



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-1404, Version: 1

Dept/ Agency: Economic & Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Private Sale/Redevelopment

Purpose: Authorization and Entry of Redevelopment Agreement for Sale of Block 51 Lots 1, 49, 50 and 59

Entity Name: Prudential Insurance Company of America

Entity Address: 751 Broad Street, 5th Floor, Newark, New Jersey 07102

Sale Amount: \$ 3,080,000.00

Cost Basis: () \$ PSF () Negotiated () N/A (x) Other: Appraised Value

Assessed Amount: \$731,400.00 (Lot 49); \$333,000.00 (Lot 50); \$710,000.00 (Lots 59 & 1);
Combined total \$1,774,400.00

Appraised Amount: \$ 3,080,000.00

Contract Period:

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)

645-651 Broad Street/Block 51, Lot49/Central Ward

653-655 Broad Street/ Block 51, Lot 50/Central Ward

665-671 Broad Street/ Block 51, Lots 59 and 1/Central Ward

Additional Information:

Resolution 7RA(S) 021302, Designated properties as area in need of redevelopment

WHEREAS, based upon the recommendation of the Central Planning Board, on February 13, 2002 the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7RA(S) designating certain properties, including but not limited to, Block 51, Lots 1, 2, 6, 7, 8, 9, 10, 11, 14, 16, 17, 19, 22, 24, 32, 42, 49, 50, 53, 56, 59, 62, 64; and Block 52, Lots 4, 10, 18, 21, 22, 23, 26, 27, 32, 34, 38, 39, 41, and 46, as an Area in Need of Redevelopment as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq. ("LRHL"); and

WHEREAS, following the "Area in Need of Redevelopment" designation, the Municipal Council adopted The Living Downtown Plan by Ordinance on September 3, 2008, which was subsequently amended on June 30, 2010 and September 21, 2010 (collectively, the "Redevelopment Plan"); and

WHEREAS, the Prudential Insurance Company of America ("Prudential") has indicated that it wants to acquire certain City-owned properties identified on the City's official tax map as Block 51, Lots 1, 49, 50 and 59 (the "City Lots") in order to construct a mixed use development consisting of office, parking garage and limited retail uses on Blocks 51 and 52 (the "Project"); and

WHEREAS, the City believes that the Project is consistent with the Redevelopment Plan and is in the best interest of the City, that it promotes the health, safety, morals and welfare of the City's residents, and that it furthers the purposes of the LRHL; and

WHEREAS, the City has also determined that Prudential possesses the proper qualifications, financial resources and capacity to implement and complete the Project; and

WHEREAS, the City is willing to sell the City Lots to Prudential for the sum of three million eighty thousand dollars (\$3,080,000.00) so that Prudential may construct the Project on the City Lots and on other lots located on Blocks 51 and 52; and

WHEREAS, the parties wish to enter into a Redevelopment Agreement in order to memorialize the terms and conditions of their agreement with regard to the sale of the City Lots and the redevelopment of Blocks 51 and 52; and

WHEREAS, in accordance with Ordinance No. 6PSF-a 050411 adopted May 4, 2011 (the "Redeveloper Pay-to-Play Ordinance"), Prudential has filed with the City a sworn statement that it has not made any contributions in violation of the Redeveloper Pay-to-Play Ordinance and provisions have been included within the Redevelopment Agreement requiring Prudential to comply with the Redeveloper Pay-to-Play Ordinance during the term of the Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Municipal Council of the City of Newark hereby authorizes the Mayor and/or his designee the, Deputy Mayor/Director of the Department of Economic and Housing Development to execute a Redevelopment Agreement with the Prudential Insurance Company of America ("Prudential") on behalf of the City in the form attached hereto.

2. The Municipal Council hereby authorizes the Deputy Mayor/Director of the Department of Economic and Housing Development to sign deeds and any other documents necessary to convey title in the City-owned properties identified on the City's official tax map as Block 51, Lots 1, 49, 50 and 59 (a.k.a. 645-651 Broad Street, 653-655 Broad Street and 665-671 Broad Street) (the "City Lots") to Prudential for a purchase price of three million eighty thousand dollars (\$3,080,000.00).

3. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized to effectuate certain business terms and conditions related to the Redevelopment Agreement with Prudential annexed hereto, and may enter into subordination agreements, access and right of entry agreements, and other relevant documents in forms approved by the Corporation Counsel.

4. The Redevelopment Agreement, once fully executed, and all other agreements and documents authorized herein shall be filed with 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 the, Deputy Mayor/Director of the

Department of Economic and Housing Development to execute a Redevelopment Agreement on behalf of the City with the Prudential Insurance Company of America for the sale of City-owned properties identified on the City's official tax map as Block 51, Lots 1, 49, 50 and 59 (the "City Lots") to Prudential for a purchase price of three million eighty thousand dollars (\$3,080,000.00) and for the redevelopment of the City Lots and other properties located within Blocks 51 and 52 by Prudential. This resolution further authorizes the Mayor and/or his designee the Deputy Mayor/Director of the Department of Economic and Housing Development to sign any other documents necessary to convey title to the City Lots effectuate certain business terms and conditions related to the Redevelopment Agreement with Prudential.