



**UNION COUNTY BOARD OF CHOSEN FREEHOLDERS**

ORDINANCE NUMBER: 782-2017  
 DATE OF INTRODUCTION: 2/9/2017  
 DATE OF ADOPTION: 3/9/2017

2/9/2017


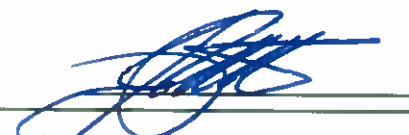

**AN ORDINANCE OF THE COUNTY OF UNION, STATE OF NEW JERSEY AUTHORIZING THE GUARANTY OF THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON NOT TO EXCEED \$8,000,000 AGGREGATE PRINCIPAL AMOUNT OF COUNTY GUARANTEED LEASE REVENUE BONDS, SERIES 2017 (UNION COUNTY FAMILY COURT BUILDING PROJECT- ELIZABETH), ISSUED BY THE UNION COUNTY IMPROVEMENT AUTHORITY, FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY THEREFOR AND DETERMINING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the Union County Improvement Authority (the "Authority") has been duly created by a resolution duly adopted on June 5, 1986 by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Union (the "County") in the State of New Jersey (the "State") as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); and

**WHEREAS**, the County requested that the Authority undertake and provide financing for the design and construction of a Union County Family Court Building and Office Facility to be located at 10 Cherry Street, Elizabeth, New Jersey, which is a facility owned and operated by the Authority, and on adjoining lands currently owned by the County (the "Project"); and

Continued...

INTRODUCTION				RECORD OF VOTE				FINAL ADOPTION							
FREEHOLDER	Aye	Nay	Abs	Pass	Ord.	Sec	NP	FREEHOLDER	Aye	Nay	Abs	Pass	Ord.	Sec	NP
CARTER	X							CARTER	X						
ESTRADA	X							ESTRADA	X						
HUDAK	X							HUDAK							X
JALLOH	X							JALLOH							X
KOWALSKI	X							KOWALSKI	X						
MIRABELLA	X				X			MIRABELLA	X						
WRIGHT	X							WRIGHT	X						
GRANADOS VICE CHAIRMAN	X					X		GRANADOS VICE CHAIRMAN							X
BERGEN CHAIRMAN	X							BERGEN CHAIRMAN	X						

APPROVED AS TO FORM  COUNTY ATTORNEY	I hereby certify the above is an original ordinance adopted by the Board of Chosen Freeholders of the County of Union on the aforementioned date.   CLERK
	I hereby certify this is a true copy of a ordinance adopted by the Board of Chosen Freeholders of the County of Union on the aforementioned date.  _____ CLERK

**WHEREAS**, the Project was for new Family Court facilities for the Union County Superior Court, and office facilities for the Authority and the County, and includes a parking structure; and

**WHEREAS**, the Authority is authorized by law, specifically Section 11 of the Act (N.J.S.A. 40:37A 54(a)), to provide public facilities for use by the County, including without limitation, the provision of the Project; and

**WHEREAS**, each of the Facilities constitute a “public facility” as such term is defined in the Act; and

**WHEREAS**, the Authority has previously issued \$43,125,000 of County Guaranteed Lease Revenue Bonds, Series 2012 (Union County Family Court Building Project - Elizabeth) (the “2012 Bonds”) to finance the Project but change orders to the proposed work have resulted in the need for additional financing in the form of completion bonds to complete the Project; and

**WHEREAS**, the Authority will obtain funds to complete the Project through the issuance of its bonds in an amount not to exceed, \$8,000,000, to be designated County Guaranteed Lease Revenue Bonds, Series 2017 (Union County Family Court Building Project - Elizabeth) (the “Bonds”) and issued pursuant to a supplemental bond resolution to be adopted by the Authority entitled “Supplemental Bond Resolution Authorizing the Issuance of Union County Improvement Authority Guaranteed Lease Revenue Bonds, Series 2017 (Union County Family Court Building Project- Elizabeth) of the Union County Improvement Authority and Determining Other Matters Related Thereto” (the “Bond Resolution”); and

**WHEREAS**, in order to induce prospective purchasers of the Bonds to purchase same, the Authority has requested and the County has agreed to guaranty the payment of the principal of and interest on the Bonds, pursuant to Section 37 of the Act (N.J.S.A. 40:37A-80); and

