

# Ordinance of the City of Jersey City, N.J.

File No. Ord. 21-076  
Agenda No. 3.1 (1st Reading)  
Agenda No. 4.1 (2nd Reading and Final Passage)



**ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY AUTHORIZING THE EXECUTION AND DELIVERY OF A SUBSIDY AGREEMENT WITH THE JERSEY CITY REDEVELOPMENT AGENCY TO SECURE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON UP TO \$18,000,000 BONDS AND/OR PROJECT NOTES TO BE ISSUED BY SAID AGENCY IN CONNECTION WITH THE IMPLEMENTATION OF A REDEVELOPMENT PROJECT ON CERTAIN REAL PROPERTY LOCATED AT 68-74 SIP AVENUE AND 164-168 SIP AVENUE.**

**COUNCIL AS A WHOLE offered and moved adoption of the following ordinance:**

WHEREAS, in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the “Redevelopment Law”), the City Council of the City of Jersey City (the “City”) has heretofore adopted one or more resolutions designating certain blocks and lots to be an “area in need of redevelopment” known as the Journal Square Redevelopment Area (the “Redevelopment Area”); and

WHEREAS, pursuant to the Redevelopment Law and one or more ordinances adopted in accordance therewith, the City has heretofore adopted a redevelopment plan known as the Journal Square Redevelopment Plan in respect of the Redevelopment Area (as amended from time to time, the “Redevelopment Plan”); and

WHEREAS, the City has heretofore designated the Agency as the redevelopment entity to implement the Redevelopment Plan; and

WHEREAS, the Agency intends to undertake the acquisition of certain real property located within the Redevelopment Area commonly known as 68-74 Sip Avenue (Block 9501, Lot 21 on the municipal tax map) and 164-168 Sip Avenue (Block 10602, Lots 10 to 16 on the municipal tax map) (collectively, the “Property”), and may also undertake the improvement, renovation and/or demolition of any or all of the existing buildings and structures located on the Property, all in accordance with the Redevelopment Plan (the “Redevelopment Project”); and

WHEREAS, under the Redevelopment Plan, the portion of the Property consisting of Block 9501, Lot 21 is located in “Zone 1: Core”, as to which certain permitted and prohibited uses are enumerated in furtherance of the Redevelopment Plan’s objective to provide for high-density, high-rise construction on parcels immediately adjacent to the Journal Square Transportation Center; and

WHEREAS, under the Redevelopment Plan, the portion of the Property consisting of Block 10602, Lots 10 to 16 is located in “Zone 3: Commercial Center”, as to which certain permitted and prohibited uses are enumerated in furtherance of the Redevelopment Plan’s objective to provide for an active and intensive use of parcels surrounding the Journal Square Transportation Center; and

WHEREAS, the Property is currently owned by Hudson County Community College (the “College”) and is subject to a Purchase and Sale Agreement dated August 19, 2021 between the College, as seller, and the Agency, as buyer (the “Purchase and Sale Agreement”); and

WHEREAS, the Agency intends to seek the participation of one or more private redevelopers to undertake redevelopment activities on the Property in furtherance of the Redevelopment Plan, and pending such private redevelopment to make good faith, commercially reasonable efforts to find sources of revenue with respect to the Redevelopment Project; and

APPROVED AS TO LEGAL FORM

Business Administrator

Corporation Counsel

**Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on up to \$18,000,000 Bonds and/or Project Notes to be Issued by said Agency in Connection with the Implementation of a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue.**

**WHEREAS**, the City and the Agency have determined that the financing of the Redevelopment Project would be accomplished most efficiently by the Agency, as redevelopment entity, through the issuance by the Agency, from time to time, of its bonds and/or project notes in an aggregate principal amount not to exceed \$18,000,000; and

**WHEREAS**, the City and the Agency have further determined that in order to obtain the most advantageous interest rates with respect to such bonds and/or project notes that would be economical and otherwise advantageous to them and to the residents of the City, the City and the Agency will enter into a Subsidy Agreement (the "Subsidy Agreement"), in substantially the form attached hereto as Exhibit A, providing for, among other things, the securing of the payment of the principal of and interest on the bonds and/or project notes issued by the Agency for the Redevelopment Project; and

**WHEREAS**, prior to final adoption of this ordinance, the Local Finance Board in the Division of Local Government Services of the New Jersey Department of Community Affairs will have reviewed the Agency's application and held a hearing on, and will have issued findings in connection with, the Redevelopment Project, the Subsidy Agreement and Agency's proposed initial series of bonds and/or project notes to finance certain expenses of the Redevelopment Project, including the cost of acquiring the Property pursuant to the Purchase and Sale Agreement (the "Initial Agency Obligations"); and

**WHEREAS**, the Agency has requested the City to secure the payment of the principal of and interest on the Initial Agency Obligations, and all other Agency bonds and/or project notes issued to finance the Redevelopment Project; and

**WHEREAS**, to provide an inducement to the prospective purchasers of the bonds and/or project notes to purchase same and to provide security for the holders thereof, the City desires to provide for the subsidy by way of this ordinance and the Subsidy Agreement between the City and the Agency;

*WHEREAS, by Resolution No. 21-539 adopted on July 14, 2021, the Municipal Council of the City expressed its conditional support for the purchase of the Property, stating that the City's acquisition of the Property would be beneficial to the City and expressing the Municipal Council's preference that the Property be used to expand the City's affordable housing program;*

