



Legislation Text

File #: 16-0552, Version: 1

Dept/ Agency: Finance

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

Purpose: Application to Local Finance Board for approval of bond ordinance

Name of Project(s): Newark Housing Authority Police Precinct Bonds

Amount to be Financed: \$67,000,000.00

Funding Source: Bonds

Local Finance Board meeting date(s): April 13, 2016

Project Information:

(Description/ Project No./ Amount Appropriated/Ordinance No.)

RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK AUTHORIZING THE SUBMISSION OF A JOINT APPLICATION WITH THE NEWARK HOUSING AUTHORITY TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6

Additional Information:

This resolution is in conjunction with Legistar File 16-0550 - Ordinance to approve Refunding Bond

WHEREAS, the Housing Authority of the City of Newark (the "Housing Authority") has undertaken a capital project entailing the acquisition of land located in the South Ward of the City of Newark (the "City") and the construction of a state-of-the-art police facility (the "Project") used, occupied and operated by the Police Department of the City pursuant to a Use, Occupancy and Capital Grant Agreement entered into between the City and the Housing Authority (the "Capital Grant Agreement"); and

WHEREAS, the Housing Authority issued its bonds in 2009 to finance the Project (the "2009 Bonds"), the debt service on such 2009 Bonds being paid for by the City pursuant to the terms of the Capital Grant Agreement; and

WHEREAS, the Housing Authority intends to issue refunding bonds to refinance the outstanding callable 2009 Bonds maturing on or after December 1, 2020 through and including 2038 on December 1, 2019 (the "Housing Authority Refunding Bonds"), and, in connection therewith, to apply to the New Jersey Local Finance Board for various approvals and/or findings in connection therewith; and

WHEREAS, to secure the payment of the principal of and interest on the Housing Authority Refunding Bonds, the City shall, under an Amendment to the Use, Occupancy and Capital Grant Agreement, agree to make certain periodic capital grant payments to the Housing Authority for the use and occupancy of the Project and for the repayment of the debt service on the Housing Authority Refunding Bonds, pursuant to Section 41 of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"); and

WHEREAS, the City will realize a three (3%) percent net present value debt service savings in

conjunction with the issuance of the Housing Authority Refunding Bonds; and

WHEREAS, in connection with various previous applications by the City to the New Jersey Local Finance Board (including specifically its applications in connection with certain bonds and refunding bonds issued under the Municipal Qualified Bond Act. N.J.S.A. 40A:3-1 et seq., the Local Finance Board has heretofore conditioned its approvals upon the undertaking by the City that, for the duration of such bond issues, all future capital authorizations shall require approval from the Local Finance Board; and

WHEREAS, the City believes that:

- (a) it is in the public interest to refinance the callable 2009 Bonds in the manner described herein to generate three percent (3%) net present value debt service savings (the "Refunding");
- (b) such 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 are consistent with the requirements of the LRHL; and
- (d) the Refunding 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; and

WHEREAS, the City desires to make application to the Local Finance Board for its approval of the City's undertaking of the Refunding and the adoption of an amendatory ordinance authorizing the Amendment to the Use, Occupancy and Capital Grant Agreement (the "Ordinance"); and

WHEREAS, the City believes that the issuance of the Housing Authority Refunding Bonds and the execution of an Amendment to the Capital Grant Agreement in support thereof, all as described generally in the joint Application of the Housing Authority and the City to the Local Finance Board, are in the best interests of the City.

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

1. The submission of the joint Application of the Housing Authority and the City to the Local Finance Board is hereby approved, and the City's Bond Counsel, Financial Advisor, Business Administrator and Chief Financial Officer, along with other representatives of the City, are each hereby authorized and directed to prepare such application, to file such application with the Local Finance Board and to represent the City in matters pertaining thereto.
2. The City Clerk is hereby authorized and directed to prepare and file a copy of this Resolution and the Ordinance as introduced with the Local Finance Board as part of such application.
3. 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 a certified copy of the Ordinance.

4. This Resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the City of Newark to make a joint application with the Newark Housing Authority to the New Jersey Local Finance Board for the issuance of the Authority's Revenue Refunding Bonds to refinance Newark Housing Authority Bonds issued in 2009 to achieve a three (3%) percent net present value debt service savings.