

ORDINANCE NO. 2019- 17

BOND ORDINANCE PROVIDING FOR FINANCING A PORTION OF THE COSTS OF A REDEVELOPMENT PROJECT IN AND BY THE CITY OF VINELAND, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, APPROPRIATING \$1,400,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$1,400,000 BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF

WHEREAS, the City Council (“City Council”) of the City of Vineland (the “City”), pursuant to the Local Redevelopment and Housing Law *N.J.S.A. 40A:21A-1, et seq.* (the “Redevelopment Law”), designated certain property within the City, including, without limitation, the property commonly known as Block 7503, Lot 35.01; Block 7503, Lot 33.01, and Block 7503, Lot 35.02 on the tax map of the City of Vineland as an area in need of redevelopment, pursuant to the Redevelopment Law (the “Redevelopment Area”); and

WHEREAS, pursuant to Section 4 of the Redevelopment Law (*N.J.S.A. 40A: 12A-4*), the City has determined to act as the “Redevelopment Entity” (as such term is defined in the Redevelopment Law at *N.J.S.A. 40A:12A-3*) for the Redevelopment Area and to exercise the powers contained in the Redevelopment Law to facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, in order to effectuate the public purposes set forth in the Redevelopment Plan and in order to set forth the terms and conditions under which the City and the Entity shall carry out their respective obligations with respect to redevelopment of the Redevelopment Area, on August 16, 2018, the City and NEP Real Estate of Vineland NJ Urban Renewal, LLC (the “Entity”) executed a Redevelopment Agreement (the “Redevelopment Agreement”); and

WHEREAS, the Redevelopment Agreement provides for the acquisition of the Redevelopment Area by the Entity and designed, development and construction of a multi-phased warehouse and light industrial complex consisting of multiple buildings, corporate office space, parking and other related amenities as required by the City to be undertaken in phases (collectively, the “Project”); and

WHEREAS, the Project will require the construction of certain improvements in and around the Project Area, including without limitation, the construction of a roadway extending Burns Avenue to Main Road (the “Burns Extension”) and certain other offsite roadway and traffic control improvements required by the City Planning Board or otherwise required in connection with the Project (collectively, the “Public Improvements”); and

WHEREAS, despite the Redeveloper’s investment of equity and borrowed funds, such amounts are insufficient to pay for all of the costs associated with the development and construction of the Project, including the Public Improvements; and

WHEREAS, to defray some of the costs of the Public Improvements, thereby making the Project viable, the City agreed, in the Redevelopment Agreement, to perform the Public Improvements at its sole cost and expense and has determined to finance such cost through the issuance of bonds (the “Bonds”) pursuant to the Redevelopment Law, the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.* (the “Local Bond Law”) and the Redevelopment Area Bond Financing Law, N.J.S.A. 40A:12-64, *et seq.* (the “RAB Law”); and

WHEREAS, the City will use the proceeds of the Bonds to finance a portion of the construction of the Public Improvements;

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VINELAND IN THE COUNTY OF CUMBERLAND, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The improvements and purposes described in Section 3(a) of this bond ordinance are hereby authorized to be undertaken by the City as general and local improvements, as described in more detail herein. For the improvements and purposes described in Section 3(a), there is hereby appropriated the sum of \$1,400,000. Pursuant to Section 37 of the Redevelopment Law (N.J.S.A. 40A:12A-37c(2)), no down payment is required, notwithstanding the requirements of Section 11 of the Local Bond Law, because the improvements and purposes set forth in Section 3(a) constitute a "redevelopment project" under the Redevelopment Law.

Section 2. In order to finance the cost of the several improvements and purposes described in Section 3(a) not covered by the Grant, negotiable bonds are hereby authorized to be issued pursuant to the Local Bond Law and the Redevelopment Law in a principal amount not to exceed \$1,400,000. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law and the Redevelopment Law.

Section 3. (a) The several improvements hereby authorized and the several purposes for which the bonds are to be issued, include the construction of a portion of the Public Improvements (as defined above), which constitutes a “redevelopment project” under the Redevelopment Law, including all work and materials necessary therefor and incidental thereto.

(b) The estimated maximum amount of bonds or notes to be issued for the improvements and purposes is as stated in Section 2 hereof.

(c) The estimated costs of the improvements and purposes are equal to the amount of the appropriations herein made therefor.

