

ESSEX COUNTY
IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING: : TRANSCRIPT OF RECORDED
: : PROCEEDINGS
: :
_____:

27 Wright Way
Fairfield, New Jersey

Tuesday, July 19, 2016
Commencing at 5:01 p.m.

M E M B E R S P R E S E N T:

COMMISSIONER MARK S. DUNEC
COMMISSIONER GERARD M. SPIESBACH
COMMISSIONER RONALD J. BROWN, Vice Chairman
COMMISSIONER STEVEN H. KLINGHOFFER, Chairman

M E M B E R S A B S E N T:

COMMISSIONER CLIFFORD ROSS
COMMISSIONER CARLA A. STANZIALE
COMMISSIONER JACQUELINE YUSTEIN

A L S O P R E S E N T:

STEVEN C. ROTHER, Executive Director
NIA H. GILL, ESQ., General Counsel
LUCY SAPINSKI, Director of Operations
CLYDE L. OTIS, III, ESQ., Director of Development/
Assistant General Counsel, (Arrived at 5:02 p.m.)
THOMAS GOMEZ, Airport Manager
BETSY WILLIAMSON, Administrative Assistant
JOSEPH CALI, Senior Project Manager/
Accounts Receivables

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1 MS. DILLON: Okay.

2 On the record.

3 CHAIRMAN KLINGHOFFER: Okay.

4 Notice was duly given by regular mail and
5 facsimile to the Essex County Executive, the
6 Essex County Clerk, the Clerk of the Board of
7 Chosen Freeholders, Freeholder President
8 Timberlake, the News Editor of The Herald News,
9 the News Editor of The Star-Ledger, and notice
10 was posted on the bulletin board in the office of
11 the Essex County Improvement Authority, stating
12 the time, date, and location of the Regular Board
13 Meeting.

14 MS. SAPINSKI: Commissioner Brown?

15 VICE CHAIRMAN BROWN: Here.

16 MS. SAPINSKI: Commissioner Dunec?

17 COMMISSIONER DUNEC: Here.

18 MS. SAPINSKI: Commissioner Spiesbach?

19 COMMISSIONER SPIESBACH: Here.

20 MS. SAPINSKI: Chairman Klinghoffer?

21 CHAIRMAN KLINGHOFFER: Seeing no members of
22 the public, we'll move on the agenda.

23

24 (Whereupon, the Board discussed and took
25 action on the following item:

1 **ACCEPTANCE OF MINUTES**

2 RESOLUTION NO. 16-24 - Regular Board
3 Meeting 6-21-16 and Executive Session.)

4

5 CHAIRMAN KLINGHOFFER: Is there a motion to
6 accept the meeting -- the minutes of the meeting
7 of June 21, and of the Executive Session?

8

9 (Whereupon, Clyde L. Otis, Esq. arrived at
10 5:02 p.m.)

