

City Clerk File No. Ord. 18-113

Agenda No. 3.A 1st Reading

Agenda No. 4.A. 2nd Reading & Final Passage



## ORDINANCE OF JERSEY CITY, N.J.

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

### CITY ORDINANCE 18-113

**TITLE:** ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (1) AUTHORIZING THE CITY TO ENTER INTO A REAL ESTATE PURCHASE AGREEMENT, ENVIRONMENTAL AGREEMENT, AND ALL OTHER DOCUMENTS NECESSARY FOR AND RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY, THE DEMOLITION OF CERTAIN STRUCTURES, AND THE CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE BAYFRONT I REDEVELOPMENT AREA (2) APPROPRIATING \$170,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$170,000,000 BONDS OR NOTES OF THE CITY TO FINANCE THE COST THEREOF AND (3) AUTHORIZING THE CITY TO ENTER INTO A COOPERATION AGREEMENT WITH THE JERSEY CITY REDEVELOPMENT AGENCY TO REPRESENT THE CITY IN THE REDEVELOPMENT OF THE BAYFRONT I REDEVELOPMENT AREA

WHEREAS, on February 27, 2008, pursuant to Resolution 08-130 (as supplemented by Resolution 08-172 dated March 12, 2008), the City of Jersey City (the "City") designated Block 21901, Lots 3 thru 10 and Block 24601 Lots 1 thru 12 (formerly Block 12901.1 aka Block 1290.A, Lots 1.E, 2E , 2A, 2.D, 9.H 9.L, 10.E, 10.H, 11.H, 11.W, 11.Y, 14.D, 14.H, 14.J, 16A.99, 17, 18, 19 and 20) to be an "area in need of redevelopment" (the "**Bayfront I Redevelopment Area**") in accordance with the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "**Redevelopment Law**"); and

WHEREAS, on March 12, 2008, pursuant to Ordinance 08-025 and the Redevelopment Law, the City adopted a redevelopment plan known as the Bayfront I Redevelopment Plan (hereinafter, the "**Redevelopment Plan**"); and

WHEREAS, on May 12, 2008, the Jersey City Redevelopment Agency (the "**JCRA**") entered into that certain Redevelopment Agreement (the "**RDA**") with Bayfront Redevelopment, LLC, a limited liability company of the State of Delaware, having its principal place of business at 115 Tabor Road, Morris Plains, N.J. 07950 ("**Bayfront**"); and

WHEREAS, the Jersey City Planning Board approved Bayfront's application for preliminary and final major subdivision for Block 21901, Lots 5-10 and Block 24601, Lots 1-12, and the Jersey City Tax Assessor has assigned the aforementioned parcels a new block and lot numbers as follows: Block 21901.01, Lots 1 thru 9 (the "Final Major Subdivision"); and

WHEREAS, the Final Major Subdivision shall be perfected upon execution of that certain Private Easement Agreement between Bayfront and the City, and thereafter the new block and lots shall appear in the official tax map of the City; and

WHEREAS, the area identified as Block 21901, Lot 4, also known as the "Trenk Lot", was not included in the Final Major Subdivision but is a part of the Redevelopment Area and the Purchase Agreement (defined below); and

WHEREAS, at a public caucus meeting of the City held on May 21, 2018, the Mayor and the JCRA presented several options as to the future implementation of the redevelopment of the Redevelopment Area; and

WHEREAS, on June 27, 2018, the City Council adopted Resolution 18-609 determining that the City should purchase the development parcels within the Bayfront I Redevelopment Area, in order to, amongst other things, bring the largest number affordable housing units to the Bayfront I Redevelopment Area, allow the City to have flexibility in implementing the goals of the Redevelopment Plan, and permit the City to structure the redevelopment of the Bayfront I Redevelopment Area in a way that best serves the interests of the City and the community; and

WHEREAS, the Bayfront I Redevelopment Area is in an area of the City that holds the key to the future growth and expansion of the City's western waterfront, and

WHEREAS, *N.J.S.A.* 40A:12-5(a)(1) of the Local Land and Buildings Law and Sections 8(b) and (c) of the Redevelopment Law each empower municipalities to acquire real property by purchase, gift, devise, lease, exchange, condemnation or installment purchase agreement; and

