

RESOLUTION NO. 19 - 36

**RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING CONSTRUCTION LOANS TO
NEWARK CITY AND CITY OF TRENTON**

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the projects are listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsors have submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the projects have been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (iv) the projects are in the fundable range in the forthcoming funding cycle given the projects’ rank and the anticipated availability of Department of Environmental Protection (the “Department”) and I-Bank monies; and (v) the proposed project sponsors have not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the I-Bank duly adopted Resolution No. 19-09 on February 14, 2019 entitled “Resolution of the New Jersey Infrastructure Bank Authorizing the Water Bank Construction Financing Program for State Fiscal Year 2020” (the “Authorizing Resolution”) to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2020 including the Construction Financing Program (the “Construction Loan Program”); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Construction Loan Program for loan closings occurring in SFY2020; and

WHEREAS, pursuant to the terms and definitions of the SFY2020 Authorizing Resolution (each the “Authorizing Resolution”), the Authorized Officers are each severally authorized, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Authorizing Resolution; and

WHEREAS, pursuant to Section 3 of the Authorizing Resolution, any Interim Loan approved by the Authorized officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Construction Loan Program shall not exceed \$15 million in principal amount (Construction Loan Limitation) unless a higher principal amount thereof is

authorized by official action of the Board; and

WHEREAS, pursuant to Section 2 of the Authorizing Resolution, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank; and

WHEREAS, Newark City (Newark) has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the planning, design and construction of Project #S340815-24, for structural evaluation and rehabilitation of small diameter sewers (the “Newark Project”); and

WHEREAS, City of Trenton (Trenton) has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the planning, design and construction of Project #1111001-011, for lead service line replacement (the “Trenton Project”); and

WHEREAS, due to the uncertainty as to the availability of SRF Drinking Water funds, SRF funds may not be available as a source of long-term financing for Trenton; however, the I-Bank has available funds and the statutory authorization for the long-term financing of this lead service line project even without SRF funds; and

WHEREAS, pursuant to the Newark Project, and Trenton Project, construction schedules, Construction Loans not to exceed two years for planning and three full fiscal years for construction will be made, all or a portion of which will be completed prior to each borrower’s receipt of I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loans, thereby resulting in Newark’s request for a construction loan in an amount not to exceed \$21,000,000, and Trenton’s request for a construction loan in an amount not to exceed \$15,900,000; and

WHEREAS, with respect to the Authorizing Resolution’s Construction Loan Limitation providing that any Construction Loan approved by any of the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Construction Loan Program shall not exceed \$15 million in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank, the I-Bank now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Construction Loan Program, to the aforementioned project sponsors in amount not to exceed the amount stated for the purpose of completing the Newark Project and Trenton Project;; and

WHEREAS, it is the desire of the I-Bank that, other than the Authorizing Resolution’s Construction Loan Limitations described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank, as follows:

Section 1. Notwithstanding the Authorizing Resolution’s Construction Loan Limitation providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Construction Loan Program, shall not exceed \$15 million in principal amount, the Board of Directors of the I-Bank, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitations, an Interim Loan, as part of the Construction Loan Program, to the following project sponsors for the stated projects in an amount not to exceed the amount stated for the purpose of completing the project.

Project Sponsor	Project #	Description	Total Authorized Loan Amount
Newark City	S340815-24	Structural evaluation and rehabilitation of small diameter sewers	\$21,000,000
City of Trenton	1111001-011	Lead Service Line replacement	\$15,900,000

Section 2. Notwithstanding the stated loan amounts of \$21,000,000 to Newark and \$15,900,000 to Trenton the Construction Financing Program funding commitment for each loan shall be limited to the operable segments certified, in amounts set forth in the Department’s allowable cost determination for each such operable segment, and such funding commitment shall arise at the time of loan closing of the first such operable segment, and upon the Department’s allowable cost determination for each subsequent operable segment certified thereafter, recognizing that the terms and conditions of the long-term New Jersey Environmental Infrastructure Financing Program loans for each said project shall reflect the terms and conditions of the financing program year in which construction is certified.

Section 3. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loans made to the aforementioned project sponsors as part of the Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: June 11, 2019

Motion Made By: Ms. Kimberly Holmes

Motion Seconded By: Mr. Paul Hauch

Ayes: 7

Nays: 0

Abstentions: 0