


**CITY OF TRENTON
DEPARTMENT OF HOUSING AND ECONOMIC
DEVELOPMENT**

Memorandum

TO: Adam Cruz, Business Administrator
Department of Administration

FROM: Benjamin Delisle, Director 
Department of Housing and Economic Development

COPY: Josie Pabon, Real Estate Manager
Division of Real Estate and Property Management

DATE: November 3, 2020

RE: Resolution Rescinding the Sale of City-Owned Property

The attached resolution authorizes the online auction of certain city-owned properties pursuant to the local lands and buildings law, N.J.S.A. 40a:12-13(a). It has been ascertained that it is in the best interest of the City of Trenton to sell city-owned properties not needed for public purposes and identified on Schedule "A" by online public auction on December 9, 2020.

The minimum bid prices have been determined either using ten (10%) percent of the current City of Trenton assessed value of the property, using the condition of the property or a combination of ten (10%) percent of the assessed value and the condition of the property.

I am recommending that this resolution be placed on the docket for the November 12, 2020 City Council meeting.

RESOLUTION

No. _____

Date of Adoption _____

Approved as to Form and Legality

Factual content certified by

JOHN MORELL, CITY ATTORNEY



BENJAMIN DELISLE, DIRECTOR
DEPARTMENT OF HOUSING AND 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 referred to, individually the "Property" and collectively, the "Properties"); and

WHEREAS, it is in the best interest of the City to sell the Properties by public auction pursuant to N.J.S.A. 40A:12-13(a); and

WHEREAS, due to the global pandemic, COVID19, and the health and safety risks it poses, there exists the need to conduct the public auction online; and

WHEREAS, an online public auction will minimize the health and safety risks and allow for the exposure of the Properties to be sold to a larger number of potential bidders, thereby maximizing the sale price of said Properties, to the benefit of the City and its taxpayers.

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 foregoing recitals are reiterated herein as if set forth at length.
2. The online auction shall take place on Wednesday, December 9, 2020 commencing at 10:00 a.m. via <http://www.trentonnj.org/auction>, in the manner of an online open public auction in accordance with rules and procedures to be announced on the above mentioned website. The City Clerk shall advertise the online 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 online auction on the above date and/or time, the City by and through 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.
3. The City, by and through the Director shall have the right to remove any Property from the online auction for any reason whatsoever until the time of the online auction. Notice of such removal will be posted prior to the commencement of the online auction.

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4. All interested, potential bidders will be required to register for the online auction via <http://www.trentonnj.org/auction> or any other online service the City deems appropriate and will be required to make a deposit of one thousand (\$1,000) dollars and pay any applicable servicing charge, which may be made online via credit card or electronic check or may be made via cash, money order or certified check at City Hall to the cashier, Department of Finance. Registration shall be open to potential bidders two weeks prior to the auction. All registrations must be done online no later than 9:30 a.m. on the day of the auction if the potential bidder intends to make the one thousand (\$1,000) dollar deposit via credit card or electronic check, and no later than 4:00 p.m. two (2) days prior to the auction if the potential bidder intends to make the one thousand (\$1,000) dollar deposit via cash, money order or certified check to the cashier at the Department of Finance, City Hall between the hours of 8:30 a.m. and 4:00 p.m.. Said deposit to the cashier must also be made no later than 4:00 p.m. two (2) days prior to the auction. **NO BIDDERS WILL BE PERMITTED TO REGISTER ONCE THE AUCTION HAS COMMENCED.**
5. Immediately after the close of bidding for a Property, the highest qualified bidder (also referred to as the "Successful Bidder" or "Purchaser"), as indicated on the online auction platform and notified of such via email, shall within 24 hours submit the a **NON-REFUNDABLE DEPOSIT IN THE AMOUNT OF TEN PERCENT (10%) OF THE SUCCESSFUL BID IN THE FORM OF CREDIT CARD OR ELECTRONIC CHECK if paid online via <http://www.trentonnj.org/auction> or CASH, MONEY ORDER OR CERTIFIED CHECK if paid at City Hall to the cashier, Department of Finance, between the hours of 8:30 a.m. and 4:00 p.m..** The initial one thousand (\$1,000) dollar deposit shall be applied to the non-refundable deposit of the highest qualified bidder. Should the Non-Refundable Deposit not be paid within the 24-hour period by the highest qualified bidder, the one thousand (\$1,000) dollar deposit shall be forfeited. Refunds of the one thousand (\$1,000) dollar deposit will be made to bidders who do not successfully bid on any city-owned property. 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. 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 as identified. Furthermore, Schedule "A" may also include certain properties which shall have a five-year owner-occupied restriction and may only be purchased by a successful bidder intending to live at said property for the five-year period.
7. All pre-registered bidders must log into the online auction and upon being designated as the successful bidder, must pay the non-refundable deposit as set forth hereinabove. A person bidding on behalf of a business entity must prior to the online auction provide a letter authorizing the individual to act on behalf of the business entity. Said letter may be delivered to the Department of Housing & Economic Development, 319 E. State Street, City Hall, Trenton, New Jersey 08608 between 8:30 a.m. and 4:00 p.m. or uploaded via <http://www.trentonnj.org/auction> No bidder may submit a bid on behalf of another except that a husband or wife may bid on behalf of each other. **UNDER NO CIRCUMSTANCES SHALL ANY INDIVIDUAL BE PERMITTED TO BID UNDER ANOTHER REGISTERED BIDDER'S BID NUMBER. FAILURE TO**

