

RESOLUTION

No. 17-317

Date of Adoption

JUN 01 2017

Approved as Form and Legality

ATTORNEY

Factual content certified by

DIANA R. ROGERS, DIRECTOR
DEPARTMENT OF HOUSING & ECONOMIC DEVELOPMENT

Councilman /woman

presents the following Resolution:

RESOLUTION AUTHORIZING THE PUBLIC AUCTION OF CERTAIN CITY-OWNED PROPERTIES PURSUANT TO N.J.S.A. 40A:12-13(a) OF THE LOCAL LANDS AND BUILDINGS LAW

WHEREAS, the properties identified in Schedule "A" (attached hereto and incorporated herein by reference) are owned by the City of Trenton and are not needed for public purposes (hereinafter, individually the "Property" and collectively, the "Properties"); and

WHEREAS, it is in the best interest of the City to sell the Property by public auction in the manner set forth in N.J.S.A. 40A:12-13(a).

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Trenton that the Properties shall be advertised for public sale pursuant to the Local Lands and Buildings Law, N.J.S.A. 40A:12-1, et seq., subject to the following conditions:

1. The auction shall take place on Wednesday, June 28, 2017 commencing at 12:00 P.M. in City Council Chambers, 2nd Floor, City Hall, Trenton, New Jersey, in the manner of an open public auction in accordance with procedures to be announced by the City Clerk. The City Clerk shall advertise the open public auction in the manner required by applicable State law. The bidding for the Properties shall commence at the minimum bid specified in Schedule "A". In the event that circumstances prevent or interfere with the conduct of the auction on the above date and/or time, the Director of the Department of Housing and Economic Development (the "Director") may adjourn and reschedule the auction without further City Council Resolution, provided that the applicable notice requirements are satisfied.
2. The City shall have the right to remove any Property from the auction for any reason whatsoever until the time of the auction. Notice of such removal will be posted prior to the commencement of the auction.
3. All interested, potential bidders will be required to pre-register for the auction via www.eventbrite.com or any other service the City deems appropriate by 11:30 p.m. on the day prior to the auction, and be required to pay a \$150 registration fee plus any applicable servicing charge. **NO BIDDERS WILL BE PERMITTED TO REGISTER ON THE DAY OF THE AUCTION.** No refunds of registration fees will be allowed for any reason.
4. Immediately after the close of bidder for a Property, the highest qualified bidder, as designated by the City Clerk, shall submit a **NON-REFUNDABLE DEPOSIT IN THE AMOUNT OF TEN PERCENT (10%) OF THE SUCCESSFUL BID IN THE FORM OF CASH, MONEY ORDER OR CERTIFIED CHECK ONLY.** The City expressly reserves the right to offer a Property for purchase to the next highest qualified bidder if the preceding highest bidder(s) either (i) elects not to pursue the purchase of a Property, or (ii) fails to comply with the requirements stated herein or in the Contract of Sale.

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5. All bids shall be referred to the City Council for review and final approval by Resolution pursuant to N.J.S.A. 40A:12-13(a) and N.J.S.A. 40A:12-13.1. The City reserves the right to accept or reject any and all bids including the highest bid and shall make its decision known by way of a City Council Resolution.
6. The Properties listed in Schedule "A" may include commercial and residential properties, as well as vacant lots.
7. All bidders must appear in person at the auction and upon being designated as the successful bidder, must present identifying credentials. A person bidding on behalf of a business entity must, upon being designated as the successful bidder, present a letter authorizing the individual to act on behalf of the business entity. No bidder may submit a bid on behalf of another except that a husband or wife may bid on behalf of both. **UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL BE PERMITTED TO BID UNDER ANOTHER REGISTERED BIDDER'S BID NUMBER. FAILURE TO COMPLY WITH THIS PROHIBITION MAY RESULT IN THE DISQUALIFICATION OF THE REGISTERED BIDDER FROM THE AUCTION, AND ANY PROPERTIES AWARDED SUCH REGISTERED BIDDER MAY BE RE-BID AND THE CONTRACT OF SALE FOR SUCH PROPERTIES MAY BE DECLARED NULL AND VOID.**
8. The successful bidder shall be obligated to execute a Contract of Sale with the City, embodying the terms and conditions hereof, directly after the close of bidding at the public auction.
9. The City shall record the deed and Contract of Sale with the Mercer County Clerk's Office on behalf of the successful bidders. All successful bidders shall be responsible for payment of (i) an administrative fee in the amount of \$130, and (ii) a deed recording fee in the amount of \$11 unless Purchaser's Title Company requires that the Title Company record the deed.
10. Title to the Property shall be conveyed by a Deed of Bargain and Sale and payment of the balance of the purchase price (less the 10% deposit) shall be made in the form of cash or certified check at a closing to be arranged between the successful bidder and the City as prescribed in the Contract of Sale.
11. In the event the City incurs any costs for the maintenance or repair of the Property subsequent to the auction but prior to the transfer of title to the property, the City shall be entitled to seek reimbursement for the same from the purchase price at closing.
12. The City shall not pay any commission to any broker for the sale of any auction property nor shall it pay any legal fees in connection with the sale of any auction property.

