



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 20-0020, Version: 1

Dept/ Agency: Finance

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

Purpose: Approving Form of Sale of City-Secured Bonds

Amount to be Financed: \$5,500,000.00

Source of Appropriation: Bond Anticipation Notes

Purchaser:

Project Information:

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

RESOLUTION DETERMINING CERTAIN MATTERS IN CONNECTION WITH THE SALE NOT TO EXCEED \$5,500,000.00 THE AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BOND ANTICIPATION NOTES (ECIA PROPERTY ACQUISITION), SERIES 2020 (FEDERALLY TAXABLE) OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY.

Additional Information:

WHEREAS, the Municipal Council of the City of Newark, in the County of Essex, New Jersey (the "City"), finally adopted Bond Ordinance number 6PSF-a(S) on November 27, 2018 and Resolution number 7R4-b, finally adopted by the City on February 6, 2019, which authorized the issuance of bonds or notes of the City to finance the acquisition of 16 properties (land, buildings and improvements) from the Essex County Improvement Authority (the "Ordinance"); and

WHEREAS, the City issued its General Obligation Bond Anticipation Notes ("ECIA Property Acquisition"), Series 2019 in an aggregate principal amount not to exceed \$5,500,000.00 (the "2019 Notes") under the Ordinance for the purpose of providing for a portion of the costs of acquiring the ECIA Properties as described in the Ordinance, and paying costs of issuance with respect thereto; and

WHEREAS, the City has determined to renew the 2019 Notes for an additional one-year period and authorize the offering and sale of the General Obligation Notes, Series 2020 (the "2020 Notes") by competitive sale through electronic bids on Parity (defined therein) pursuant to the terms and conditions of the attached Notice of Sale (the "Notice of Sale") described herein; and

WHEREAS, in connection with the offering and sale of the 2020 Notes, the City determines to authorize the distribution of a Preliminary Official Statement and final Official Statement with respect to the 2020 Notes, and to authorize the execution and delivery of a Continuing Disclosure Certificate.

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

1. Confirmation of Intention to Issue General Obligation Notes. Pursuant to the provisions of

the Ordinance, the Director of Finance/Chief Financial Officer is hereby authorized and directed to sell, issue, execute and deliver the 2020 Notes in accordance with this Resolution. The 2020 Notes will be dated and shall mature within one (1) year as shall be determined by the Director of Finance/Chief Financial Officer. The 2020 Notes may be additionally renewed from time to time by the Chief Financial Officer in accordance with the provisions of the Local Bond Law (N.J.S.A. 40A:2-8.1) without further authorization from the Municipal Council. The 2020 Notes shall not be subject to redemption prior to maturity.

2. Notice of Sale. It is hereby delegated to and the Director of Finance/Chief Financial Officer is hereby authorized and directed to sell and award the purchase of the 2020 Notes to the successful bidder pursuant to the terms and conditions of the Notice of Sale. The form of the Notice of Sale in substantially the form attached hereto as **Exhibit A** is hereby approved, and the execution of a Notice of Sale by the Director of Finance/Chief Financial Officer of the City is hereby authorized with such changes as may be approved by the Director of Finance/Chief Financial Officer, upon the advice of the City's Bond Counsel ("Bond Counsel") and the City's municipal advisor (the "Financial Advisor"). The Director of Finance/Chief Financial Officer is authorized and directed to determine the date of distribution of the Notice of Sale, the sale date of the 2020 Notes and to distribute the Notice of Sale in connection with the offering and sale of the 2020 Notes.

3. Authorization for Official Statement. The distribution by the City of a Preliminary Official Statement in connection with the sale of the 2020 Notes is hereby authorized. There is hereby delegated to the Chief Financial Officer the authority to approve the Preliminary Official Statement with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel may advise. The Business Administrator or Director of Finance/Chief Financial Officer is hereby authorized and directed to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The Business Administrator and the Director of Finance/Chief Financial Officer are each hereby authorized and directed to approve the contents and terms of the final Official Statement in respect of the aforementioned 2020 Notes in substantially the form of the Preliminary Official Statement. The Business Administrator and the Director of Finance/Chief Financial Officer are each hereby authorized and directed to execute such Official Statement on behalf of the City, in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as Bond Counsel may advise, including revisions to reflect the terms of the sale of the 2020 Notes, including purchase price, interest rate and yield, and the City officer executing the same may approve, such approval to be conclusively evidenced by such City officer's execution thereof. The distribution of the Preliminary Official Statement and Official Statement by the Financial Advisor of the City in connection with the offering and sale of the 2020 Notes is hereby authorized and approved.

4. Continuing Disclosure. The form of the Continuing Disclosure Certificate in substantially the form attached hereto as **Exhibit B** is hereby approved, and the execution of such Continuing Disclosure Certificate by the Director of Finance/Chief Financial Officer of the City is hereby authorized. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the 2020 Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default on the 2020 Notes; however, any holder may take such actions as may be

necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

5. Form of Note. The form of the Note certificate substantially in the form attached hereto as **Exhibit C** is hereby approved. The Note certificate shall be executed in the name of the City by the Mayor, the Chief Financial Officer and attested to by the City Clerk and the seal of the City affixed thereto. The executed Note is hereby authorized to be delivered to the purchaser thereof upon receipt of payment of the purchase price for the 2020 Notes.

6. Further Action. Any matter relating to the award, sale or execution of the 2020 Notes which has been delegated by the Ordinance to the Director of Finance/Chief Financial Officer may be performed, and any document authorized by this Resolution may be executed by the City Clerk, the Business Administrator or the Director of Finance (collectively, the "Authorized Officers"). On behalf of the City, the Authorized Officers of the City are authorized and directed to take all steps which are necessary or convenient to effectuate the terms of this Resolution with respect to the issuance, sale, execution and delivery of the 2020 Notes, including, but not limited to the execution of all other closing documentation. All such actions heretofore or hereafter taken are hereby ratified, approved and confirmed.

7. Tax Consequences. Interest on the 2020 Notes is includable in gross income for federal income tax purposes. Interest on the 2020 Notes and any gain in the sale thereof are not includable as gross income under the New Jersey Income Tax Act.

8. Application of Purchase Proceeds. Pursuant to the provisions of the Local Lands and Buildings Law (N.J.S.A. 40A:12-17), if the Finance Building (located at 828-830 Broad Street in the City) is disposed of, any bonds or notes issued to finance the purchase thereof, the whole of such proceeds of such disposal (or the amount necessary to retire such bonds or notes) shall be applied and paid to pay the principal of and interest on such 2020 Notes so as to retire the same at or prior to maturity and the Director of Finance/Chief Financial Officer is hereby authorized and directed to retire such 2020 Notes in accordance therewith.

9. Effective Date. This Resolution shall take effect immediately.

STATEMENT

This Resolution authorizes the issuance and sale of Notes, the distribution of a Preliminary Official Statement and Final Official Statement, and approval of the form of a Notice of Sale and the distribution thereof containing the terms for the offering and sale of the 2020 Notes and Continuing Disclosure Certificate regarding the sale of the City's 2020 Notes, in an aggregate amount not exceeding \$5,500,000.00.