



Legislation Details (With Text)

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Type: Resolution **Status:** Filed

File created: 10/12/2012 **In control:** Finance

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Title: Dept/ Agency: Finance
Action: () Ratifying (X) Authorizing () Amending
Purpose: Application to Local Finance Board for Approval of Proposed Issuance of Redevelopment Area Bonds
Name of Project(s): Matrix/SJP Urban Renewal - Construction of Panasonic Corporate Headquarters
Amount to be Financed: \$ 10,541,703.00
Funding Source: Redevelopment Area Bonds
Local Finance Board meeting date(s): December 5, 2012
Project Information:
(Description/ Project No./ Amount Appropriated/Ordinance No.)
Additional Information:
Entity Name and Address; Matrix/SJP Riverfront Plaza I Urban Renewal , L.L.C., c/o SJP Properties, Morris Corporate Center IV, 379 Interpace Parkway, Parsippany, New Jersey 07054
Project Site Block and Lots: Block 136, Lot 63.02 and an overhang above Block 136, Lot 63.01
No Action Taken, November 20, 2012

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
12/5/2012	1	Municipal Council	Adopt	Pass
11/20/2012	1	Municipal Council	no action taken	

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WHEREAS, the City of Newark, in the County of Essex, New Jersey (the “City”) desires to enter into a Financial Agreement (the “Financial Agreement”) with Matrix/SJP Riverfront Plaza I Urban Renewal, L.L.C. ,c/o SJP Properties, Morris Corporate Center IV, 379 Interpace Parkway, Parsippany, New Jersey 07054 (the “Owner URE”) under the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the “Tax Exemption Law”), and the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12A-64 et seq. (the “Redevelopment Bond Law”), in support of a redevelopment project to be undertaken, on Block 136 Lot 63.02 and an overhang above Block 136 Lot 63.01, by the Owner URE consisting generally of the construction of a 12-story, approximately 337,543 square foot office building (the “Project”), within a designated “area in need of redevelopment” located within the City; and

WHEREAS, upon completion of the Project, the Owner URE shall lease to Panasonic Corporation of North America (“Panasonic”) approximately 279,647 square feet of such office building (the “Panasonic Premises”); and

WHEREAS, to facilitate the completion of the Panasonic Premises, the Owner URE intends to appoint Panasonic as its agent for purposes of requisitioning proceeds of the hereinafter defined RAB Bonds to provide funding or reimbursement of costs for the construction of a portion of the Panasonic Premises; and

WHEREAS, the Owner URE has previously filed with the City its application for a long-term tax exemption as provided in the proposed Financial Agreement (the “Tax Abatement Application”); and

WHEREAS, the Owner URE has indicated that it intends to finance a portion of the costs of constructing the Panasonic Premises through the issuance by the New Jersey Economic Development Authority (the “NJEDA”) of bonds (the “RAB Bonds”) pursuant to the Redevelopment Bond Law, the debt service for the repayment of which RAB Bonds will be derived from an assignment by the City to the trustee of the RAB Bonds of amounts payable by the Owner URE in respect of the “Pledged Annual Service Charge”, as such term is defined in the Financial Agreement; and

WHEREAS, it is expected that Panasonic will be the purchaser of the RAB Bonds; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-67(g), a financial instrument, whether issued by a municipality or an authority (such as the RAB Bonds), that is secured in whole or in part by payments in lieu of taxes as provided in the Redevelopment Bond Law, shall be subject to the review and approval of the Local Finance Board; and

WHEREAS, to obtain such approval, the City is willing to make application to the Local Finance Board for approval of the application of the proposed Financial Agreement to the proposed RAB Bonds (the “LFB Application”), a copy of which is on file with the Municipal Clerk; and

WHEREAS, the NJEDA has determined that pursuant to N.J.A.C. 19:31-1.5, the City must, jointly with Panasonic, make application to the NJEDA for the issuance of the RAB Bonds in support of the Project, and the City is willing to make such application to the NJEDA (the “NJEDA Application”), a copy of which is on file with the Municipal Clerk; and

