



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 16-1914, Version: 1

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

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

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

**Purpose:** Develop the properties into one (1), two (2), or three (3)-family residential units, with or without additional retail use

**Entity Name:** Option One Redevelopment Group, LLC.

**Entity Address:** 456 Washington Street, Newark, New Jersey 07102

**Sale Amount:** \$94,800.00

**Cost Basis:** (X) \$4.00 PSF ( ) Negotiated ( ) N/A ( ) Other:

**Assessed Amount:** \$208,200.00

**Appraised Amount:** \$0.00

**Contract Period:** To commence within three (3) months and be completed within eighteen (18) 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)**

648 South 13<sup>th</sup> Street/Block 316/Lot 31/South Ward

646 South 13<sup>th</sup> Street/Block 316/Lot 32/South Ward

644 South 13<sup>th</sup> Street/Block 316/Lot 33/South Ward

777 South 13<sup>th</sup> Street/Block 2648/Lot 5/South Ward

147 Johnson Avenue/Block 2700/Lot 6/South Ward

155 Ridgewood Avenue/Block 2703/Lot 1/South Ward

159 Ridgewood Avenue/Block 2703/Lot 3/South Ward

161 Ridgewood Avenue/Block 2703/Lot 4/South Ward

439 Badger Avenue/Block 3573/Lot 15/South Ward

**Additional Information:**

Total Square Footage = 23,700 X \$4.00 = \$94,800.00

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

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned Properties 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>
648 South 13 <sup>th</sup> Street	South	316	31	25X100	2,500
646 South 13 <sup>th</sup> Street	South	316	32	25X100	2,500
644 South 13 <sup>th</sup> Street	South	316	33	25X100	2,500
777 South 13 <sup>th</sup> Street	South	2648	5	25X100	2,500
147 Johnson Avenue	South	2700	6	25X133	3,325

155 Ridgewood Avenue	South	2703	1	25X105	2,625
159 Ridgewood Avenue	South	2703	3	25X105	2,625
161 Ridgewood Avenue	South	2703	4	25X105	2,625
439 Badger Avenue	South	3573	15	25X100	2,500

Total Square Footage: 23,700

Total Purchase Price: \$94,800.00 (\$4.00 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 redevelopment 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&Fd(S) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of city-owned property located within the South Ward, which includes the above-referenced Properties; and

**WHEREAS**, the City received a letter of intent for the purchase and redevelopment of the Properties from Option One Redevelopment Group, LLC (the “Redeveloper”); and

**WHEREAS**, the Redeveloper, 456 Washington Street, Newark, New Jersey 07102, has proposed to the City’s Department of Economic and Housing Development to develop the Properties into one (1), two (2), or three (3)-family residential units, with or without additional retail use (the “Proposal”); and

**WHEREAS**, based upon the City’s review of the request 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 rehabilitate 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 of Land and Redevelopment, the form of which is attached hereto (the “Agreement”), and the South 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 Option One Redevelopment Group, LLC, whom is willing to purchase the Properties from the City, for the consideration of Ninety-Four Thousand, Eight Hundred Dollars and Zero Cents (\$94,800.00) 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 South 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 Deputy Mayor/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 Option One Redevelopment Group, LLC, 456 Washington Street, Newark, New Jersey 07102, 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 South Ward Redevelopment Plan, as amended:

648 South 13<sup>th</sup> Street, Block 316, Lot 31; 646 South 13<sup>th</sup> Street, Block 316, Lot 32; 644 South 13<sup>th</sup> Street, Block 316, Lot 33; 777 South 13<sup>th</sup> Street, Block 2648, Lot 5; 147 Johnson Avenue, Block 2700, Lot 6; 155 Ridgewood Avenue, Block 2703, Lot 1; 159 Ridgewood Avenue, Block 2703, Lot 3; 161 Ridgewood Avenue, Block 2703, Lot 4; and 439 Badger Avenue, Block 3573, Lot 15

Total Square Footage: 23,700

Total Purchase Price: \$94,800.00 (\$4.00 per sf)

2. Said Properties shall be sold to Option One Redevelopment Group, LLC by private sale for the purpose of developing the abovementioned properties into one (1), two (2), or three (3)-family residential units, with or without additional retail use.
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 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 of Newark Acting 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 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 of the City of Newark by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark Acting 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 are 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, 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 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 (90) percent 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 (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6PS&Ff, 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 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 (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that 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 eighteen (18) 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 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.
12. The Deputy Mayor/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 Acting 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 the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Option One Redevelopment Group, LLC, 456 Washington Street, Newark, New Jersey 07102, 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 South Ward Redevelopment Plan, as amended:

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Total Square Footage: 23,700

Total Purchase Price: \$94,800.00 (\$4.00 per sf)

to develop the Properties into one (1), two (2), or three (3)-family residential units, with or without additional retail use.