



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-1665, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Redevelopment project for warehouse/distribution and/or light manufacturing uses (North Ward)

Entity Name: 123-131 Riverside Urban Renewal, LLC.

Entity Address: 857 Broad Street, Newark, New Jersey 07102

Sale Amount: \$50,000.00

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

Assessed Amount: \$5,001,900.00

Appraised Amount: \$2,955,000.00

Contract Period: To commence within three (3) months and be completed within two (2) years 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)

49-59 Riverside Avenue/Block 614/Lot 58/North Ward

77-83 Riverside Avenue/Block 674/Lot 4/North Ward

85 Riverside Avenue/Block 674/Lot 3/North Ward

87-101 Riverside Avenue/Block 674/Lot 5/North Ward

123-129 Riverside Avenue/Block 725/Lot 12/North Ward

1682-1696 McCarter Highway Rear/Block 614/Lot 68/North Ward

1700-1712 McCarter Highway Rear/Block 614/Lot 63/North Ward

1702-1716 McCarter Highway/Block 614/Lot 64/North Ward

1718-1728 McCarter Highway/Block 614/Lot 61/North Ward

1826-1848 McCarter Highway/Block 725/Lot 16/North Ward

Additional Information:

WHEREAS, the purpose of this resolution is to approve the sale and rehabilitation, of the following City-owned properties located in the North Ward of the City of Newark:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>
49-59 Riverside Avenue	North	614	58
77-83 Riverside Avenue	North	674	4
85 Riverside Avenue	North	674	3
87-101 Riverside Avenue	North	674	5
123-129 Riverside Avenue	North	725	12

1682-1696 McCarter Highway R	North	614	68
1700-1712 McCarter Highway R	North	614	63
1702-1716 McCarter Highway	North	614	64
1718-1728 McCarter Highway R	North	614	61
1826-1848 McCarter Highway	North	725	16

Total Assessed Amount: \$5,001,900.00

Total Appraised Amount: \$2,955,000.00

Environmental Remediation Cost: \$12,236,400.00

Total Negotiated Amount: \$50,000.00; and

WHEREAS, 123-131 Riverside Urban Renewal, LLC (the “Redeveloper”), a New Jersey corporation located at 875 Broad Street, Newark, New Jersey, 07102 desires to enter in to an Agreement with the City of Newark (the “City”) for the purpose of undertaking a redevelopment project consisting of warehouse/distribution and/or light manufacturing uses; and

WHEREAS, in order to stimulate the reinvigoration of the City, by Resolution 7Rdo (A.S.) adopted by the Municipal Council on June 15, 2005, the entire City of Newark was designated as an area in need of rehabilitation pursuant to the to the Local Redevelopment and Housing Law, N.J.S.A. 40A: 12A-1, et seq. (the “Act”); and

WHEREAS, by Ordinance 6S&Fa(S) dated August 17, 2005, the Municipal Council of the City of Newark (the “Municipal Council”) adopted “An Ordinance Amending Ordinance 6S&Fd dated June 6, 2002 to Approve the Third Amendment to the North Ward Redevelopment Plan and the Feasibility of Relocation For Various City-Owned Parcels Throughout the Entire North Ward” (the “Redevelopment Plan”), which provided for the facilitation of the redevelopment of certain City-owned parcels in the North Ward for residential, commercial, and industrial use; and

WHEREAS, said Redevelopment Plan complies with the requirements of all applicable State and Federal statutes and regulations promulgated thereunder; and

WHEREAS, the Redevelopment Plan is applicable to the development and redevelopment of City-owned properties, including the Property, as that term is defined herein; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, re-planning, construction or undertaking of any redevelopment project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City may “convey property ... without public bidding and at such prices and upon such terms as it deems reasonable”; and

WHEREAS, the City is the owner of that certain parcels of real property shown on the official tax map of the City of Newark as Block 674, Lots 3, 4, 5; Block 725, Lots 12 and 16 and Block 614, Lots 58, 61, 63, 64 and 68, located in the North Ward of the City, more commonly known as 49-59 Riverside Avenue, 77-83 Riverside Avenue, 85 Riverside Avenue, 87-101 Riverside Avenue, and 123-129 Riverside Avenue, and 1682-1696 McCarter Highway Rear, 1700-1712 McCarter Highway Rear, 1718-1728 McCarter Highway Rear, and 1826-1848 McCarter Highway (hereinafter, the “Property” or

the "City Property"); and

WHEREAS, the City has determined that the Property is no longer needed for any public use and that the redevelopment of the Property will contribute to the reinvigoration of the City; and

WHEREAS, the Redeveloper has expressed an interest in redeveloping the Property for warehouse/distribution and/or light manufacturing uses, which shall include the undertaking of extensive environmental remediation of the Property (the ("Project"); and

WHEREAS, the combined fair market value of the City Property, determined as though the City Property were remediated, has been appraised at the combined amount of Two Million Nine Hundred Fifty-Five Thousand Dollars and Zero Cents (\$2,955,000.00); and

