



## Legislation Details (With Text)

**File #:** 19-1411      **Version:** 1      **Name:** MCI Construction Svcs

**Type:** Resolution      **Status:** Adopted

**File created:** 9/3/2019      **In control:** Economic and Housing Development

**On agenda:** 5/6/2020      **Final action:** 5/6/2020

**Title:** Dept/ Agency: Economic and Housing Development  
Action: ☐ Ratifying ☒ Authorizing ☐ Amending  
Type of Service: Private Sale/Redevelopment  
Purpose: To rehabilitate the existing structures to create rental or for-sale housing.  
Entity Name: MCI Construction Services, LLC  
Entity Address: 136 Tiffany Boulevard, Suite 335, Newark, New Jersey 07104  
Sale Amount: \$50,000.00  
Cost Basis: ☒ \$10.00 PSF ☐ Negotiated ☐ N/A ☐ Other:  
Assessed Amount: \$331,800.00  
Appraised Amount: \$0.00  
Contract Period: To commence within three (3) months and be completed within twelve (12) months following transfer of property ownership from the City to the Redeveloper  
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)  
192 South 10th Street/Block 1813/Lot 57/West Ward  
223 South 10th Street/Block 1814/Lot 24/West Ward  
Additional Information:  
Total Price: Square Footage X PSF = 5,000 X \$10.00 = \$50,000.00  
Sale at prices set forth by Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties.

**Sponsors:** John Sharpe James, Eddie Osborne

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
5/6/2020	1	Municipal Council	Adopt	Pass

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**List of Property:**

**(Address/Block/Lot/Ward)**

192 South 10<sup>th</sup> Street/Block 1813/Lot 57/West Ward

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**Additional Information:**

Total Price: Square Footage X PSF = 5,000 X \$10.00 = \$50,000.00

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 Department of Economic and Housing Development seeks to approve the sale and redevelopment of the following City-owned properties located in the West Ward of the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
192 South 10 <sup>th</sup> Street	1813	57	25X100	2,500.
223 South 10 <sup>th</sup> Street	1814	24	25X100	2,500.

Total Square Footage: 5,000

Total Purchase Price: \$50,000.00 (\$10.00 per sf.); and

**WHEREAS**, the City of Newark (the "City") 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 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&Fc(S) on August 17, 2005, adopting the Second Amendment to the West Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the West Ward, which includes the above-referenced Properties; and

**WHEREAS**, the City received a Letter of Intent, attached as Exhibit A of the Redevelopment Agreement (hereinafter the "Proposal"), for the purchase and redevelopment of the Properties from MCI Construction Services LLC, 136 Tiffany Boulevard, Suite 335, Newark, New Jersey 07104 (the "Redeveloper"); and

**WHEREAS**, the Redeveloper proposes to redevelop the Properties by rehabilitating the existing structures to create rental or for-sale 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 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 West Ward Redevelopment Plan, as amended; and

**WHEREAS**, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development recommends that the City of Newark sell the Properties to MCI Construction Services, LLC, which is willing to purchase the Properties from the City, for the consideration of Fifty Thousand Dollars and Zero Cents (\$50,000.00), 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 West 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 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 MCI Construction Services, LLC, 136 Tiffany Boulevard, Suite 335, Newark, New Jersey 07104, 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 West Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
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Total Square Footage: 5,000

Total Purchase Price: \$50,000.00 (\$10.00 per sf.)

2. Said Properties shall be sold to MCI Construction Services, LLC, by private sale for the purpose of redeveloping the above-mentioned Properties by rehabilitating the existing structures to create rental or for-sale housing.
3. 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 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's Corporation Counsel.
4. The 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 by the Director of the Department of Economic and Housing Development and the approval of the City's 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 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, then the authorization provided by this resolution shall be null and void, unless the 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, adopted on 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, adopted on June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The Director of the Department of Economic and Housing Development shall file 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 with the Office of the City Clerk.
9. The Redeveloper shall comply with the City of Newark's Minority Set-Aside Ordinance 6S&Fd, adopted on April 5, 1995; the City of Newark's Affirmative Action Plan, 7Rbp, adopted on 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, adopted on 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. The Redeveloper shall provide the Department of Economic and Housing Development with the required forms showing compliance with the above, and a copy of these forms shall be filed with the Office of the City Clerk. 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 development of the Properties shall commence within three (3) months and be completed within twelve (12) months following the transfer of Property ownership from 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. 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 Property. Any and all waivers of the City's Right of Reverter shall be in writing.

12. The 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, the Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with MCI Construction Services, LLC, 136 Tiffany Boulevard, Suite 335, Newark, New Jersey 07104, 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 West Ward Redevelopment Plan, as amended, to rehabilitate the existing structures to create rental or for-sale housing.

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