



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-0438, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Resolution Endorsing

Purpose: Application to the Local Finance Board ("LFB") for its approval of the adoption of a proposed bond resolution authorizing the issuance of proposed Redevelopment Area Bonds of certain property commonly known as 98-126 Edison Place, Newark, New Jersey 07102, and designated as Block 159.01, Lot 11, (East Ward), in an amount not to exceed \$1,000,000.00 (non-recourse to the City) to be secured by PILOT payments pursuant to the Tax Exemption Law and authorizing the execution of a Financial Agreement with respect to the same.

Additional Information:

Newark Warehouse Urban Renewal, LLC project (federally taxable, non-recourse)

WHEREAS, pursuant to the Redevelopment Area Bond Financing Law (*N.J.S.A. 40A:12A-64 et seq.*) (the "*Redevelopment Bond Law*"), the City of Newark (the "*City*") desires to make an application to the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "*Local Finance Board*") with respect to the adoption of a proposed bond resolution authorizing the proposed issuance of an amount not to exceed \$1,000,000.00 (One Million Dollars and Zero Cents) Redevelopment Area Bonds (the "*Bonds*"), which Bonds shall be used to finance a portion of the costs of the Redevelopment Project to be undertaken by Newark Warehouse Urban Renewal, LLC (the "*Entity*"), an affiliate of Station Plaza Newark Downtown Core Urban Renewal Company, LLC (the "*Redeveloper*"), of certain property commonly known as 98-126 Edison Place, Newark, New Jersey 07102, and designated as Block 159.01, Lot 11, on the Official Tax Maps of the City (the "*Property*") in the Downtown Core Redevelopment Area, and a Financial Agreement with respect to same; and

WHEREAS, the Entity proposes to redevelop the Property by rehabilitating the existing six (6) story vacant structure into a seven (7) story building containing office, retail and general commercial uses (the "*Project*"); and

WHEREAS, the Entity is a single purpose urban renewal entity created pursuant to the Long Term Tax Exemption Law of 1992, as amended and supplemented, *N.J.S.A. 40A:20-1 et seq.* (the "*Tax Exemption Law*") for the development, operation and maintenance of the Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Tax Exemption Law and Redevelopment Bond Law, the City is authorized to provide for and accept, in lieu of real property taxes on the Project, an annual service charge paid by the Entity to the City; and

WHEREAS, the Entity submitted an application (the "*Exemption Application*"), in accordance with *N.J.S.A. 40A:20-8*, to the City requesting a Long Term Tax Exemption and a Financial Agreement with respect to the Project pursuant to the Tax Exemption Law, of which the Exemption Application is on file with the Office of the City Clerk; and

WHEREAS, the City intends to adopt an ordinance (the “*Ordinance*”) pursuant to the Tax Exemption Law and the Redevelopment Bond Law, accepting and approving the Exemption Application and granting the Long Term Tax Exemption requested by the Entity and authorizing the execution of that certain Financial Agreement, by and between the Entity and the City, for tax exemption for the construction of the Project and setting forth the terms thereof (the “*Financial Agreement*”); and

WHEREAS, the Bonds may be secured by the Annual Service Charge (as defined in the Financial Agreement) pursuant to the Financial Agreement; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-67(g) of the Redevelopment Bond Law, a financial instrument, such as the Bonds proposed herein, that is secured in whole or in part by payments in lieu of taxes shall be subject to the review and approval of the Local Finance Board; and

WHEREAS, to obtain such approval for the issuance of the Bonds and entering the Financial Agreement as security therefore, the City shall make an application to the Local Finance Board (the “*LFB Application*”); and

WHEREAS, in accordance with the Tax Exemption Law and the Redevelopment Bond Law, the City intends to authorize the Financial Agreement pursuant to an Ordinance (the “*Ordinance*”), of which Ordinance will be introduced by the Municipal Council; and

WHEREAS, on the basis of the representations made by the Entity, the City believes that:

- (a) it is in the public interest to accomplish such purpose;
- (b) said purpose or improvements are for the health, welfare, convenience or betterment of the inhabitants of the local unit or units;
- (c) the amounts to be expended for said purpose or improvements are not unreasonable or exorbitant;
- (d) the Proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the local unit or units and will not create an undue financial burden to be placed upon the local unit or units; and
- (e) the implementation of the Project is in the best interests of the City and its residents.

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

Section 1. The Municipal Council finds and determines that Newark Warehouse Urban Renewal, LLC, an affiliate of Station Plaza Newark Downtown Core Urban Renewal Company, LLC, with a Redevelopment Project in the Downtown Core Redevelopment Area for property commonly known as 98-126 Edison Place, Newark, New Jersey 07102, Block 159.01, Lot 11, on the Official Tax Map shall use Redevelopment Area Bonds to finance a portion of the costs of the Project by an application to the Local Finance Board, authorizing the proposed issuance of an amount not to

exceed \$1,000,000.00 (One Million Dollars and Zero Cents) with a Financial Agreement.

Section 2. The LFB Application is hereby approved and the City's Bond Counsel, DeCotiis, Fitzpatrick, Cole & Giblin, LLP, along with representatives on behalf of the City, are hereby authorized and directed to prepare and submit the above-referenced application to the Local Finance Board.

Section 3. The Local Finance Board is hereby respectfully requested to consider such LFB Application and to record its findings, recommendations and/or approvals as the same may be required by law.

Section 4. A copy of this resolution shall be available for public inspection in the Office of the City Clerk.

Section 5. This resolution shall take effect immediately upon adoption.

STATEMENT

This resolution authorizes the preparation and submission of an Application to the Local Finance Board ("LFB") for its approval of the adoption of a proposed bond resolution authorizing the issuance of proposed Redevelopment Area Bonds in an amount not to exceed \$1,000,000.00 (One Million Dollars and Zero Cents) (non-recourse to the City) to be secured by PILOT payments pursuant to the Tax Exemption Law and authorizing the execution of a Financial Agreement with Newark Warehouse Urban Renewal, LLC, an affiliate of Station Plaza Newark Downtown Core Urban Renewal Company, LLC, with a Redevelopment Project in the Downtown Core Redevelopment Area for property commonly known as 98-126 Edison Place, Newark, New Jersey 07102, Block 159.01, Lot 11, on the Official Tax Map.