11

12 VICE CHAIRMAN BROWN: I'll move it.

13 COMMISSIONER DUNEC: I'll move it.

14 VICE CHAIRMAN BROWN: Second it.

15 MS. DILLON: I'm sorry. Who moved?

16 VICE CHAIRMAN BROWN: He moved it. I
17 second it.

18 MS. SAPINSKI: Commissioner Dunec moved.

19 MS. DILLON: Okay. I -- I'm sorry. I
20 didn't hear you. I apologize.

21 MS. SAPINSKI: And Commissioner Brown
22 second.

23 Commissioner Brown?

24 VICE CHAIRMAN BROWN: Yes.

25 MS. SAPINSKI: Commissioner Dunec?

1 COMMISSIONER DUNEC: Yes.

2 MS. SAPINSKI: Commissioner Spiesbach?

3 COMMISSIONER SPIESBACH: Yes.

4 MS. SAPINSKI: Chairman Klinghoffer?

5 CHAIRMAN KLINGHOFFER: Yes.

6 Director Rother, do you want to have
7 Executive Session?

8 MR. ROTHER: Yeah. We have three short
9 matters we want to talk about, all involving
10 litigation.

11 CHAIRMAN KLINGHOFFER: Want to do it now?

12 MR. ROTHER: Well, litigation and -- and
13 contracting.

14 We can do it now. The one matter on the
15 agenda will be affected by that.

16 MS. SAPINSKI: So, let's do it now.

17 MR. ROTHER: So, we may as well do it up
18 front. Okay?

19 COMMISSIONER SPIESBACH: Do we have to move
20 -- move?

21 Motion to move to Executive --

22 CHAIRMAN KLINGHOFFER: Someone's got to
23 move it. Yes.

24 MR. ROTHER: Yeah.

25 COMMISSIONER SPIESBACH: Move to go to

1 Executive --

2 VICE CHAIRMAN BROWN: Second.

3 COMMISSIONER SPIESBACH: -- for the
4 purposes of litigation and contract negotiations.

5 MR. ROTHER: Yes. Exactly.

6 CHAIRMAN KLINGHOFFER: Is there a second?

7 VICE CHAIRMAN BROWN: Second.

8 MS. SAPINSKI: Commissioner Brown?

9 VICE CHAIRMAN BROWN: Yes.

10 MS. SAPINSKI: Commissioner Dunec?

11 COMMISSIONER DUNEC: Yes.

12 MS. SAPINSKI: Commissioner Spiesbach?

13 COMMISSIONER SPIESBACH: Yes.

14 MS. SAPINSKI: Chairman Klinghoffer?

15 CHAIRMAN KLINGHOFFER: Yes.

16 MR. ROTHER: And I -- I would like for this
17 Executive Session, if -- if we could have two of
18 the staff members -- Tom, Joe -- stay and Clyde
19 should participate in one of the conversations,
20 if --

21 MS. DILLON: Let me go off the record.

22 MR. ROTHER: Yes. Off -

23

24 (Whereupon, the Board moved to Executive
25 Session at 5:03 p.m., Resolution No. 16-212.)

1
2 (Whereupon, the Board returned to Open
3 Session at 5:37 p.m., Resolution No. 16-25.)

4
5 MS. DILLON: On the record.

6
7 (Whereupon, the Board discussed and took
8 action on the following items:

9 **ADMINISTRATIVE**

- 10 1. RESOLUTION NO. 16-186 - RESOLUTION
11 AUTHORIZING PAYMENT TO AUDIO-DIGITAL
12 TRANSCRIPTION SERVICES, LLC FOR TRANSCRIPTION OF
13 BOARD MEETING ON 6-21-16 AND PUBLIC HEARING ON
14 7-13-16; and
- 15 2. RESOLUTION NO. 16-187 - RESOLUTION
16 RATIFYING PAYMENT OF RECURRING BILLS (BILL LIST);
17 and
- 18 3. RESOLUTION NO. 16-188 - RESOLUTION
19 AUTHORIZING AN AGREEMENT WITH SAMUEL KLEIN AND
20 COMPANY FOR AUDITING SERVICES FOR THE YEAR ENDING
21 DECEMBER 31, 2016; and
- 22 4. RESOLUTION NO. 16-189 - RESOLUTION
23 AUTHORIZING PAYMENT TO SCIROCCO FINANCIAL GROUP
24 IN THE AMOUNT OF \$1,664.35 FOR
25 CHANGES/ENDORSEMENTS TO COMMERCIAL PACKAGE AND

1 CRIME POLICY.)

2

3 CHAIRMAN KLINGHOFFER: Okay.

4 Next order of business is matters 1 through
5 4, Administrative Resolutions.

6 Anybody like to move them as a group?

7 COMMISSIONER DUNEC: I'll make it.

8 VICE CHAIRMAN BROWN: I'll second.

9 MS. SAPINSKI: Commissioner Brown?

10 VICE CHAIRMAN BROWN: Yes.

11 MS. SAPINSKI: Commissioner Dunec?

12 COMMISSIONER DUNEC: Yes.

13 MS. SAPINSKI: Commissioner Spiesbach?

14 COMMISSIONER SPIESBACH: Yes.

15 MS. SAPINSKI: Chairman Klinghoffer?

16 CHAIRMAN KLINGHOFFER: Yes.

17

18 (Whereupon, the Board discussed and took
19 action on the following item:

20 **NEWARK RIVERFRONT PROJECT/LITIGATION**

21 5. RESOLUTION NO. 16-190 - RESOLUTION
22 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,756.22 TO
23 DeCOTIIS, FITZPATRICK & COLE, LLP FOR LEGAL
24 SERVICES RENDERED IN THE MONTH OF JUNE, 2016.)

25

1 CHAIRMAN KLINGHOFFER: Item number 5.
2 Newark Riverfront Project/Litigation.

3 VICE CHAIRMAN BROWN: I'll move it.

4 COMMISSIONER DUNEC: Second.

5 MS. SAPINSKI: Commissioner Brown?

6 VICE CHAIRMAN BROWN: Yes.

7 MS. SAPINSKI: Commissioner Dunec?

8 COMMISSIONER DUNEC: Yes.

9 MS. SAPINSKI: Commissioner Spiesbach?

10 COMMISSIONER SPIESBACH: Yes.

11 MS. SAPINSKI: Chairman Klinghoffer?

12 CHAIRMAN KLINGHOFFER: Yes.

13

14 (Whereupon, the Board discussed and took
15 action on the following item:

16 **CEDAR GROVE PARK PROJECT**

17 6. RESOLUTION NO. 16-191 - RESOLUTION
18 AUTHORIZING A PAYMENT OF \$30,225.00 TO CME
19 ASSOCIATES FOR ENGINEERING SERVICES RENDERED IN
20 CONNECTION WITH THE COUNTY DEVELOPMENT OF A NEW
21 PARK THROUGH JUNE 2016.)

