



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 18-1949, Version: 1

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

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

**Type of Service:** Assignment of Contract Agreement

**Purpose:** Consenting to transfer property and assignment of Financial Agreement from RNJ Court Street Urban Renewal, LLC to Court Tower Urban Renewal, LLC, for an affordable housing project located at 961-985 Broad Street and designated as Block 111, Lot 75, Newark, New Jersey 07102

**Entity Name:** Court Tower Urban Renewal, LLC

**Entity Address:** 200 Vesey Street, 24<sup>th</sup> Floor, New York, New York 10281

**Contract Amount:** N/A

**Funding Source:** N/A

**Contract Period:** N/A

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ

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

**List of Property:**

961-985 Broad Street/Block 111/Lot 75/Central Ward)

**Additional Information:**

Original Tax Abatement granted by Ordinance 6PSF-c (s) adopted on May 26, 2016.

**WHEREAS**, on May 26, 2016, Newark Municipal Council adopted Ordinance 6PSF-c(S) granting a long term tax abatement to RNJ Court Street Urban Renewal, LLC (the "Assignor") pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. for a project consisting of the rehabilitation and refinancing of a two hundred and twenty-one (221) unit affordable housing project located at 961-985 Broad Street and designated as Block 111, Lot 75 on the Official Tax Map of the City (the "Project"); and

**WHEREAS**, as authorized under Ordinance 6PSF-c(S) May 26, 2016, the City entered into a Financial Agreement with Assignor governing the tax abatement for the Project (the "Financial Agreement"); and

**WHEREAS**, Court Tower Urban Renewal, LLC (the "Assignee") has entered into a purchase and sale agreement with Assignor to purchase the Project; and

**WHEREAS**, the Assignee has filed an application with the City (the "Application") seeking City consent to the transfer of the Project and the Financial Agreement from the Assignor to the Assignee; and

**WHEREAS**, the City has reviewed the Application and has determined that the Assignee has the capacity and experience to own and operate the Project and to assume all of the rights and obligations of the Assignor under the Financial Agreement; and

**WHEREAS**, the Municipal Council wishes to adopt this Resolution in order to reflect the City's consent to the transfer of the Project and the Financial Agreement to the Assignee and to authorize the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement between the City, Assignor and Assignee.

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

1. The City hereby consents to (i) the conveyance of the Project by RNJ Court Street Urban Renewal to Court Tower Urban Renewal, LLC, and (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee.

2. The Municipal Council hereby authorizes the Mayor to execute, on behalf of the City, the Assignment and Assumption Agreement of Financial Agreement amongst the City, the Assignor and the Assignee (the "Assignment Agreement") in the form attached hereto.

3. The long term tax abatement for the Project will expire on June 17, 2043, and will remain in effect until such time provided that the Assignee complies with all applicable State statutes, City Ordinances and Resolutions and terms of the Assignment Agreement and Financial Agreement. This Resolution will not extend the period of the tax abatement beyond the date of expiration.

4. The Assignee shall pay all outstanding amounts due to the City, including without limitation, all water and sewer charges and all other amounts due under the Financial Agreement, within thirty (30) days of the adoption of this resolution.

5. The Assignment Agreement, once fully executed, shall be filed by the Director of the Department of Economic and Housing Development with the Office of the City Clerk.

6. This resolution shall take effect immediately.

### **STATEMENT**

This resolution memorializes the City's consent to (i) the transfer a two hundred and twenty-one (221) unit affordable housing project located at 961-985 Broad Street and designated as Block 111, Lot 75 on the Official Tax Map of the City (the "Project") by RNJ Court Street Urban Renewal, LLC ("Assignor") to Court Tower Urban Renewal, LLC (the "Assignee") and to (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee. This resolution also authorizes the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement with the Assignor and the Assignee in the form attached to the resolution.