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JERSEY CITY AS FOLLOWS:**

**JERSEY** (not less than two-thirds of all members thereof affirmatively concurring), AS FOLLOWS:

Section 1. Pursuant to Sections 22, 37, 39 and 41 of the Redevelopment Law, the City is hereby authorized and directed to enter into and preform the Subsidy Agreement, by which the City is hereby authorized to and does hereby unconditionally and irrevocably secure the punctual payment of the principal of and interest on any bonds and/or project notes issued by the Agency, which bonds and/or project notes shall be in an aggregate principal amount not to exceed \$18,000,000 at any one time outstanding, to be issued for the purpose of undertaking the financing of the Redevelopment Project, as described in the preamble hereof, such bonds and/or project notes to be dated, to be in such form, to mature, to bear such rate or rates of interest and to be otherwise as provided or established in or by the resolution or resolutions of the Agency in a manner which is consistent with the exercise of its public responsibility. The bonds and/or project notes are to be issued to finance the Redevelopment Project (which includes, but is not limited to, (i) the acquisition of the Property (as defined in the preamble hereof), (ii) the improvement, renovation and/or demolition of any or all of the existing buildings and structures located on the Property, all in accordance with the Redevelopment Plan, and (iii) all work and materials necessary therefor and incidental thereto), and shall also include capitalized interest on the bonds and/or project notes to be issued therefor and costs of issuance in connection with the bonds and/or project notes to be issued therefor. The subsidy authorized herein shall be given solely in accordance with the Subsidy Agreement by and between the City and the Agency. The full faith and credit of the City are hereby pledged to the full and punctual performance of the subsidy set forth in the Subsidy Agreement.

Section 2. The Mayor or Chief Financial Officer are each hereby authorized and directed to execute, by manual or facsimile signature, any statement that may be appended to the bonds and/or project notes, memorializing that the bonds and/or project notes of the Agency are secured by the Subsidy Agreement, the City Clerk or any Deputy Clerk are each hereby authorized and directed to affix the seal of the City to such statement.

**Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on up to \$18,000,000 Bonds and/or Project Notes to be Issued by said Agency in Connection with the Implementation of a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue.**

Section 3. The Mayor is hereby authorized and directed to execute and deliver the Subsidy Agreement attached hereto as Exhibit A and incorporated by this reference herein and containing such additional terms, conditions and omissions as may be agreed to between the Agency and the City hereinafter, and the Clerk on behalf of the City is hereby authorized and directed to affix and attest to the seal of the City thereon, and said officers are each hereby authorized and directed to execute and deliver any and all further instruments and documents and to do and perform such other acts and things as may be necessary and advisable to secure the performance by the City of its obligations under the Subsidy Agreement and to fully effectuate the same and the purpose of this ordinance. Upon execution and issuance of the bonds and/or project notes, the Mayor or Chief Financial Officer shall report in writing to the City Council setting forth the terms of the bonds and/or project notes so executed and issued.

Section 4. The following additional matters are hereby found, determined and declared by the City:

(a) The maximum principal amount of bonds and/or project notes of the Agency hereby and hereunder secured as to the payment of the principal thereof and interest thereon shall not exceed \$18,000,000.

(b) No down payment is required in connection with this ordinance, pursuant to N.J.S.A. 40A:12A-37(c)(2).

(c) Any bonds issued shall mature in annual installments within forty (40) years from the date of issue, and shall have a maximum interest rate not to exceed eight percent (8%) per annum. No useful life estimate is required in connection with this ordinance.

(d) The security authorized herein shall remain effective until all of the bonds and/or project notes shall have been paid or payment duly provided for in accordance with their terms notwithstanding the occurrence of any other event.

(e) A supplemental debt statement has been prepared and filed in the office of the Clerk of the City 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. Such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by \$18,000,000, being the principal amount of bonds and/or project notes of the Agency secured by the Subsidy Agreement.

(f) An aggregate amount not exceeding \$2,000,000 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 hereinbefore described.

Section 5. The City shall make all budgetary or other provisions for appropriation in its annual budgetary process, or if necessary, by emergency appropriation or the issuance of bonds and/or notes, at any time, as may be necessary to provide for and authorize payment to the Agency as required by the Subsidy Agreement. The payments required to be made by the City under the Subsidy Agreement constitute valid, binding and general obligations of the City and the City shall levy ad valorem taxes upon all taxable property therein for the payment of the amounts due under the Subsidy Agreement, which are limited to any amount needed to pay the principal of and/or interest on the Agency's bonds and/or project notes to the extent such funds are not otherwise available from the Agency with respect thereto.

Section 6. As may be applicable, the City hereby covenants and agrees to comply with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, including the secondary market disclosure requirements contained therein, and agrees to covenant to such compliance in the Subsidy Agreement. For each issue of bonds and/or project notes of the Agency, the Mayor, the Clerk of the City, the Chief Financial Officer of the City or any other authorized officer of the City are each hereby authorized and directed to execute and deliver a continuing disclosure undertaking relating to the City's obligations under the Rule, to approve and "deem final" a preliminary and/final Official Statement of the Agency to the extent the information contained therein relates to the City, and to execute and deliver all certificates, documents and agreements in connection therewith. Said officers are hereby further authorized and directed to file budgetary, financial and operating data on an annual basis and notices of certain enumerated events as required to comply with and in accordance with the provisions of the Rule.

Section 7. This ordinance shall take effect twenty (20) days after final adoption and publication in accordance with applicable law.

**Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on up to \$18,000,000 Bonds and/or Project Notes to be Issued by said Agency in Connection with the Implementation of a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue.**

Amendments are in Italics and Underlined

**Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on up to \$18,000,000 Bonds and/or Project Notes to be Issued by said Agency in Connection with the Implementation of a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue.**

RECORD OF COUNCIL VOTE ON INTRODUCTION – Nov 29 2021						
RIDLEY	AYE	SALEH	AYE	LAVARRO	AYE	9-0
PRINZ-AREY	AYE	SOLOMON	AYE	RIVERA	AYE	
BOGGIANO	AYE	ROBINSON	AYE	WATTERMAN, PRES	AYE	

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING – Dec 15 2021						
RIDLEY	AYE	SALEH	AYE	LAVARRO	AYE	9-0
PRINZ-AREY	AYE	SOLOMON	AYE	RIVERA	AYE	
BOGGIANO	AYE	ROBINSON	AYE	WATTERMAN, PRES.	AYE	

**SPEAKERS:**

Yvonne Balcer


RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY – Dec 15 2021						
RIDLEY	AYE	SALEH	AYE	LAVARRO	AYE	9-0
PRINZ-AREY	AYE	SOLOMON	AYE	RIVERA	AYE	
BOGGIANO	AYE	ROBINSON	AYE	WATTERMAN, PRES.	AYE	

RECORD OF FINAL COUNCIL VOTE – Dec 15 2021						
RIDLEY	AYE	SALEH	AYE	LAVARRO	AYE	9-0
PRINZ-AREY	AYE	SOLOMON	AYE	RIVERA	AYE	
BOGGIANO	AYE	ROBINSON	AYE	WATTERMAN, PRES.	AYE	

Adopted on first reading of the Council of Jersey City, N.J. on **Nov 29 2021**


Adopted on second and final reading after hearing on **Dec 15 2021**

This is to certify that the foregoing Ordinance was adopted  
by the Municipal Council at its meeting on Dec 15 2021



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City Clerk




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Joyce E. Watterman, President of Council  
Approved: Dec 15 2021

Amendment(s):  
*WHEREAS, by Resolution No. 21-539 adopted on July 14, 2021, the Municipal Council of the City expressed its conditional support for the purchase of the Property, stating that the City’s acquisition of the Property would be beneficial to the City and expressing the Municipal Council’s preference that the Property be used to expand the City’s affordable housing program;*

Amendments are in Italics and Underlined



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Steven M. Fulop, Mayor  
Date to Mayor: Dec 16 2021  
Approved: Dec 16 2021

**Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on up to \$18,000,000 Bonds and/or Project Notes to be Issued by said Agency in Connection with the Implementation of a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue.**

**FACT SHEET -**

This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the ordinance.

**Project Manager**

John Scura, Acting Chief Financial Officer	2015475043	jscura@jcnj.org
Division	Division of Treasury and Debt Management	

Note: Project Manager must be available by phone during agenda meeting (Wednesday prior to council meeting @ 1:00 p.m.)

**Purpose**

Execution of subsidy agreement between Jersey City and JCRA
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**Cost (Identify all sources and amounts)**

n/a
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**Contract term (include all)**

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**ATTACHMENTS:**

<a href="#">JCRA - City - HCCC - Subsidy Agreement (00286974-2xE471A)</a> <a href="#">Ord 21-076 - Supplemental Debt Statement</a>
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Approved by  
John Scura, Acting Chief Financial Officer  
John McKinney, Attorney  
John Metro, Acting Business Administrator

Status:  
Approved - Nov 17 2021  
Approved - Nov 17 2021  
Approved - Nov 19 2021

**SUBSIDY AGREEMENT**

**BY AND BETWEEN**

**CITY OF JERSEY CITY,  
IN THE COUNTY OF HUDSON, NEW JERSEY**

**AND**

**JERSEY CITY REDEVELOPMENT AGENCY**

**Dated as of February 1, 2022**

**68-74 SIP AVENUE / 164-168 SIP AVENUE PROJECT**

## **PREAMBLE**

**THIS AGREEMENT**, made and dated as of the 1<sup>st</sup> day of February, 2022 by and between the **CITY OF JERSEY CITY**, in the County of Hudson, New Jersey (the "City"), and the **JERSEY CITY REDEVELOPMENT AGENCY** (the "Agency"), a public body politic and corporate of the State of New Jersey.

## **WITNESSETH**

**WHEREAS**, in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"), the City Council of the City has heretofore adopted one or more resolutions designating certain blocks and lots to be an "area in need of redevelopment" known as the Journal Square Redevelopment Area (the "Redevelopment Area"); and

**WHEREAS**, pursuant to the Redevelopment Law and one or more ordinances adopted in accordance therewith, the City has heretofore adopted a redevelopment plan known as the Journal Square Redevelopment Plan in respect of the Redevelopment Area (the "Redevelopment Plan"); and

**WHEREAS**, the City has heretofore designated the Agency as the redevelopment entity to implement the Redevelopment Plan; and

**WHEREAS**, the Agency intends to undertake the acquisition of certain real property located within the Redevelopment Area commonly known as 68-74 Sip Avenue (Block 9501, Lot 21 on the municipal tax map) and 164-68 Sip Avenue (Block 10602, Lots 10 to 16 on the municipal tax map) (collectively, the "Property"), and may also undertake the improvement, renovation and/or demolition of any or all of the existing buildings and structures located on the Property, all in accordance with the Redevelopment Plan (the "Redevelopment Project"); and

**WHEREAS**, under the Redevelopment Plan, the portion of the Property consisting of Block 9501, Lot 21 is located in "Zone 1: Core", as to which certain permitted and prohibited uses are enumerated in furtherance of the Redevelopment Plan's objective to provide for high-density, high-rise construction on parcels immediately adjacent to the Journal Square Transportation Center; and

