



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 20-0712, Version: 1

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

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

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

**Purpose:** To construct a three (3) story structure to be used as a social service agency.

**Entity Name:** Positive Health Care, Inc.

**Entity Address:** 744 Broad Street, Suite 2300, Newark, New Jersey 07102

**Sale Amount:** \$660,000.00

**Cost Basis:** (X) Approximately \$80.16 PSF ( ) Negotiated ( ) N/A ( ) Other:

**Assessed Amount:** \$364,800.00

**Appraised Amount:** \$660,000.000

**Contract Period:** To commence within three (3) months and be completed within twelve (12) months from the transfer of ownership by the City

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

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

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

**(Address/Block/Lot/Ward)**

401 University Avenue/Block 99/Lot 9/Central Ward

77-79 Arlington Street/Block 99/Lot 38/Central Ward

75 Arlington Street/Block 99/Lot 40/Central Ward

**Additional Information:**

**WHEREAS**, the purpose of this resolution is to approve the sale and redevelopment of the following City-owned property located in the Central Ward of the City of Newark:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
401 University Avenue	99	9	5002
77-79 Arlington Street	99	38	1,684.46
75 Arlington Street	99	40	1,547

Purchase Price: \$660,000.00 (Approximately \$80.16 per sf.); and

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

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-8(g), the City is proceeding with the rehabilitation of the area and is conveying properties 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 Municipal Council previously adopted Resolution 7Rdo(AS) on June 15, 2005, designating the entire City as an "area in need of rehabilitation" under the Local Redevelopment and

Housing Law, N.J.S.A. 40A:12A-1, et seq. (the “LRHL”); and

**WHEREAS**, the Municipal Council thereafter adopted Ordinance 6S&Fe(S) on August 17, 2005, adopting the Third Amendment to the Central Ward Redevelopment Plan governing the redevelopment of City-owned properties located within the Central Ward, which includes the above-referenced Property; and

**WHEREAS**, the City received a letter of intent, attached as Exhibit A of the Redevelopment Agreement also known as a proposal, for the purchase and redevelopment of the Property from the adjacent property owner, Positive Health Care, Inc., 744 Broad Street, Suite 2300, Newark, New Jersey 07102 (the “Redeveloper”); and

**WHEREAS**, the Redeveloper has proposed to the City’s Department of Economic and Housing Development to redevelop the Property by constructing a three (3) story structure to be used as a social services agency (the “Proposal”); 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 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 and Redevelopment of Land, the form of which is attached hereto (the “Agreement”), and the Central Ward Redevelopment Plan, as amended; and

**WHEREAS**, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development has recommended that the City sell the Property to Positive Health Care Inc., whom is willing to purchase the Property from the City, for the consideration of Six Hundred Sixty Thousand Dollars and Zero Cents (\$660,000.00), for the purpose of redeveloping said Property in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the Central Ward 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 the Agreement for the Sale and Redevelopment of Land attached hereto with Positive Health Care, Inc., 744 Broad Street, Suite 2300, Newark, New Jersey 07102, 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 Central Ward Redevelopment Plan, as amended:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
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77-79 Arlington Street	99	38	1,684.46
75 Arlington Street	99	40	1,547

Purchase Price: \$660,000.00 (\$80.16 per sf.)

2. Said Property shall be sold to Positive Health Care, Inc., by private sale for the purpose of constructing a three (3) story structure to be used as a social services agency.
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 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 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 and/or rehabilitation 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 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.
7. The Director of Finance is hereby authorized to receive proceeds of the sale and to deposit same 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, adopted on 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, adopted on 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, adopted on April 5, 1995; the City of Newark's Affirmative Action Plan 7Rbp, adopted on 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, adopted on 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 as Exhibit C (the "First Source Ordinance"), all as may be applicable. In addition, the Redeveloper has agreed to ensure that thirty percent (30%) of all contractors, subcontractors and suppliers shall be Newark-based companies.

10. The redevelopment of the Property shall commence within three (3) months and be completed within twelve (12) months from the transfer of ownership of the Property by the City to the Redeveloper.
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 rehabilitation 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 and the deed. Failure to exercise or delay in exercising this Right of Reverter by the City of Newark shall not constitute a waiver nor shall such failure and/or delay serve as a basis for adverse possession of the Property. Any and all waivers of the City's Right of Reverter shall be in writing.
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 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 Positive Health Care, Inc., 744 Broad Street, Suite 2300, Newark, New Jersey 07102, 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 Central Ward Redevelopment Plan, as amended, to redevelop the Property by constructing a 3-story structure to be used as a social service agency:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
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