WHEREAS, the Mayor and the City Council of the City have determined that the City has a need to acquire the Development Lots (as defined below) located within the Bayfront I Redevelopment Area in order to effectuate the redevelopment of same in accordance with the Redevelopment Plan; and

WHEREAS, the City desires to enter into a Real Estate Purchase Agreement, by and between the City and Bayfront, attached hereto in substantially final form as **Exhibit A**, the attachments of which are on file with the City clerk (the "**Purchase Agreement**"), pursuant to

which the City will purchase all or portions of those certain parcels known as Block 21901, Lots 4 thru 10, and all or portions of Block 24601, Lots 1 thru 12 on the official tax maps of the City, together with all improvements, easements, rights of way, appurtenances and other rights and benefits thereunto (the “**Development Lots**”), the metes and bounds descriptions of which are included in the Environmental Agreement (defined below), at a purchase price of \$90,000,000; and

WHEREAS, the City desires to fund the design and construction of certain infrastructure improvements for phase 1 of the redevelopment of the Bayfront I Redevelopment Area, including, but not limited to, the construction of roadways, sewer and water lines, storm water drainage, traffic control devices, electrical and gas infrastructure and landscaping and hardscape improvements for three open-space areas (the “**Phase I Infrastructure**”); and

WHEREAS, the cost to design and construct the Phase I Infrastructure is estimated to be an amount not to exceed \$71,000,000; and

WHEREAS, pursuant to that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 North and that certain First Amended Consent Decree Regarding Remediation and Redevelopment of Study Area 6 South, in each case signed by Hon. Dennis M. Cavanaugh, U.S.D.J. in the matter *Jersey City Municipal Utilities Authority v. Honeywell International, Inc.*, United States District Court, District of New Jersey, and other related cases consolidated under Docket No. 05-5955 (DMC-PS) (collectively, the “**Consent Decree**”), the City desires to fund the demolition of certain structures located upon the Development Lots, which cost is estimated to be approximately \$6,000,000; and

WHEREAS, pursuant to the Consent Decree, Honeywell International Inc. (“**Honeywell**”) shall continue to retain responsibility for the Remediation of Chromium Contamination (as defined in the hereinafter defined Environmental Agreement) and the City shall continue to be responsible for the Remediation of the Non-Chromium Contamination (as defined in the Environmental Agreement), all as further detailed in an Environmental Agreement, by and between the City and Bayfront, attached hereto in substantially final form as **Exhibit B**, the attachments of which are on file with the City clerk (the “**Environmental Agreement**”); and

WHEREAS, upon the City’s acquisition of the Development Lots from Bayfront, the RDA with Bayfront will terminate; and

WHEREAS, pursuant to the Redevelopment Law, the City hereby designates the JCRA to act as the redevelopment entity (the "**Redevelopment Entity**") to implement the Redevelopment Plan and carry out the hereinafter defined Redevelopment Project described therein, within the Bayfront I Redevelopment Area; and

WHEREAS, the JCRA, in its capacity as Redevelopment Entity, shall serve as general agent for the City with respect to any action to be taken, direction to be provided, or right or remedy to be exercised by the City with regard to the Bayfront I Redevelopment Area, pursuant to a Cooperation Agreement, by and between the City and the JCRA, attached hereto in substantially final form as **Exhibit C** (the "**Cooperation Agreement**").

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

Section 1. The recitals to this bond ordinance are hereby incorporated as if set forth in full herein.

Section 2. The improvement described in Section 4 of this bond ordinance is hereby authorized to be undertaken by the City as a general improvement. For the improvement or purpose described in Section 4, there is hereby appropriated the sum of \$170,000,000. No down payment is required pursuant to *N.J.S.A. 40A:12A-37(c)* as this bond ordinance authorizes obligations for the purpose of aiding the Redevelopment Entity with respect to the hereinafter defined Redevelopment Project within the City.

Section 3. In order to finance the cost of the improvement or purpose, negotiable bonds are hereby authorized to be issued in the principal amount of \$170,000,000 pursuant to the Redevelopment Law. 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 Redevelopment Law.

Section 4. (a) The improvement hereby authorized and the purpose for which the bonds are to be issued is to aid in the redevelopment project described in the Redevelopment Plan, including, but not limited to, the acquisition of the Development Lots, the demolition of existing buildings and structures in the Redevelopment Area, the construction of infrastructure improvements, including, but not limited to, the Phase I Infrastructure, any and all obligations set forth in the Purchase Agreement and the Environmental Agreement, and all work and materials

necessary therefore and incidental thereto (collectively, and as further described in the Redevelopment Plan, the "**Redevelopment Project**").

