



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 19-1478, Version: 2

Dept/ Agency: Economic and Housing Development

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

Type of Service: Redevelopment Agreement

Purpose: Third Amendment to Redevelopment Agreement

Entity Name: Old Third Ward Redevelopment, LLC

Entity Address: 2 Cooper Street, 14th Floor, Camden, New Jersey 08102

Contract Amount: \$3,345,000.00

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:

(Address/Block/Lot/Ward)

134-148 Spruce Street/Block 2556/Lot 1.01/Central Ward

25-49 Somerset Street/Block 2556/Lot 1.02/Central Ward

1-23 Somerset Street/Block 2556/Lot 1.03/Central Ward

84-140 Barclay Street/Block 2563/Lot 1/Central Ward

135-145 Spruce Street/Block 2563/Lot 75/Central Ward

57-117 Somerset Street/Block 2563/Lot 76/Central Ward

Addition Information:

- Resolution 7R3-a (s) adopted on November 29, 2011 - Redevelopment Agreement
- Resolution 7R3-c (s) adopted on April 23, 2013 - First Amended Redevelopment Agreement
- Resolution 7R3-d (as) adopted on March 19, 2014 - Amendment to purchase price of the Property sold in Phase I from \$1,920,000.00 to \$1,425,000.00
- Resolution 7R2-a adopted on April 3, 2019 authorizing a Second Amendment to the Redevelopment Agreement

WHEREAS, subsequent to the effective date of Resolution 7RDO (A.S.) 061505, the City undertook a program for the clearance, redevelopment and rehabilitation of blighted areas in the City in furtherance of the objectives of the Act, including, among other things, the adoption of Ordinance 6PSF-E, adopted October 5, 2011, approving a Twentieth Amendment to the previously adopted Old Third Ward Urban Renewal Plan (as amended, the "Redevelopment Plan") for various City-owned parcels located throughout the entire Central Ward; and

WHEREAS, the City is the owner of several parcels of real property commonly known as the Douglas Harrison parcels and identified on the tax maps of the City of Newark as Blocks 2556 and 2563 (the "Property"), which Property is located within the boundaries of the area governed by the Redevelopment Plan; and

WHEREAS, Old Third Ward Redevelopment, LLC located at 2 Cooper Street, 14th Floor, Camden, New Jersey 08102 (the "Redeveloper") proposed the following redevelopment project to

the City: (i) construction of approximately one hundred ten (116) units of deed restricted rental housing affordable to households whose income does not exceed 60% of the Essex County median adjusted for family size to be contained in two distinct developments, an approximately 56 unit elderly mid-rise development (the "First Phase"), and a 60 unit stacked townhouse development for families (the "Second Phase"); (ii) construct two parks with a size equal to or greater than the square footage of the existing parks on the Property in accordance with the plan for the diversion of recreation and open space that is ultimately approved by NJDEP; and (iii) construct a sufficient number of parking spaces to accommodate the housing units and the replacement parks (collectively, and as more specifically defined herein, the "Project"); 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, replanning, construction or undertaking of any redevelopment project; and

WHEREAS, on November 29, 2011, the Municipal Council of the City adopted Resolution 7R3-A(S) (a) designating the Redeveloper as the redeveloper of the Property; and (b) authorized the Mayor and Deputy Mayor/Director of the Department of Economic and Housing Development to enter into a redevelopment agreement setting forth the terms and conditions by which the Redeveloper will redeveloper the Property and undertake the Project (the "Original Agreement"); and

WHEREAS, on April 23, 2013, the Municipal Council adopted Resolution 7R3-C(S) modifying the Original Agreement by modifying certain business terms and conditions and authorized the Mayor and Deputy Mayor/Director of the Department of Economic and Housing Development to enter into an Amended and Restated Redevelopment Agreement ("First Amended Agreement"); and

WHEREAS, on March 19, 2014, the Municipal Council adopted Resolution 7R3-D (as) the First Amended Agreement was amended to consider an adjustment to the purchase price of the Property sold in Phase I from \$1,920,000.00 to \$1,425,000.00 based on an appraisal that was conducted on April 3, 2012; and

WHEREAS, on April 3, 2019, the Municipal Council adopted Resolution 7R2-A authorizing a Second Amendment to the Redevelopment Agreement approved to increase the number of housing units and to amend the project schedule; however, the reduction in the purchase price was not reflected in the Second Amendment; and

WHEREAS, the City still maintains ownership of the parks and the developer has a Park Maintenance Agreement with the City; and

WHEREAS, the Redeveloper and the City desires to confirm that the reduction in the purchase price and the Project Phasing are properly reflected in the Amendments to the Redevelopment Agreement; and

WHEREAS, the City believes the Project to be in the vital and best interests of the City and of the Central Ward, and that it promotes the health, safety, morals and welfare of the City's residents.

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

1. The Mayor and/or the Acting Deputy Mayor/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 Third Amendment to the Redevelopment Agreement in substantially the form attached hereto as Exhibit 1.

2. The Acting Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Third Amendment to the Redevelopment Agreement and may enter into any related documents which may be necessary in order to effectuate the Third Amendment to the Redevelopment Agreement.
3. The Third Amendment to the Redevelopment Agreement is ratified from September 16, 2019 to the adoption of this authoring resolution.
4. The executed Third Amendment to the Redevelopment Agreement shall be placed on file in the Office of the City Clerk by the Acting Deputy Mayor/Director of Department of Economic and Housing Development.
5. The Project must be completed within the timeframe required under the Redevelopment Agreement as Amended.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Acting Director of the Department of Economic and Housing Development, on behalf of the City of Newark, to enter into a contract with Old Third Ward Redevelopment, LLC for the Third Amendment to the Redevelopment Agreement.