Section 4. All bond anticipation 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 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 subject to the provisions of the Local Bond Law and the Redevelopment Law. 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. The City hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the City is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

Section 6. In connection with the Project, the City and Entity have entered into a Financial Agreement dated October 26, 2018, as amended December 2, 2018 (together, the "Financial Agreement") pursuant to Ordinance 2018-47 duly adopted by the City on September 12, 2018 and Ordinance 2018-62 duly adopted by the City on November 16, 2018 (collectively, the "Ordinance"). The Financial Agreement and Ordinance reference the pledge of Pledged Annual Service Charge to the payment of debt service on bonds or notes issued to finance costs of the Project. The City hereby determines that the obligations authorized thereunder and hereunder shall be general obligations of the City, secured in accordance with Section 11 herein. Therefore, the Pledged Annual Service Charge (i) shall be collected and paid to the City in the same manner as the Unpledged Annual Service Charge and (ii) shall not be pledged and assigned to secure any bonds or notes issued hereunder. The Financial Agreement and Ordinance are hereby amended to the extent of any inconsistency herewith. Furthermore, any maximum aggregate principal amount of bonds set forth in the Financial Agreement or Ordinance is hereby amended to be and mean the authorization set forth in Section 2 herein. To the extent of any other inconsistency as between the Ordinance and/or Financial Agreement and this ordinance, the terms and provisions of this ordinance shall control and the Ordinance and Financial Agreement shall be deemed amended to the extent of any inconsistency herewith.

Section 7. The following additional matters are hereby determined, declared, recited and stated:

(a) The purposes described in Section 3(a) of this bond ordinance are not current expenses. They are all improvements and purposes that the City lawfully may undertake as general and local improvements, and a portion of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) Pursuant to N.J.S.A. 40A:12A-37(c), the obligations authorized herein shall mature in annual installments commencing not more than two (2) and ending not more than forty (40) years from the date of issuance.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the 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 Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$1,400,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount of not exceeding \$280,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements.

(e) The maximum interest rate on the bonds shall be 9% without further authorization of the City Council, which authorization may be by resolution.

Section 8. The City hereby declares the intent of the City to issue the bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3 of this bond ordinance. This Section 9 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 9. Any grant moneys received for the purposes described in Section 3(a) hereof shall be applied either to direct payment of the cost of the improvements or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 10. The chief financial officer of the City is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the City and to execute such disclosure document on behalf of the City. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the City and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the City fails to comply with its undertaking, the City shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 11. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the City for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 12. This bond ordinance shall take effect 20 days after publication thereof after final adoption, as provided by the Local Bond Law.

Re: CITY OF VINELAND

\$1,400,000 BURNS AVENUE EXTENSION REDEVELOPMENT AREA
BOND ORDINANCE

31 Certified copy of the minutes of the meeting of the City Council held on ___/___/___
showing introduction of the ordinance.

32 Affidavit of Publication in local newspaper following introduction of the ordinance.

33 Certified copy of the minutes of the meeting of the City Council held on ___/___/___
showing public hearing and final adoption of the ordinance.

34 Affidavit of Publication in local newspaper following final adoption of the ordinance.

35 Clerk's Certificate.

BELOW FOR McMANIMON, SCOTLAND & BAUMANN, LLC USE ONLY

Posted: ___/___/___ Useful Life: N/A

Reviewed By: _____

Mayor's Approval: ___/___/___

Amends/Amended By: Ord. # _____ F/A: ___/___/___

Amendment: _____

Supplements/Supplemented By: Ord. # _____ F/A: ___/___/___

Original Appropriation/Authorization: \$ _____ /\$ _____

Authorization for CFO to Sell Notes: ___ Yes X No

Resolution Authorizing CFO to Sell Notes: F/A ___/___/___

EXTRACT from the minutes of a _____ meeting of the City Council of the City of Vineland, in the County of Cumberland, New Jersey held at the _____ in the City on _____, 2019 at _____ o'clock ____m.

PRESENT:

ABSENT:

[Attach appropriate minutes hereto]

CERTIFICATE

I, Keith Petrosky, Clerk of the City of Vineland, in the County of Cumberland, State of New Jersey, HEREBY CERTIFY that the foregoing annexed extract from the minutes of a meeting of the governing body of the City duly called and held on _____, 2019 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this _____ day of _____, 2019.

Keith Petrosky, Clerk

(SEAL)

EXTRACT from the minutes of a _____ meeting of the City Council of the City of Vineland, in the County of Cumberland, New Jersey held at the _____ in the City on _____, 2019 at _____ o'clock ____m.

PRESENT:

ABSENT:

[Attach appropriate minutes hereto]

CERTIFICATE

I, Keith Petrosky, Clerk of the City of Vineland, in the County of Cumberland, State of New Jersey, HEREBY CERTIFY that the foregoing annexed extract from the minutes of a meeting of the governing body of the City duly called and held on _____, 2019 has been compared by me with the original minutes as officially recorded in my office in the Minute Book of the governing body and is a true, complete and correct copy thereof and of the whole of the original minutes so far as they relate to the subject matters referred to in the extract.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City this _____ day of _____, 2019.

