



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 20-0972, Version: 1

Dept/ Agency: Finance

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

Purpose: Application to Local Finance Board for approval of Redevelopment Area Bond Ordinance.

Name of Project(s): 777 McCarter Urban Renewal

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

Funding Source: Redevelopment Area Bonds

Local Finance Board meeting date(s): Wednesday, September 9, 2020

Project Information:

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

RESOLUTION OF THE CITY OF NEWARK, IN THE COUNTY OF ESSEX, NEW JERSEY APPROVING THE SUBMISSION OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:12A-67(g) AND N.J.S.A. 40A:12A-29(a) IN CONNECTION WITH THE ISSUANCE OF REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) TO BE SECURED BY PILOT PAYMENTS FROM THE 777 MCCARTER URBAN RENEWAL PROJECT. (EAST WARD)

Additional Information:

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Area Bond Financing Law, constituting Chapter 310 of the Pamphlet Laws of 2001 of the State, and the acts amendatory thereof and supplemental thereto (the "Redevelopment Bond Law", as codified in N.J.S.A. 40A:12A-64 et seq.), specifically N.J.S.A. 40A:12A-66(a), the City is authorized to provide for tax abatement within a redevelopment area and for payments in lieu of taxes ("PILOTS") in accordance with certain applicable provisions of the Long Term Tax Exemption Law, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State, and the acts amendatory thereof and supplement thereto (the "Long Term Tax Law", as codified in N.J.S.A. 40A:20-1 et seq.); and

WHEREAS, pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(a), the City may issue, or cause to be issued, bonds for the purpose of financing all or a portion of the cost of redevelopment projects, which bonds may be secured by PILOTS; and

WHEREAS, 777 McCarter Urban Renewal, LLC (the "Entity") is undertaking a redevelopment project located at 769-781 McCarter Highway, Newark, New Jersey 07102 and identified on the City's Official Tax Map as Block 161, Lots 1.02 consisting of the construction of a new thirty-two (32) story building consisting of approximately two hundred ninety-six (296) market rate residential units, seventy-four (74) affordable housing rental units, 13,026 square feet of commercial space and two hundred twenty-five (225) structured parking spaces (collectively, the "Project") approximately eighty-two (82) units of housing, of which approximately sixteen (16) units will be affordable housing, and approximately 16 affordable workshops where tenants will operate small businesses; as well as the

rehabilitation of the Krueger Scott Mansion into a business incubation space, with approximately 20,000 square feet of office space for local commercial entities (collectively, the "Project"); and

WHEREAS, the Entity has submitted an application to the City seeking a long term tax exemption for the Project pursuant to the Long Term Tax Law; and

WHEREAS, the City intends to issue bonds in an aggregate principal amount not to exceed \$18,000,000.00 (the "Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Bonds will come from the PILOTS paid by the Entity; and

WHEREAS, pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(g), the issuance of the Bonds is subject to the approval of the Local Finance Board.

WHEREAS, the City desires to make application to the Local Finance Board for: (i) its approval of the issuance of the Bonds pursuant to N.J.S.A. 40A:12A-67(g); (ii) its approval of the private sale of the Bonds to such purchaser as may be designated by Municipal Council pursuant to N.J.S.A. 40A:12A-29a; and (iii) and such other approvals and/or findings as may be required in connection therewith, including without limitation, as may be required pursuant to under the terms of the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. and the School Qualified Bond Act, N.J.S.A. 18A:24-85 et seq.; and

WHEREAS, the Municipal Council believes that:

- (a) it is in the public interest to accomplish such purposes;
- (b) said 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
- (d) the proposal 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;

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

1. The application to the Local Finance Board is hereby authorized and approved, and the City's Business Administrator, Chief Financial Officer, Deputy Mayor/Director of the Department of Economic and Housing Development, Bond Counsel, Financial Advisor and Auditor, along with other representatives of the City, are hereby authorized to prepare such application, to file such application with the Local Finance Board in connection with the above transaction and to represent the City in matters pertaining thereto.

2. The City Clerk is hereby directed to prepare and file a copy of the proposed resolution 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 certified copies of the ordinances (as applicable).

4. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes the submission of an application to the Local Finance Board for the issuance of Redevelopment Area Bonds (non-recourse to the full faith and credit of the City) in an aggregate principal amount not to exceed \$18,000,000.00 in connection with the 777 McCarter Urban Renewal Project. (East Ward)