Legislation Text

File #: 25-0743, **Version:** 1

Dept/ Agency: Economic and Housing Development
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Type of Service: Private Sale/Redevelopment
Purpose: Construction of six (6) new two - family homes with two (2) homes being sold at 80% AMI and below and four (4) homes being sold at market rate, e, the commercial component to continue to renovate hallways, gymnasiums and classrooms to operate as a workforce training center for local residents seeking employment opportunities and a five (5) year no cost use of community space.
Entity Name: Nan Newark Tech World A NJ Nonprofit Corporation
Entity Address: 400 Hawthorne Avenue, Newark, New Jersey 07112
Sale Amount: $525,000.00
Cost Basis: ( ) $ PSF (X) Negotiated ( ) N/A ( ) Other:
Assessed Amount: $1,746,400.00
Appraised Amount: $0.00
Contract Period: To commence within three (3) months and be completed within eighteen (18) months following 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)
392-400 Hawthorne Avenue/Block 3617/ Lot 8,9,10,11,12/ South Ward
395 Hawthorne Avenue/ Block 3037/ Lot 20/ South Ward
397-399 Hawthorne Avenue/ Block 3037/ Lot 19/ South Ward
403-405 Hawthorne Avenue/ Block 3037/ Lot 16/ South Ward
407-409 Hawthorne Avenue/ Block 3037/ Lot 13/ South Ward
411 Hawthorne Avenue/ Block 3037/ Lot 12/ South Ward
Additional Information:
Sale Price: Negotiated = $525,000.00.
Sale at prices set forth by Ordinance 6S&Fh, adopted on April 7, 2004, establishing the minimum sale price of City-owned properties

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

ADDRESS	BLOCK	LOT(S)	SIZE	SQ. FEET
392-400 Hawthorne Avenue	3617	8,9,10,11,12		12,500
395 Hawthorne Avenue	3037	20	33.9X104	3,525.6
397-399 Hawthorne Avenue	3037	19	33.9X104	3,525.6
403-405 Hawthorne Avenue	3037	16	56.7X104	5,896.8
407-409 Hawthorne Avenue	3037	13	28X104	2,912
411 Hawthorne Avenue	3037	12	28X104.3	2,920.4

Total Square Footage: 31,280.4
Purchase Price: $525,000 (Negotiated Price); and

WHEREAS, the City of Newark (the "City") has determined that the above referenced City-owned properties (the "Properties") are no longer needed for public use; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(g), the City of Newark is proceeding with the rehabilitation of the area and is conveying property 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&Fd(S) on August 17, 2005, adopting the Third Amendment to the South Ward Redevelopment Plan governing the redevelopment of City-owned property located within the South Ward, which includes the above-referenced Properties; and

WHEREAS, the City received a Letter of Intent, attached as Exhibit A of the Agreement for the Sale and Redevelopment of Land ("Agreement"), also known as Proposal, for the purchase and rehabilitation of the Properties from Nan Newark Tech World A NJ Nonprofit Corporation, 400 Hawthorne Avenue, Newark, New Jersey 07112 (the "Redeveloper"); and

WHEREAS, the Redeveloper proposes to the City's Department of Economic and Housing Development construction of six (6) new two - (2) family homes with two (2) homes being sold at 80% AMI and below and four (4) homes being sold at market rate, to rent at workforce/market rate on 395 Hawthorne Avenue, 397-399 Hawthorne Avenue, 403-405 Hawthorne Avenue, 407-409 Hawthorne Avenue, and 411 Hawthorne Avenue. On 392-400 Hawthorne Avenue, the commercial component to continue to renovate hallways, gymnasiums and classrooms to operate as a workforce training center for local residents seeking employment opportunities and a five (5) year no cost use of community space(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 Properties and to develop them in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the terms and conditions of the Agreement, the form of which is attached hereto , and the South Ward Redevelopment Plan, as amended; and

