



Legislation Text

File #: 18-0859, Version: 2

REFUNDING BOND ORDINANCE PROVIDING FOR THE FUNDING OF A TEMPORARY EMERGENCY APPROPRIATION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY, FOR THE REFUNDING OF THE OUTSTANDING ESSEX COUNTY IMPROVEMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2010A AND SERIES 2010B, APPROPRIATING \$67,000,000.00 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$67,000,000.00 REFUNDING BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF.

WHEREAS, pursuant to the Local Budget Law, specifically N.J.S.A. 40A:4-20, the City of Newark, in the County of Essex, State of New Jersey (the "City"), as a result of the Municipal Council's adoption, on July 11, 2018, of a resolution entitled "RESOLUTION PROVIDING FOR AN EMERGENCY TEMPORARY APPROPRIATION PURSUANT TO N.J.S.A. 40A:4-20 TO ACCOMPLISH THE REFUNDING OF THE OUTSTANDING LEASE REVENUE BONDS, SERIES 2010A AND SERIES 2010B, OF THE ESSEX COUNTY IMPROVEMENT AUTHORITY ("ECIA") TO REACQUIRE TITLE TO PREVIOUSLY OWNED CITY LANDS, BUILDINGS AND IMPROVEMENTS" has heretofore authorized an emergency temporary appropriation in the amount of \$67,000,000.00 ("Emergency Temporary Appropriation") to fund the payment of amounts necessary to refund (the "Refunding") the outstanding Lease Revenue Bonds of the Essex County Improvement Authority, Series 2010A and Series 2010B in the aggregate principal amount of \$59,960,000.00 maturing on and after November 1, 2018 to and including November 1, 2030; and

WHEREAS, the Refunding will terminate the interest of the Essex County Improvement Authority ("ECIA") in the leased premises that are subject to the Lease Purchase Agreement with ECIA and will enable the City to reacquire title to such lands/buildings/improvements previously owned by the City; and

WHEREAS, the City has determined that it is in the best interests of the City to pay, fund or refund the Emergency Temporary Appropriation in the amount of \$67,000,000.00 through the issuance by the City of its refunding bonds or notes in an aggregate principal amount not to exceed \$67,000,000.00 pursuant to the provisions of N.J.S.A. 40A:2-51(a) and this refunding bond ordinance.

NOW THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY, THAT:

Section 1. The City of Newark, in the County of Essex, State of New Jersey (the "City"), is hereby authorized, and there is hereby appropriated the amount of \$67,000,000.00 to refund the Emergency Temporary Appropriation to accomplish the Refunding (a/k/a a temporary emergency appropriation pursuant to the provisions of N.J.S.A. 40A:2-51(a)), and to provide for costs of issuance.

Section 2. An aggregate amount not exceeding \$1,300,000.00 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the appropriation authorized herein and in the aggregate principal amount of the refunding bonds authorized herein.

Section 3. In order to finance the purposes described in Sections 1 and 2 hereof, negotiable refunding bonds are hereby authorized to be issued in the aggregate principal amount of \$67,000,000.00 pursuant to the Local Bond Law.

Section 4. In anticipation of the issuance of refunding bonds, negotiable refunding bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law. All refunding bond anticipation notes (the "Notes") issued hereunder shall mature at such times as may be determined by the Chief Financial Officer, provided that no Note shall mature later than one (1) year from its date. The Notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with Notes issued pursuant to this ordinance, and the Chief Financial Officer's signature upon the Notes shall be conclusive evidence as to all such determinations.

All Notes issued hereunder may be renewed from time to time, but all such Notes including renewals shall mature in accordance with the maturity schedule for the refunding bonds approved by the Local Finance Board; and provided, further, that the period during which the Notes and any renewals thereof and any permanent refunding bonds are outstanding shall not exceed the period set for the maturity of the refunding bonds by the Local Finance Board.

The Chief Financial Officer is hereby authorized to sell part or all of the Notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the Governing Body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. A certified copy of this refunding bond ordinance as adopted on first reading (such copy showing the vote of the Municipal Council) has been filed with the Director of the Division of Local Government Services, in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Chief Financial Officer of the City as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

Section 6. This refunding bond ordinance shall take effect upon approval thereof by the Municipal Council, approval by the Mayor and 20 days after the publication thereof, as provided by the Local Bond Law but the effective date of this refunding bond ordinance after publication shall be contingent upon the receipt of the approval of and the endorsement of the consent of the Local Finance Board upon a certified copy of this refunding bond ordinance as finally adopted.

STATEMENT

Ordinance providing for the refunding of a temporary emergency appropriation of the City of Newark, for refunding the callable Essex County Improvement Authority Lease Revenue Bonds, Series 2010A and Series 2010B, appropriating \$67,000,000.00 therefore and authorizing the issuance of \$67,000,000.00 refunding bonds or notes of the City for financing the cost thereof.