



## Legislation Text

File #: 23-1292, 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 Small Business Loan and Grant Funds.

**Entity Name:** Invest Newark

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

**Additional Information:** State of New Jersey UEZ Funds

**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, administering, 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 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 one being the Small Business Revolving Loan and Grant Fund (the “Project”) and 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 Project is to provide financial assistance to the Special Improvement District or a Business Improvement District (SIDS/BIDS) within the City, so it may provide supportive services, improvements, enhance streetscape, etc. to the areas that it represents; 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 submission of an application to Invest Newark for funding to the New Jersey Department of Community Affairs Enterprise Zone Authority (the “DCA”) in the amount of Four Hundred Million Dollars and Zero Cents (\$2,383,916.00), to support improvements to the Special Improvement District’s and/or Business Improvement District’s (SIDS/BIDS) streetscape or quality of life services known as the Small Business Revolving Loan and Grant Fund Project.
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 Invest Newark the requested funds it shall be authorized to allocate funds from the Zone Assistance Funds in the amount of Four Million Dollars and Zero Cents (\$4,000,000.00) to fund Invest Newark’s UEZ Business Revolving Loan Fund (the “Small Business Revolving Loan and Grant Fund Project”), which provides below market interest rate loans and/or grants to small businesses seeking to open or expand in Newark.
4. The small business will apply directly to Invest Newark for the loan(s) and/or grant(s) through its application and review process currently setup to provide these type of loans and/or grants.
5. If funds are awarded by Fiscal Year 2022 funds, then it must be obligated by June 30, 2024, and funds awarded by Fiscal Year 2023 funds must be obligated by June 30, 2025.
6. Invest Newark will be responsible for keeping all records and shall provide the City a reporting upon request.
7. Invest Newark shall maintain all documents related to this 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.

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

### **STATEMENT**

Resolution authorizing the submission/acceptance of an application to the New Jersey Urban Enterprise Zone Authority for the Enterprise Zone Assistance Funds for Small Business Loan and Grant Funds.