



Legislation Details (With Text)

File #: 18-1457 **Version:** 1 **Name:** Ordinance - ECIA Refunding Bonds
Type: Ordinance **Status:** Adopted
File created: 9/13/2018 **In control:** Finance
On agenda: 10/30/2018 **Final action:** 11/27/2018
Title: A BOND ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY (THE "CITY"), APPROVING AND AUTHORIZING THE ACQUISITION OF LAND, BUILDINGS AND IMPROVEMENTS SITUATE THEREON FROM THE ESSEX COUNTY IMPROVEMENT AUTHORITY, APPROPRIATING \$61,000,000.00 THEREFOR, AND AUTHORIZING THE ISSUANCE OF \$61,000,000.00 IN BONDS OR NOTES OF THE CITY TO FINANCE THE COSTS THEREOF.

PUBLIC HEARING TO BE HELD ON NOVEMBER 27, 2018
Deferred 6PSF-f 110818

Sponsors: Council of the Whole

Indexes:

Code sections:

| Date | Ver. | Action By | Action | Result |
|------------|------|-------------------|---|--------|
| 11/27/2018 | 1 | Municipal Council | Close on Public Hearing and Adopt | Pass |
| 11/8/2018 | 1 | Municipal Council | Maintained on Public Hearing and Deferred | Pass |
| 10/30/2018 | 1 | Municipal Council | Advance and Adopt on First Reading as 6F- | Pass |

A BOND ORDINANCE OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY (THE "CITY"), APPROVING AND AUTHORIZING THE ACQUISITION OF LAND, BUILDINGS AND IMPROVEMENTS SITUATE THEREON FROM THE ESSEX COUNTY IMPROVEMENT AUTHORITY, APPROPRIATING \$61,000,000.00 THEREFOR, AND AUTHORIZING THE ISSUANCE OF \$61,000,000.00 IN BONDS OR NOTES OF THE CITY TO FINANCE THE COSTS THEREOF.

PUBLIC HEARING TO BE HELD ON NOVEMBER 27, 2018

Deferred 6PSF-f 110818

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

Section 1. The acquisition of the title to the 16 properties including the land, buildings and improvements situate thereon from the Essex County Improvement Authority, as set forth in Section 3 hereof, is hereby authorized and approved by the City (as hereinafter defined). Such improvement or purpose described in Section 3 of this bond ordinance is hereby authorized to be undertaken by the City of Newark, in the County of Essex, New Jersey (the "City"), as a general improvement. For the improvement or purpose described in Section 3 hereof, there is hereby appropriated the sum of \$61,000,000.00, said sum being inclusive of all appropriations made heretofore. Pursuant to the provision of N.J.S.A. 40A:2-7(d) and -11(c) of the Local Bond Law, constituting Chapter 169 of the Public Laws of 1960 of the State of New Jersey, as amended and supplemented (the "Local Bond

Law”), the City has requested the consent of the Local Finance Board in the Division of Local Government Services, Department of Community Affairs (the “Local Finance Board”), to the waiver of the five percent (5%) down payment requirement. Therefore, no down payment is provided for herein.

Section 2. For the financing of the cost of the improvement or purpose set forth in Section 3 hereof, negotiable bonds of the City are hereby authorized to be issued in the principal amount of \$61,000,000.00 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds and to temporarily finance said improvement, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. (a) The improvement hereby authorized and the purpose for which the bonds are to be issued is the acquisition by the City, of title to 16 properties consisting of land, buildings, and improvements situate thereon from the Essex County Improvement Authority described as follows:

| <u>Block</u> | <u>Lot(s)</u> | <u>Address</u> | <u>Property Description</u> |
|---------------------|---------------------------------|-----------------------------------|-------------------------------------|
| 165 | 1.01 | 828-830 Broad Street | Administrative Offices |
| 101 | 1 | 52-62 Shipman Street | Health and Welfare Building |
| 99 | 3 | 90-100 William Street | Health Services Department Building |
| 99 99 9 38 40 1 | 900-100 William Street (aka 401 | Symphony Hall Parking Lot | |
| 99 873 | (portion) (aka | Symphony Hall Parking Lot | |
| | Lot 1.02) | Symphony Hall Parking Lot | |
| | | University Avenue) 900-100 | |
| | | William Street (aka 77-79 | |
| | | Arlington Street) 900-100 | |
| | | William Street (aka 75 Arlington | |
| | | Street) 31 Green Street | |
| 873 | 1 (portion) (aka | Police Headquarters | |
| | Lot 1.03) | | |
| 2837 | 1 | 251-273 Central Avenue | Traffic and Signals Building |
| <u>Block</u> | <u>Lot(s)</u> | <u>Address</u> | <u>Property Description</u> |
| 883 | 41 (lead lot) | 1020-1026 Broad Street | Symphony Hall |
| 2675 | 1 | 361-377 Irvine Turner Blvd | Engine 10 and 12 Fire Station |
| 761 | 51 | 714-728 Mt. Prospect Ave | Engine 13 Fire Station |
| 2484 | 3 | 469-473 Ferry Street | Engine 16 Fire Station |
| 2633 | 20 | 395-397 Avon Avenue | Engine 9 and 18 Fire Station |
| 3511 | 14 | 526-528 Frelinghuysen Ave | Engine 19 Fire Station |
| 423 | 1 | 296 (293(sic))-308 Warren | Engine 7 Fire Station |
| | | Street | |
| 4074 | 19 | 1008-1016 18 th Avenue | Fire Headquarters Building |
| 1888.018 | | 470-476 Orange Street | Special Operations Building |
| 2551 | 1 | 110-116 Livingston Street (aka | West District Police Station |
| | | 128-134 Irvine Turner | |
| | | Boulevard) | |
| 2551 | 38 | 110-116 Livingston Street | West District Police Station |

