



Legislation Details (With Text)

File #: 22-0627 **Version:** 1 **Name:** Resolution Combining NJIB Bond Issuance
Type: Resolution **Status:** Adopted
File created: 4/21/2022 **In control:** Finance
On agenda: 5/4/2022 **Final action:** 5/4/2022

Title: Dept/ Agency: Finance
Action: () Ratifying (X) Authorizing () Amending
Purpose: Confirming Bond Sale
Amount to be Financed: \$26,000,000.00
Source of Appropriation: Bonds
Purchaser: New Jersey Infrastructure Bank (NJIB)
Project Information:
(Description/ Project No./Amount Appropriated/Ordinance No.)
RESOLUTION PROVIDING FOR A SINGLE AND COMBINED ISSUE OF QUALIFIED GENERAL OBLIGATION BONDS, SERIES 2022 OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, FOR THE CITY'S SMALL DIAMETER SEWERS EVALUATION AND REHABILITATION PROJECT AND THE CITY'S SOUTH STREET AND ADAMS STREET DRAINAGE IMPROVEMENTS PROJECT AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY AND CONFIRMING AND RATIFYING THE ADOPTION OF THE PRIOR FORM AND SALE RESOLUTIONS.
Additional Information:
The Municipal Council adopted several bond ordinances: Sewer Capital Project for the rehabilitation of Small Sewers totaling \$20 Million; South Street and Adams Street Drainage Improvements for \$6 Million. Thereafter, the Municipal Council approved the sale of Temporary Construction Loans to begin the projects. On April 6, 2022, the Municipal Council adopted Resolutions to authorize the Sale of Bonds to the New Jersey Infrastructure Bank (NJIB) to permanently finance these projects. After the Municipal Council adopted these Resolutions, the NJIB informed the City that they seek to issue the bonds as a single sale, which is the reason for this Resolution.

No less than Two-Thirds vote of the full membership is needed.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
5/4/2022	1	Municipal Council	Adopt	Pass

Dept/ Agency: Finance
Action: () Ratifying (X) Authorizing () Amending
Purpose: Confirming Bond Sale
Amount to be Financed: \$26,000,000.00
Source of Appropriation: Bonds
Purchaser: New Jersey Infrastructure Bank (NJIB)
Project Information:
(Description/ Project No./Amount Appropriated/Ordinance No.)
RESOLUTION PROVIDING FOR A SINGLE AND COMBINED ISSUE OF QUALIFIED GENERAL OBLIGATION BONDS, SERIES 2022 OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, FOR THE CITY'S SMALL DIAMETER SEWERS EVALUATION AND

REHABILITATION PROJECT AND THE CITY'S SOUTH STREET AND ADAMS STREET DRAINAGE IMPROVEMENTS PROJECT AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY AND CONFIRMING AND RATIFYING THE ADOPTION OF THE PRIOR FORM AND SALE RESOLUTIONS.

Additional Information:

The Municipal Council adopted several bond ordinances: Sewer Capital Project for the rehabilitation of Small Sewers totaling \$20 Million; South Street and Adams Street Drainage Improvements for \$6 Million. Thereafter, the Municipal Council approved the sale of Temporary Construction Loans to begin the projects. On April 6, 2022, the Municipal Council adopted Resolutions to authorize the Sale of Bonds to the New Jersey Infrastructure Bank (NJIB) to permanently finance these projects. After the Municipal Council adopted these Resolutions, the NJIB informed the City that they seek to issue the bonds as a single sale, which is the reason for this Resolution.

No less than Two-Thirds vote of the full membership is needed.

WHEREAS, the City of Newark (the "Local Unit" or the "City"), in the County of Essex, New Jersey, a municipality and a political subdivision of the State of New Jersey, has heretofore adopted on August 3, 2011 and March 15, 2017, respectively, bond ordinances entitled "A BOND ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR SEWER UTILITY CAPITAL IMPROVEMENTS AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$10,350,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$10,350,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME" and "AN ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AMENDING ORDINANCE 6PSF-c OF THE CITY FINALLY ADOPTED AUGUST 3, 2011, PROVIDING FOR EVALUATION AND REHABILITATION OF SMALL DIAMETER SEWERS AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$20,000,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$20,000,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME", respectively (collectively, the "Small Sewers Bond Ordinance") and the Governing Body of the City has heretofore adopted on April 6, 2022, resolutions respectively entitled "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT EXCEEDING \$20,000,000.00 QUALIFIED GENERAL OBLIGATION BONDS OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, PURSUANT TO THE STATE FISCAL YEAR 2022 NEW JERSEY WATER BANK FINANCING PROGRAM FOR FUNDING THE CITY'S SMALL DIAMETER SEWERS EVALUATION AND REHABILITATION PROJECT" (the "Small Sewers Form and Sale Resolution") and "RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS TO BE EXECUTED BY THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY AND EACH OF THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, ALL PURSUANT TO THE STATE FISCAL YEAR 2022 WATER BANK FINANCING PROGRAM FOR FUNDING THE CITY'S SMALL DIAMETER SEWERS EVALUATION AND REHABILITATION PROJECT" (the "Small Sewers Documents Resolution" and, collectively with the Small Sewers Bond Ordinance and the Small Sewers Form and Sale Resolution, the "Small Sewers Authorizing Documents"), authorizing the issuance of up to \$20,000,000.00 of the City's qualified bonds for the purpose of financing the City's Small Diameter Sewers Evaluation and Rehabilitation, a project identified by the New Jersey Infrastructure Bank (the "I-Bank") as Project