**WHEREAS**, under the Redevelopment Plan, the portion of the Property consisting of Block 10602, Lots 10 to 16 is located in "Zone 3: Commercial Center", as to which certain permitted and prohibited uses are enumerated in furtherance of the Redevelopment Plan's objective to provide for an active and intensive use of parcels surrounding the Journal Square Transportation Center; and

**WHEREAS**, the Property is currently owned by Hudson County Community College (the "College") and is subject to a Purchase and Sale Agreement dated August 19, 2021 between the College, as seller, and the Agency, as buyer (the "Purchase and Sale Agreement"); and



**WHEREAS**, the Agency intends to seek the participation of one or more private redevelopers to undertake redevelopment activities on the Property in furtherance of the Redevelopment Plan, and pending such private redevelopment to make good faith, commercially reasonable efforts to find sources of revenue with respect to the Redevelopment Project; and

**WHEREAS**, the City and the Agency have determined that the financing of the Redevelopment Project would be accomplished most efficiently by the Agency, as redevelopment entity, through the issuance by the Agency, from time to time, of its bonds and/or project notes in an aggregate principal amount not to exceed \$18,000,000; and

**WHEREAS**, the City and the Agency have further determined that in order to obtain the most advantageous interest rates with respect to such bonds and/or project notes that would be economical and otherwise advantageous to them and to the residents of the City, the City and the Agency will enter into this Subsidy Agreement (this “Agreement”) providing for, among other things, the securing of the payment of the principal of and interest on all bonds and/or project notes issued by the Agency for the Redevelopment Project; and

**WHEREAS**, the Local Finance Board in the Division of Local Government Services of the New Jersey Department of Community Affairs has reviewed the Agency’s application and, on December 8, 2021, held a hearing on, and issued findings in connection with, the Redevelopment Project, this Agreement and the hereinafter-defined Series 2022 Obligations, which are to be issued by the Agency to finance certain expenses of the Redevelopment Project, including the cost of acquiring the Property pursuant to the Purchase and Sale Agreement; and

**WHEREAS**, the Agency has requested the City to secure the payment of the principal of and interest on the Series 2022 Obligations, and all other Agency bonds and/or project notes issued to finance or refinance the Redevelopment Project; and

**WHEREAS**, pursuant to Sections 22, 37, 39 and 41 of the Redevelopment Law, the City finally adopted an ordinance entitled “Ordinance of the City of Jersey City, in the County of Hudson, New Jersey Authorizing the Execution and Delivery of a Subsidy Agreement with the Jersey City Redevelopment Agency to Secure the Payment of the Principal of and Interest on Up To \$18,000,000 Bonds and/or Project Notes to be Issued by Said Agency in Connection With a Redevelopment Project on Certain Real Property Located at 68-74 Sip Avenue and 164-168 Sip Avenue” (the “City Subsidy Ordinance”); and

**WHEREAS**, to provide an inducement to the prospective purchasers of the bonds and/or project notes to purchase same and to provide security for the holders thereof, the City desires to provide for the subsidy by way of the City Subsidy Ordinance and this Agreement; and

**WHEREAS**, the City and the Agency have determined that it will be economical and otherwise advantageous to them and to the residents of the City for the City and the Agency to enter into this Agreement pursuant to Sections 22, 37, 39 and 41 of the Redevelopment Law, providing for and relating to, among other things, the obligation of the City to pay to the Agency such sums of money as provided herein, provided that said amounts subsequently shall be repaid

to the City upon the terms described herein and that the proceeds to be received, from time to time, from the sale of the Property shall be applied as provided herein; and

**WHEREAS**, the City and the Agency have duly authorized its proper officials to enter into and execute this Agreement;

**NOW, THEREFORE**, in consideration of the promises, the mutual covenants and agreements herein set forth and the undertakings of each party to the other, the Agency and the City, each binding itself, its successors and its assigns, do mutually covenant, promise and agree as follows:

## **ARTICLE I DEFINITIONS**

**Section 101. Definitions.** Capitalized terms used herein and defined in the Recitals hereto shall have the respective meanings ascribed to such terms in the Recitals hereto. In addition, as used and referred to in this Agreement:

“Accountant” means a registered municipal accountant or a certified public accountant of the State of New Jersey retained by the Agency.

“Bond(s)” means any bond, project note or other evidence of indebtedness hereafter issued by the Agency in connection with the Redevelopment Project, including the Series 2022 Obligations and any other bond, project note or other evidence of indebtedness issued by the Agency to acquire the Property or otherwise in connection with the Redevelopment Project. Bonds which are deemed to be paid (defeased) in accordance with their terms shall not be considered outstanding for the purposes of this Agreement.

“Disposition” means any sale, lease or other transfer or conveyance by the Agency of the Property or any portion thereof, or any interest therein, whether made to a designated redeveloper or to any other person or entity whatsoever.

“Disposition Proceeds” means all proceeds received, or to be received, by the Agency from or in connection with any Disposition of the Property.

“Fiscal Year” means the period of twelve consecutive months as shall be determined from time to time by resolution of the Agency.

“Governing Body” shall have the meaning given to such term in the Redevelopment Law.

“Sections or Articles” mentioned by numbers are the respective Sections and Articles of this Agreement so numbered.