**WHEREAS**, in accordance with the terms of Section 37 of the Act (N.J.S.A. 40:37A-80) the County shall be obligated, if necessary, to levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount to make the timely payment of the principal of and interest on the Bonds; and

**WHEREAS**, in connection with the issuance of such Bonds, the County will amend the existing lease agreement with the Authority (the “Lease Agreement”) to reflect scheduled lease payment amounts sufficient to pay in a timely manner the principal and redemption premium, if any, of and interest on the Bonds as security for the Bonds; and

**WHEREAS**, the principal of, redemption premium, if any, and interest on the Bonds, including refunding bonds, if any, shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$8,000,000 in accordance with the terms of this guaranty ordinance of the County finally adopted by the Board of Freeholders of the County (the “County Guaranty Ordinance”), a county guaranty agreement by and between the Authority and the County (the “County Guaranty Agreement”), and by a guaranty certificate (collectively, the “Bond Guaranty”) to be executed by the Chairman of the Board of Chosen Freeholders of the County (the “Chairman”) on the face of each Bond, all pursuant to Section 37 (“Section 37”) of the Act (N.J.S.A. 40:37A 80); and

**WHEREAS**, in accordance with Section 13 (“Section 13”) of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report of the Board of Chosen Freeholders of the County, which report will include, without limitation, the Bond Resolution, the Bonds and the Lease Agreement as amended (collectively, the “Financing Documents”).

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF UNION, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring), as follows:**

**SECTION 1.** The recitals are fully incorporated herein by this reference.

**SECTION 2.** This guaranty ordinance shall be adopted by the Board in the manner provided for adoption of a bond ordinance as provided in the Local Bond Law, *N.J.S.A. 40A:2-1 et seq.*, as amended and supplemented (the "Local Bond Law").

**SECTION 3.** Pursuant to and in accordance with the terms of the Act, specifically Section 37 of the Act (*N.J.S.A. 40:37A-80*), the County is hereby authorized to and hereby shall fully, unconditionally and irrevocably guaranty the punctual payment of the principal of and interest on the Bonds, including the renewal or refunding of such Bonds, if any, in an aggregate principal amount not exceeding \$8,000,000, which Bonds are to be issued to finance the Project as described in the recitals hereto, on such terms and conditions as may be agreed to by and between the County and the Authority in the Financing Documents and in such other documents related thereto and as are reflected in this guaranty ordinance and in the guaranty certificate on the face of each Bond. Upon the endorsement of the Bonds referred to in Section 4 below, the County shall be fully, unconditionally and irrevocably obligated to pay the principal of and interest on the Bonds in the same manner and to the same extent as in the case of bonds issued by the County and accordingly, the County shall be unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all the taxable property within the County for the payment thereof without limitation as to rate or amount when required under the provisions of applicable law. The full faith and credit of the County are hereby pledged for the full and punctual performance of said County Bond Guaranties.

**SECTION 4** The Chairman is hereby authorized and directed to execute by manual or facsimile signature an endorsement on each of the Bonds evidencing the County guaranty of the County as to the punctual payment of the principal of and interest on the Bonds. The endorsement on each Bond shall be in substantially the following form, and absent the fully executed endorsement in such following form on any such Bond, such Bond shall not be entitled to the benefits of the applicable Bond Guaranty:

**"GUARANTY OF THE COUNTY OF UNION, STATE OF NEW JERSEY**

The payment of the principal of and interest on the within Bond shall be fully, irrevocably and unconditionally guaranteed by the County of Union, State of New Jersey (the "County") in accordance with the provisions of *N.J.S.A. 40:37A-80* and the guaranty ordinance of the County finally adopted pursuant thereto, and the County is fully, irrevocably and unconditionally liable for the payment, when due, of the principal of and interest on this Bond, and, if necessary, the County shall levy *ad valorem* taxes upon all the taxable property within the County without limitation as to rate or amount in order to make such payment.

**IN WITNESS WHEREOF**, the County has caused this guaranty to be executed by the manual or facsimile signature of its Chairman, all as of the date of the within Bond.

**COUNTY OF UNION, STATE OF NEW JERSEY**

By: \_\_\_\_\_  
**Chairman of the Board of Chosen Freeholders"**

The Chairman is hereby further authorized and directed to negotiate, with the advice of counsel to the County, approve, execute or acknowledge such other certificates or agreements relating to the full, irrevocable and unconditional guaranty that may be required in connection with the Authority's issuance of the Bonds. Such further agreement or certificate shall not in any manner relieve the County from its obligations hereunder.