#S340815-24 ("Project S340815-24"); and

WHEREAS, the Authority has heretofore adopted on July 10, 2019, a Bond Ordinance entitled "AN ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR THE CITY'S SOUTH STREET AND ADAMS STREET DRAINAGE IMPROVEMENTS PROJECT AND OTHER RELATED EXPENSES IN AND FOR THE CITY OF NEWARK AND APPROPRIATING \$6,000,000.00 THEREFOR, AND PROVIDING FOR THE ISSUANCE OF \$6,000,000.00 IN BONDS OR NOTES OF THE CITY OF NEWARK TO FINANCE THE SAME" (the "South Street and Adams Street Bond Ordinance") and the Governing Body of the City has heretofore adopted on April 6, 2022, resolutions respectively entitled "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF NOT EXCEEDING \$6,000,000.00 QUALIFIED GENERAL OBLIGATION BONDS OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, PURSUANT TO THE STATE FISCAL YEAR 2022 NEW JERSEY WATER BANK FINANCING PROGRAM FOR FUNDING THE CITY'S SOUTH STREET AND ADAMS STREET DRAINAGE IMPROVEMENTS PROJECT" (the "South Street and Adams Street Form and Sale Resolution") and "RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF LOAN AGREEMENTS TO BE EXECUTED BY THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY AND EACH OF THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, ALL PURSUANT TO THE STATE FISCAL YEAR 2022 WATER BANK FINANCING PROGRAM FOR FUNDING THE CITY'S SOUTH STREET AND ADAMS STREET DRAINAGE IMPROVEMENTS PROJECT" (the "South Street and Adams Street Documents Resolution" and, collectively with the South Street and Adams Street Bond Ordinance and the South Street and Adams Street Form and Sale Resolution, the "South Street and Adams Street Authorizing Documents"), authorizing the issuance of up to \$6,000,000.00 of the City's qualified bonds for the purpose of financing the City's South Street and Adams Street Drainage Improvements, a Project identified by the I-Bank as Project #S340815-28 ("Project S340815-28"); and

WHEREAS, the Small Sewers Authorizing Documents and the South Street and Adams Street Authorizing Documents contemplate that the projects described therein will be financed with the proceeds of loans to be made by each of the New Jersey Infrastructure Bank (the "I-Bank") (each, an "I-Bank Loan" and collectively, the "I-Bank Loans") and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State") (each, a "Fund Loan" and collectively, the "Fund Loans", and together with the I-Bank Loans, the "Loans"), and that the City would deliver the City's Qualified General Obligation Bonds, Series 2022, to the State (each, a "Fund Loan Bond" and collectively, the "Fund Loan Bonds") and Qualified General Obligation Bonds, Series 2022, to the I-Bank (each, an "I-Bank Loan Bond" and collectively, the "I-Bank Loan Bonds", and together with the Fund Loan Bonds, the "City Bonds"), pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State (the "Local Bond Law"), the Municipal Qualified Bond Act (N.J.S.A. 40A:3-1 et seq.), other applicable law and the Loan Agreements (the "Loan Agreements") described in the Small Sewers Documents Resolution and the South Street and Adams Street Documents Resolution; and

WHEREAS, the I-Bank and the State have now requested that Project S340815-24 and Project S340815-28 be combined in a single loan in the I-Bank's and the State's SFY2022 Spring Pool.

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

(By not less than two-thirds of the full membership thereof)

1. Combination of City Bonds and Loans. The City Bonds for Project S340815-24 and Project S340815-28 shall be combined into a single and combined issue of City Bonds in the aggregate principal amount not to exceed \$26,000,000.00 (the "Combined City Bonds") and the Loans for Project S340815-24 and Project S340815-28 shall be combined.

2. Terms and Forms of Combined City Bonds. The Combined City Bonds may be issued as a single Fund Loan Bond and a single I-Bank Loan Bond or may be issued as two (2) Fund Loan Bonds and two (2) I-Bank Loan Bonds and the terms, forms and details of the Combined City Bonds shall be determined in accordance with the Small Sewers Form and Sale Resolution and the South Street and Adams Street Form and Sale Resolution.

3. The Municipal Council hereby ratifies and confirms the adoption of the Small Sewers Form and Sale Resolution and the South Street and Adams Street Form and Sale Resolution.

4. Upon the adoption hereof, the City Clerk shall forward certified copies of this Resolution to DeCotiis, FitzPatrick, Cole and Giblin, LLP, Bond Counsel to the City, and Richard Nolan, Esq., McCarter and English, LLP, Bond Counsel to the I-Bank.

STATEMENT

This Resolution provides for a single and combined issue of Qualified General Obligation Bonds, Series 2022 of the City of Newark for the City's Small Diameter Sewers Evaluation and Rehabilitation Project and the City's South Street and Adams Street Drainage Improvements Project and providing for their sale to the New Jersey Infrastructure Bank and the State of New Jersey and confirming and ratifying the adopting of the prior form and sale resolutions.