



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 13-1213, Version: 1

**Dept/ Agency:** Economic & Housing Development

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

**Type of Service:** Private Sale/Redevelopment

**Purpose:** To preserve and redevelop the property into approximately seven (7) units of affordable housing.

**Entity Name:** Life Management, Inc.

**Entity Address:** 77 Park Street, Montclair, NJ 07042

**Sale Amount:** \$82,436.00

**Cost Basis:** (X) \$ 2.00 PSF ( ) Negotiated ( ) N/A ( ) Other:

**Assessed Amount:** \$ 593,400.00

**Appraised Amount:** \$ N/A

**Contract Period:** Commencing within three (3) months and completed within eighteen (18) months from the transfer of ownership.

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions (X) RFP ( ) RFQ

( ) Private Sale ( ) Grant ( ) Sub-recipient ( ) n/a

**List of Property:**

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

527-533 Mt. Prospect Ave./682/25/North

**Additional Information:**

N/A

**Deferred 7R3-i 070313**

**WHEREAS**, the purpose of this Resolution is to approve the private sale and redevelopment of the following City-owned property located in the North Ward of the City of Newark:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE (APPROX.)</u>	<u>SQ. FEET</u>
527-533 Mt. Prospect Ave.	North	682	25	101 X 287	41,218

Total Purchase Price: \$82,436.00 (\$2.00/Sq. Ft.)

**WHEREAS**, the City of Newark has determined that the above referenced property is City-owned and not needed for municipal purposes; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the redevelopment of these areas and is conveying properties at such prices and upon such terms as it deems reasonable and said conveyance is made in conjunction with a Redevelopment Plan; and

**WHEREAS**, the Municipal Council previously adopted Resolution 7RDO (A.S.) 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 6PhS&Fa(S) on August 17, 2005 adopting the North Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the North Ward, which includes the above-referenced City-owned property; and

**WHEREAS**, the above-referenced property to be sold, located at 527- 533 Mt. Prospect Avenue (the “Property”), is an irregularly shaped parcel with a 2 ½ story, brick building constructed in 1880 that was identified as a key building in the Forest Hills Historic District, acquired by the City in 1995, which is in dilapidated condition; and

**WHEREAS**, Life Management Inc., a nonprofit development entity, with offices located at 77 Park Street, Montclair NJ 07042 (the “Redeveloper”), has negotiated with the City of Newark to acquire the Property for the nominal consideration of \$2.00 per square foot to preserve the historic building and to develop approximately seven (7) units of affordable housing; and

**WHEREAS**, from its investigation, and review of the redevelopment proposal submitted by the Redeveloper, the City has determined that the Redeveloper possesses the proper qualifications, financial resources and the necessary capacity to acquire said properties and to redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the contract for the private sale and redevelopment of land and the North Ward Redevelopment Plan; and

**WHEREAS**, pursuant to the abovementioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell and the Redeveloper is willing to purchase from the City certain properties listed herein for the purpose of redeveloping same in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the attached contract for private sale and redevelopment of land and the North Ward Redevelopment Plan.

**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 Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a redevelopment agreement, in the form attached hereto, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) and the North Ward Redevelopment Plan, with Life Management Inc., located at 77 Park Street, Montclair, NJ 07042, (the “Redeveloper”), for the private sale and redevelopment of the property listed below:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE (APPROX.)</u>	<u>SQ. FEET</u>
527-533 Mt. Prospect	North	682	25	101 X 287	41,218

Ave.

Total Purchase Price: \$82,436.00 (\$2.00/Sq. Ft.)

2. Said properties shall be sold to the Redeveloper by private sale for the purpose of preserving and redeveloping the abovementioned property into approximately seven units of affordable housing.
3. The Deputy Mayor/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 subordination agreements, access and right of entry agreements, and any required documents which may be necessary in order to effectuate the sale of the properties listed in Paragraph 1 herein and the terms of the Redevelopment Agreement associated with the sale and construction of said property, in a form subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions of the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.
4. Any other prior legislation authorizing or intended to authorize the sale of the properties listed in Paragraph 1 herein is hereby rescinded.
5. The Redeveloper shall have 60 days from the date this Resolution is certified by the Office of the City Clerk to execute the attached redevelopment agreement and return same to the Department of Economic and Housing Development. Should Redeveloper fail to execute and return the attached redevelopment agreement within this 60-day time period, the authorization provided by this Resolution shall be null and void unless the Deputy Mayor/Director of the Department of Economic and Housing Development agrees in writing to extend this 60-day time period.
6. The Director of Finance is hereby authorized to receive proceeds of sale and to deposit same as follows: ninety (90) percent of the sale proceeds shall be deposited into the Community and Economic Development Dedicated Trust Fund established under City Resolution No 7RG110685; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PhS&FF062106 for the purpose of preserving low and moderate income affordable housing.
7. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed redevelopment agreement, the deed, and all executed agreements authorized in Paragraph 3 herein on file in the Office of the City Clerk.
8. The Redeveloper shall be required to comply with the City of Newark's Minority Set-Aside Ordinance (6PhS&Fd) 040595 and its Affirmative Action Plan (7RBP030195) and Federal Executive Order 11246, (as amended by Executive Orders 11375 and 12086) regarding the

award of goods and services contracts. In addition, the redeveloper has agreed to ensure that a minimum of 40% of workers employed during the construction shall be local Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.

9. The redevelopment of the abovementioned property must be commenced within 3 months and be completed within 18 months from the transfer of ownership by the City.
10. The property must 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. Should the Redeveloper fail to timely redevelop the properties then the City, in its sole discretion, may direct the redeveloper to transfer title to these properties back to the City.
11. The Deputy Mayor/ Director of the Department of Economic and Housing Development is hereby authorized to execute a deed to the Redeveloper for the properties listed above. Said deed conveying title 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**

Passage of this resolution shall permit the Mayor and/or his designee and the Deputy Mayor/Director of Economic and Housing Development to enter into and execute a redevelopment agreement with Life Management Inc., located at 77 Park Street, Montclair, NJ 07042, (the "Redeveloper"), for the private sale and redevelopment of the City-owned property listed as follows, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) and the North Ward Redevelopment Plan:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE (APPROX.)</u>	<u>SQ. FEET</u>
527-533 Mt. Prospect Ave.	North	682	25	101 X 287	41,218

Total Purchase Price: \$82,436.00 (\$2.00/Sq. Ft.)

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