 more commonly known as 34 Commerce Street (the “Property”); and

WHEREAS, pursuant to N.J.S.A. 40A: 12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, re-planning, construction or undertaking of any redevelopment project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City may “convey property ... without public bidding and at such prices and upon such terms as it deems reasonable”; and

WHEREAS, the City is the owner of the Property, which is currently being utilized by the Newark Public Library (the “Library”) without a lease agreement; and

WHEREAS, the City has determined that the Property is no longer needed for any public use and that the redevelopment of the Property as hereinafter set forth in this Agreement will contribute to the reinvigoration of the City; and

WHEREAS, 34 Commerce Street, LLC, 436 Albany Court, West New York, New Jersey 07093 (the “Redeveloper”), has expressed an interest in redeveloping the Property for office and retail uses, which shall include the undertaking of environmental remediation; and

WHEREAS, the City obtained an appraisal report for the Property from Patrick B. Ard, MAI, of ARD Appraisal Company, which estimated the value of the Property, without considering the effects of any environmental contamination on the Property, to be Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00); and

WHEREAS, the Redeveloper then obtained an environmental cost estimate for remediating the Property from ABS Environmental Services, LLC, which estimated the total cost of environmental remediation on the Property to be approximately Forty-Eight Thousand Dollars and Zero Cents (\$48,000.00); and

WHEREAS, based on the appraisal and the cost to remediate the Property, the City has determined that it shall convey the Property to the Redeveloper at Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00); however, the City shall reimburse the Redeveloper Forty-Eight Thousand Dollars and Zero Cents (\$48,000.00) upon completion of the remediation ("Reimbursement"); and

WHEREAS, after Reimbursement is retained by City, the City has agreed to divide proceeds from the sale of the Property with the Library, where the Library would retain fifty percent (50%) of the proceeds after Reimbursement and the remaining fifty percent (50%) would be retained by the City; and

WHEREAS, the City has determined that the Redeveloper appears to possess the proper qualifications, financial resources, and capacity to implement and complete the Project in accordance with the Redevelopment Plan and all other applicable laws, ordinances and regulations; and

WHEREAS, the City has determined that it is appropriate for the City to authorize the execution of a Redevelopment Agreement to reflect the foregoing.

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 Director of the Department of Economic and Housing Development of the City, are hereby authorized to enter into and execute the Redevelopment Agreement with 34 Commerce Street, LLC, 436 Albany Court, West New York, New Jersey 07093 (the "Redeveloper"), in the form attached hereto, for the sale of the City-owned property, commonly known as 34 Commerce Street as shown on the official tax map of the City of Newark as Block 145, Lot 28 (the "Property") for the amount of Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00); however, the City shall reimburse the Redeveloper Forty-Eight Thousand Dollars and Zero Cents (\$48,000.00) upon completion of the remediation.

2. The City shall divide the proceeds from the sale of the Property with the Library, where the Library would retain fifty percent (50%) of the proceeds after Reimbursement and the remaining fifty percent (50%) would be retained by the City.

3. Said property shall be sold to Redeveloper for the purpose of redeveloping the Property for office/retail uses.

4. The 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 execute any related documents which may be necessary in order to effectuate the sale of the Property and the terms and conditions of the Redevelopment Agreement, subject to 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 of the Property is hereby rescinded.

6. The redevelopment of the Property shall be commenced in accordance with the Project Schedule attached to the Redevelopment Agreement.

7. The Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper to effectuate sale of the property. 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.

8. The executed Redevelopment Agreement shall be placed on file in the Office of the City Clerk by the Director of the Department of Economic and Housing Development.

9. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Director of the Department of Economic and Housing Development of the City to enter into and execute the Redevelopment Agreement with 34 Commerce Street, LLC, 436 Albany Court, West New York, New Jersey 07093 (the "Redeveloper"), in the form attached hereto, for the sale of the City-owned property, commonly known as 34 Commerce Street as shown on the official tax map of the City of Newark as Block 145, Lot 28 (the "Property") for the amount of Nine Hundred Thousand Dollars and Zero Cents (\$900,000.00), which the Redeveloper is undertaking a redevelopment project consisting of an office/retail project.