

New Brunswick Housing Authority Resolution 2025-Acting as Redevelopment Agency

**Resolution Recognizing Force Majeure Event for the
Redevelopment Project consisting of a mixed use residential,
commercial project on property known as Block 120, Lot 5.01
on the New Brunswick Tax Map and approving an
Amendment to Redevelopment Agreement between the
Housing Authority of the City of New Brunswick and NB Plaza
Owner Urban Renewal, LLC as Redeveloper ("NB Plaza")**

WHEREAS, the Housing Authority of the City of New Brunswick, acting as the City of New Brunswick Redevelopment Agency ("Redevelopment Agency"), pursuant to N.J.S.A. 40A:12A-4 and N.J.S.A. 40A:12A-21, may exercise all powers, duties and functions relating to redevelopment in the manner of a redevelopment entity under the Local Redevelopment and Housing Law N.J.S.A. 40A:12A-1 to 49, which powers include contracting with redevelopers for the planning, replanning, construction, or undertaking of any project or redevelopment work under N.J.S.A. 40A:12A-8.f; and

WHEREAS, the City of New Brunswick has approved a Redevelopment Plan for the Lower George Street area ("Redevelopment Plan") entitled "Lower George II Redevelopment Plan," which includes property located on George Street and bordered by Morris Street, Neilson Street and property owned by third parties ("Redevelopment Plan Area", which Redevelopment Plan Area includes Block 120, Lots 5.01 on the New Brunswick Tax Map ("Project Site"); and

WHEREAS, NB Plaza Owner Urban Renewal made an application to be the redeveloper for the Project Site; and

WHEREAS, the Redeveloper is a joint venture of Ifany, LLC, owned and controlled by Shimon Jacobowitz, SDG NB Plaza, LLC, owned and controlled by George Seabright and the Abundant Life Family Worship Church, Inc. ("Church"), a New Jersey non-profit corporation and the owner of the site, pursuant to which the Redeveloper is to construct the Project; and

WHEREAS, on Block 120, Lot 5.01, the Redeveloper proposes to subdivide Project Site lot into 2 lots; on one of the lots, Redeveloper proposes to construct a 45 story mixed-use building comprising 800 residential units consisting of a mix of studio, one bedroom, two bedroom and three bedroom units (of which a minimum of 160 units will be for low and moderate income households), retail space on the ground floor and second floor and amenities such as a lobby, lounge and spa with a minimum of 501 space parking deck ("Project") and on the other lot ("Church Lot"), the Church will remain along with 25 new surface parking spaces and use of 50 spaces in the new parking garage to be built on the adjoining lot; and

WHEREAS, the Redeveloper submitted a Concept Plan prepared by Fogarty Finger dated December 19, 2023 entitled "259 George Street, New Brunswick, NJ" consisting of 12 pages showing the 800 unit residential building, the retail spaces, amenities, a parking deck and a final subdivision and Site Plan application prepared by Langan Engineering and Environmental

Services, Inc. dated November 22, 2023, which also shows 25 surface parking spaces on the adjoining Church lot ("Concept Plans"); and

WHEREAS, the Redeveloper, along with its application, submitted evidence of construction debt financing and committed preferred equity financing of \$60 Million from Jade Capital; \$30 Million of equity from M&CF Investments LLC and equity financing from Seraphim Equities and supplemented the financing plan by submitting further evidence on how the construction cost will be financed and the Authority is satisfied with that evidence; and

WHEREAS, Redeveloper states that the development cost is approximately \$350 Million and that construction will begin within 12 months after all governmental approvals are received, but not later than July 1, 2025 and be completed within 36 months from beginning of construction or July 1, 2028; and

WHEREAS, based upon a review of the submitted information and the presentation made by the Redeveloper at the public meeting held on February 28, 2024, including the answering of any questions by the Commissioners and the public, the Redevelopment Agency found that the documentation and presentation to be acceptable and in conformity with the requirements of Section 8 of the Redevelopment Plan therefore, determined that it is appropriate to designate Redeveloper as the redeveloper of the Redevelopment Plan Area pursuant to Section 8 of the Redevelopment Plan; and

WHEREAS, the parties negotiated a Redevelopment Agreement for the purpose of setting forth in greater detail their respective undertakings, rights and obligations in connection with the construction of the Project, all in accordance with the Redevelopment Plan and Applicable Law and the terms and conditions of the Redevelopment Agreement; and

WHEREAS, the Redevelopment Agreement contained a provision in Article 8-Delays that provided that in the Event of the occurrence of a delay, the time or times for performance of the obligations of Redeveloper will be extended for the period of such delay; and

WHEREAS, Article 8 listed as a delay "... any or challenges by third parties with respect to Governmental Approvals required for the Project"; and

WHEREAS, Association of Concerned Citizens of New Brunswick and Association of Disenfranchises Bidders ("Plaintiffs") in April of 2024 sued the Housing Authority of City of New Brunswick, Planning Board of City of New Brunswick and the City of New Brunswick for adopting a Redevelopment Plan and appointing NB Plaza a s Redeveloper of the mixed use project described above; and

WHEREAS, the Plaintiffs filed suit in Superior Court of New Jersey, Law Division, Middlesex County, Docket Nos. L-2242-24 and L-2243-24 contesting the Housing Authority's appointment of NB Plaza as Redeveloper; and

WHEREAS, the suit was dismissed by Judge Gorman, Superior Court, Law Division; and

WHEREAS, the Plaintiffs appealed the dismissal to the Superior Court, Appellate Division and the Appellate Division affirmed the dismissal; and

WHEREAS, during the pendency of the litigation, the Redeveloper was restrained by the Court from moving forward to obtain the necessary approvals for the Project; and

WHEREAS, the Redeveloper's attorney has requested that in accordance with Article 8 of the Redevelopment Agreement Article 2.06 Construction Schedule, Progress Reports and Public Improvements that Subsection 2.06a. be amended to extend the starting time for construction for a period of 18 months from July 1, 2025 to December 31, 2026 and the time of completion be extended to December 31, 2029; and

WHEREAS, the Redeveloper's attorney and the Housing Authority attorney have drafted an Amendment to Article 2.06a. of Redevelopment Agreement and presented the Amendment to the Housing Authority for approval; and

WHEREAS, the Commissioners of Housing Authority considered the Amendment and approved same;

NOW, THEREFORE, Be It Resolved by the Housing Authority of City of New Brunswick, acting as Redevelopment Agency, that:

1. The Housing Authority recognizes that a Force Majeure Event occurred which necessitates the amendment to Article 2.06a. of Redevelopment Agreement.
2. The Amendment is approved in substantially form attached hereto.
3. The Chairman and Secretary are authorized to execute the Amendment to the Redevelopment Agreement on behalf of the Housing Authority.
4. This Resolution shall take effect immediately.