



Legislation Text

File #: 15-1427, Version: 1

Dept/ Agency: Economic & Housing Development

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

Type of Service: Resolution endorsing a Local Finance Board Application for PSE&G McCarter Switching Station Project

Purpose: To provide a resolution of the City of Newark, in the County of Essex, New Jersey authorizing 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 PSE&G McCarter Switching Station Project.

Additional Information:

17-53 Eleventh Avenue/Block 1830, Lot 10

478-492 Central Avenue/Block 1830, Lot 1

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 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, PSE&G Urban Renewal Entity, LLC (the "Entity") is undertaking a redevelopment project located within the City, on a subdivided portion of that certain real property commonly known as 478-492 Central Avenue and 17-53 Littleton Avenue, Newark, New Jersey and identified on the Official Tax Map of the City as Block 1830, Lots 1 and 10, consisting of the construction of a new 230kV/69kV/26kV/13kV utility switching station, which is essential to upgrade existing load capacity and to provide redundancy for existing infrastructure in the City, together with related site work and improvements ancillary thereto (collectively, 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 City intends to issue bonds in an aggregate principal amount not to exceed \$25,000,000 (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) its approval of the issuance of the Bonds pursuant to N.J.S.A. 40A:12A-67(g); (ii) its approval of the private sale of the Bonds to such purchaser as may be designated by Municipal Council pursuant to N.J.S.A. 40A:12A-29a; and (iii) 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 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 Counsel, 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).

STATEMENT

This resolution hereby authorizes the City of Newark, in the County of Essex, New Jersey to submit an application to the Local Finance Board pursuant to N.J.S.A. 40A:12A-67(g) and N.J.S.A. 40A:12A-29(a) in connection with the issuance of Redevelopment Area Bonds by the City (Non-Recourse to the full faith and credit of the City) to be secured by PILOT Payments from the PSE&G Switching Station Project located at 478-492 Central Avenue and 17-53 Littleton Avenue, Newark, New Jersey identified on the Official Tax Map of the City as Block 1830, Lots 1 and 10.