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COMPLY WITH THIS PROHIBITION MAY RESULT IN THE DISQUALIFICATION OF THE REGISTERED BIDDER FROM THE ONLINE 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. 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. Potential Bidders may access photographs of the Properties (exterior and interior where there is a structure, exterior only where there is vacant land) at <http://www.trentonnj.org/auction> and may inspect the Properties prior to the auction. Open House dates and times will be posted on the City's website as <http://www.trentonnj.org> and at <http://www.trentonnj.org/auction>. All potential bidders who desire to inspect the Properties enter **At Their Own Risk** and shall be required to execute a hold harmless/waiver agreement prior to the inspection. Upon purchasing an occupied property, successful bidders shall be solely responsible, in their sole discretion, for terminating any existing tenancies and initiating eviction, ejectment or removal proceedings.
9. The successful bidder shall be obligated to execute a Contract of Sale with the City, embodying the terms and conditions, including but not limited to the terms and conditions hereof, subsequent to the closing of the online public auction. The successful bidder will be notified by the City of the date and time to come to City Hall to execute the Contract of Sale. The successful bidder is required to bring photo identification at such time. If the successful bidder is a business entity or intends to purchase the property in a business entity name, the successful bidder is also required to provide a copy of any and all formation, good standing and or charter documents to the City at such time.
10. The City shall record the deed and any and all other pertinent documents 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 three hundred fifty (\$350.00) dollars, and (ii) a deed recording fee in the amount of sixty-five (\$65.00) dollars. If the Purchaser's Title Company requires that the Title Company record the deed, then the Purchaser shall not pay the deed recording fee.
11. 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 ten (10%) percent deposit) which shall be made in the form of cash or certified check at a closing of title to be arranged between the successful bidder and the City as prescribed in the Contract of Sale.
12. The City may provide for payment of a commission not to exceed, in the aggregate, five (5%) percent of the sale price to a broker or authorized representative pursuant to N.J.S.A. 40A:12-13 for the sale of any auction property and any and all applicable purchasing statutes, but shall not pay any legal fees in connection with the sale of any auction property.
13. Upon execution of the Contract of Sale 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 to 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

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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 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. It is not the responsibility of the City to determine if a bidder is qualified for a mortgage or other financing, or to provide financing for a purchase, however the City in its sole discretion by and through the Director, pursuant to N.J.S.A 40A:12-13(b), may offer a purchase money mortgage fully payable within five years from the date of the sale to a successful bidder who purchases a Property with the five-year "owner occupied" restriction or who purchases a Property which said successful bidders intends to live in for a minimum of five (5) years.
15. 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.
16. 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 five hundred (\$500.00) dollars and any other fees due and owing.
17. The Purchaser of the auctioned property shall not sell or otherwise transfer title to any property purchased through the 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.
18. The Purchaser 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 of Title, and (ii) complete such repairs and rehabilitation **WITHIN TWELVE (12) MONTHS FOLLOWING CLOSING OF TITLE.** 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 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 thirty-six (36) months from the date of

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Closing. Failure of the Purchaser to repair, rehabilitate, and maintain the Property at any time during the three (3) year period following the transfer of ownership thereof shall cause title to the Property to revert to the City and the City shall have the right at its sole and absolute option, upon sixty (60) days prior notice to Purchaser, and any mortgagor of Purchaser, to enter and take possession of the Property, Purchaser shall execute and deliver a Deed to the City for the same, subject to the rights of any mortgage holder. Any vesting of title in the City under this clause shall always be subject to and limited by, and shall not defeat, render invalid, or limit in any way, the lien of any mortgage obtained subsequent to the transfer of ownership of the Property for the protection of the holder of such mortgage. Such clause shall be included in the deed.

