



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 20-0944, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Motor Vehicle Bond Allocation Grant Funds

Purpose: A Resolution authorizing the extension of time for completion of the Project and the execution of a First Amendment to the Amended and Restated Grant Agreement with Bergen Street Redevelopment Urban Renewal, LLC.

Entity Name: Bergen Street Redevelopment Urban Renewal, LLC

Entity Address: 953 Bergen Street, Newark, New Jersey 07112

Grant Amount: \$1,900,000.00

Funding Source: Motor Vehicle Tax Revenue Bonds, Series 2015

Contract Period: Completion of Construction Date - April 30, 2022

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

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

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

List of Property: (if applicable)

(Address/Block/Lot/Ward)

1037-1047 Bergen Street/Block 3661/Lot 3, 5 and 8/South

1057-1059 Bergen Street/Block 3660/Lot 1/South

Additional Information:

To grant financial assistance for a Project consisting of two (2) mixed-use buildings along Bergen Street: Building A - five (5) stories, thirty-two (32) residential units, over commercial space, and fourteen (14) parking spaces, and Building B - consisting of four (4) stories, ten (10) residential units, and a community center on the ground floor located at 1037-1047 Bergen Street and 1057-1059 Bergen Street, Newark, New Jersey 07112 and identified on the Official Tax Map of the City of Newark, as Block 3661, Lot 3, 5 and 8, and Block 3660, Lot 11. (South Ward)

WHEREAS, pursuant to Resolution 7R2-p, adopted on June 21, 2017, the City of Newark (the "City"), approved the funding of a capital grant to Bergen Street Redevelopment Urban Renewal, LLC, a New Jersey limited liability company (the "Redeveloper"), 953 Bergen Street, Newark, New Jersey 07112, in an amount not to exceed One Million, Nine Hundred Thousand Dollars and Zero Cents (\$1,900,000.00) (the "Grant") from the proceeds of the Motor Vehicle Tax Revenue Bonds, Series 2015, and the execution and delivery of an Amended and Restated Grant Agreement by the City in the amount of the Grant (the "Grant Agreement"); and

WHEREAS, as a result of various unforeseen delays and environmental remedial costs beyond the control of the Redeveloper and to ensure that construction of the Project continues and completion remains feasible, the Redeveloper has requested and the City has agreed to extend the time to complete the Project to April 30, 2022 pursuant to the terms of the First Amendment to the Amended and Restated the Grant Agreement and the other agreements and documents executed and delivered in connection with the Project.

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby authorized, directed and empowered to enter into, execute and deliver a First Amendment to the Amended and Restated Grant Agreement with Bergen Street Redevelopment Urban Renewal, LLC (the "Redeveloper") (the "First Amendment"), 953 Bergen Street, Newark, New Jersey 07112, to extend the time for completion of construction of the Project to April 30, 2022.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized, directed and empowered to effectuate all such other business terms and conditions related to the Grant Agreement, as amended, annexed hereto as permitted by New Jersey Law and may enter into any other relevant documents related to these matters in a form subject to the approval of the Corporation Counsel, including, without limitation, the execution and delivery of that certain First Amendment to the Mortgage and Security Agreement, annexed hereto, which Redeveloper granted to the City to secure its obligations under the Grant Agreement.
3. Completion of Construction under the terms of the Grant Agreement shall be extended to April 30, 2022, subject to two (2) six (6) month extensions at the discretion of the Deputy Mayor/Director of the Department of Economic and Housing Development, provided that any contract timelines and milestones shall not be extended beyond the two (2) permitted six (6) month extensions, subject to full written disclosure and approval (in the form of a signed memorandum to be submitted prior to adoption) by the Municipal Council, the Deputy Mayor/Director of the Department of Economic and Housing Development and Corporation Counsel.
4. The Redeveloper must continue to remain in full compliance with municipal, State and Federal laws Including, but not limited to, the City of Newark's Minority Set-Aside Ordinance (6S&Fd adopted on April 5, 1995) and its Affirmative Action Plan (7Rbp adopted on March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services. The Redeveloper has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
5. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place on file with the Office of the City Clerk a final executed copy of the First Amendment to the Amended and Restated Grant Agreement.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute on behalf of the City the First Amendment to the Amended and Restated Grant Agreement with Bergen Street Redevelopment Urban Renewal, LLC, 953 Bergen Street, Newark, New Jersey 07112, in connection with the construction and pre-development costs of a mixed used Project consisting of two (2) buildings along Bergen Street, Bergen Street: Building A - five (5) stories, thirty-two (32) residential

units, over commercial space, and fourteen (14) parking spaces, and Building B - consisting of four (4) stories, ten (10) residential units, and a community center on the ground floor located at 1037-1047 Bergen Street and 1057-1059 Bergen Street, Newark, New Jersey 07112 and identified on the Official Tax Map of the City of Newark, as Block 3661, Lot 3, 5 and 8, and Block 3660, Lot 11. (South Ward)