

**BOND ORDINANCE PROVIDING FOR THE FUNDING OF IMPROVEMENTS TO THE THEATER PORTION OF THE NEW BRUNSWICK CULTURAL CENTER REDEVELOPMENT PROJECT BY AND IN THE CITY OF NEW BRUNSWICK, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY; APPROPRIATING \$18,500,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$18,500,000 BONDS OR NOTES TO FINANCE PART OF THE COST THEREOF**

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

SECTION 1. The improvements described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City of New Brunswick, in the County of Middlesex, State of New Jersey (the "City") as improvements authorized by Local Redevelopment and Housing Law", N.J.S.A. 40A: 12A-1 et seq. (the "Redevelopment Law") and N.J.S.A. 40A:12A-65 et seq. (the "Redevelopment Area Bond Financing Law" and together with the Redevelopment Law, the "Acts"). For the said improvements stated in Section 3, there is hereby appropriated the aggregate sum of not to exceed \$18,500,000. No down payment for said improvements is required pursuant to Section 37 of the Redevelopment Law and the Redevelopment Area Bond Financing Law.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof negotiable bonds of the City are hereby authorized to be issued in the principal amount not to exceed \$18,500,000 pursuant to the Redevelopment Law and the Redevelopment Area Bond Financing Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the City in a principal amount not exceeding \$18,500,000 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

SECTION 3. The improvements and purposes hereby authorized and purposes for the financing of which said debt obligations are to be issued are the construction of the Theater Component (as such term is defined in the hereinafter defined "Financial Agreement") of the New Brunswick Cultural Center Redevelopment Development Project as described in the financial agreement between the City and the

Cultural Center Redevelopment Associates Urban Renewal LLC (the "Financial Agreement") the form of which is on file with the City Clerk.

a. The aggregate estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$18,500,000.

b. The aggregate estimated cost of said improvements and purposes is \$18,500,000.

SECTION 4. The capital budget of the City is hereby amended to conform with the provisions of this bond ordinance, and to the extent of any inconsistency herewith, a resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital programs as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs will be on file in the office of the Clerk of the City and will be available for public inspection.

SECTION 5. The following additional matters are hereby determined, declared, recited and stated:

a. The purposes described in Section 3 of this bond ordinance are not current expenses and are improvements which the City may lawfully undertake as general improvements, and except to the extent set forth in the Financial Agreement, no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

b. The average period of usefulness of said purposes according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 40 years.

c. The supplemental debt statement required by the N.J.S.A. 40A: 2-1 et seq. (the "Local Bond Law") has been duly made 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, New Jersey Department of Community Affairs, and 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 or notes provided for in this bond ordinance by \$18,500,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

d. An aggregate amount not exceeding \$500,000 for items of expense listed in and permitted under section 20 of the Local Bond Law is included in the estimated cost indicated herein for the improvements hereinbefore described.


SECTION 6. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the debt obligations authorized by this bond ordinance. The debt obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the debt obligations and the interest thereon without limitation as to rate or amount.

SECTION 7. The City reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 7 is intended to be and hereby is a declaration of the City's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations Section 150-2. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized by this bond ordinance used to reimburse the City for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized by this bond ordinance or another issue of debt obligations of the City, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the City for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$5,000,000. The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. All

reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized by this bond ordinance is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

SECTION 8. This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption, as provided by the Local Bond Law.

ADOPTED ON FIRST READING  
 DATED: June 7, 2017

  
 \_\_\_\_\_  
 COUNCIL PRESIDENT

ATTEST:  
  
 \_\_\_\_\_  
 CITY CLERK

ADOPTED ON SECOND READING  
 DATED:

  
 \_\_\_\_\_  
 COUNCIL PRESIDENT

ATTEST:  
 \_\_\_\_\_  
 CITY CLERK

APPROVAL OF THE MAYOR ON THIS DAY OF \_\_\_\_\_, 2017.

\_\_\_\_\_  
 MAYOR

APPROVALS:

\_\_\_\_\_  
 CITY ADMINISTRATOR

Councilmember	Yes	No	No Vote	Absent
John Anderson V. Pres. M	X			
Kevin. Egan				X
Rebecca Escobar S	X			
Suzanne Sicora Ludwig	X			
Glenn Fleming, Pres	X			

M=Moved S=Second  
 First Reading Vote on JUNE 7, 2017  
 I, Daniel A. Torrisi, City Clerk of the City of New Brunswick, N.J., do hereby certify that this is a true and correct copy of an ordinance adopted on first reading at the regular meeting of the New Brunswick City Council on: JUNE 7, 2017

Daniel A. Torrisi, City Clerk 

Councilmember	Yes	No	No Vote	Absent
John Anderson, V. Pres				
Kevin. Egan				
Rebecca Escobar				
Suzanne Sicora Ludwig				
Glenn Fleming, Pres				

M=Moved S=Second  
 Second & Final Reading Vote on \_\_\_\_\_  
 I, Daniel A. Torrisi, City Clerk of the City of New Brunswick, N.J., do hereby certify that this is a true and correct copy of an ordinance adopted on second and final reading at the regular meeting of the New Brunswick City Council on:

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 Daniel A. Torrisi, City Clerk  
 Any reproduction of the original document must contain the raised seal of the City of New Brunswick to be legally certified.