WHEREAS, pursuant to the above-mentioned statutory authority, the Department of Economic and Housing Development recommends that the City sell the Properties to Redeveloper, whom is willing to purchase the Properties from the City, for the consideration of **Five Hundred Twenty-FiveThousand Dollars and Zero Cents** ($525,000.00), for the purpose of rehabilitating said Properties in accordance with the requirements of N.J.S.A. 40A:12A-8(g), the Agreement, and the South 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 Deputy Mayor/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 ("Agreement") attached hereto with Nan Newark Tech World A NJ Nonprofit Corporation, 400 Hawthorne Avenue, Newark, New Jersey 07112 ("Redeveloper"), for the private sale and rehabilitation of the following Properties, 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 South Ward Redevelopment Plan, as amended:

ADDRESS	BLOCK	LOT(S)	SIZE	SQ. FEET	
392-400 Hawthorne Avenue	361	8,9,10,11,12			12,
395 Hawthorne Avenue	303	20		33.9X104	3,
397-399 Hawthorne Avenue	303	19		33.9X104	3,
403-405 Hawthorne Avenue	303	16		56.7X104	5,
407-409 Hawthorne Avenue	303	13		28X104	2,
411 Hawthorne Avenue	303	12		28X104.3	2,

Total Square Footage: 31,280.4
Purchase Price: $525,000.00 (Negotiated Price

2. Said Properties shall be sold to the Redeveloper, by private sale for the purpose of construction of six (6) new two - (2) family homes with two (2) homes being sold at 80% AMI and below and four (4) homes being sold at market rate, to rent at workforce/market rate on 395 Hawthorne Avenue, 397-399 Hawthorne Avenue, 403-405 Hawthorne Avenue, 407-409 Hawthorne Avenue, and 411 Hawthorne Avenue. On 392-400 Hawthorne Avenue, the commercial component to continue to renovate hallways, gymnasiums and classrooms to operate as a workforce training center for local residents seeking employment opportunities and a five (5) year no cost use of community space.

3. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the 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 Properties and the terms and conditions of the Agreement, all in forms subject to the approval of the City of Newark's Corporation Counsel.

4. The Deputy Mayor/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 of the City of Newark by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the City of Newark's Corporation Counsel.

5. The Redeveloper shall be designated as the exclusive redeveloper of the Properties 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 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, then the authorization provided by this Resolution shall be null and void, unless the Deputy Mayor/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, 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 Deputy Mayor/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, 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 as Exhibit C (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.

10. The development of the Properties shall commence within three (3) months and be completed within eighteen (18) months following the transfer of Properties ownership from 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 Properties as may be necessary. Should the Redeveloper fail to diligently pursue the

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redevelopment of the Properties, then the City, in its sole discretion, may exercise its Right of Reverter to transfer title to the Properties back to the City, in accordance with the terms and conditions of the Agreement and the deed. The City's failure to exercise or delay in exercising this Right of Reverter shall not constitute a waiver nor shall such failure and/or delay serve as a basis for Adverse Possession of the Properties. Any and all waivers of the City's Right of Reverter shall be in writing.

12. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to execute a Quitclaim Deed to the Redeveloper for the Properties. Said Quitclaim Deed conveying title to the Properties 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, and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Agreement for the Sale and Redevelopment of Land with Nan Newark Tech World A NJ Nonprofit Corporation, 400 Hawthorne Avenue, Newark, New Jersey 07104, for the private sale and rehabilitation of the following Properties, 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 South Ward Redevelopment Plan, as amended, to construct six (6) new two - (2) family homes with two (2) homes being sold at 80% AMI and below and four (4) homes being sold at market rate, to rent at workforce/market rate on 395 Hawthorne Avenue, 397-399 Hawthorne Avenue, 403-405 Hawthorne Avenue, 407-409 Hawthorne Avenue, and 411 Hawthorne Avenue. On 392-400 Hawthorne Avenue, the commercial component to continue to renovate hallways, gymnasiums and classrooms to operate as a workforce training center for local residents seeking employment opportunities and a five (5) year no cost use of community space:

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