



Legislation Text

File #: 23-1512, Version: 1

Dept/ Agency: Finance

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Application to the Department of Community Affairs for Funding

Purpose: Resolution of the Newark Municipal Council authorizing the Submission/Acceptance of an Application to The New Jersey Urban Enterprise Zone Authority for Enterprise Zone Assistance Funds for the Fiber Expansion Project.

Entity Name: Invest Newark

Entity Address: 111 Mulberry Street, Newark, New Jersey 07102

Additional Information:

WHEREAS, on August 15, 1983, the State of New Jersey enacted the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq. (the “Act”) to foster an economic climate that revitalizes designated urban communities and stimulates their growth by encouraging businesses to develop and create private sector jobs through public and private investment; and

WHEREAS, the City of Newark (the “City”) was designated as an Urban Enterprise Zone (“UEZ”) under the UEZ Program and the current designation as an UEZ expires on or about December 31, 2023; and

WHEREAS, pursuant to N.J.S.A. 52:27H-67, Resolution 7R6-a(S) adopted on December 10, 2019, and Ordinance 6PSF-b adopted on June 24, 2020, the City designated Invest Newark, a NJ Nonprofit Corporation, (and/or its predecessors-in-interest) as the “Zone Development Corporation” for the purpose of operating, administrating, managing, and monitoring the City’s Urban Enterprise Zone Program and the “Zone Assistance Funds” derived therefrom; and

WHEREAS, the Ordinance provides that *inter alia* the Newark Municipal Council and Invest Newark may propose to undertake economic development projects in the enterprise zone and to fund those projects and credit them to the account maintained by Invest Newark for the UEZ, pursuant to N.J.S.A. 52:27H-88; and

WHEREAS, funds from Fiscal Year 2022 are available from the New Jersey Department of Community Affairs (the “DCA”) in the amount of Three Million Seven Hundred Ninety-Eight Thousand Three Hundred Forty-Five Dollars and Zero Cents (\$3,798,345.00) of Zone Assistance Funds from the DCA’s UEZ Program, if awarded these funds they must be obligated by June 30, 2024; and

WHEREAS, funds from Fiscal Year 2023 are available from the DCA in the amount of Seven Million Six Hundred Fifty-Five Thousand Seventy-Nine Dollars and Zero Cents (\$7,655,079.00) of Zone Assistance Funds from the DCA’s UEZ Program, if awarded these funds they must be obligated by June 30, 2025; and

WHEREAS, the Board of Invest Newark, on May 8, 2023, adopted the Resolutions attached hereto as Exhibit A proposing the undertaking of six (6) economic development projects, two (2) combining into the Fiber Expansion Project, and the funding administrative costs associated therewith as set forth below to be funded from the 2022 and 2023 Zone Assistance Funds, and to propose such plan to be jointly adopted by Resolution of the Newark Municipal Council after public hearing; and

WHEREAS, the Fiber Expansion Project is to expand Newark’s fiber network in the UEZ area to enhance the reliability, redundancy and reach of the Newark Fiber network in UEZ areas and help increase safety on UEZ corridors, catalyze increased investment in UEZ corridors, and create jobs on UEZ corridors (“Project”); and

WHEREAS, pursuant to N.J.S.A. 52:27H-88(c) in order to make funds available to the Project from monies deposited in the Enterprise Zone Administrative Assistance Funds, the Governing Body must adopt a Resolution approving the Project and authorizing the submission of the application for funding.

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

1. The Newark Municipal Council hereby authorizes and directs Invest Newark to submit an application for funding to the New Jersey Department of Community Affairs’s Enterprise Zone Authority (the “DCA”) in the amount not to exceed the total UEZ requested amount of Two Million Dollars and Zero Cents (\$2,000,000.00), to support the Fiber Expansion Project (“Project”). This Project creates a fund not to exceed One Million Dollars and Zero Cents (\$1,000,000.00) to directly connect large residential multifamily, mixed use and commercial buildings in Newark’s UEZ to the Newark Fiber network in order to create a network of mini hubs that will greatly enhance the reliability, redundancy and reach of the Newark Fiber network in UEZ areas and a fund not to exceed One Million Dollars and Zero Cents (\$1,000,000.00) to build fiber in UEZ corridors in order to help increase safety on UEZ corridors, catalyze increased investment in UEZ corridors, and create jobs on UEZ corridors.
2. The DCA will evaluate and approve the proposed Project to be funded from monies deposited in the Enterprise Zone Assistance Fund credited to the account of the Urban Enterprise Zone Authority which is maintained by the State Treasurer for the Enterprise Zone.
3. If the DCA awards the requested funds it shall be authorized to allocate funds from the Zone Assistance Funds in the amount not to exceed the total UEZ requested amount of Two Million Dollars and Zero Cents (\$2,000,000.00) to fund the Project.
4. If funds are awarded from Fiscal Year 2022 funds then they must be obligated by June 30, 2024, and funds awarded from Fiscal Year 2023 funds must be obligated by June 30, 2025.
5. Invest Newark will be responsible for keeping all records and shall provide the City a reporting upon request.
6. Invest Newark shall maintain all documents related to the Project, transactions, or services pertaining to this Resolution for a period of five (5) years from the date of the final disposition

of these funds, pursuant to N.J.S.A. 52:15c-14(d) and N.J.A.C. 17:44-2.2.

7. A copy of the executed contract herein authorized shall be filed in the Office of the City Clerk.

STATEMENT

This Resolution authorizes Invest Newark to submit/accept an application to the New Jersey Department of Community Affairs' Enterprise Zone Authority for Enterprise Zone Assistance Funds for the Enterprise Zone Assistance Funds for the Fiber Expansion Project in the amount not to exceed the total UEZ requested amount of Two Millions Dollars and Zero Cents (\$2,000,000.00), to expand fiber in Newark's UEZ.