WHEREAS, the City has received cost estimates reflecting estimated remediation costs on the portion of the Property known as Block 725 Lot 12, or 123-129 Riverside Avenue to be approximately Six Million Eight Hundred Eighty-Eight Thousand Two Hundred Dollars and Zero Cents (\$6,888,200.00); and Block 674, Lots, 3, 4 and 5 (77-83, 85, and 87-101 Riverside Avenue) to be approximately Five Million Three Hundred Forty-Eight Thousand Two Hundred Dollars and Zero Cents (\$5,348,200.00); and

WHEREAS, as the cost to remediate the Property for the Redeveloper's use is well in excess of the appraised value of the Property, the Department of Economic and Housing Development of the City has recommended that Fifty Thousand Dollars and Zero Cents (\$50,000.00) is an appropriate Purchase Price for the Property; and

WHEREAS, the City has determined that it is appropriate for the City to authorize the execution of a Redevelopment Agreement to reflect the foregoing.

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

1. The Redevelopment Agreement, in substantially the form presented to this meeting, is hereby approved. The Mayor and/or the Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development of the City, or either of them, are hereby authorized to enter into and execute the Redevelopment Agreement, which includes the sale of Block 674, Lots 3, 4, 5; Block 725, Lot 12 and 16 and Block 614, Lots 58, 61, 63, 64, and 68, located in the North Ward of the City, more commonly known as 49-59 Riverside Avenue; 77-83 Riverside Avenue; 85 Riverside Avenue; 87-101 Riverside Avenue; 123-129 Riverside Avenue; 1682-1696 McCarter Highway Rear; 1700-1712 McCarter Highway Rear; 1702-1716 McCarter Highway; 1718-1728 McCarter Highway Rear; and 1826-1848 McCarter Highway for the amount of Fifty Thousand Dollars and Zero Cents (\$50,000.00). The Redevelopment Agreement shall be in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Agreement and the North Ward Redevelopment Plan, as amended.
2. Said property shall be sold to 123-131 Riverside Urban Renewal, LLC (the "Redeveloper"), 857 Broad Street, Newark, New Jersey, 07102, for the purpose of redeveloping the Property for warehouse/distribution and/or light manufacturing uses,

which shall include the undertaking of extensive environmental remediation of the Property.

3. The Acting Deputy Mayor/Acting 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 Property and the terms and conditions of the Redevelopment Agreement, subject to the approval of the City of Newark Acting Corporation Counsel.
4. The Acting Deputy Mayor/Acting 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 Acting Deputy Mayor/Acting 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 Property and any other prior legislation authorizing or intended to authorize the sale and/or redevelopment of the Property is 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 Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.
7. The redevelopment or rehabilitation of the Property shall be commenced within three (3) months and be completed within two (2) years from the transfer of ownership of the Properties by the City to the Redeveloper.
8. 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 Property back to the City, in accordance with the terms and conditions of the Agreement and the deed.
9. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same as follows: ninety percent (90%) 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 percent (10%) 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.

10. 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 thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.
11. The Acting Deputy Mayor/Acting 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 or his designee and attested to and acknowledged by the City Clerk.
12. The executed Redevelopment Agreement, the Quitclaim Deed, and all other executed agreements authorized by this resolution shall be placed on file in the Office of the City Clerk by the Acting Deputy Mayor/Acting Director of the Department of Economic and Housing Development and/or his designee.

STATEMENT

This resolution authorizes the Mayor and/or his designee and the Acting Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute of a Redevelopment Agreement with 123-131 Riverside Urban Renewal, LLC, 857 Broad Street, Newark, New Jersey, 07102, a New Jersey corporation, which provides for the sale by the City of certain property located at Block 674, Lots 3, 4, and 5; Block 725, Lot 12 and 16 and Block 614, Lots 58, 61, 63, 64 and 68, located in the North Ward of the City, more commonly known as 49-59 Riverside Avenue; 77-83 Riverside Avenue; 85 Riverside Avenue; 87-101 Riverside Avenue; 123-129 Riverside Avenue; 1682-1696 McCarter Highway Rear; 1700-1712 McCarter Highway Rear; 1702-1716 McCarter Highway; 1718-1728 McCarter Highway Rear; and 1826-1848 McCarter Highway, for the Purchase Price of Fifty Thousand Dollars and Zero Cents (\$50,000.00), in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the attached Redevelopment Agreement, and the North Ward Redevelopment Plan, as amended to develop warehouse/distribution and/or light manufacturing uses.

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>
49-59 Riverside Avenue	North	614	58

77-83 Riverside Avenue	North	674	4
85 Riverside Avenue	North	674	3
87-101 Riverside Avenue	North	674	5
123-129 Riverside Avenue	North	725	12
1682-1696 McCarter Highway R	North	614	68
1700-1712 McCarter Highway R	North	614	63
1702-1716 McCarter Highway	North	614	64
1718-1728 McCarter Highway R	North	614	61
1826-1848 McCarter Highway	North	725	16

Total Assessed Amount: \$5,001,900.00

Total Appraised Amount: \$2,955,000.00

Environmental Remediation Cost: \$12,236,400.00

Total Negotiated Amount: \$50,000.00