



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 12-1322, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: To provide for the development of 257 Clinton Avenue into a newly paved parking lot for use by adjacent commercial building owned by the developer.

Entity Name: J&A Group Properties, LLC

Entity Address: 292 Whippany Road, Whippany, New Jersey 07981

Sale Amount: \$11,500.00

Cost Basis: (X) \$6.89 (Approx.) PSF () Negotiated () N/A () Other:

Assessed Amount: \$20,100.00

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 () RFP () RFQ
(X) Private Sale () Grant () Sub-recipient () n/a

List of Property:

(Address/Block/Lot/Ward)

20 Avon Avenue/2668/29/South Ward

Additional Information:

J&A Group Properties, LLC, is owner of the adjacent commercial property located at 257 Clinton Avenue, Block 2668, Lot 46

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

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
20 Avon Avenue	South	2668	29	38.8X43	1668.4

Total Purchase Price: \$11,500.00 (approx. \$6.89/Sq. Ft.); and

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 7RD-O (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 6PhS&Fd(S) on August 17, 2005, adopting the South Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the South Ward, which includes the above-referenced City-owned property; and

WHEREAS, on or about November 14, 2011, the City issued a Request for Proposals (the "RFP") soliciting proposals for the sale and redevelopment of the above-referenced property, which was to be accepted beginning on November 14, 2011 and ending on December 9, 2011; and

WHEREAS, on December 9, 2011 the adjacent property owner, J&A Group Properties, LLC, having its address at 292 Whippany Road, Whippany, New Jersey 07981, submitted a proposal to the City's Department of Economic and Housing Development outlining its intention to develop the above property into a newly paved parking lot for use with their commercial building at 257 Clinton Avenue; and

WHEREAS, based upon the City's review of the development proposal package submitted by J&A Group Properties, LLC, the City determined that J&A Group Properties, LLC possesses the proper qualifications, financial resources and the necessary capacity to acquire said property and to redevelop it in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement for the Sale and Redevelopment of Land and the South Ward Redevelopment Plan; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City of Newark sell and J&A Group Properties, LLC is willing to purchase from the City certain property listed herein for the purpose of redeveloping same in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the attached Agreement for the Sale and Redevelopment of Land and the South 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 an Agreement for the Sale and Redevelopment of Land, (attached hereto) with J&A Group Properties, LLC, 292 Whippany Road, Whippany, New Jersey 07981, the designated Redeveloper, for the private sale and redevelopment of the following property, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) the attached Agreement for the Sale and Redevelopment of Land and the South Ward Redevelopment Plan:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
20 Avon Avenue	South	2668	29	38.8X43	1668.4

Total Purchase Price: \$11,500.00 (approx. \$6.89/Sq. Ft.)

2. Said property shall be sold to J&A Group Properties, LLC, by private sale for the purpose of redeveloping the abovementioned property into a newly paved parking lot for use with their

adjacent commercial property located at 257 Clinton Avenue, Newark, New Jersey and all deeds shall contain resale and/or use restrictions for a period of not less than ten (10) years.

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 property listed in Paragraph 1 herein and the terms of the Redevelopment Agreement associated with the sale and redevelopment of said property, in a form subject to the approval of the Corporation Counsel.
4. The Deputy Mayor/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 the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) 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.
5. Any other prior legislation authorizing or intended to authorize the sale of the property listed in Paragraph 1 herein is hereby rescinded.
6. The Redeveloper shall have sixty (60) 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 Redeveloper fail to execute and return the attached Agreement within this sixty (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 sixty (60) day time period.
7. The Director of Finance is hereby authorized to receive proceeds of the 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 Resolution 7RG dated November 6, 1985; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PhS&FF dated June 21, 2006 for the purpose of preserving low and moderate income affordable housing.
8. The Deputy Mayor/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 deed, and all executed agreements authorized in Paragraphs 3 & 4 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 6S&FI dated April 5, 1995 and its Affirmative Action Plan 7RB-P dated March 1, 1995 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 100% of all contractors, subcontractors and suppliers shall be Newark based companies.

9. The redevelopment of the property must be commenced within three (3) months and be completed within eighteen (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 Quit Claim Deed to the Redeveloper for the property 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

This resolution authorizes the Mayor and/or his designee and the Deputy Mayor/Director of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with J&A Group Properties, LLC, 292 Whippany Road, Whippany, New Jersey 07981 for the private sale and redevelopment of the following property, for the following amount, in accordance with the requirements of N.J.S.A. 40A:12A-8(g) the attached Agreement for the Sale and Redevelopment of Land and the South Ward Redevelopment Plan:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SIZE</u>	<u>SQ. FEET</u>
20 Avon Avenue	South	2668	29	38.8X43	1668.4

Total Purchase Price: \$11,500.00 (approx. \$6.89/Sq. Ft.)

to redevelop the abovementioned property into a newly paved parking for use with their adjacent commercial property located at 257 Clinton Avenue. (South Ward)