



Legislation Details (With Text)

File #: 19-0906 **Version:** 1 **Name:** Faro Development-Gateway Apts.
Type: Resolution **Status:** Adopted
File created: 5/23/2019 **In control:** Economic and Housing Development
On agenda: 8/7/2019 **Final action:** 8/7/2019
Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: To develop a four-story, approximately twenty-four (24) unit apartment building with parking.
Entity Name: Faro Development, LLC
Entity Address: Five Greentree Centre, Suite 104, 525 Route 73 North, Suite 104, Marlton, New Jersey 08053
Sale Amount: \$88,158.07
Cost Basis: (X) \$7.00 PSF () Negotiated () N/A () Other:
Assessed Amount: \$175,200.00
Appraised Amount: \$0.00
Contract Period: To commence 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 Property:
(Address/Block/Lot/Ward)
64 14th Avenue/Block 246/Lot 5/Central Ward
295-297 Morris Avenue/Block 246/Lot 7/Central Ward
299 Morris Avenue/Block 246/Lot 8/Central Ward
301 Morris Avenue/Block 246/Lot 9/Central Ward
303 Morris Avenue/Block 246/Lot 10/Central Ward
Additional Information:
Total Sale Price: Total Square Footage x PSF = 12,594.01 X \$7.00 = \$88,158.07
Sale at prices set forth by Ordinance 6S&Fh adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.
Sponsors: LaMonica R. McIver, Mildred C. Crump

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/7/2019	1	Municipal Council	Adopt	Pass

Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: To develop a four-story, approximately twenty-four (24) unit apartment building with parking.
Entity Name: Faro Development, LLC
Entity Address: Five Greentree Centre, Suite 104, 525 Route 73 North, Suite 104, Marlton, New Jersey 08053
Sale Amount: \$88,158.07
Cost Basis: (X) \$7.00 PSF () Negotiated () N/A () Other:

Assessed Amount: \$175,200.00

Appraised Amount: \$0.00

Contract Period: To commence 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 Property:

(Address/Block/Lot/Ward)

64 14th Avenue/Block 246/Lot 5/Central Ward

295-297 Morris Avenue/Block 246/Lot 7/Central Ward

299 Morris Avenue/Block 246/Lot 8/Central Ward

301 Morris Avenue/Block 246/Lot 9/Central Ward

303 Morris Avenue/Block 246/Lot 10/Central Ward

Additional Information:

Total Sale Price: Total Square Footage x PSF = 12,594.01 X \$7.00 = \$88,158.07

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

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>SIZE</u>	<u>SQ. FEET</u>
64 14 th Avenue	246	5	33.4X69	2,304.6
295-297 Morris Avenue	246	7	31.11X66.8	2,078.15
299 Morris Avenue	246	8	31.11X66.9	2,081.26
301 Morris Avenue	246	9	36.3X100	3,630.
303 Morris Avenue	246	10	25X100	2,500.

Total Square Footage: 12,594.01

Purchase Price: \$88,158.07 (\$7.00 per sf.); 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 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&Fe(S) on August 17, 2005, adopting the First Amendment to the Central Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the Central Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a letter of intent also known as proposal, attached as Exhibit A of the Redevelopment Agreement, from Faro Development, LLC, Five Greentree Centre, Suite 104, 525 Route 73 North, Suite 104, Marlton, New Jersey 08053 (the “Redeveloper”) for the purchase and redevelopment of the Properties; and

WHEREAS, the Redeveloper has proposed to redevelop the Properties as a four-story, approximately twenty-four (24) unit apartment building with parking (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 develop 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 Central 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 Properties to Faro Development, LLC, whom is willing to purchase the Properties from the City, for the consideration of Eighty-Eight Thousand, One Hundred Fifty-Eight Dollars and Seven Cents (\$88,158.07), 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 Central 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 Interim 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 attached hereto with Faro Development, LLC, Five Greentree Centre, Suite 104, 525 Route 73 North, Suite 104, Marlton, New Jersey 08053 (the “Redeveloper”), 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 Central Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
64 14 th Avenue	246	5	33.4X69	2,304.6
295-297 Morris Avenue	246	7	31.11X66.8	2,078.15
299 Morris Avenue	246	8	31.11X66.9	2,081.26
301 Morris Avenue	246	9	36.3X100	3,630.
303 Morris Avenue	246	10	25X100	2,500.

Total Square Footage: 12,594.01

Purchase Price: \$88,158.07 (\$7.00 per sf.)

2. Said Properties shall be sold to the Redeveloper by private sale for the purpose of redeveloping the Properties as a four-story, approximately twenty-four (24) unit apartment building with parking.

3. The Interim 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 a form subject to the approval of the City of Newark's Corporation Counsel.
4. The Interim 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 the Interim Deputy Mayor/Director of the Department of Economic and Housing Development submitting a Memorandum of the extension(s) to the Office of the City Clerk.
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 and/or rehabilitation 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, subject to the Interim Deputy Mayor/Director of the Department of Economic and Housing Development submitting a Memorandum of the extension(s) to the Office of the City Clerk.
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 Interim 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 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 6PSF -c 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 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 rehabilitation 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. Failure to exercise or delay in exercising this Right of Reverter by the City of Newark shall not constitute a waiver nor shall such failure and/or delay serve as a basis for adverse possession of the Properties. Any and all waivers of the City's Right of Reverter shall be in writing.
12. The Interim 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 Interim Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Faro Development, LLC, Five Greentree Centre, Suite 104, 525 Route 73 North, Suite 104, Marlton, New Jersey 08053, 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 and Redevelopment of Land, and the Central Ward Redevelopment Plan, as amended, to redevelop the Properties as a four-story, approximately twenty-four (24) unit apartment building with parking:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
64 14 th Avenue	246	5	33.4X69	2,304.6
295-297 Morris Avenue	246	7	31.11X66.8	2,078.15
299 Morris Avenue	246	8	31.11X66.9	2,081.26
301 Morris Avenue	246	9	36.3X100	3,630.
303 Morris Avenue	246	10	25X100	2,500.

Total Square Footage: 12,594.01

Purchase Price: \$88,158.07 (\$7.00 per sf.)