19-01

Township Council
1 Municipal Plaza
Bloomfield, NJ 07003

Louise M. Palagano
Municipal Clerk

http://www.bloomfieldtwpnj.com

Meeting: 02/11/19 07:00 PM

2019 ORDINANCE BOND

BOND ORDINANCE 19-01 - REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF BLOOMFIELD, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY PROVIDING FOR (i) THE REFUNDING OF CERTAIN OUTSTANDING PARKING AUTHORITY BONDS (PREVIOUSLY ASSUMED BY THE TOWNSHIP), AND (ii) AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $13,500,000 AGGREGATE PRINCIPAL AMOUNT OF PARKING UTILITY REFUNDING BONDS OF THE TOWNSHIP TO EFFECT SUCH REFUNDING AND APPROPRIATING THE PROCEEDS THEREFOR

WHEREAS, pursuant to the County Improvement Authorities Law, N.J.S.A. 40:37A-1 et seq., as amended and supplemented (the "Improvement Authorities Law"), The Essex County Improvement Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State") had previously issued $12,480,000 aggregate principal amount of Recovery Zone Economic Development Bonds, Series 2010 (Bloomfield Parking Authority Project) (Federally Taxable - Issuer Subsidy) (the "Series 2010 Bonds" or the "Authority Issued Bonds") dated December 29, 2010; and

WHEREAS, the Series 2010 Bonds were issued as federally taxable Build America Bonds and Recovery Zone Economic Development Bonds under the Internal Revenue Code of 1986, as amended (the "Code" and under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), and as such are entitled to receive subsidy payments from the federal government in an amount equal to forty-five percent (45%) of the amount of each interest payment on the Series 2010 Bonds (the "RZEDB Interest Subsidy Payments"); and

WHEREAS, the Series 2010 Bonds were issued under and pursuant to the Improvement Authorities Law and a bond resolution of the Authority adopted on November 23, 2010 entitled, "Bond Resolution Authorizing the Issuance of Recovery Zone Economic Development Bonds, Series 2010 (Bloomfield Parking Authority Project) of The Essex County Improvement Authority and Determining Other Matters Related Thereto," as amended and supplemented (the "Authority Bond Resolution"); and

WHEREAS, the Series 2010 Bonds were issued to provide funds for the purchase of bonds (the "Parking Authority Bonds") issued by the Township of Bloomfield Parking Authority (the "Parking Authority"), pursuant to the Parking Authority Law, N.J.S.A. 40:11A-1 et seq., as amended and supplemented (the "Parking Authority Law") and a bond resolution of the Parking Authority adopted on November 23, 2010 entitled, "Resolution Authorizing the Issuance of Revenue Bonds or Project Notes of the Parking Authority of the Township of Bloomfield and Determining Certain Other Matters Related Thereto," as amended and supplemented (the "Parking Authority Bond Resolution"); and

WHEREAS, the Series 2010 Bonds were issued to provide funds for the purchase of the Parking Authority Bonds, the proceeds of which were used to defease certain project notes of the Parking Authority, to pay a portion of the costs of construction of a parking garage, to pay capitalized interest on the Series 2010 Bonds, and to pay certain costs associated with the issuance of the Series 2010 Bonds (collectively, the "2010 Project"); and

WHEREAS, the Parking Authority Bonds were issued in the par amount of $12,480,000; and

WHEREAS, the timely payment of the principal of and interest on the Series 2010 Bonds is secured by the provisions of the Parking Authority Bonds, which Parking Authority Bonds are secured by a guaranty of the Township of Bloomfield, in the County of Essex, State of New Jersey (the "Township") pursuant to a guaranty ordinance of the Township (the "Township Guaranty") finally adopted by the Township on March 15, 2004; and

WHEREAS, the Township legally dissolved the Parking Authority by ordinance adopted September 18, 2017, in accordance with the provisions of N.J.S.A. 40A:5A-20 and the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and, *inter alia*, assumed all existing bonded indebtedness of the dissolved Parking Authority, including the Parking Authority Bonds; and

WHEREAS, a $12,480,000 outstanding principal amount of the Series 2010 Bonds maturing on December 15 in the years 2025, 2030 and 2040, inclusive (the "Refunded Bonds") are subject to optional redemption prior to their respective maturity dates, on or after December 15, 2020 at the option of the Authority, upon the prior direction of the Parking Authority, either in whole or in part on any date, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the date of redemption; and

WHEREAS, the Parking Authority Bonds are subject to optional redemption on the same terms as the Series 2010 Bonds; and

WHEREAS, the Township, in place of the now-dissolved Parking Authority, has notified the Authority of its desire to refund the Parking Authority Bonds and, in turn, refund the Refunded Bonds; and

WHEREAS, the Township Council desires to refund all or a portion of the Parking Authority Bonds and, in turn, refund all or a portion of the Refunded Bonds through the issuance of one or more series of Parking Utility Refunding Bonds in an aggregate principal amount not to exceed $13,500,000 (the "Refunding Bonds"); and

WHEREAS, the Township Council now desires to adopt this Refunding Bond Ordinance (the "Refunding Bond Ordinance") authorizing the issuance of one or more series of Refunding Bonds in an aggregate principal amount not exceeding $13,500,000, a portion of the sale proceeds of which shall be used to refund the Parking Authority Bonds and, in turn, the Refunded Bonds.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF BLOOMFIELD, IN THE COUNTY OF ESSEX, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

SECTION 1.   The refunding of all or a portion of the Parking Authority Bonds and the Refunded Bonds (collectively, the "Refunded Obligations") is hereby authorized.