“Series 2022 Obligations” means, collectively, the Agency’s \$\_\_\_\_\_ aggregate principal amount of Revenue Bonds, Series 2022 (68-74 Sip Avenue / 164-168 Sip Avenue Redevelopment Project) (City Secured) and \$\_\_\_\_\_ aggregate principal amount of Project Notes, Series 2022 (68-74 Sip Avenue / 164-168 Sip Avenue Redevelopment Project) (City Secured), each with such additional or other designations as set forth in the Trust Indenture.

“Trust Indenture” means the Trust Indenture, dated as of February 1, 2022, by and between the Agency and the bond trustee named therein, as the same may be amended and supplemented from time to time, authorizing the issuance of Bonds.

Words importing the singular number include the plural number, and vice versa, and words importing persons include firms, associations and corporations.

**Section 102. Short Title.** This Agreement may be cited and referred to as the "Subsidy Agreement".

**Section 103. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Agreement, on the part of the Agency or the City to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Agreement.

## **ARTICLE II THE REDEVELOPMENT PROJECT AND THE BONDS**

**Section 201. The Redevelopment Project.** The Agency has been designated by the City as the redevelopment entity (as such term is defined in the Redevelopment Law) for the Redevelopment Area. In accordance with the Purchase and Sale Agreement, the Agency has heretofore arranged for the acquisition of the Property. The Agency will use its best efforts to arrange for the private redevelopment of the Property in accordance with the Redevelopment Plan.

**Section 202. The Series 2022 Obligations.** In furtherance of its undertakings under this Agreement, the Agency shall issue the Series 2022 Obligations to provide for payment of the cost of acquiring the Property pursuant to the Purchase and Sale Agreement and to finance certain additional costs of the Redevelopment Project.

**Section 203. Additional Bonds.** The Agency may also issue, from time to time, one or more additional series of additional Bonds to finance additional costs of the Redevelopment Project. The Bonds (including the Series 2022 Obligations) shall be paid from, among other things, the pledge of revenues of the Agency as more fully set forth in the Trust Indenture, which may include Disposition Proceeds and other amounts paid to the Agency with respect to the Redevelopment Project, including amounts paid by the City pursuant to Section 402 of this Agreement. The Agency shall deliver to the City a written notice containing a complete debt service schedule relating to the Series 2022 Obligations and each additional series of Bonds promptly following the issuance thereof, together with the information required by Sections 402(i) and (ii) hereof, to the extent known at the time such written notice is issued. The City covenants and agrees to budget and appropriate the net amount due in the next fiscal year pursuant to such written notice in the municipal budget for such fiscal year.

**Section 204. Limitation on Bonds.** As provided in the City Subsidy Ordinance, the total aggregate principal amount of all Bonds (including the Series 2022 Obligations) that may be issued by the Agency and secured by this Agreement is limited to \$18,000,000. In the case of Bonds issued for the purpose of refunding any prior Bonds, the amount of prior Bonds so refunded may be deducted from this limitation, provided that at the time of issuance of said refunding Bonds said prior Bonds are no longer legally outstanding under the Trust Indenture.

### ARTICLE III DISPOSITION OF PROPERTY; DISPOSITION PROCEEDS

**Section 301. Disposition of Property.** The Agency shall from time to time convey title to one or more portions of the Property to the applicable private redeveloper upon such price and terms as the Agency, in conjunction with the City, and such private redeveloper determine reasonable in accordance with the Redevelopment Law. Prior to agreeing with any private redevelopers as to the Disposition of any portion of the Property, the Agency shall first consult with the City regarding the intended application of the Disposition Proceeds, which shall be in accordance with the provisions of Section 302 hereof. In structuring the timing of receipt of the Disposition Proceeds, the Agency shall take into account the considerations identified in Section 302 hereof, and shall deliver to the City a complete schedule reflecting the amounts and dates on which such Disposition Proceeds are expected to be received, as well as prompt written notice of any subsequent changes thereto.

**Section 302. Disposition Proceeds.** The Agency and the City agree that that the Disposition Proceeds shall, as and when received by the Agency, be used solely for the following purposes and in the following order of priority:

[First, to retire or reduce the amount of the Agency's outstanding Bonds benefitting from the security of this Agreement (including through the establishment of one or more sinking funds or escrow accounts therefor), and the Trust Indenture may provide that the Disposition Proceeds may be pledged, in whole or in part, for such purpose;]

[Second, to reimburse the City for any amounts previously paid by the City under this Agreement, specifically Section 402 hereof, to the extent not previously reimbursed to the City;]

Third, [with the written consent of the Mayor (which consent may be given or withheld at his or her absolute discretion),] to the Agency for deposit into a reserve account for the payment of future costs of the Redevelopment Project; and

Fourth, to the City, to the extent of any remaining Disposition Proceeds.

## **ARTICLE IV**

### **REVENUES OF THE AGENCY AND PAYMENTS BY THE CITY**

**Section 401. Revenues.** The Agency and the City acknowledge that the Agency will be unable to operate, maintain and manage the Redevelopment Project such that the revenues of the Agency in each fiscal year shall be sufficient (A) to pay or provide for the expenses of the Redevelopment Project and the principal and redemption premium of and interest on any and all Bonds as the same become due, (B) to maintain such reserves or sinking funds as may be required by the terms of any contract of the Agency or the Trust Indenture or as may be deemed necessary or desirable by the Agency, and (C) to comply in all respects with the terms and provisions of the Trust Indenture and the Act. It is therefore the intent of the Agency and the City that (i) the Disposition Proceeds shall be used, to the maximum extent feasible, for the purpose of operating, maintaining and managing the Redevelopment Project, and retiring or reducing the amount of the Agency's outstanding Bonds (including through the establishment of one or more sinking funds or escrow accounts therefor) and (ii) the City shall be required to make scheduled subsidy payments in respect of actual deficiencies as provided in this Article IV.

