



City of Newark

City Hall
920 Mayor Kenneth A.
Gibson Boulevard
Newark, New Jersey 07102

Legislation Text

File #: 24-0160, Version: 1

Dept/ Agency: Economic Housing and Development

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

Purpose: Authorizing Local Finance Board Application

Project Information:

RESOLUTION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY APPROVING THE SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD, PURSUANT TO N.J.S.A. 40A:12A-67(g) AND N.J.S.A. 40A:12A-29(a) IN CONNECTION WITH THE ISSUANCE OF REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) TO BE SECURED BY PILOT PAYMENTS FROM THE REDEVELOPMENT PROJECT THAT INVOLVES THE CONSTRUCTION OF (335) RESIDENTIAL RENTAL APARTMENTS, OF WHICH APPROXIMATELY (67) UNITS WILL BE AFFORDABLE, AND 22,500 SQUARE FEET OF GROUND FLOOR RETAIL/COMMERCIAL SPACE LOCATED AT 1 CENTER STREET, NEWARK, NEW JERSEY 07102, CONDO UNITS 2 AND 4, IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 17, LOT 1.02 (THE "CENTER STREET OWNERS URBAN RENEWAL, LLC PROJECT").

Additional Information:

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, constituting Chapter 310 of the Pamphlet Laws of 2001 of the State, and the acts amendatory thereof and supplemental thereto (the "Redevelopment Bond Law", as codified in N.J.S.A. 40A:12A-64 et seq.), specifically N.J.S.A. 40A:12A-66(a), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes ("PILOTS") in accordance with certain applicable provisions of the Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State, and the acts amendatory thereof and supplement thereto (the "Long Term Tax Law", as codified in N.J.S.A. 40A:20-1 et seq.); and

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(a), the City may issue, or cause to be issued, bonds for the purpose of financing all or a portion of the cost of redevelopment projects, which bonds may be secured by PILOTS; and

WHEREAS, Center Street Owners Urban Renewal, LLC, (the "Entity") is undertaking a redevelopment project located at 1 Center Street, Newark, New Jersey, condo units 2 and 4, and identified on the City's tax map as Block 17, Lot 1.02, consisting of the construction of approximately three hundred thirty-five (335) residential rental apartments, of which approximately sixty-seven (67) units will be affordable, and 22,500 square feet of ground floor retail/commercial space (collectively, the "Center Street Owners Urban Renewal, LLC Project"); and

WHEREAS, the Entity has submitted an application to the City seeking a long term tax exemption for the Center Street Owners Urban Renewal, LLC Project pursuant to the Long Term Tax Law; and

WHEREAS, the City intends to issue bonds in an aggregate principal amount not to exceed \$5,000,000.00 (the "Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Bonds will come from the PILOTS paid by the Entity; and

WHEREAS, pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(g), the issuance of the Bonds is subject to the approval of the Local Finance Board.

WHEREAS, the City desires to make application to the Local Finance Board for (i) its approval of the issuance of the Bonds pursuant to N.J.S.A. 40A:12A-67(g), (ii) its approval of the private sale of the Bonds to such purchaser as may be designated by Municipal Council pursuant to N.J.S.A. 40A:12A-29a, and (iii) and such other approvals and/or findings as may be required in connection therewith; and

WHEREAS, the Municipal Council believes that:

- (a) it is in the public interest to accomplish such purposes;
- (b) said purpose or improvements are for the health, welfare, convenience or betterment of the inhabitants of the City;
- (c) the amounts to be expended for such purpose or improvements are not unreasonable or exorbitant; and
- (d) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City;

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

Section 1. The application to the Local Finance Board is hereby authorized and approved, and the City's Business Administrator, Chief Financial Officer, Deputy Mayor/Director of the Department of Economic and Housing Development, Bond Counsel, Financial Advisor and Auditor, along with other representatives of the City, are hereby authorized to prepare such application, to file such application with the Local Finance Board in connection with the above transaction and to represent the City in matters pertaining thereto.

Section 2. The City Clerk is hereby directed to prepare and file a copy of the proposed resolution with the Local Finance Board as part of such application.

Section 3. The Local Finance Board is hereby respectfully requested to consider such application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statute, including causing its consent to be endorsed upon certified copies of the ordinances (as applicable).

Section 4. This Resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the submission of an application to the Local Finance Board for the issuance of Redevelopment Area Bonds (non-recourse to the full faith and credit of the City) in an aggregate principal amount not to exceed \$5,000,000 in connection with the Center Street Owners Urban Renewal, LLC Project.