WHEREAS, as a condition to the City's willingness to file the LFB Application, the City has required that the Owner URE (i) represent to the City as to the accuracy of certain factual matters contained in the LFB Application and indemnify the City against any inaccuracies therein and (ii) pay any and all fees and expenses which may be charged by the Local Finance Board in connection with the review, analysis and determination with respect to the LFB Application; and

WHEREAS, as a condition to the City's willingness to join in filing the NJEDA Application, the City has required that Panasonic (i) represent to the City as to the accuracy of certain factual matters contained in the NJEDA Application and indemnify the City against any inaccuracies therein and (ii) pay any and all fees and expenses which may be charged by the NJEDA in connection with the review, analysis and determination with respect to the NJEDA Application; and

WHEREAS, the respective undertakings by the Owner URE and Panasonic with respect to the LFB Application and the NJEDA Application (collectively, the "Applications") are more fully set forth in an agreement among the City, the Owner URE and Panasonic (the "Application Agreement"), a copy of which is attached hereto; and

WHEREAS, the Financial Agreement will be approved by the City pursuant to an ordinance adopted under the Tax Exemption Law and the Redevelopment Bond Law (the "Ordinance"), which Ordinance was introduced by the Municipal Council of the City on October __, 2012; and

WHEREAS, on the basis of the representations made by the Owner URE in the Tax Exemption Application, the Municipal Council of the City believes that:

- (a) it is in the public interest to accomplish such purposes;
- (b) said purposes or improvements are for the health, welfare, convenience or betterment of the inhabitants of the City;
- (d) the amounts to be expended for said purpose or improvements are not unreasonable or exorbitant; and
- (e) 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 Applications are hereby approved, and the City's Business Administrator, Deputy Mayor/Director of Economic and Housing Development, Director of Finance, Chief Financial Officer, Bond/Redevelopment Counsel, Financial Advisor and Auditor, along with other representatives of the City, are hereby authorized to prepare such Applications, to file such Application with the Local Finance Board and the NJEDA, respectively, and to represent the City in matters pertaining thereto.

Section 2. The Application Agreement is hereby approved. The Mayor and/or his designee, the Director of Finance, are hereby authorized to execute the Application Agreement in the form

attached hereto, and the City Clerk or Deputy Clerk is hereby authorized to affix the official seal of the City and to attest thereto. A copy of the executed Application Agreement shall be placed on file in the Office of the City Clerk by the Director of Finance.

Section 3. The City Clerk is hereby directed to prepare and file a copy of this Resolution and the proposed Ordinance and Financial Agreement with the Local Finance Board and the NJEDA as part of such Applications.

Section 4. The Local Finance Board and the NJEDA are each hereby respectfully requested to consider such application and to record their respective findings, recommendations and/or approvals as provided by the applicable New Jersey Statute.

STATEMENT

Resolution authorizing the approval of application to the Local Finance Board and the New Jersey Economic Development Authority (the "NJEDA") in connection with the proposed issuance by the NJEDA of certain "Redevelopment Area Bonds", which are to be secured by the "Pledged Annual Service Charge" payable to the City under a Financial Agreement to be entered into with Matrix/SJP Riverfront Plaza I Urban Renewal, L.L.C., c/o SJP Properties, Morris Corporate Center IV, 379 Interpace Parkway, Parsippany, New Jersey 07054 (the "Owner URE") in connection with a redevelopment project, on Block 136, Lot 63.02 and an overhang above Block 136, Lot 63.01, to be constructed within the City. Also approves an agreement by which the Owner URE or Panasonic Corporation of North America, as applicable, agree to be responsible for any and all fees and expenses which may be charged by the Local Finance Board or the NJEDA, as applicable, in connection therewith.

The foregoing is a true copy of a resolution adopted by the Municipal Council of the City of Newark on October __, 2012.

Robert P. Marasco, City Clerk

[SEAL]