**SECTION 5.** The following additional matters are hereby found, determined and declared by the County:

(a) This guaranty ordinance may be adopted notwithstanding any statutory or other debt limitations, including, particularly, any limitation or requirement under or pursuant to the Local Bond Law, but the aggregate principal amount of the Bonds that shall be entitled to the benefits of the guaranty, being an amount not to exceed \$8,000,000, shall, after their issuance, be included in the gross debt of the County for the purpose of determining the indebtedness of the County under or pursuant to the Local Bond Law.

(b) The principal amount of Bonds entitled to the benefits of the Bond Guaranty and included in the gross debt of the County shall be deducted and is hereby declared to be and to constitute a deduction from such gross debt under and for all the purposes of the Local Bond Law (i) from and after the time of issuance of the Bonds until the end of the fiscal year beginning next after the completion of the Project, and (ii) in any annual debt statement filed pursuant to the Local Bond Law as of the end of said fiscal year or any subsequent fiscal year if the revenues or other receipts or moneys of the Authority relative to the Project in such year are sufficient to pay its expenses of operation and maintenance in such year and all amounts payable in such year on account of the principal of and interest on all such Bonds, all bonds of the County issued as provided in Section 36 of the Act (*N.J.S.A. 40:37A-79*) and all bonds of the Authority issued under the Act.

**SECTION 6.** The following matters are hereby determined, declared, recited and stated:

(a) The purposes described in this guaranty ordinance are not current expenses of the County and no part of the costs thereof have been or shall be assessed on property specially benefited thereby.

(b) The Bonds shall mature within thirty (30) years from the date of issue.

(c) A supplemental debt statement of the County has been duly made and filed in the office of the Clerk of the Board of Chosen Freeholders, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs, and such debt statement shows that while the gross debt of the County, as defined in the Local Bond Law, is increased by this guaranty ordinance by the amount of the Bonds issued by the Authority, which amount shall not exceed \$8,000,000, upon the satisfaction of the conditions set forth in *N.J.S.A. 40:37A-80*, in accordance with the provisions of the Act, the net debt of the County is not increased, and the obligation of the County authorized by or incurred pursuant to the terms of this guaranty ordinance is permitted by an exception to the debt limitations of the Local Bond Law, which exception is contained in the Act, so long as the payment obligations of the County hereunder are not called upon.

(d) All other items to be contained in a bond ordinance adopted pursuant to the Local Bond Law are hereby determined to be inapplicable to the County's guaranty of the Bonds hereby.

**SECTION 7.** The County hereby covenants and agrees to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), including the secondary market disclosure requirements contained therein, and agrees to covenant to such compliance in the Guaranty Agreement. The Chairman, Director of Finance and any other authorized County representative are each hereby authorized and directed to execute and deliver a continuing disclosure agreement to the Authority and the other parties thereto (the "Continuing Disclosure Agreement"), prepare operating data and financial information for inclusion in the Authority's preliminary and final Official Statements, approve and "deem final" the Authority's preliminary and final Official Statements, to the extent the information contained therein relates to the County, to execute and deliver all certificates, documents and agreements to the Authority and any other applicable party in connection

therewith or which may be necessary to properly issue the Bonds and 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 and the Continuing Disclosure Agreement.

**SECTION 8.** To the extent one or more series of the Bonds are not issued in 2017, references herein to "2017" may without any further action be changed to the year of issuance of such Bonds and all dates related to such year of issuance shall be automatically adjusted.

**SECTION 9.** A public hearing shall be held on this ordinance on March 9, 2017 at 7:00 p.m. in the County Building, 10 Elizabethtown Plaza, Elizabeth, NJ 07207.

**SECTION 10.** The Clerk of the Board is hereby directed to publish and post notice of this ordinance as required by law.

**SECTION 11.** Upon the adoption hereof, the Clerk of the Board shall forward certified copies of this ordinance to the Chairman, County Counsel, the chief administrator of the Authority and Bond Counsel to the Authority, Christopher B. Langhart, Esq., of McManimon, Scotland & Baumann, LLC.

**SECTION 12.** Pursuant to Section 13 of the Act, the County hereby consents to the Project, and the financing thereof, by the Authority in an amount of not to exceed \$8,000,000.

**SECTION 13.** This guaranty ordinance shall take effect at the time and in the manner provided by law.