Keith Petrosky, Clerk

(SEAL)

CLERK'S CERTIFICATE

I, Keith Petrosky, Clerk of the City of Vineland, in the County of Cumberland, State of New Jersey, HEREBY CERTIFY as follows:

1. I am the duly appointed Clerk of the City of Vineland, in the County of Cumberland, State of New Jersey (herein called the "City"). In this capacity, I have the responsibility to maintain the minutes of the meetings of the governing body of the City and the records relative to all ordinances and resolutions of the City. The representations made herein are based upon the records of the City.

2. Attached hereto is a true and complete copy of an ordinance passed by the governing body of the City on first reading on _____, 2019 and finally adopted by the governing body on _____, 2019 and, where necessary, approved by the Mayor on _____, 2019.

3. On _____, 2019, a copy of the ordinance and a notice that copies of the ordinance would be made available to the members of the general public of the municipality who requested copies, up to and including the time of further consideration of the ordinance by the governing body, was posted in the principal municipal building of the City at the place where public notices are customarily posted. Copies of the ordinance were made available to all who requested them.

4. A certified copy of this ordinance and a copy of the amended capital budget form has been filed with the Director of the Division of Local Government Services.

5. After final passage, the ordinance, a copy of which is attached hereto, was duly published on _____, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of
the City this _____ day of _____, 2019.

Keith Petrosky, Clerk

[SEAL]

NOTICE OF PENDING ORDINANCE AND SUMMARY

The ordinance, the summary terms of which are included herein, was introduced and passed upon first reading at a meeting of the governing body of the City of Vineland, in the County of Cumberland, State of New Jersey, on _____, 2019. It will be further considered for final passage, after public hearing thereon, at a meeting of the governing body to be held at the _____, in the City on _____, 2019 at _____ o'clock __.m. During the week prior to and up to and including the date of such meeting, copies of the full ordinance will be available at no cost and during regular business hours at the Clerk's office for the members of the general public who shall request the same. The summary of the terms of such ordinance follows:

Title: "BOND ORDINANCE PROVIDING FOR FINANCING A PORTION OF THE COSTS OF A REDEVELOPMENT PROJECT IN AND BY THE CITY OF VINELAND, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, APPROPRIATING \$1,400,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$1,400,000 BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF"

Purpose: The design, financing, construction and installation of various infrastructure improvements further described in a Redevelopment Agreement between the City and NEP Real Estate of Vineland NJ Urban Renewal, LLC, including but not limited to the property commonly known as Block 7503, Lot 35.01; Block 7503, Lot 33.01, and Block 7503, Lot 35.02 on the tax map of the City of Vineland, designated by the City as an area in need of redevelopment, pursuant to the Redevelopment Law, including without limitation, the construction of a roadway extending Burns Avenue to Main Road (the "Burns Extension") and certain other offsite roadway and traffic control improvements required by the City Planning Board or otherwise required in connection with the Project, including all work and materials necessary therefor and incidental thereto.

Appropriation: \$1,400,000

Bonds/Notes Authorized: \$1,400,000

Grant Appropriated: N/A

Section 20 Costs: \$280,000

Useful Life: not more than two years and ending not more than forty years

Keith Petrosky, Clerk

ORDINANCE STATEMENT AND SUMMARY

The ordinance, the summary terms of which are included herein, has been finally adopted by the City of Vineland, in the County of Cumberland, State of New Jersey on _____, 2018. Copies of the full ordinance are available at no cost and during regular business hours, at the Clerk's office for members of the general public who request the same. The summary of the terms of such ordinance follows:

Title: "BOND ORDINANCE PROVIDING FOR FINANCING A PORTION OF THE COSTS OF A REDEVELOPMENT PROJECT IN AND BY THE CITY OF VINELAND, IN THE COUNTY OF CUMBERLAND, NEW JERSEY, APPROPRIATING \$1,400,000 THEREFOR, AUTHORIZING THE ISSUANCE OF \$1,400,000 BONDS OR NOTES OF THE CITY FOR FINANCING THE COST THEREOF"

Purpose: The design, financing, construction and installation of various infrastructure improvements further described in a Redevelopment Agreement between the City and NEP Real Estate of Vineland NJ Urban Renewal, LLC, including but not limited to the property commonly known as Block 7503, Lot 35.01; Block 7503, Lot 33.01, and Block 7503, Lot 35.02 on the tax map of the City of Vineland, designated by the City as an area in need of redevelopment, pursuant to the Redevelopment Law, including without limitation, the construction of a roadway extending Burns Avenue to Main Road (the "Burns Extension") and certain other offsite roadway and traffic control improvements required by the City Planning Board or otherwise required in connection with the Project, including all work and materials necessary therefor and incidental thereto.