**Section 402. Payment of Actual Deficiencies.** Subject to the following sentence, the City shall appropriate in each fiscal year an amount sufficient to pay in full the scheduled debt service payable during each fiscal year in respect of all outstanding Bonds, as set forth in the debt service schedules delivered to the City pursuant to Section 203 hereof. However, the City shall not be required to appropriate funds to pay such portion of said debt service as to which the Agency has notified the City of either (i) its intention to issue refunding Bonds to refinance said debt service or (ii) the availability of Disposition Proceeds which the Agency intends to utilize to pay said debt service. No later than sixty (60) days prior to each date on which payments of scheduled debt service on Bonds is due (each, a "Payment Date"), the Agency shall confirm to the City the amount of debt service expected to be paid from the sources identified in the preceding sentence. No later than thirty (30) days prior to each such Payment Date, the Agency shall authorize the issuance and sale of any applicable refunding Bonds and shall cause any said Disposition Proceeds to be deposited with trustee under the Trust Indenture (the "Trustee"). Revenues (as defined in the Trust Indenture) deposited in the Revenue Fund established under the Trust Indenture, from payments made by the Agency (including from Disposition Proceeds), shall be credited to the Agency in the Debt Service Fund established under the Trust Indenture not later than 3:00 p.m. on the thirtieth (30th) day prior to the Payment Date by the Trustee. Not later than 1:00 p.m. of the first Business Day (as defined in the Trust Indenture) thereafter, the Trustee shall determine whether the amounts on deposit in Debt Service Fund are sufficient to meet the debt service requirement on the Payment Date. If on the twenty-fifth (25<sup>th</sup>) day prior to the Payment Date, available funds on deposit in the Debt Service Fund are insufficient to provide for the payment of the principal of and interest on the Bonds on the Payment Date, the Trustee shall notify the City and the Agency no later than 3:00 p.m. on such date, of the amount of such deficiency, and shall demand that such deficiency be cured by the City no later than two (2) days before the Payment Date. The City shall acknowledge receipt of such notice in writing within one (1) Business Day, and, no later than two (2) Business Days prior to such Payment Date the City shall make payment in immediately available funds to the Trustee of the amount of such deficiency then existing in the Debt Service Fund. Such City payment shall be deposited by the Trustee into the Debt Service Fund, as and to the extent provided in the Trust Indenture.

Notwithstanding any other provision of this Agreement to the contrary, failure of the Trustee to give the City notice as provided therein shall not relieve the City of its obligation to make payment to the Trustee under the terms of this Agreement, provided, however, that nothing in this Agreement shall be construed as a waiver of the City's right to proceed against the Agency or the Trustee for the City's damages, if any, arising from the failure to give timely notice to the City pursuant to Section 203 hereof. The City's sole obligation shall be to pay the payment of the principal of and/or interest on the Bonds to the extent such funds are not otherwise available from the Revenues of the Agency with respect thereto.

**Section 403. City's Obligation.** The City shall make all budgetary or other provisions for appropriation in its annual budgetary process, or if necessary, by emergency appropriation or the issuance of bonds or notes, at any time, as may be necessary to provide for and authorize payment to the Agency as required by this Agreement. The payments required to be made by the City hereunder constitute valid, binding and general obligations of the City and the City shall levy *ad valorem* taxes upon all taxable property therein for the payment of the amounts due hereunder, limited for the purposes set forth in Section 402.

**Section 404. Continuing Disclosure.** For purposes of any continuing disclosure undertaking of the City executed in connection with the Bonds, payments by the City under this Agreement shall not be considered to be unscheduled draws reflecting financial difficulties, inasmuch as the Agency and the City anticipate that the City will be required to make continuing payments under this Agreement in order to provide funds which, together with the Revenues, will be sufficient to pay the debt service requirements of the Bonds on an ongoing basis.



## **ARTICLE V MISCELLANEOUS**

**Section 501. Accounts.** The Agency will keep proper books of record and account which shall, at all reasonable times, be subject to inspection by the City. The Agency shall cause its books and accounts to be audited annually by an Accountant, and annually within 6 months after the close of each Fiscal Year, copies of the report of such audits so made shall be furnished by the Agency to the City, including statements in reasonable detail, accompanied by a certificate signed by the Accountant, of financial condition, of revenues and operating expenses, and of all funds held by or for the Agency within 14 days of its completion. In addition to the other reports required by this Agreement, the Agency will report to the City Council of the City at least once in each year between January 1 and June 30 and once between July 1 and December 31 regarding the status of the Redevelopment Project.

**Section 502. Enforcement and Obligation of City.** If any payment or part thereof due to the Agency from the City shall remain unpaid for 30 days following its due date, the City shall be charged with and will pay to the Agency interest on the amount unpaid from its due date until paid, at a rate per annum equal to 1 percent in excess of the highest rate of interest per annum which the Agency is then paying with respect to any of its Bonds unless waived by the Agency. Every obligation assumed by or imposed upon the City by this Agreement shall be enforceable by the Agency by appropriate action or proceeding, and the Agency may have and pursue any and all remedies provided by law for the enforcement of such obligation.

**Section 503. Effect of Breach.** Failure on the part of the Agency or the City in any instance or under any circumstance to observe or fully perform any obligation assumed by or imposed upon it by this Agreement or by law shall not relieve the City from making any payment to the Agency or fully performing any other obligation required of it under this Agreement, but the City may have and pursue any and all other remedies provided by law for compelling performance by the Agency of said obligation assumed by or imposed upon the Agency.