22

23 CHAIRMAN KLINGHOFFER: Number 6 on the
24 Cedar Grove Park Project.

25 COMMISSIONER SPIESBACH: One quick question

1 on that.

2 That's a pass-through from the County,
3 right? So, Sanjeev or somebody has already --

4 CHAIRMAN KLINGHOFFER: Oh --

5 MS. SAPINSKI: He approves them.

6 CHAIRMAN KLINGHOFFER: Oh, they're --
7 they're approving them, but it's our money.

8 COMMISSIONER SPIESBACH: Yeah.

9 MR. ROTHER: Oh, it's our money.

10 COMMISSIONER SPIESBACH: Yeah. It's our
11 money, but -- you know, they're running the
12 project. We have nothing to do --

13 MS. SAPINSKI: Yeah. They're running the
14 project.

15 COMMISSIONER SPIESBACH: -- with the
16 project. But they've looked at that --

17 MS. SAPINSKI: Yes.

18 COMMISSIONER SPIESBACH: -- and they're --
19 okay.

20 MS. SAPINSKI: I have an email every time
21 they send it to --

22 COMMISSIONER SPIESBACH: That's fine.

23 Thank you.

24 CHAIRMAN KLINGHOFFER: And that's -- and as
25 a matter of practice, we don't -- we don't even

1 put these on the agenda until they've been
2 approved.

3 Correct?

4 MS. SAPINSKI: Yes. Yes. Yes.

5 CHAIRMAN KLINGHOFFER: Somebody make a
6 motion. Someone like to move it?

7 VICE CHAIRMAN BROWN: I'll move it.

8 COMMISSIONER SPIESBACH: Second.

9 VICE CHAIRMAN BROWN: Yes, Lucy.

10 MS. SAPINSKI: Commissioner Brown?

11 VICE CHAIRMAN BROWN: Yes, Lucy.

12 MS. SAPINSKI: Commissioner Dunec?

13 COMMISSIONER DUNEC: Yes.

14 MS. SAPINSKI: Commissioner Spiesbach?

15 COMMISSIONER SPIESBACH: Yes.

16 MS. SAPINSKI: Chairman Klinghoffer?

17 CHAIRMAN KLINGHOFFER: Yes.

18

19 (Whereupon, the Board discussed and took
20 action on the following items:

21 **NEWARK PROPERTY ACQUISITION PROJECT**

22 7. RESOLUTION NO. 16-192 - RESOLUTION

23 AUTHORIZING AN AMENDMENT #1 TO THE AGREEMENT WITH

24 CHIESA, SHAHINIAN & GIANTOMASI, PC IN THE AMOUNT

25 OF \$15,000.00 FOR LEGAL SERVICES; and

1 **8.** RESOLUTION NO. 16-193 - RESOLUTION
2 AUTHORIZING PAYMENT IN THE AMOUNT OF \$7,147.20 TO
3 CHIESA, SHAHINIAN & GIANTOMASI, PC FOR LEGAL
4 SERVICES RENDERED IN THE MONTH OF MAY 2016; and

5 **9.** RESOLUTION NO. 16-194 - RESOLUTION
6 AUTHORIZING PAYMENT IN THE AMOUNT OF \$850.00 FOR
7 APPRAISAL SERVICES RENDERED BY APPRAISAL
8 CONSULTANTS CORP.; and

9 **10.** RESOLUTION NO. 16-195 - RESOLUTION
10 AUTHORIZING PAYMENT IN THE AMOUNT OF \$500.00 FOR
11 SURVEYING SERVICES RENDERED BY GC STEWART.)