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13. It shall be the obligation of the successful bidder to have a title search of the property conducted within the prescribed time period referenced in the Contract of Sale and obtain a title commitment. Further, the successful bidder shall deliver a copy of the title report to the City within the time period prescribed in the Contract of Sale, together with written notice of any encumbrance, interest, or exception of title disclosed by the title report the would render title unmarketable. A purchaser's failure to obtain a title report or to provide such notice to the City of any title question relating to the marketability of a property within the requisite time period shall be deemed a waiver of each such title question or possible claim. **THE CITY SHALL ASSUME NO RESPONSIBILITY FOR ANY DEFECTS IN TITLE WHICH THE PURCHASER DOES NOT DELIVER NOTICE OF WITHIN THE TIME PERIOD PRESCRIBED IN THE CONTRACT OF SALE.** In the event that the Purchaser fails to obtain a title commitment, the City may elect to convey title to the property to the purchaser by quitclaim deed.
14. Tax liability on any Property which is purchased from the City shall commence immediately following the closing of the Property. Purchasers shall be responsible for the timely payment of all real estate taxes and other municipal assessments and charges during the time period within which the Property is being rehabilitated, and at all times thereafter.
15. The successful bidder of an auction property shall automatically be exempt from the requirements of the Vacant Property Registration Ordinance during the time period permitted for obtaining a Certificate of Occupancy in the Contract of Sale. If the successful bidder fails to obtain a Certificate of Occupancy as required by the Contract of Sale, such successful bidder shall be required to register the property as a "vacant" property and pay the initial vacant property registration fee of \$250 and any other fees due and owing.
16. The purchaser of the auctioned property shall not sell or otherwise transfer title to any property purchased through auction, or any part thereof, to a non-profit or non-taxable organization for a period of five (5) years from the date of closing on the property. Such clause shall be included in the deed.
17. All properties shall be sold in "AS IS/WHERE IS" condition, subject to any and all existing tenancies, code violations and other physical and environmental conditions. The City does not make any representations or warranties as to the condition or value of the properties or their suitability for any particular purpose. Bidders shall be afforded the opportunity to inspect the properties prior to the auction. Upon purchasing an occupied property, successful bidders shall be solely responsible, in their sole discretion, for terminating any existing tenancies and initiating eviction proceedings.
18. The successful bidder shall be required to rehabilitate the property to meet code standards for use and occupancy as hereby required, regardless of actual occupancy of the property. Further, The Purchaser shall be obligated to (i) begin any repairs to and rehabilitation of the Property within ninety (90) calendar days following Closing, and (ii) complete such repairs and rehabilitation **WITHIN TWELVE (12) MONTHS FOLLOWING CLOSING.** At Closing, the Seller may, upon prior written notice, require the Purchaser to provide a schedule for the rehabilitation of the Property which ensures that a Certificate of Occupancy will be issued within the requisite twelve (12) month period. Such schedule shall

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include timetables for the completion of plans and issuance of permits and any additional information requested by the City. Purchaser agrees to diligently work to obtain all permits and licenses required to diligently commence and complete such work upon receipt of the required permits and licenses. "Completion of Repairs" shall be defined as the performance of all work required by the Department of Inspections of the City of Trenton for the granting of a Certificate of Occupancy under the Uniform Construction Code of the State of New Jersey. The obligations of the Purchaser to repair and rehabilitate the Property shall not be affected or diminished during any period for which the Property is unoccupied. Extensions of not more than a total of six (6) months may be granted by the Director upon good cause shown by the Purchaser, but under no circumstances shall the time period for rehabilitation exceed eighteen (18) months from the date of Closing.