**Section 504. Special Consent by City.** Except as provided in Section 302 hereof, whenever under the terms of this Agreement the City is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by the Clerk and under its seal, of a resolution purporting to have been adopted by the governing body of the City and purporting to give such consent.

**Section 505. Special Consent by Agency.** Whenever under the terms of this Agreement the Agency is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the governing body of the Agency and purporting to give such consent.

**Section 506. Pledge or Assignment.** This Agreement may not be assigned by any party without the consent of all other parties; provided, however, that, since this Agreement is made with particular reference to the holders or prospective holders of the Bonds or other obligations of the Agency for the purpose of assuring and protecting the interests of such

holders, the Agency, without consent of the City, at any time may assign or pledge for the benefit and security of the holders of Bonds all of its rights under the provisions of this Agreement to receive payments from the City, and thereafter this Agreement shall not be terminated, modified or changed by the Agency or the City except in the manner (if any) and subject to the conditions (if any) permitted by the terms and provisions of such assignment or pledge.

**Section 507. Repayments to City.** It is the intention of the City and the Agency that obligations and expenses of the Agency be paid from revenues of the Agency derived solely from the Redevelopment Project, including (without limitation) Disposition Proceeds to the extent not otherwise applied pursuant to Section 302 of this Agreement, at such time as the Agency's operations will permit.

**Section 508. Termination of this Agreement.** At any time after the payment in full of all obligations of the Agency including its Bonds, the City or the Agency, may terminate this Agreement. This Agreement shall not terminate on account of the failure of any party hereto to perform its obligations hereunder.

**Section 509. Execution of Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be executed by the Agency and by the City and all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same.

**IN WITNESS WHEREOF**, the Agency and the City have caused this Agreement to be signed by their respective duly authorized officers and this Agreement to be dated as of the day and year first above written.

ATTEST:

**JERSEY CITY REDEVELOPMENT  
AGENCY**

\_\_\_\_\_  
SECRETARY

BY: \_\_\_\_\_  
CHAIRPERSON

ATTEST:

**CITY OF JERSEY CITY, IN THE  
COUNTY OF HUDSON, NEW  
JERSEY**

\_\_\_\_\_  
CLERK

BY: \_\_\_\_\_  
MAYOR

State of New Jersey  
Department of Community Affairs  
Supplemental Debt Statement

Local Government: Jersey City Prepared As Of: 11/29/2021

Budget Year Ending December 31 (Month D-D) 2021 (Year)

Name: Jack Scura

Phone: 2015473092

Title: \_\_\_\_\_

Email: jscura@jcnj.org

Address: 280 Grove Street

Jersey City, New Jersey 07302

CFO Cert #: \_\_\_\_\_

Jack Scura, Being duly sworn, deposes and says: Deponent is the Chief Financial Officer of Jersey City here and in the statement hereinafter mentioned called the local unit. The Supplemental Debt Statement annexed hereto and hereby made a part hereof is a true statement of the debt condition of the local unit as of the date therein stated and is computed as provided by the Local Bond Law of New Jersey.

	Decrease	Increase	
Net Debt as per Annual Debt Statement	(Since December 31, last past)		Net Debt
Bonds and Notes for School Purposes	\$0.00	\$	\$0.00
Bonds and Notes for Self-Liquidating Purposes	\$0.00	\$	\$0.00
Other Bonds and Notes	\$533,664,329.06	\$51,421,611.30	\$743,051,303.76
2 Net Debt at the time of this statement is			\$743,051,303.76

The amounts and purposes separately itemized of the obligations about to be authorized, and any deductions which may be made on account of each such item are: (see Note "C" below)

Bond Ordinance	Purposes	Amount	Deduction	Net
	Subsidy to Secure JCRA Sip Avenue Principal and Interest Payments	\$18,000,000.00	\$0.00	\$18,000,000.00
		\$18,000,000.00	\$0.00	\$18,000,000.00

4 The net debt of the local unit determined by the addition of the net debt amounts stated in items 2 and 3 above is: \$761,051,303.76

5 Equalized valuation basis (the average of the equalized valuations of real estate, including improvements and the assessed valuation of class II railroad property of the local unit for the last 3 preceding years) as stated in the Annual Debt Statement or the revision thereof last filed.

Year		
(1) 2018	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$33,950,177,994.00
(2) 2019	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$40,064,411,608.00
(3) 2020	Equalized Valuation Real Property with Improvements plus assessed valuation of Class II RR Property	\$44,172,746,827.00

6 Equalized Valuation Basis – Average of (1), (2) and (3)..... \$39,395,778,809.67

7 Net Debt (Line 4 Above) expressed as a percentage of such equalized valuation basis (Line 6 above) is: 1.932%

Notes

- A If authorization of bonds or notes is permitted by an exception to the debt limit, specify the particular paragraph of N.J.S.A. 40A:2-7 or other section of law providing such exception.
- B This form is also to be used in the bonding of separate (not Type I) school districts as required by N.J.S.A. 18A:24-16, and filed before the school district election. In such case pages 3 and 4 should be completed to set forth the computation supporting any deduction in line 3 above.
- C Only the account of bonds or notes about to be authorized should be entered. The amount of the "down payment" provided in the bond ordinance should not be included nor shown as a deduction.

