



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-1609, Version: 1

Dept/ Agency: Finance

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

Purpose: Approving Form of Sale of City-Secured Bonds

Amount to be Financed: \$11,741,000.00

Source of Appropriation: Bond Anticipation Notes

Purchaser:

Project Information:

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

RESOLUTION DETERMINING CERTAIN MATTERS IN CONNECTION WITH THE SALE OF NOT TO EXCEED \$11,741,000.00, AGGREGATE PRINCIPAL AMOUNT OF TAX APPEAL REFUNDING NOTES AND REFUNDING NOTES OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY.

Additional Information:

WHEREAS, the Municipal Council of the City of Newark, in the County of Essex, New Jersey (the "City"), has previously adopted the following ordinances which authorized the issuance of tax appeal refunding notes of the City: Ordinance 6PS&Fa(S-1) finally adopted by the Municipal Council on December 9, 2008, Ordinance 6PSF-d finally adopted by the Municipal Council on November 22, 2011, Ordinance 6PSF-e finally adopted by the Municipal Council on October 15, 2014 and Ordinance 6PSF-d finally adopted by the Municipal Council on October 21, 2015 (collectively, the "TARN Ordinances"); and

WHEREAS, the Municipal Council of the City has previously adopted the following ordinance which authorized the issuance of refunding notes of the City: Ordinance 6PFSF-d(S) finally adopted by the Municipal Council on July 23, 2013 (the "Refunding Ordinance"); and

WHEREAS, the City intends to issue its Tax Appeal Refunding Notes in one or more series, and on a tax-exempt and/or taxable basis in an aggregate amount not to exceed \$10,548,000.00 (collectively, the "2016 TARNS" or "Series 2016B Notes") under the TARN Ordinances for the purpose of (i) refunding a portion of the City's \$13,833,000.00 Tax Appeal Refunding Notes, Series 2015B, which were issued on December 7, 2015 and mature on December 6, 2016, the proceeds of which were used to refinance certain tax appeals, provide funds for the payment of real property tax appeal refunds due and owing from the City, and pay costs of issuance with respect thereto; and

WHEREAS, the City intends to issue its Refunding Notes in one or more series, on a tax-exempt and/or taxable basis, in an aggregate amount not to exceed \$1,193,000.00 (collectively, the "2016 Refunding Notes" or "Series 2016C Notes") under the Refunding Ordinance for the purpose of refunding a portion of the City's \$2,388,000.00 Refunding Notes, Series 2015D which were issued on December 7, 2015 and mature on December 6, 2016, the proceeds of which were used to refinance certain notes which paid or reimbursed various extraordinary expenses incurred as a result of Hurricane Sandy, and to pay costs of issuance; and

WHEREAS, the City presently intends to issue \$10,548,000.00 aggregate principal amount of 2016 TARNs and \$1,193,000.00 aggregate principal amount of 2016 Refunding Notes, in an aggregate amount not to exceed \$11,741,000.00 (collectively, the "General Obligation Notes") on or about December 5, 2016; and

WHEREAS, all matters pertaining to the sale of the 2016 TARNs and the 2016 Refunding Notes, have been delegated by the TARN Ordinances and the Refunding Ordinance, respectively, and the Notice of Sale (as hereinafter defined) to the Director of Finance or Chief Financial Officer of the City; and

WHEREAS, the City has determined to authorize the offering and sale of the General Obligation Notes by competitive sale through electronic bids on Parity pursuant to the terms and conditions of the Notice of Sale (the "Notice of Sale") described herein; and

WHEREAS, in connection with the offering and sale of the Notes, the City intends to distribute a Preliminary Official Statement and final Official Statement setting forth certain information relating to the City and the Notes, and the City also intends to enter into a Continuing Disclosure Certificate.

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

Section 1. Confirmation of Intention to Issue Notes. Pursuant to the provisions of the TARN Ordinances and the Refunding Ordinances, the Director of Finance or Chief Financial Officer is hereby authorized and directed to issue, sell and deliver the Notes in accordance with this Resolution. The Notes will be dated December 5, 2016 and will mature December 4, 2017.

Section 2. Notice of Sale. It is hereby delegated to and the Chief Financial Officer is hereby authorized to sell and award the purchase of the Notes to the successful bidder pursuant to the terms and conditions of the Notice of Sale. The form of the Notice of Sale in substantially the form attached hereto as Exhibit A is hereby approved, and the execution of a Notice of Sale by the Finance Director or Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Director of Finance or Chief Financial Officer, based upon the advice of Bond Counsel and the City's financial advisor. The Chief Financial Officer is authorized and directed to distribute the Notice of Sale in connection with the offering and sale of the Notes.

Section 3. Authorization for Official Statement. The distribution by the City, and its financial advisor, of a Preliminary Official Statement relating to the Notes (a draft of which is attached hereto as **Exhibit B**) which Preliminary Official Statement shall be filed with the records of the City, is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel may advise and the City Officer executing the same may approve, such approval to be evidenced by such City Officer's execution thereof. The Business Administrator, Director of Finance or Chief Financial Officer is hereby authorized and directed to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Rules of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The Business Administrator, Director of Finance or Chief Financial Officer are each hereby authorized and directed to approve the contents and terms of the final Official Statement in respect of the aforementioned Notes in substantially the form of the Preliminary Official Statement. The Business

Administrator, Director of Finance or Chief Financial Officer are each hereby authorized and directed to sign such Official Statement on behalf of the City, in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel may advise, including revisions to reflect the terms of the sale of the Notes, including purchase price, interest rate and yield, and the City officer executing the same may approve, such approval to be conclusively evidenced by such City officer's execution thereof. The distribution of the Preliminary Official Statement and Official Statement by the City in connection with the offering and sale of the Notes is hereby authorized.

Section 4. Continuing Disclosure. The form of the Continuing Disclosure Certificate in substantially the form attached hereto as **Exhibit C** is hereby approved, and the execution of such Continuing Disclosure Certificate by the Director of Finance or Chief Financial Officer of the City is hereby authorized. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate(s) executed by the City and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate(s) shall not be considered a default on the Notes; however, any holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 5. Further Action. Any matter relating to the award, sale or execution of the Notes which has been delegated by the TARN Ordinance and the Refunding Ordinance to the Finance Director or Chief Financial Officer may be performed, and any document authorized by this Resolution may be executed, by the Business Administrator or Treasurer of the City (collectively, the "Authorized Officers"). On behalf of the City, the Authorized Officers of the City are authorized and directed to take all steps which are necessary or convenient to effectuate the terms of this Resolution with respect to the issuance, sale and delivery of the Notes, including, but not limited to the execution of all tax certificates and other closing documentation. All such actions heretofore or hereafter taken are hereby ratified, approved and confirmed.

Section 6. Effective Date. This Resolution shall take effect immediately upon the adoption thereof.

STATEMENT

This Resolution approves the distribution of a Preliminary Official Statement and Final Official Statements and approval of the form of a Notice of Sale and the distribution thereof containing the terms for the offering and sale of the Notes and Continuing Disclosure Certificate regarding the sale of the City's Tax Appeal Refunding Notes and Refunding Notes, in one or more series, and on a tax-exempt and/or taxable basis, in an aggregate amount not exceeding \$11,741,000.00.