



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 18-1950, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Assignment of Contract Agreement

Purpose: Consenting to the assignment of the Financial Agreement from RNJ Nevada Urban Renewal, LLC to Nevada Street Urban Renewal, LLC for an affordable housing project located at 987-997 Broad Street

Entity Name: Nevada Street Urban Renewal, LLC.

Entity Address: 200 Vesey Street, 24th Floor, New York, New York 10080

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:

987-997 Broad Street/Block 111/Lot 76/Central

Additional Information:

Original Tax Abatement granted by Ordinance 6PSF-a(s) adopted on December 23, 2014.

WHEREAS, on December 23, 2014, Newark Municipal Council adopted Ordinance 6PSF-a(S) granting a long term tax abatement to RNJ Nevada Urban Renewal, LLC (“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 of a three hundred six (306) unit senior citizen rental affordable housing project located at 987-997 Broad Street and designated as Block 111, Lot 76 on the Official Tax Map of the City (the “Project”); and

WHEREAS, as authorized under Ordinance 6PSF-a(S), the City entered into a Financial Agreement with Assignor governing the tax abatement for the Project (the “Financial Agreement”); and

WHEREAS, Nevada Street Urban Renewal, LLC (the “Assignee”), 200 Vesey Street, 24th Floor, New York, New York 10080, 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 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 Assignor to Assignee 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 December 31, 2045, 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 three hundred six (306) unit senior citizen rental affordable housing project located at 987-997 Broad Street and designated as Block 111, Lot 76 on the Official Tax Map of the City (the "Project") by RNJ Nevada Urban Renewal, LLC ("Assignor") to Nevada Street Urban Renewal, LLC (the "Assignee"), 200 Vesey Street, 24th Floor, New York, New York 10080, 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.