SECTION 2.   In order to refund the Refunded Obligations and to pay all related costs associated therewith, the Township is hereby authorized to issue one or more series of Refunding Bonds in an aggregate principal amount not to exceed $13,500,000, all in accordance with the requirements of N.J.S.A. 40A:2-51 et seq., and appropriate the proceeds of such Refunding Bonds to such purpose described in Section 3 hereof. Such Refunding Bonds shall be designated as "Parking Utility Refunding Bonds" with such series designation as may be necessary to identify such bonds.

SECTION 3.   An aggregate amount not exceeding $300,000, may be allocated from the aggregate principal amount of the Refunding Bonds to pay for items of expense listed and permitted under N.J.S.A. 40A:2-51(b), including, but not limited to, the aggregate allocated costs of issuance

thereof, including underwriting, printing, credit enhancement or other insurance, advertising, accounting, financial, legal, municipal advisory and other expenses in connection therewith.
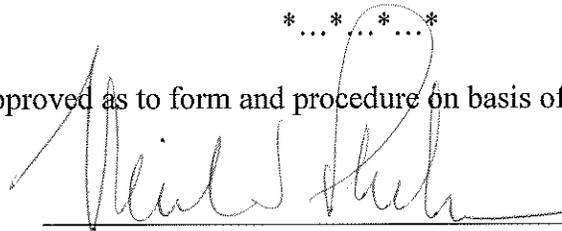
SECTION 4. The purpose of the issuance of the Refunding Bonds is to achieve net debt service savings (*net of all refinancing costs*) by refunding all or a portion of the Refunded Obligations. Applicable State requirements mandate that such net present value interest cost savings equal at least three percent (3%) of the principal amount of the Refunded Obligations. In addition, the issuance of the Refunding Bonds shall comply with the provisions of N.J.A.C. 5:30-2.5, including that within ten (10) days of the date of the closing on the Refunding Bonds, the Township Chief Financial Officer shall file a report with the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs setting forth (a) a comparison of the Refunding Bonds' debt service and the Refunded Obligations' debt service, which comparison shall set forth the present value savings achieved by the issuance of the Refunding Bonds; (b) a summary of the issuance of the Refunding Bonds; (c) an itemized accounting of all costs of issuance in connection with the issuance of the Refunding Bonds; and (d) a certification of the Township Chief Financial Officer that (i) all of the conditions of section (b) of N.J.A.C. 5:30- 2.5 have been met, and (ii) a resolution authorizing the issuance of the Refunding Bonds, adopted pursuant to the applicable provisions of the Local Bond Law, was approved by a two-thirds vote of the full membership of the Township Council.

SECTION 5. The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Township Clerk and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, in the New Jersey Department of Community Affairs, and such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided for in this Refunding Bond Ordinance and the said bonds and notes authorized by this Refunding Bond Ordinance will be within all debt limitations prescribed by the Local Bond Law.

SECTION 6. This bond ordinance shall take effect and twenty (20) days after the first publication thereof after final adoption, and approval by the Mayor, if applicable.
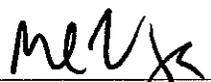
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Approved as to form and procedure on basis of facts set forth.

_____
Director of Law-Township Attorney

    I hereby certify that the above ordinance was duly adopted by the Mayor and Council of the Township of Bloomfield at a meeting of said Township Council held on .

_____
Municipal Clerk of the Township of Bloomfield

_____
Mayor of the Township of Bloomfield

☑ **Vote Record - Ordinance**

			Yes/Aye	No/Nay	Abstain	Absent
☐ Adopt ☐ Deny						
☐ Withdrawn	Jenny Mundell		☑	☐	☐	☐
☐ Table	Nicholas Joanow		☑	☐	☐	☐
☐ Not Discussed	Sarah Cruz		☐	☐	☐	☑
☐ First Reading ☐ Table with no Vote	Wartyna Davis		☑	☐	☐	☐
☐ Approve ☐ Veto by Mayor	Ted Gamble		☑	☐	☐	☐
☐ Discussion	Richard Rockwell		☑	☐	☐	☐
☐ Defeated ☐ Discussion No Vote	Michael J. Venezia		☑	☐	☐	☐

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