



Legislation Text

File #: 17-0594, Version: 1

Dept/ Agency: Finance

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

Purpose: Approving loan and escrow agreements for the City's Water Main Rehabilitation Project

Amount to be Financed: \$18,000,000.00

Source of Appropriation: NJEIT Loans

Project Information:

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

RESOLUTION CONFIRMING THE DETAILS OF THE SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY, TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND TO THE STATE OF NEW JERSEY, ACTING BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, PURSUANT TO THE STATE FISCAL YEAR 2017 NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM FOR FUNDING THE CITY'S WATER MAIN REHABILITATION PROJECT
Additional Information:

WHEREAS, the City of Newark (the "Local Unit"), in the County of Essex, New Jersey, has determined that there exists a need within the Local Unit to construct that certain water main rehabilitation project (the "Project"), as said Project shall be more particularly defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Local Unit and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement", and together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Local Unit and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), all pursuant to the State Fiscal Year 2017 New Jersey Environmental Infrastructure Trust Financing Program (the "Program"); and

WHEREAS, the Local Unit has determined to finance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan", and together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the Local Unit to authorize, execute, attest and deliver the Local Unit's General Obligation Bonds to the Trust (the "Trust Loan Bond") and General Obligation Bonds to the State (the "Fund Loan Bond", and together with the Trust Loan Bond, the "Local Unit Bonds") pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey (the "Local Bond Law"), other applicable law, the Loan Agreements and the Escrow Agreement dated March 21, 2017 (the "Escrow Agreement") by and among the Trust, the State, the Local Unit and the escrow agent named therein; and

WHEREAS, N.J.S.A. 40A:2-27(a)(2) of the Local Bond Law allows for the sale of the Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. 58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust, without any public offering, all under the terms and conditions set forth herein; and

WHEREAS, in accordance with the terms of the Escrow Agreement, the Trust has sold its bonds to fund the Trust Loan, thereby enabling the Local Unit to confirm the exact aggregate principal amount of and debt service schedule for the Local Unit Bonds.

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

Section 1. The sale of the Trust Loan Bond to the Trust and the Fund Loan Bond to the State is hereby confirmed. The Trust Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount, interest rates and maturity schedule set forth in **Schedule A** attached hereto and made a part hereof. The Fund Loan Bond shall be released from escrow in accordance with the terms of the Escrow Agreement and thereby issued in accordance with the principal loan amount and maturity schedule set forth in **Schedule B** attached hereto and made a part hereof.

Section 2. This resolution shall take effect immediately.

Section 3. Upon the adoption hereof, the Local Unit Clerk shall forward certified copies of this resolution to DeCotiis, FitzPatrick & Cole, LLP, bond counsel to the Local Unit, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

STATEMENT

Resolution confirming the sale of the bonds to the New Jersey Environmental Infrastructure Trust and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, in connection with the City's water main rehabilitation project.