



Legislation Text

File #: 18-1637, Version: 1

Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Private Sale/Redevelopment
Purpose: To develop a full amenities truck plaza
Entity Name: Newark Truck Plaza, LLC
Entity Address: 429-451 Frelinghuysen Avenue, Newark, New Jersey 07114
Sale Amount: \$4,150,000.00
Cost Basis: () \$ PSF (X) Negotiated () N/A () Other:
Assessed Amount: \$0.00
Appraised Amount: \$4,150,000.00
Contract Period:
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)
 419-427 Frelinghuysen Avenue/Block 3542/Lots 4 and 36/South Ward

Additional Information:

This resolution authorizes the sale and redevelopment of a contaminated site formerly used as a maintenance garage. The appraised value of the property, without accounting for its environmental condition is \$4,150,000.00. The estimated cost to demolish existing structures on the site and to remediate the site is estimated by the redeveloper to be approximately \$4,126,000.00 of which the purchaser will be credited a maximum of \$2,700,000.00, which credits will be reconciled prior to the issuance of a Certificate of Completion. The maximum credit of \$2,700,000.00 is comprised of the following:

- \$240,165.47: Remediation performed and incurred by Newark Parking Authority, which costs were previously paid by Redeveloper;
- \$500,000.00: Maximum demolition credit; and
- \$1,959,834.53: Maximum remediation credit, which is distinct from remediation performed by Newark Parking Authority

WHEREAS, the purpose of this resolution is to approve the 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>SQ.FT.</u>
419-427 Frelinghuysen Avenue	South	3542	4, 36	173,368

WHEREAS, the City of Newark has determined that the above-referenced City-owned property (the "Property") is no longer needed for public use; and

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the "Act"), provides a process for municipalities to participate in the redevelopment and improvement of areas in need of redevelopment; and

WHEREAS, pursuant to the Act, the City 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 accordance with the applicable Redevelopment Plan, as amended; and

WHEREAS, by Ordinance 6S+Fi, on April 7, 1999, the Municipal Council of the City of Newark (the "Municipal Council") adopted the "South Ward Redevelopment Plan and Feasibility of Relocation for Various City-owned parcels throughout the Entire South Ward" (the "Redevelopment Plan"), which provided for the facilitation of the redevelopment of certain City-owned parcels in the South Ward for residential, commercial, and industrial use; 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 Act; and

WHEREAS, by Ordinance 6S+Fd(S), on August 17, 2005, the Municipal Council adopted the Third Amendment to the South Ward Redevelopment Plan, which amended the Redevelopment Plan to provide for the automatic inclusion of all City-owned parcels within the South Ward into the Redevelopment Plan; and

WHEREAS, Newark Truck Plaza, LLC, 451 Frelinghuysen Avenue, Newark, New Jersey 07114 (the "Redeveloper"), has proposed to acquire the Property from the City for the purpose of restoring and renovating several of the existing structures on the Property into a full amenities truck plaza to include a full-service maintenance garage, body shop, warehousing, parking for 157 tractor trailers and 52 cars, retail, fueling station, and a CDL training program, among other components, and the creation of approximately 185 new jobs, as further described in Exhibit A of the Agreement for the Sale of Land and Redevelopment, attached hereto (the "Proposal"); and

WHEREAS, the Proposal also includes the undertaking of the demolition of existing buildings, and extensive environmental remediation and monitoring; and

WHEREAS, based upon the City's review of the Proposal and other such information, the City has determined that the Redeveloper possesses the proper qualifications and requisite financial resources and capacity to acquire the Property and to remediate and redevelop it 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 "Agreement"), and the Redevelopment Plan, as amended, and Newark's Zoning and Land Use Ordinance, as amended; and

WHEREAS, the City obtained an appraisal report for the Property, attached as Exhibit B to the Agreement, which estimated the value of the Property, without considering the effects of any environmental contamination on the Property, to Four Million One Hundred Fifty Thousand Dollars and Zero Cents (\$4,150,000.00); and

WHEREAS, the Redeveloper obtained an Remediation Estimate from Lewis Consulting

Group, attached as Exhibit C2 to the Agreement, which estimated the total cost of environmental remediation on the Property, including demolition of the existing structures to be approximately Four Million One Hundred Twenty Six thousand One Hundred Three Dollars and Thirty-Five Cents (\$4,126,103.35), not including remedial work already performed on the Property on behalf of the Newark Parking Authority at a cost of Two Hundred Forty Thousand, One Hundred Sixty-Five Dollars, and Forty-Seven Cents (\$240,165.47), which costs were paid by the Redeveloper pursuant to the agreement attached as Exhibit C1 to the Agreement; and

WHEREAS, pursuant to the above-mentioned statutory authority, and taking into account the substantial cost of remediating the Property, the Director of the Department of Economic and Housing Development has recommended that the City of Newark sell the Property to Newark Truck Plaza, LLC, which is willing to purchase the Property, for the consideration of the appraised price of Four Million One Hundred Fifty Thousand Dollars and Zero Cents, (\$4,150,000.00), minus credits for demolition of existing structures and remediation of the Property, in an amount not to exceed a total of Two Million Seven Hundred Thousand Dollars and Zero Cents (\$2,700,000.00) and subject to reconciliation of actual costs, for the purpose of redeveloping the Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement and the 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, the Director of the Department of Economic and Housing Development, are hereby authorized to enter into and execute an Agreement for the Sale of Land and Redevelopment between the City of Newark and Newark Truck Plaza, LLC, in the form attached hereto as **Schedule A** with Newark Truck Plaza, LLC, 451 Frelinghuysen Avenue Newark, New Jersey 07114, for the private sale and redevelopment of the following property, for the purchase price stated herein, 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:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ.FT.</u>
419-427 Frelinghuysen Avenue	South	3542	4, 36	173,368

Purchase Price: \$ 4,150,000.00

- Said Property shall be sold to Newark Truck Plaza, LLC, by private sale for the purpose of redevelopment by constructing a full amenities truck plaza to include a full-service maintenance garage, body shop, warehousing, parking for 157 tractor trailers and 52 cars, retail, fueling station, and a CDL training program, among other components, which will include the undertaking of demolition of existing buildings and extensive environmental remediation.
- 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 Director of the Department of Economic and Housing Development agrees in writing to extend this thirty (30) day time period.

4. The 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 Director of the Department of Economic and Housing Development and the approval of the City of Newark 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 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 any 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 Agreement, all in forms subject to the approval of the City of Newark's Corporation Counsel.
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, of which \$75,000.00 will be dedicated for workforce development; and ten (10) percent of the sale proceeds shall be placed in the City's Affordable Housing Trust Fund established under City Ordinance 6S&FF dated June 21, 2006, for the purpose of preserving low and moderate income affordable housing.
8. The 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, dated April 5, 1995, the City of Newark's Affirmative Action Plan 7Rbp, dated 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 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 remedial investigation of the Property shall be commenced within 60 days of the Closing of Title, and the redevelopment of the Property shall be completed within thirty-six (36) months

from the receipt of construction permits.

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 Property as may be necessary. Should the Redeveloper fail to diligently pursue the redevelopment of the Property, then the City, subject to the terms of the Agreement, may terminate the Agreement.
12. The Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Property. Said Quitclaim Deed conveying title to the Property 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 the Director of the Department of Economic and Housing Development to execute and implement an Agreement for the Sale of Land and Redevelopment between the City of Newark and Newark Truck Plaza, LLC, 451 Frelinghuysen Avenue, Newark, New Jersey 07114, for the private sale and redevelopment of the following property, 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:

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