



Legislation Text

File #: 15-0627, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Resolution Endorsing Local Finance Board Application for TRYP Hotel Project

Purpose: Resolution of the City of Newark, in the County of Essex, New Jersey approving the submission of an application to the Local Finance Board pursuant to N.J.S.A. 40A:12A-67(g) in connection with the issuance of Redevelopment Area Bonds by the New Jersey Economic Development Authority (Non-Recourse to the full faith and credit of the City) to be secured by Pilot Payments from the TRYP Hotel project.

Additional Information:

22-26 East Park Street/Block 125/ Lots 84,86,87,88,91,92,93,94,96 and 108/Central Ward

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, constituting Chapter 310 of the Pamphlet Laws of 2001 of the State, and the acts amendatory thereof and supplemental thereto (the "Redevelopment Bond Law", as codified in N.J.S.A. 40A:12A-64 et seq.), specifically N.J.S.A. 40A:12A-66(a), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes ("PILOTS") in accordance with certain applicable provisions of the Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State, and the acts amendatory thereof and supplement thereto (the "Long Term Tax Law", as codified in N.J.S.A. 40A:20-1 et seq.); and

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(a), the City may apply to the New Jersey Economic Development Authority (the "EDA") to issue bonds for the purpose of financing all or a portion of the cost of redevelopment projects, which bonds may be secured by PILOTS; and

WHEREAS, East Park Street Hospitality Urban Renewal, Inc. (the "Entity" is undertaking a redevelopment project to substantially renovate the existing seven story building located on Block 125, Lots 84, 86, 87, 88, 91, 92, 93, 94, 96, and 108 into a 100-room hotel together with a 64-seat restaurant/lounge and a 370-square foot multi-purpose "Library" space (are collectively referred to herein as the "Project"); and

WHEREAS, the Entity has submitted an application to the City seeking a long term tax exemption for the Project pursuant to the Long Term Tax Law; and

WHEREAS, the EDA intends to issue bonds in an aggregate principal amount not to exceed \$500,000.00 (the "Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Bonds will come from the PILOTS paid by the Entity; and

WHEREAS, pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(g), the issuance of the Bonds is subject to the approval of the Local Finance Board; and

WHEREAS, the City desires to make application to the Local Finance Board for (i) the EDA's issuance of the Bonds pursuant to N.J.S.A. 40A:12A-67(g) and such other approvals and/or findings as may be required in connection therewith, including without limitation, as may be required pursuant to the terms of the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. and the School Qualified Bond Act, N.J.S.A. 18A:24-85 et seq.; and

WHEREAS, the Municipal Council of the City believes that:

- (a) it is in the public interest to accomplish such purposes;
- (b) said purpose or improvements are for the health, welfare, convenience or betterment of the inhabitants of the City;
- (c) the amounts to be expended for such purpose or improvements are not unreasonable or exorbitant; and
- (d) 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 submission of an application by the City of Newark to the Local Finance Board is hereby authorized.

Section 2. The City's Bond Council, Business Administrator, Acting Director of Finance, Deputy Mayor/Director of Economic and Housing Development, financial advisor and auditor, along with other representatives of the City, are each hereby authorized and directed to prepare and file such application with the Local Finance Board in connection with the above transaction and to represent the City in matters pertaining thereto.

Section 3. The Clerk is hereby directed to file a certified copy of the resolution with the Local Finance Board as part of such application.

Section 4. The Local Finance Board is hereby respectfully requested to consider such application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statute, including causing its consent to be endorsed upon certified copies of any resolution or ordinance (as applicable).

Section 5. This Resolution shall take effect immediately.

STATEMENT

Resolution of the City of Newark, in the County of Essex, New Jersey approving the submission of an application to the Local Finance Board pursuant to N.J.S.A. 40A:12A-67(g) in connection with the issuance of Redevelopment Area Bonds by the New Jersey Economic Development Authority (Non-Recourse to the full faith and credit of the City) to be secured by Pilot

Payments from the TRYP Hotel project.