Appropriation: \$1,400,000

Bonds/Notes Authorized: \$1,400,000

Grant Appropriated: N/A

Section 20 Costs: \$280,000

Useful Life: not more than two years and ending not more than forty years

Keith Petrosky, Clerk

February 13, 2019

DIRECT DIAL # 973/622-5035

Susan M. Baldosaro
Chief Financial Officer
City of Vineland
630 East Wood Avenue
Vineland, NJ 08360

Re: \$1,400,000 RAB Ordinance

Dear Susan:

In connection with the issuance of Redevelopment Area Bonds to finance the Burns Avenue extension as part of the Redevelopment Agreement with NEP Real Estate of Vineland NJ Urban Renewal, LLC, I have prepared and enclose herewith a form of bond ordinance providing for various capital improvements and directing a special assessment thereof. The ordinance should be adopted in accordance with the procedure set forth below for your convenience.

A Supplemental Debt Statement must be prepared and filed with the Clerk as of the date of introduction of the bond ordinance. After the introduction, it must then be forwarded to Trenton and filed with the Division of Local Government Services prior to final adoption of the ordinance. In order to comply with the capital budget regulations, the bond ordinance contains a provision amending the capital budget to the extent of any inconsistency with the bond ordinance and it should be sent to Trenton and filed along with the Supplemental Debt Statement and the resolution of the governing body in the form required by the Local Finance Board showing the details of the amended capital budget. It will not be necessary to publish the resolution.

The ordinance may be introduced and read by title only and adopted by a majority of the members of the governing body present, assuming a quorum. **After introduction, the Notice of Pending Bond Ordinance and Summary must be published in the local newspaper, a form of which I have enclosed for your use. Also, the ordinance should be posted on the bulletin board customarily used for notices, together with the Notice of Pending Bond Ordinance and Summary, and copies of the ordinance should be made available to anyone who requests them of the Clerk after introduction.**

At least seven days before the public hearing on the ordinance, a copy of the ordinance together with the Notice of Pending Bond Ordinance and Summary in the form enclosed should be mailed to every person whose lands may be affected by the ordinance or any assessment that may be made pursuant to it, all as set forth in N.J.S.A. 40:49-6. See Section 6 of the enclosed bond ordinance.

The bond ordinance can be considered for final adoption not less than ten days after the introduction and publication of the Notice of Pending Bond Ordinance. Please note that this procedure is different from the adoption procedure for general improvement ordinances, under which a general improvement bond ordinance may be considered for final adoption only seven days after the publication of the Notice of Pending Bond Ordinance.

If the ordinance has been posted and copies made available as indicated above, the ordinance can be read at the second hearing by title only. If the ordinance posting procedure has not been followed, the ordinance must be read in full at the second hearing. After the ordinance is read for the second time, the governing body should hold a public hearing and should give all members of the public a chance to be heard on the ordinance. After the public hearing, the ordinance can be finally adopted by the affirmative vote of not less than two-thirds of the full membership of the governing body. **After final adoption, the Bond Ordinance Statement and Summary must be published, a copy of which I have enclosed for your use.** Note that if the approval of an officer is required to make the ordinance effective, the ordinance must be approved by that officer, or passed over veto, before it is published after final adoption.

After the ordinance is finally adopted, it will be necessary for us to establish a record of proceedings documenting the proper adoption of the bond ordinance. In order to do this, we will need one completely executed set of the documents enumerated on the attached checklist. By copy of this letter, I am sending the Clerk a copy of the checklist along with a copy of the ordinance. With the exception of the Affidavits of Publication, I am also sending the Clerk the necessary certificates to be completed, executed and returned to us along with the necessary attachments to provide us with this documentation. It should be noted that the Clerk's Certificate must be executed no sooner than 21 days following the final publication in order to attest that there has been no protest within the statutory twenty-day protest period.

If you or the Clerk have any questions about the form of the ordinance, the adoption procedure or the form of the certificates, please call me.

Thank you for this opportunity to have been of assistance.

Very truly yours,

Leah Sandbank

Leah Sandbank, Esq.

Enclosures

cc: Keith Petrosky, Clerk, w/encl.
Richard P. Tonetta, Esq., w/encl.
Leon Costello, C.P.A., w/encl.