Legislation Details (With Text)

File #:	15-2057	**Version:** 1	**Name:**	Lofts @ Lincoln Park Urban Renewal, LLC
Type:	Resolution		**Status:**	Filed
File created:	10/30/2015		**In control:**	Economic and Housing Development
On agenda:	2/23/2016		**Final action:**	2/23/2016

Title: Dept/ Agency: Economic & Housing Development
Action: ( ) Ratifying (X) Authorizing ( ) Amending
Type of Service: Grant Agreement
Purpose: To grant financial assistance for a project for the new construction of a four story residential building with 24 units on the property located at 90-96 Clinton Avenue, 23-27 Brunswick Street, Newark, New Jersey, and identified on the official tax map of the City as Block 2826, Lots 3, 35, 36, 37 and 38.
Entity Name: Lofts @ Lincoln Park Urban Renewal, LLC
Entity Address: 11Florence Place, West Orange, New Jersey 07052
Grant Amount: $600,000.00
Funding Source: Municipal Motor Vehicle Rental Tax Law
Total Project Cost: $5,190,000.00
City Contribution: N/A
Other Funding Source/Amount: N/A
Contract Period: N/A
Contract Basis: ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS
( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ
( ) Private Sale (X) Grant ( ) Sub-recipient ( ) n/a
List of Property: (if applicable)
(Address/Block/Lot/Ward)
90-96 Clinton Avenue, 23-27 Brunswick Street, Newark New Jersey, and identified on the official tax map of the City as Block 2826 Lots 3, 35, 36, 37 and 38/East Ward
Additional Information:

Sponsors: John Sharpe James, Eddie Osborne

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
2/23/2016	1	Municipal Council	Adopt	Pass

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Additional Information:

WHEREAS, Lofts @ Lincoln Park Urban Renewal, LLC (the "Redeveloper"), requests financial assistance to construct a mixed use project upon property located at 90-96 Clinton Avenue, 23-27 Brunswick Street, Newark, New Jersey, and identified on the official tax map of the City as Block 2826, Lots 3, 35, 36, 37 and 38 (the "Property), consisting of the new construction of a four story residential building with 24 units (collectively, the "Project"); and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"), and is governed by the Lincoln Park Redevelopment Plan, as amended; and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, N.J.S.A. 40A:12A-8(f) of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with redevelopment plans; and

WHEREAS, the Project qualifies for financial assistance under the LRHL since it is located within a redevelopment area and is being performed in order to implement an approved redevelopment plan; and

WHEREAS, Sections 19 through 27 of Chapter 90, P.L.2009, the New Jersey Economic Stimulus Act of 2009 (N.J.S.A. 40:48H-1 et seq.) (the "Municipal Motor Vehicle Rental Tax Law") authorizes qualifying municipalities to impose, by ordinance, a tax upon motor vehicle rental transactions occurring within designated industrial zones of the municipality and to utilize the tax revenues collected hereunder (hereinafter, the "Motor Vehicle Rental Tax Revenues") for specified eligible purposes; and

WHEREAS, the City of Newark is one of the municipalities which qualifies under the Municipal Motor Vehicle Rental Tax Law, specifically N.J.S.A. 40:48H-6, to impose, by ordinance, a tax upon motor vehicle rental transactions occurring within designated industrial zones; and

WHEREAS, as authorized by the Municipal Motor Vehicle Rental Tax Law, the Municipal Council of the City of Newark adopted Ordinance 6 PSF-I 050510 (the "Motor Vehicle Rental Tax Ordinance") imposing a tax upon motor vehicle rental transactions occurring within the Second and Third Industrial Districts of the City; and

WHEREAS, the validity of the Motor Vehicle Rental Tax Ordinance has been upheld by the Law Division and by the Appellate Division and no court has stayed the City's collection or use of the Motor Vehicle Rental Tax Revenues collected pursuant to the Motor Vehicle Rental Tax Ordinance; and

WHEREAS, both the Municipal Motor Vehicle Rental Tax Law and the Motor Vehicle Rental Tax Ordinance authorize the use of Motor Vehicle Rental Tax Revenues for specified eligible purposes, including but not limited to the payment or reimbursement of costs of any redevelopment project or other undertaking in furtherance of a redevelopment plan in any area in need of redevelopment or area in need of rehabilitation within the municipality; and

