



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 20-1363, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Private Sale/Redevelopment

Purpose: Authorizing the execution of Redevelopment Agreement with 43-57 Clifton Street, LLC.

Entity Name: 43-57 Clifton Street, LLC

Entity Address: 170 Frelinghuysen Avenue, Newark, New Jersey 07114

Sale Amount: \$458,000.00

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

Assessed Amount: \$2,368,800.00

Appraised Amount: \$0.00

Contract Period: Construction to commence no later than ninety (90) days after closing and be completed no later than twenty-four (24) months after closing

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)

43-57 Clifton Street/Block 2767, Lot 9/South Ward

Additional Information:

WHEREAS, the Department of Economic and Housing Development seeks to approve the execution of a Redevelopment Agreement providing for the sale and redevelopment of the following City-owned property:

<u>ADDRESS</u>	<u>WARD</u>	<u>BLOCK</u>	<u>LOT</u>	<u>SQ. FEET</u>
43-57 Clifton Street	South	2767	9	Approx.: 20,646

(the "Property")

Total Purchase Price: \$485,000.00, subject to certain credits; and

WHEREAS, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., as amended and supplemented (the "Act"), authorizes municipalities to participate in the redevelopment and improvement of areas that are in need of redevelopment or rehabilitation; and

WHEREAS, on June 15, 2005, the Municipal Council adopted Resolution 7Rdo(A.S.), designating the entirety of the City as "an area in need of rehabilitation" as defined by the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.; and

WHEREAS, by Ordinance 6S&FI adopted on April 7, 1999, the Municipal Council adopted the

“South Ward Redevelopment Plan and Feasibility of Relocation for Various City-Owned Parcels throughout the South Ward” (the “Redevelopment Plan”), which provided for the facilitation of the redevelopment of City-owned parcels in the South Ward for certain uses; and

WHEREAS, the Redevelopment Plan has been amended from time to time, including by Ordinance 6S&Fd(S) adopted on August 17, 2005, wherein the Municipal Council adopted a Third Amendment to the South Ward Redevelopment Plan, which amended the Redevelopment Plan to provide for the automatic inclusion of all City-owned parcels within the South Ward into the Redevelopment Plan; and

WHEREAS, pursuant to N.J.S.A. 40A: 12A-8(f), the City of Newark (the “City”) is authorized to arrange or contract with redevelopers for the planning, re-planning, construction or undertaking of any redevelopment project; and

WHEREAS, the City owns the real property shown on the Official Tax Map of the City of Newark, as Block 2767, Lot 9 located in the South Ward, more commonly known as 43-57 Clifton Street (the “Property”); and

WHEREAS, the Redevelopment Plan as amended is applicable to the Property, as the term is defined herein; and

WHEREAS, the City has determined that the Property is no longer needed for any public use and that redevelopment of the Property will contribute to the reinvigoration of the City; and

WHEREAS, 43-57 Clifton Street, LLC (the “Redeveloper”) has expressed an interest in redeveloping the property as a truck terminal or a storage and warehousing facility; and

WHEREAS, in addition, the Redeveloper shall be obligated to demolish all structures on the Property, including with respect to certain Sky-bridges, which may require specialized urban demolition; and

WHEREAS, the Redeveloper shall also be required to remediate the property in accordance with all Environmental Laws, as that term is defined in the Redevelopment Agreement; and

WHEREAS, the City has determined that the Redeveloper appears to possess the proper qualifications, financial resources, and capacity to implement and complete the redevelopment of the Property in accordance with all applicable laws, rules, and regulations; and

WHEREAS, the City believes that the environmental remediation and redevelopment of the Property 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 and as such, the City wishes to convey the Property to the Redeveloper for a Purchase Price of Four Hundred Eighty-Five Thousand Dollars and Zero Cents (\$485,000.00), subject to certain credits, and to enter into an Agreement for the Sale of Land and Redevelopment (the “Redevelopment Agreement”) with Redeveloper in the form annexed hereto as Attachment 1.

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

1. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a Redevelopment Agreement in the form annexed hereto as Attachment 1, with 43-57 Clifton Street, LLC, 170 Frelinghuysen Avenue, Newark, New Jersey 07114.

2. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to effectuate certain business terms and conditions related to the Property and the Redevelopment Agreement, and may enter into and execute any related documents which may be appropriate and necessary in order to effectuate the terms and conditions of the Redevelopment Agreement, all in forms which shall be subject to the approval of the City's Corporation Counsel, including with regard to the Deed for the Property, and any other documents required for the effectuation of Closing.

3. The Redeveloper shall have the exclusive right to redevelop the Property in accordance with the terms of the Redevelopment Agreement, and any prior legislation authorizing or intending to authorize the sale and/or redevelopment and/or rehabilitation of the Property is hereby rescinded.

4. The Redeveloper shall have thirty (30) days from the date this Resolution is certified by the Office of the City Clerk to execute the Redevelopment Agreement and return same to the Department of Economic and Housing Development. Should the Redeveloper fail to execute and return the Redevelopment Agreement within this thirty (30) day time period, the authorization provided by this Resolution shall be null and void, unless extended in writing by the Deputy Mayor/Director of the Department of Economic and Housing Development.

5. The Director of the Department 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.

6. Pursuant to the terms of the Redevelopment Agreement, the Redeveloper shall be required to comply with the City of Newark's Ordinances, including the City of Newark Minority Set-Aside Ordinance 6S&Fd, adopted on April 5, 1995; the City of Newark 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 Redevelopment Agreement (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.

7. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Redevelopment Agreement and all such other executed

documents and agreements authorized by this Resolution on file in the Office of the City Clerk.

8. Construction is to commence no later than ninety (90) days after closing and is to be completed no later than twenty-four (24) months after closing.

9. This Resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the execution of a Redevelopment Agreement with 43-57 Clifton Street, LLC, in order to, inter alia: (i) provide for the sale of the Property to the Redeveloper for the Purchase Price of \$485,000.00, subject to certain credits; (ii) allow for the demolition of certain structures on the Property; (iii) provide for the environmental remediation of the Property; and (iv) redevelop the Property into a truck terminal or a storage and warehousing facility, in accordance and compliance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., the South Ward Redevelopment Plan, and all applicable Federal, State and Local laws, rules, and regulations.