**COMPUTATION AS TO INDEBTEDNESS FOR IMPROVEMENT OR EXTENSION OF AN  
EXISTING MUNICIPAL PUBLIC UTILITY, N.J.S.A. 40A:2-7(h); NJSA 40A:2-47(a)**

- 1. Annual Debt Statement, excess in revenues of utility
- 2. Less Interest and principal computed as provided in N.J.S.A. 40A:2-47(a) for all obligations authorized but not issued to the extent not already charged to income in the annual debt statement.
- 3. Excess revenue prior to authorizing proposed obligations = (column 1 minus column 2)
- 4. Interest and principal calculated for proposed obligations N.J.S.A. 40A:2-47(a)
  - (a) Interest for one year at 4 1/2%
  - (b) First installment of serial bonds legally issuable
  - (c) Total charges (Items (a) and (b))

	1	2	3	4(a)	4(b)	4(c)
Municipal Public Utility	ADS Excess in Revenues of Utility	Less Interest and Principal	Excess Revenue	Interest for One Year	1 <sup>st</sup> Installment of Serial Bonds Legally Issuable	Total Charges

Note: If line 3 equals or exceeds line 4, obligations may be authorized under the provisions of N.J.S.A. 40A:2-7(h) as limited by N.J.S.A. 40A:2-47(a).

COMPUTATION OF SCHOOL INDEBTEDNESS AND DEDUCTIONS  
UNDER PROVISIONS OF N.J.S.A. 18A: 24-17

**N.J.S.A. 18A:24-19 (Lines 1 to 7)**

1	Average of equalized valuations (page 1, line 3)	\$39,395,778,809.67
2	Gross School District Debt outstanding and authorized but not issued (not including proposed issue)	\$
3	Less: Sinking funds held for payment of School Debt, by Sinking Fund Commission	\$
4	Net debt for school purposes (line 2, minus line 3)	\$0.00
5	Debt deduction for school purposes' % (as per line below)	% \$
	(a) 2½% Kindergarten or Grade 1 through Grade 6	
	(b) 3 % Kindergarten or Grade 1 through Grade 8	
	(c) 3½% Kindergarten or Grade 1 through Grade 9	
	(d) 4 % Kindergarten or Grade 1 through Grade 12	
6	Available debt deduction (excess, if any, of line 5 over line 4)	\$0.00
7	School Bonds about to be authorized	\$
Note: Omit lines 8 to 13, if line 6 equals or exceeds line 7. or if shown on line 17		

**N.J.S.A. 18A:24-22 (Lines 8 to 13)**

8	Excess of line 7 over line 6	\$0.00
9	Municipal Debt Limit (3½% of line 1 above)	\$1,378,852,258.34
10	Net Debt	\$743,051,303.76
11	Available Municipal Borrowing Margin (excess, if any, of line 9 over line 10)	\$635,800,954.58
12	Use of Municipal Borrowing Margin (line 8 not exceeding line 11)	\$0.00
13	Remaining Municipal Borrowing Margin after authorization of proposed School Bonds (line 11 minus line 12)	\$635,800,954.58
Note: Omit lines 14 to 16, if line 11 equals or exceeds line 8, or if shown on line 17		

**N.J.S.A. 18A:24-24 (lines 14 to 16)**

14	Amount of line 7	\$
15	Amount of Deduction:	
	(a) Amount of line 6	\$0.00
	(b) Amount of line 11	\$635,800,954.58
	Total	\$635,800,954.58
16	Excess of line 14 over line 15	\$0.00

Computation of Regional School Indebtedness

	1	2	3	4	5
Municipality	Average Equalized Valuations 40A:2-43		Apportionment of Previous Bonds Issued or Authorized	Amount Apportionment of Proposed Bond Issue	Total Apportionment of Previous Bonds Issued or Authorized plus Apportionment Proposed Bond Issue (Column 3 plus 4)
	Amount	Percentage			
		%			
Totals		%			

**SPECIAL DEBT STATEMENT**  
**BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(f)**

1	Amount of accumulated debt incurring capacity under RS 40:1-16(d) as shown on the latest Annual Debt Statement.		\$
2	Obligations heretofore authorized in excess of debt limitation and pursuant to:		
	(a) N.J.S.A. 40A:2-7(d)	\$	
	(b) N.J.S.A. 40A:2-7(f)	\$	
	(c) N.J.S.A. 40A:2-7(g)	\$	
	<b>Total</b>		\$0.00
3	Available debt incurring capacity (N.J.S.A. 40A:2-7(f))		\$
4	Obligations about to be authorized pursuant to N.J.S.A. 40A :2-7(f) (If item 3 equals or exceeds item 4, obligations may be authorized)		\$

**BORROWING POWER AVAILABLE UNDER N.J.S.A. 40A:2-7(g)**

1	Total appropriations made in local unit budget for current fiscal year for payment of obligations of local unit included in Annual Debt Statement or revision thereof last filed as of preceding December 31, 2020		\$
2	Less the amount of such obligations which constitute utility and assessment obligations:		\$
3	Excess of item 1 over item 2:		\$0.00
4	Amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district		\$
5	Amount equal to 2/3 of the sum of item 3 and item 4		\$0.00
6	(a) Amount of obligations heretofore authorized under N.J.S.A. 40A:2-7(g) in current fiscal year	\$	
	(b) Amount of authorizations included in 6(a) which were heretofore repealed	\$	
	(c) Excess of item 6(a) over item 6(b)		\$0.00
7	Excess of item 5 over item 6(c)		\$0.00
8	Obligations about to be authorized		\$
9	Borrowing capacity still remaining after proposed authorization		\$0.00
	(item 7 less item 8) (If item 7 equals or exceeds item 8, obligations may be authorized)		