



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 19-0980, Version: 1

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

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

**Type of Service:** Private Sale/Redevelopment

**Purpose:** To provide for the demolition of existing structures upon the site, design, site preparation, including any remediation of the property as may be required for the extension of the Developer's present business, or for such other purposes as may be consistent with the Redevelopment Plan.

**Entity Name:** Sherman Avenue Development, LLC

**Entity Address:** 2081 McCarter Highway, Newark, New Jersey 07104

**Sale Amount:** \$425,000.00

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

**Assessed Amount:** \$1,630,500.00

**Appraised Amount:** \$1,500,000.00

**Contract Period:** To commence within three (3) months and be completed within two (2) years from the transfer of property ownership from the City to the Redeveloper

**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)**

2104 McCarter Highway/Block 827/Lot 1 (Inclusive of Lot 1.B01)/North Ward

**Additional Information:**

Total Lot Square Footage:

Assessed Amount: \$1,630,500.00

Appraised Amount: \$1,500,000.00

Remediation Credit: -\$575,000.00

Improvement Credit: -\$100,000.00

Negotiated Sale Price: \$425,000.00

**WHEREAS**, the purpose of this resolution is to approve the sale and rehabilitation of the following City-owned property located in the North Ward of the City of Newark (the "Property"):

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SQ. FT.</u>
2104 McCarter Highway	North	827	1	85,800

Assessed Amount: \$1,630,500.00

Appraised Amount: \$1,500,000.00

Remediation Credit: -\$575,000.00

Improvement Credit: -\$100,000.00

Negotiated Sale Price: \$425,000.00

**WHEREAS**, in order to stimulate the reinvigoration of the entire City of Newark (the "City"), by

Resolution 7Rdo (AS) 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**, the Municipal Council thereafter adopted Ordinance 6S&Fa(S) on August 17, 2005, adopting the Third Amendment to the North Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the North Ward, which includes the above-referenced Property; 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 said conveyance is made in conjunction with the applicable Redevelopment Plan, as amended; and

**WHEREAS**, the City is the owner of that certain parcel of real property shown on the official tax map of the City of Newark as Block 827, Lot 1, located in the North Ward of the City, more commonly known as 2104 McCarter Highway (hereinafter, the “Property” or the “City Property” or “Site”); and

**WHEREAS**, the City has determined that the Property is no longer needed for any public use and that redevelopment of the Property as hereinafter set forth in this Agreement will contribute to the reinvigoration of the City; and

**WHEREAS**, the Redeveloper owns and operates a cement production business at 2081 McCarter Highway, which is adjacent to the Property, and has expressed an interest in redeveloping the Property to serve as an extension of its cement production business, or for such other purposes as may be consistent with the Redevelopment Plan (the “Project”), formally approved by the Municipal Council of the City of Newark and complying with the terms and conditions of this Redevelopment Agreement (the “Agreement”); and

**WHEREAS**, the City has determined that the Redeveloper possesses the proper qualifications, financial resources, and capacity to implement and complete the Project, as that term is defined herein, in accordance with the Redevelopment Plan, any Governmental Approvals and all other Applicable Laws, ordinances and regulations; and

**WHEREAS**, the City believes that the construction and implementation of the Project is in the vital and best interests of the City 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 his designee, the Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute the Agreement for the Sale and Redevelopment of Land attached hereto, with Sherman Avenue Development, LLC, 2081 McCarter Highway, Newark, New Jersey 07104 (the “Redeveloper”), for the private sale and rehabilitation 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 North Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SQ. FT.</u>
2104 McCarter Highway	North	827	1	85,000

Assessed Amount:	\$1,630,500.00
Appraised Amount:	\$1,500,000.00
Remediation Credit:	-\$575,000.00
Improvement Credit:	-\$100,000.00
Negotiated Sale Price:	\$425,000.00

2. Said Property shall be sold to Sherman Avenue Redevelopment, LLC, for the purpose of redeveloping/constructing on the above-mentioned Property: a vehicle storage facility, repair center and structure to accommodate the mixing and storage of concrete on site, which shall include the undertaking of environmental remediation and demolition on the Property.

3. 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 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 Agreement, all in forms subject to the approval of the City's Corporation Counsel.

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 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's 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 and return the 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.

7. The Director of Finance is hereby authorized to receive the proceeds of the sale and deposit 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 6S&Ff, June 21, 2006, for the purpose of preserving low and moderate income affordable housing.

8. 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. The Redeveloper shall provide the Department of Economic and Housing Development with the required forms showing compliance with the above, and a copy of these forms shall be filed with the Office of the City Clerk. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.

9. The redevelopment of the Property shall commence within three (3) months and be completed within two (2) years from the transfer of Property ownership from the City to the Redeveloper.

10. 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 and complete the redevelopment of the Property, 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.

11. The Director of the Department of Economic and Housing Development is 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.

12. The Director of the Department of Economic and Housing Development shall place a copy of the executed Agreement, the Quitclaim Deed, and all such other executed agreements authorized by this Resolution on file in the Office of the City Clerk.

### **STATEMENT**

This resolution authorizes the Mayor and/or his designee, the Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Sherman Avenue Development, LLC, 2081 McCarter Highway, Newark, New Jersey 07104, which provides 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 for the Sale and Redevelopment of Land and the North Ward Redevelopment Plan, as amended to redevelop/construct a vehicle storage facility, repair center and structure to accommodate the mixing and storage of concrete on site.

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT(S)</u>	<u>SQ. FT.</u>
2104 McCarter Highway	North	827	1	85,800

Assessed Amount:	\$1,630,500.00
Appraised Amount:	\$1,500,000.00
Remediation Credit:	-\$575,000.00
Improvement Credit:	-\$100,000.00
Negotiated Sale Price:	\$425,000.00