19. The Contract of Sale with the City shall not be assignable by the successful bidder to any other party, other than to a business entity to be formed by the bidder for the purpose of fulfilling the redevelopment plan, without the prior written consent of the Director of the Department of Housing and Economic Development, which consent shall not be unreasonably withheld. Failure to obtain such consent shall constitute an event of default under the Contract of Sale, on the basis of which the City may take such steps as are necessary to reacquire title to the property.
20. Rehabilitation of any property located in a historic district must be in conformity with the Restoration Guidelines of the Trenton Landmarks Commission and purchasers of such properties shall be required to present their rehabilitation plan to the Landmarks Commission in accordance with the applicable City Ordinance. Successful bidders shall be required to comply with all other applicable Federal, State and local laws and regulations in the rehabilitation and repair of the property.
21. Failure to comply with any of the requirements set forth herein or to close within sixty (60) days following the date the Contract of Sale is fully executed, shall entitle the City, in its sole discretion, to rescind prior bid approval, terminate any and all rights to the designated bidder in the property, and retain the deposit.
22. The City will not accept a bid by or on behalf of any person or business association, or any person having a 10% or greater ownership interest therein, that owned, in whole or in part, the property being sold at any time within 12 months prior to its foreclosure by the City for tax arrearages unless:
 - a. the proposed bidder submits a bid in an amount equal to or greater than the calculated tax redemption amount, which amount shall be made available on request during the auction registration period; and
 - b. if the previous owner submits the highest bid, said bidder shall tender, at the conclusion of the bidding, cash or certified funds in the amount of 50% of his closing bid, in default of which the closing bid of the next highest qualifying bidder shall be deemed to be the highest bid received.

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23. The City may, at its discretion, reject a bid by or on behalf of, or disqualify a successful bidder who:
- a. has previously purchased city owned properties and has not complied with the terms and conditions of sale or has failed to consummate the purchase of those properties;
 - b. has submitted a check that was returned for insufficient funds and has subsequently failed to tender payment and the returned check fee;
 - c. has previously purchased one or more city owned properties and, at the time of the auction, has yet to receive a Certificate of Occupancy for any property so purchased in the time period required;
 - d. owns or has more than a 10% ownership stake in any property located within the City upon which there exists a tax arrearage of more than 2 quarters; or
 - e. owns property located within the City upon which there exists outstanding citations for housing code violations.
24. Except as otherwise specifically set forth herein, no employee, agent or officer of the City has authority to waive, modify or amend any of the foregoing conditions of sale.

	Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent
BETHEA	✓				HOLLY WARD	✓				CHESTER	✓			
CALDWELL WILSON	✓				MUSCHAL	✓								
HARRISON	✓				REYNOLDS JACKSON	✓								

This Resolution was adopted at a Meeting of the City Council of the City of Trenton on

JUN 01 2017

Sachary A. Chester

 President of Council

Leulop S. Edwards-Carter

 City Clerk

Attachment "A"

Block	Lot(s)	Number	Street	Zoning	Redevelopment Area	Description	Minimum Bid
8201	41	348	Brunswick Avenue	RB	N/A	Building	\$300
6608	2	437	Dr. MLK Blvd.	BB	Humboldt Sweets	Building	\$800
8301	54	464	Dr. MLK Blvd.	RB	Canal Banks	Building	\$800
8404	38 & 39	530 & 532	Dr. MLK Blvd.	BB	N/A	Building/Commercial **	\$8,000
4502	41	20	Dunham Street	RB	Canal Banks	Building	\$4,000
4502	49	36	Dunham Street	RB	Canal Banks	Building	\$4,000
26601	27	1005	East State Street	BB	N/A	Building	\$500
12901	30	763	East State Street	BB	N/A	Building	\$8,000
6102	30, 31 & 32	18	Ellsworth Avenue	RB	N/A	Building	\$200
6102	34	22	Ellsworth Avenue	RB	N/A	Building	\$500
6102	37	28	Ellsworth Avenue	RB	N/A	Building	\$200
6102	39	32	Ellsworth Avenue	RB	N/A	Building	\$200
17506	22	40	Jersey Street	RB	N/A	Building	\$200
10308	13	528	Lamberton Street	RB	Lamberton Street	Building	\$200
5501	23	330	Oakland Street	MU	N/A	Building***	\$8,000
11604	12	574	Second Street	RB	N/A	Building	\$500
21003	3	1806	South Clinton Avenue	RB	N/A	Building***	\$10,000
5801	27 & 26	701 & 703	Stuyvesant Avenue	RB	N/A	Building	\$200
4004	43	31	Summer Street	RB	Canal Banks	Building	\$1,000
14801	48	149	Washington Street	RB	N/A	Building	\$10,000
2302	11	418	West Hanover Street	RB	Central West	Building	\$200
3101	1	617	West State Street	MU	Hermitage Avenue	Building	\$2,000

**Former Billy's Clean U Laundromat and Dry Cleaners

***May Have Tenants