



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-1222, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Amending Resolution 7R3-b December 5, 2012, and entering into a First Amended Redevelopment Agreement

Entity Name: Bergen Street Redevelopment Urban Renewal, LLC

Entity Address: 953 Bergen Street, Newark, New Jersey 07112

Sale Amount: \$70,988.20

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

Assessed Amount: \$896,400.00

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

List of Property:

(Address/Block/Lot/Ward)

1037-1047 Bergen Street/Block 3661/Lot 3, 5, 8/South Ward

1057-1059 Bergen Street/Block 3660/Lot 11/South Ward

Additional Information:

WHEREAS, Resolution 7R3-b adopted on December 5, 2012, authorized 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 Bergen Street Redevelopment, LLC, for the private sale and redevelopment of the following City-owned properties for the purpose of undertaking the construction of 45 units of affordable housing with ground floor commercial space ("Redevelopment Agreement"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SIZE</u>	<u>SQ. FEET</u>
1037-1047 Bergen Street	South	3661	3, 5, 8	151.2X90.5	13,683.60
1057-1059 Bergen Street	South	3660	11	44.9X90.5	4,063.45

Total Square Footage: 17,747.05

Total Purchase Price: \$70,988.20 (\$4.00/Sq. Ft.); and

WHEREAS, the City of Newark, from its investigation, and review of the redevelopment proposal submitted by Bergen Street Redevelopment, LLC, has determined that Bergen Street Redevelopment LLC possesses the proper qualifications, financial resources, and the necessary

capacity to acquire the afore-mentioned properties and redevelop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the redevelopment contract, and the South Ward Redevelopment Plan as amended; and

WHEREAS, Bergen Street Redevelopment LLC, the originally designated redeveloper, changed its name to Bergen Street Redevelopment Urban Renewal, LLC, which name change did not result in a change of the majority ownership of the entity and was effectuated for the purpose of creating an Urban Renewal Entity in furtherance of N.J.S.A. 40A:20-1, *et seq.*; and

WHEREAS, the City wishes to acknowledge the name change of the originally designated redeveloper to Bergen Street Urban Redevelopment LLC and specifically designate Bergen Street Redevelopment Urban Renewal, LLC (the “Redeveloper”) as the exclusive Redeveloper of the Project; and

WHEREAS, in addition, the Original Redevelopment Agreement (the “Agreement”) authorized by Resolution 7R3-b, adopted on December 5, 2012 contained the following error in the project description: “to redevelop into 45 units of affordable housing with ground floor commercial spaces”; and

WHEREAS, the City wishes to amend the Agreement by replacing the project description with the correct project description: “construction of two (2) mixed use buildings containing a total of forty-two (42) affordable housing units, commercial space and parking”; and

WHEREAS, the City and the Redeveloper seek to amend the Agreement to: (1) authorize the execution of a First Amendment to the Redevelopment Agreement (the “First Amendment”); (2) acknowledge the name change of the Redeveloper to Bergen Street Redevelopment Urban Renewal and specifically designate Bergen Street Redevelopment Urban Renewal, LLC as the exclusive Redeveloper of the Project Area; and (3) effectuate certain business terms and conditions related to the Property and the Redevelopment Agreement, as amended, and may enter into any related documents which may be appropriate and necessary in order to effectuate the sale of the Property and the terms and conditions of the Redevelopment Agreement in the form attached to the First Amendment.

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 a First Amendment to the Redevelopment Agreement, in the form attached hereto, with Bergen Street Redevelopment Urban Renewal, LLC, 953 Bergen Street, Newark, New Jersey, 07112, to correct an error in the project description by replacing the reference “to redevelop into 45 units of affordable housing with ground floor commercial spaces” with “construction of two (2) mixed use buildings containing a total of forty-two (42) affordable housing units, commercial space and parking.”
2. The City acknowledges the name and address change of the originally designated redeveloper to Bergen Street Urban Redevelopment LLC, 953 Bergen Street, Newark, New Jersey 07112 and specifically designates Bergen Street Redevelopment Urban Renewal, LLC

(the “Redeveloper”) as the exclusive Redeveloper of the Project

3. Effectuate certain business terms and conditions related to the Property and the Redevelopment Agreement as amended:
 - a. Notwithstanding anything to the contrary in Section 605 of the Redevelopment Agreement, as it is attached to Resolution 7R3-b, in no event shall the City enforce any performance bond, re-enter and take possession of all or any portion of property conveyed to Redeveloper, its successors and/or assigns, or to terminate and revest in the City the estate conveyed by the deeds to the Redeveloper, unless and until the provisions of Section 504 of the Redevelopment Agreement have been fully met. A lender shall therefore have the right of Notice of Default, the option to Cure the Default, or if they do not cure such Default, the City may act upon the reversionary clause, at which time the City is entitled to a conveyance to it of the Property or any part thereof (as the case may be) only upon payment to such lender of an amount equal to the sum of (i) the mortgage debt at the time of foreclosure or action in lieu thereof; (ii) all expenses with respect to the foreclosure; (iii) the net expense, if any, incurred by such holder in and as a direct result of the subsequent ownership and management of the Property; (iv) the costs of any Improvements made by such holder.
 - b. In no event shall the City of Newark re-enter and take possession of all or any portion of the Property conveyed to Redeveloper, or terminate and revest the estate conveyed to the Redeveloper, or direct Redeveloper to transfer title of these properties back to the City, unless and until the provisions of Section 504 of the Redevelopment Agreement attached hereto and made a part hereof and the amendments set forth herein have been fully met.
4. The Redeveloper shall have thirty (30) days from the date of this Resolution to execute the attached First Amendment to the Redevelopment Agreement and return same to the Department of Economic and Housing Development. Should the Redeveloper fail to execute and return the attached contract within this thirty (30) day time period, the authorization provided by this Resolution shall be null and void unless the Director of the Department of Economic and Housing Development agrees to extend this thirty (30) day time period.
5. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of this resolution and fully executed First Amendment to the Redevelopment Agreement authorized by this resolution on file in the Office of the City Clerk.
6. All other terms of Resolution 7R3-b, adopted on December 5, 2012 and the Redevelopment Agreement shall remain in full force and effect, to the extent not otherwise amended herein.

STATEMENT

Resolution amends and authorizes the Mayor and/or his designee the Deputy Mayor/Director of the Department of Economic and Housing Development to: LLC, (1) to enter into a First Amendment to the Redevelopment Agreement (the “First Amendment”); (2) acknowledge the change of the name of the Redeveloper to Bergen Street Redevelopment Urban Renewal and specifically designate Bergen

Street Redevelopment Urban Renewal, LLC as the exclusive Redeveloper of the Project Area; and (3) effectuate certain business terms and conditions related to the Property and the Redevelopment Agreement, as amended, with Bergen Street Redevelopment Urban Renewal, 953 Bergen Street, Newark, New Jersey 07112 .