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 completing the repairs and rehabilitation pursuant to the concept plan, without the prior written consent of the Director of the Department of Housing and Economic Development, which consent shall not to 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 also 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. The Purchaser pursuant to Section 132-109 of the City code, shall prior to the change of ownership of any residential property from the Purchaser to a third party, first obtain a certificate of Housing Code compliance from the Department of Inspections, Division of Housing Inspections and pay any and all fees applicable to the processing and issuance of said certificate. Such clause may, at the sole discretion of the City, be included in the deed.
22. 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.
23. The City will not accept a bid by or on behalf of any person or business association, or any person having a ten (10%) percent 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 fifty (50%) percent 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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24. The City may, at its discretion, reject any bid by or on behalf of a successful bidder, 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 ten (10%) percent ownership stake in any property located within the City upon which there exists a tax arrearage of more than two (2) quarters; or
 - e. Owns property located within the City upon which there exists outstanding citations for housing code violations.
25. Except as otherwise specifically set forth herein, no employee, agent or officer of the City, other than the Director for good cause shown, has the authority to waive, modify or amend any of the foregoing conditions

	Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent		Aye	Nay	Abstain	Absent
BLAKELEY					MUSCHAL					MCBRIDE				
CALDWELL WILSON					RODRIGUEZ									
HARRISON					VAUGHN									

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

President of Council

City Clerk

Block	Lot(s)	Number	Street	Zoning	Redevelopment Area or Historic District	Structure/Lot(s)
14705	44	61	Anderson Street	BB	N/A	Commerical
28004	13	222	Ardmore Avenue *Lead	RB2	N/A	*Residential
18407	20	807	Beatty Street	RB	N/A	*Residential**
18306	15	835	Beatty Street	RB	N/A	*Residential**
21201	3	1159	Chambers Street	RB	N/A	*Residential
6103	3	39	Christoph Avenue	RB	N/A	*Residential
27003	25	110	Cleveland Avenue	RB	N/A	*Residential
20703	14	238	Cummings Avenue	BB/RB	N/A	*Residential
19301	26	618	Division Street	RB	N/A	*Residential
2702	9	614	Edgewood Avenue	RB	Hermitage Avenue	*Residential
2702	16 & 15	630 & 626-628	Edgewood Avenue	RB	Hermitage Avenue	*Residential/Lots**
15701	44	259	Elmer Street	RB	N/A	*Residential
16104	17	105	Genesee Street	RB	N/A	*Residential
16103	11	120	Genesee Street	RB	N/A	*Residential
16304	9	204	Genesee Street	RB	N/A	*Residential
16306	10	327	Genesee Street	RB	N/A	*Residential
18901	21	482	Genesee Street	RB	N/A	*Residential**
18901	15	496	Genesee Street	RB	N/A	*Residential
18404	1	281	Home Avenue	RB	N/A	*Residential**
23903	21	900	Indiana Avenue	RB	N/A	Commerical/Residential
2201	25	17	Jarvis Place	RB	Central West	*Residential**
17401	50	23	Jersey Street	RB	N/A	*Residential
17506	26	32	Jersey Street	RB	N/A	*Residential
17506	19	46	Jersey Street	RB	N/A	*Residential
17506	17	50	Jersey Street	RB	N/A	*Residential
17401	67	57	Jersey Street	RB	N/A	*Residential
17506	5	74	Jersey Street	BB	N/A	*Residential
17401	75	75	Jersey Street	BB	N/A	*Residential
18408	36	122	Jersey Street	RB	N/A	*Residential**
18408	34	126	Jersey Street	RB	N/A	*Residential
18305	9	324	Jersey Street	RB	N/A	*Residential
17401	39, 40 & 41	1, 3 & 5	Jersey Street	RB	N/A	Commerical/Residential
17506	33	16-18	Jersey Street	RB	N/A	Lots
18407	14	208-210	Jersey Street	RB	N/A	Lots
17401	57 & 58	37 & 39	Jersey Street	RB	N/A	Lots
17506	22 & 21	40 & 42	Jersey Street	RB	N/A	Residential
17401	72.01 & 73	69 & 71	Jersey Street	BB	N/A	Residential**
3901	19	320 ½	N. Willow Street	BB	Canal Banks	*Residential**
33303	32	536	Pennington Avenue	MU	N/A	*Residential**
31901	11	842	Riverside Avenue	RB1	Historic District Berkeley Square	*Residential
19201	42	207	Rusling Street	RB	N/A	Lots
16210	1	942	S. Clinton Avenue	RB	N/A	Commerical/Residential
11801	38	617	Second Street	RB	N/A	*Residential
11801	39	619	Second Street	RB	N/A	*Residential
11702	20	682	Second Street	RB	N/A	*Residential**
6105	16	632	Stuyvesant Avenue	RB	N/A	Commerical/Residential
27701	25	219	Tioga Street	RB2	N/A	*Residential
2605	32	548	W. State Street	RB	Hermitage Avenue	*Residential
34006	1	1413	W. State Street	RB	N/A	*Residential
34002	7	1457	W. State Street	RB	N/A	*Residential

*Residential - 5 years home-ownership restriction

*Residential** - 5 years home-ownership restriction - With Possible Tenants
Possible Tenants**