(b) The estimated maximum amount of bonds or bond anticipation notes to be issued for the improvement or purpose is as stated in Section 3 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

Section 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the City's chief financial officer; provided that no bond anticipation note shall mature later than one year from its date, unless permitted otherwise pursuant to applicable law. The bond anticipation 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 bond anticipation notes issued pursuant to this bond ordinance, and the chief financial officer's signature upon the bond anticipation notes shall be conclusive evidence as to all such determinations. All bond anticipation notes issued hereunder may be renewed from time to time subject to the provisions of the Redevelopment Law. The chief financial officer is hereby authorized to sell part or all of the bond anticipation 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 bond anticipation notes pursuant to this bond ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the bond anticipation notes sold, the price obtained and the name of the purchaser.

Section 6. 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 bond 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 7. The following additional matters are hereby determined, declared, recited and stated:

(a) The purpose described in Section 4 of this bond ordinance is not a current expense. It is an improvement or purpose that the City may lawfully undertake as a general improvement described in the Redevelopment Plan, and no part 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 and ending not more than forty 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 bond anticipation notes provided in this bond ordinance by \$170,000,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An amount not exceeding \$20,000,000 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 purpose or improvement.

(e) The obligations of the City authorized by this bond ordinance shall bear interest at a maximum rate of not to exceed eight (8.00%) per centum per annum.

Section 8. Any grant moneys received for the purpose described in Section 4 hereof shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this bond ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 9. The City hereby declares the intent of the City to issue the bonds or bond anticipation notes in the amount authorized in Section 3 of this bond ordinance and to use proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 4 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 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. The Mayor and Business Administrator (including their designees, each an "Authorized Officer"), are each hereby authorized and directed, in consultation with counsel to the City, to execute and deliver the Purchase Agreement, the Environmental Agreement and the Cooperation Agreement in the forms set forth in Exhibit A, Exhibit B and Exhibit C, respectively, attached hereto, with such additions, modifications or deletions recommended by counsel to the City and agreed by the respective parties to such agreements. The Clerk of the City is hereby authorized to attest to the execution of such agreements and, where necessary, affix the seal of the City onto same. Each Authorized Officer of the City is hereby authorized and directed to take any and all action deemed necessary, useful or convenient, and to execute any document, certificate or agreement necessary to effectuate the purposes of this ordinance, the redevelopment of the Redevelopment Area and the transactions contemplated by the Purchase Agreement, the Environmental Agreement and the Cooperation Agreement.

Section 13. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption.

ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (1) AUTHORIZING THE CITY TO ENTER INTO A REAL ESTATE PURCHASE AGREEMENT, ENVIRONMENTAL AGREEMENT, AND ALL OTHER DOCUMENTS NECESSARY FOR AND RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY, THE DEMOLITION OF CERTAIN STRUCTURES, AND THE CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE BAYFRONT I REDEVELOPMENT AREA (2) APPROPRIATING \$170,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$170,000,000 BONDS OR NOTES OF THE CITY TO FINANCE THE COST THEREOF AND (3) AUTHORIZING THE CITY TO ENTER INTO A COOPERATION AGREEMENT WITH THE JERSEY CITY REDEVELOPMENT AGENCY TO REPRESENT THE CITY IN THE REDEVELOPMENT OF THE BAYFRONT I REDEVELOPMENT AREA

BOND ORDINANCE STATEMENT AND SUMMARY

The bond ordinance, the summary terms of which are included herein, has been finally adopted by the City of Jersey City, in the County of Hudson, State of New Jersey on \_\_\_\_\_, 2018 and the 20 day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. Copies of the full bond 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 bond ordinance follows:

Title: ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (1) AUTHORIZING THE CITY TO ENTER INTO A REAL ESTATE PURCHASE AGREEMENT, ENVIRONMENTAL AGREEMENT, AND ALL OTHER DOCUMENTS NECESSARY FOR AND RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY, THE DEMOLITION OF CERTAIN STRUCTURES, AND THE CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS WITHIN THE BAYFRONT I REDEVELOPMENT AREA (2) APPROPRIATING \$170,000,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$170,000,000 BONDS OR NOTES OF THE CITY TO FINANCE THE COST THEREOF AND (3) AUTHORIZING THE CITY TO ENTER INTO A COOPERATION AGREEMENT WITH THE JERSEY CITY REDEVELOPMENT AGENCY TO REPRESENT THE CITY IN THE REDEVELOPMENT OF THE BAYFRONT I REDEVELOPMENT AREA

Purpose: Aid in the redevelopment project described in the "Bayfront I Redevelopment Plan" dated February 13, 2008, and adopted by the City Council on March 12, 2008, including, but not limited to, the acquisition of land within the Redevelopment Area, consisting of all or portions of those certain parcels known as Block 21901, Lots 4 thru 10, and all or portions of Block 24601, Lots 1 thru 12 on the official tax maps of the City, fulfillment of any and all obligations pursuant to the acquisition, demolition of existing buildings and structures in the Redevelopment Area, the construction of infrastructure improvements including but not limited to roadways, sewer and water lines, storm water drainage, traffic control devices, electrical and gas infrastructure and landscaping/hardscaping for three open space areas, and all work and materials necessary therefore and incidental thereto.

Appropriation: \$170,000,000

Bonds/Notes Authorized: \$170,000,000

Grants: N/A

Section 20 Costs: \$20,000,000

Useful Life: Not more than 40 years

Robert Byrne, Clerk

APPROVED AS TO LEGAL FORM

  
\_\_\_\_\_  
Corporation Counsel

APPROVED: \_\_\_\_\_

  
\_\_\_\_\_  
Business Administrator

Certification Required

Not Required



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



ORDINANCE NO. Ord. 18-113  
 TITLE: 3.A SEP 26 2018 4.A OCT 10 2018

Ordinance of the City of Jersey City, in the County of Hudson, State of New Jersey (1) Authorizing the City to enter into a real estate purchase agreement, environmental agreement, and all other documents necessary for and related to the purchase of certain real property, the demolition of certain structures, and the construction of certain infrastructure improvements within the Bayfront 1 Redevelopment Area (2) Appropriating \$170,000,000 therefor and authorizing the issuance of \$170,000,000 Bonds or Notes of the City to finance the cost thereof and (3) Authorizing the City to enter into a cooperation agreement with the Jersey City Redevelopment Agency to represent the City in the redevelopment of the Bayfront 1 Redevelopment Area.

RECORD OF COUNCIL VOTE ON INTRODUCTION <span style="float: right;">SEP 26 2018 8-1</span>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY	✓			YUN		✓		RIVERA	✓		
PRINZ-AREY	✓			SOLOMON	✓			WATTERMAN	✓		
BOGGIANO	✓			ROBINSON	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING <span style="float: right;">OCT 10 2018 9-0</span>											
Councilperson <u>RIVERA</u>			moved, seconded by Councilperson <u>LAVARRO</u>						to close P.H.		
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY	✓			YUN	✓			RIVERA	✓		
PRINZ-AREY	✓			SOLOMON	✓			WATTERMAN	✓		
BOGGIANO	✓			ROBINSON	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

SPEAKERS:

YVONNE BALCER  
 JOSEPH BAUMAN  
 WILLIAM MATSIKOUDIS  
 WILLARD ASHLEY  
 LAVERN WASHINGTON  
 BILL LILLIS  
 JASON BURG  
 MIKE KULOWSKI

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson			moved to amend* Ordinance, seconded by Councilperson						& adopted		
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY				YUN				RIVERA			
PRINZ-AREY				SOLOMON				WATTERMAN			
BOGGIANO				ROBINSON				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE <span style="float: right;">OCT 10 2018 7-2</span>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
RIDLEY	✓			YUN		✓		RIVERA	✓		
PRINZ-AREY	✓			SOLOMON	✓			WATTERMAN	✓		
BOGGIANO		✓		ROBINSON	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on SEP 26 2018

Adopted on second and final reading after hearing on OCT 10 2018

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on OCT 10 2018

Robert Byrne, City Clerk

APPROVED:

Rolando B. Lavarro, Jr., Council President

Date OCT 10 2018

APPROVED:

Steven M. Fulop, Mayor

Date OCT 12 2018

Date to Mayor OCT 11 2018

\*Amendment(s):