(b) Such improvement and purpose to include all necessary work, appurtenances, and materials necessary therefor or incidental thereto.

(c) The maximum amount of bonds or notes to be issued for the improvement or purpose is \$61,000,000.00.

(d) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

(e) Notwithstanding the list of 16 properties contained in Section 3(a) above to be acquired by the City (the "Properties"), the City hereby authorizes the exchange of parcels identified above as Block 99, Lots 9, 38 and 40 on the Official Tax Map of the City (the "Transferred Properties") for substituted properties in the City appraised at equal or greater values, to wit: Block 1852, Lot 24 (451-459 West Market Street) and Block 358, Lots 13 and 33 (673-687 South 16th Street and 678-690 South 17th Street) (collectively, as identified on the Official Tax Map of the City, the "Substituted Property"), which Substituted Property shall replace the Transferred Properties and shall become owned by the Essex County Improvement Authority and subject to the lease with the City prior to the issuance of any bonds or notes authorized hereunder to finance the acquisition of title and the consummation of the transaction acquiring title to such Properties. As such, at the time of acquisition of the title to the Properties, the City is hereby authorized to acquire title to the land, buildings and improvements situate thereon, as applicable, comprising the Substitute Properties.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with notes issued pursuant to this bond ordinance, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized and directed to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the Governing Body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The capital budget or temporary capital budget (as applicable) of the City is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. In the event of any such inconsistency and amendment, the resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget or amended temporary capital budget (as applicable) and capital program as approved by the Director of the Division of Local Government Services is on file with the City Clerk and is available there for public inspection.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3 of this bond ordinance is not a

current expense and is an improvement or purpose the City may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The period of usefulness of the improvement or purpose, within the limitations of the Local Bond Law, computed on the basis of the amount of obligations authorized for such improvement or purpose and the reasonable life thereof within the limitations of the Local Bond Law, is 30 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the City Clerk, and after the introduction of this bond ordinance a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$61,000,000.00, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$300,000.00 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the improvement or purpose.

(e) The City reasonably expects to commence acquisition of the improvement or purpose described in Section 3 hereof and to pay all or a portion of the costs in respect thereof, prior to the issuance of bonds or notes hereunder. To the extent such costs are so paid, the City further reasonably expects to reimburse such expenditures from the proceeds of the bonds or notes so authorized by this bond ordinance, in the amount not to exceed the amount of bonds or notes authorized in Section 2 hereof.

Section 7. Any grant moneys received for the improvement or purpose described in Section 3 hereof shall be applied either to direct payment of the cost of such improvement or purpose or to payment of the obligations issued pursuant to this bond ordinance and the amount of obligations authorized hereunder shall be reduced to the extent that such funds are so used.

Section 8. The full faith and credit of the City is hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation as to rate or amount.

Section 9. The City of Newark hereby covenants to take any action necessary or refrain from taking such action in order to preserve the tax-exempt status of the bonds and notes authorized hereunder that may be issued as tax-exempt bonds or notes as is or may be required under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), including compliance with the Code with regard to the use, expenditure, investment, timely reporting and rebate of investment earnings as may be required thereunder.

Section 10. The provisions of this bond ordinance are deemed to be severable. In the event the Local Finance Board does not approve the adoption of this bond ordinance under the provisions of the Municipal Bond Qualified Act, N.J.S.A. 40A:3-1 et seq. and the issuance of bonds hereunder as qualified bonds, the remaining provisions of this bond ordinance, including Section 3(e), shall

remain in full force and effect.

Section 11. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.

STATEMENT

This ordinance approves and authorizes the acquisition of land, buildings and improvements situate from the Essex County Improvement Authority and appropriating \$61,000,000.00 and authorizing the issuance of \$61,000,000.00 in Bonds or Notes of the City of Newark to finance the costs.