WHEREAS, the provision of financial assistance to the Redeveloper for the Project is an eligible purpose for Motor Vehicle Rental Tax Revenues since the Project involves the redevelopment of property located within a redevelopment area in order to implement the Lincoln Park Redevelopment Plan, as amended; and

WHEREAS, pursuant to Ordinance 6PSF-a 020415, adopted by the Municipal Council on February 4, 2015 (the "Bond Ordinance"), the City authorized the issuance of not to exceed $16,000,000.00 aggregate principal amount of Motor Vehicle Tax Revenue Bonds, Series 2015 (the "Series 2015 Bonds"), the proceeds of which are to be used to fund: (i) the making of capital grants by the City in an aggregate amount not to exceed $13,400,000.00 in support of

redevelopment projects listed on Exhibit A to the Bond Ordinance (the "Designated Projects"), in each case up to the maximum grant amount indicated therein for such Designated Project, (ii) the establishment of reserves to secure payment of debt service on the Series 2015 Bonds and (iii) the payment of costs of issuance of the Series 2015 Bonds; and

WHEREAS, the Project is a Designated Project and the City wishes to fund a capital grant to the Redeveloper in an amount not to exceed Six Hundred Thousand Dollars and Zero Cents ($600,000.00) (the "Grant") from the proceeds of the Series 2015 Bonds deposited in the Project Fund in accordance with that certain Trust Indenture, dated as of March 1, 2015, by and between the City, as Issuer, and U.S. Bank National Association, as Trustee (the "Indenture").

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

1. The Municipal Council of the City of Newark hereby authorizes the use and payment of up to Six Hundred Thousand Dollars and Zero Cents ($600,000.00) to Lofts @ Lincoln Park Urban Renewal, LLC, 11 Florence Place, West Orange, New Jersey 07052, from monies on deposit in the Project Fund (as defined in the Indenture) for the purpose of funding a grant to the Redeveloper for use in connection with the development and construction of a four story residential building with 24 units on the property located at 90-96 Clinton Avenue, 23-27 Brunswick Street, Newark, New Jersey..

2. The Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are each hereby authorized to enter into and execute, on the City's behalf, a Grant Agreement in the form attached hereto, with the Redeveloper providing that the City will provide a grant in an amount not to exceed Six Hundred Thousand Dollars and Zero Cents ($600,000.00) to the Redeveloper for the Project, subject to the terms and conditions of the Grant Agreement.

3. The Mayor of the City of Newark and/or his designee, or the Deputy Mayor/Director of the Department of Economic and Housing Development, are each hereby authorized to execute and deliver a written requisition or instruction to the Trustee under the Indenture: (i) requesting payment of Six Hundred Thousand Dollars and Zero Cents ($600,000.00) from moneys on deposit in the Project Fund to the Redeveloper for the Project which is a Designated Project as set forth on Schedule 1 to the Indenture, and (ii) certifying that all conditions precedent to the payment have been satisfied.

4. Upon delivery of written requisition or instruction signed by the Chief Financial Officer of the City for the purposes enumerated in paragraphs 1 and 2 above, the Deputy Mayor/Director of the Department of Economic and Housing Development shall file such written requisition or signed instruction with the Office of the City Clerk.

5. Upon full execution of the Grant Agreement referenced within paragraph 2 above, the Deputy Mayor/Director of the Department of Economic and Housing Development shall file the executed Grant Agreement with the Office of the City Clerk.

6. Attached hereto is a Certification from the Finance Director of the City of Newark which states:

(a) there are sufficient funds in the amount of Six Hundred Thousand Dollars and Zero Cents ($600,000.00) for the purpose set forth herein and above; and

(b) that the line appropriation of the official budget which shall be charged as follows:

Business Unit Dept. ID. Account# 38740 BS
NW026 Budget Ref. B2015

STATEMENT

This Resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Grant Agreement with Lofts @ Lincoln Park Urban Renewal, LLC, in an amount not to exceed Six Hundred Thousand Dollars and Zero Cents ($600,000.00) funded by the proceeds of the Series 2015 Bonds on deposit in the Project Fund under the Indenture to provide a grant to financially assist in the construction and development of a four story residential building with 24 units located at 90-96 Clinton Avenue, 23-27 Brunswick Street, Newark New Jersey, and identified on the official tax map of the City as Block 2826 Lots 3, 35, 36, 37

and 38.

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