



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 20-1345, Version: 1

Dept/ Agency: Finance

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

Purpose: Application to Local Finance Board for approval of bond ordinance.

Name of Project(s): Newark Riverfront Park, Nina Simone House

Amount to be Financed: \$5,400,000.00

Funding Source: Bonds

Local Finance Board meeting date(s): November 12, 2020 and December 9, 2020

Project Information:

(Description/ Project No./ Amount Appropriated/Ordinance No.)

RESOLUTION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY APPROVING A REALLOCATION OF PSEG RAB PROCEEDS AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:12A-29(a)(3) and N.J.S.A. 40A:12A-67(g) FOR APPROVAL OF THE MODIFICATION OF REDEVELOPMENT PROJECTS BUDGETS PREVIOUSLY APPROVED BY THE LOCAL FINANCE BOARD IN CONNECTION WITH THE ISSUANCE OF PSEG REDEVELOPMENT AREA BONDS.

Additional Information:

This application is to authorize an amendment to transfer authorized amounts from the Newark Riverfront Park project to the Nina Simone House project.

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 of Newark (the "City") is authorized to provide for tax abatements 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, on March 23, 2016, the City submitted an application to the Local Finance Board pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(a), to obtain: (i) its approval of the issuance of \$25,000,000.00 aggregate principal amount of Redevelopment Area Bonds (PSEG Project) (the "Bonds") pursuant to N.J.S.A. 40A:12A-67(g); and (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) its approval of redevelopment projects to be implemented by the City and/or private developers and the allocation of the proceeds of such Bonds to such projects; and (iv) and such other approvals and/or findings as may be required in connection therewith, including without limitation, as may be required pursuant to under the terms of the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq., and the School Qualified Bond Act, N.J.S.A. 18A:24-85 et seq.; and

WHEREAS, on April 13, 2016, the Local Finance Board (the “LFB”), after review of the application, investigation of the redevelopment projects and holding a public hearing thereon, adopted resolutions approving the terms and conditions for the issuance of the Bonds, including the approval of the redevelopment projects and the funding thereof through capital grants and the specific allocation of the amount of \$23,500,000.00 from the proceeds of the Bonds to each of such projects; and

WHEREAS, on February 14, 2018, the City issued the Bonds pursuant to the Redevelopment Bond Law; and

WHEREAS, on July 17, 2018, the City submitted an application to the LFB, which application requested a reallocation of amounts to redevelopment projects previously approved by the LFB in connection with the application of the proceeds of the Bonds; and

WHEREAS, the LFB approved the reallocation of the proceeds of the Bonds to the redevelopment projects as set forth in the LFB Resolution dated August 8, 2018; and

WHEREAS, pursuant to the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., specifically Section 29(a)(3) thereof and Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(g), the implementation of the redevelopment projects by the City and/or private developers is subject to the review and approval of the Local Finance Board; and

WHEREAS, modifications to the budgets of the redevelopment projects originally approved by the LFB, as amended, have occurred and it is necessary to further amend the sources and uses for affected redevelopment projects and to reallocate the proceeds of the Bonds among such affected redevelopment projects; and

WHEREAS, the City desires to make application to the Local Finance Board to obtain approval of the budget modifications of the redevelopment projects previously approved by the Local Finance Board, as amended, including the reallocation of the proceeds of the Bonds in accordance with such additional budget modifications; and

WHEREAS, the Municipal Council of the City 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:

1. The following further budget modifications with respect to the allocation of the proceeds of the Bonds to the following Redevelopment Projects is hereby authorized and approved:

	Current Approved <u>Allocation</u>	Requested Amended <u>Allocation</u>
Newark Riverfront Park	\$1,500,000.00	\$ 0.00
Nina Simone House (505 Clinton Ave. Project)	\$3,900,000.00	\$5,400,000.00

2. 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, Municipal Advisor and Auditor, along with other representatives of the City, are each hereby authorized and directed to prepare such application pertaining to the reallocation of Bond proceeds as provided, to file such application with the Local Finance Board, and to represent the City in matters pertaining thereto.

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

4. 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).

5. This resolution shall take effect immediately.

STATEMENT

Resolution approving the Submission of Application to the Local Finance Board for the Approval of Budget Modifications to Redevelopment Projects that received an allocation of proceeds of the PSEG Bonds as originally approved by the Local Finance Board on April 13, 2016.