12

13 CHAIRMAN KLINGHOFFER: Items 7 through 10.
14 Newark Property Acquisition Project.

15 COMMISSIONER DUNEC: I'll make a motion.

16 VICE CHAIRMAN BROWN: I'll second it.

17 MS. SAPINSKI: Commissioner Brown?

18 VICE CHAIRMAN BROWN: Yes.

19 MS. SAPINSKI: Commissioner Dunec?

20 COMMISSIONER DUNEC: Yes.

21 MS. SAPINSKI: Commissioner Spiesbach?

22 COMMISSIONER SPIESBACH: Yes.

23 MS. SAPINSKI: Chairman Klinghoffer?

24 CHAIRMAN KLINGHOFFER: Yes.

25

1 (Whereupon, the Board discussed and took
2 action on the following item:

3 **CORRECTIONAL FACILITY/CELANESE LITIGATION**

4 * ALL EXPENSES PAID FROM ECIA OPERATIONS ACCOUNT

5
6 **11.** RESOLUTION NO. 16-196 - RESOLUTION
7 RATIFYING PAYMENT IN THE AMOUNT OF \$11,164.00 TO
8 BUCHANAN, INGERSOLL & ROONEY, PC FOR SERVICES
9 RENDERED BY HYDROGEOLOGIC, INC.)

10

11 CHAIRMAN KLINGHOFFER: Number 11.

12 That's the lowest bill I've seen in a long
13 time.

14 Anybody like to move that?

15 COMMISSIONER SPIESBACH: Must be on
16 vacation.

17 MS. SAPINSKI: This is -- this is not his
18 bill. This is not his bill, this is just for the
19 -- for the expert. The --

20 CHAIRMAN KLINGHOFFER: Oh.

21 MS. SAPINSKI: -- money that we pass
22 through. This is not his bill.

23 CHAIRMAN KLINGHOFFER: Never seen one --

24 MS. SAPINSKI: His --

25 CHAIRMAN KLINGHOFFER: -- that low.

1 MS. SAPINSKI: His -- no. This is not his
2 bill.

3 MR. ROTHER: No. And he always promised us
4 that that expert was going to be a very
5 reasonable price.

6 MS. SAPINSKI: And this is for two months.

7 MR. ROTHER: Yeah. Yeah. So, it's proving
8 to be correct.

9 CHAIRMAN KLINGHOFFER: Okay. Someone like
10 to move it?

11 COMMISSIONER SPIESBACH: I would move that
12 Resolution.

13 VICE CHAIRMAN BROWN: I'll second it.

14 MS. SAPINSKI: Commissioner Brown?

15 VICE CHAIRMAN BROWN: Yes.

16 MS. SAPINSKI: Commissioner Spiesbach?

17 COMMISSIONER SPIESBACH: Yes.

18 MS. SAPINSKI: Commissioner Dunec?

19 COMMISSIONER DUNEC: Yes.

20 MS. SAPINSKI: Chairman Klinghoffer?

21 CHAIRMAN KLINGHOFFER: Yes.

22

23 (Whereupon, the Board discussed and took
24 action on the following item:

25 **SPORTSPLEX STADIUM**

1 **12.** RESOLUTION NO. 16-197 - RESOLUTION
2 AUTHORIZING PAYMENT IN THE AMOUNT OF \$9,456.36 TO
3 CONNELL FOLEY FOR LEGAL SERVICES RENDERED IN
4 CONNECTION WITH THE SALE OF THE STADIUM THROUGH
5 5-31-2016.)

6
7 CHAIRMAN KLINGHOFFER: Item 12, on the
8 Sportsplex Stadium.

9 COMMISSIONER DUNEC: Make a motion.

10 VICE CHAIRMAN BROWN: Second.

11 MS. SAPINSKI: Commissioner Brown?

12 VICE CHAIRMAN BROWN: Yes.

13 MS. SAPINSKI: Commissioner Dunec?

14 COMMISSIONER DUNEC: Yes.

15 MS. SAPINSKI: Commissioner Spiesbach?

16 COMMISSIONER SPIESBACH: Yes.

17 MS. SAPINSKI: Chairman Klinghoffer?

18 CHAIRMAN KLINGHOFFER: Yes.

19

20 (Whereupon, the Board discussed and took
21 action on the following items:

22 **AIRPORT**

23 **13.** RESOLUTION NO. 16-198 - RESOLUTION
24 AUTHORIZING A PURCHASE OF THE AIRPORT GENERAL
25 LIABILITY INSURANCE POLICY IN THE AMOUNT OF

1 \$20,011.50; and

2 **14.** RESOLUTION NO. 16-199 - RESOLUTION
3 AUTHORIZING A PAYMENT IN THE AMOUNT OF \$1,792.60
4 AIR POWER FOR VARIOUS ELECTRIC AND HVAC REPAIRS;
5 and

6 **15.** RESOLUTION NO. 16-200 - RESOLUTION
7 RATIFYING A PAYMENT IN THE AMOUNT OF \$2,750.00 TO
8 S.J. CARNEY FOR ROOF REPAIRS AT BUILDING/HANGAR
9 I; and

10 **16.** RESOLUTION NO. 16-201 - RESOLUTION
11 AUTHORIZING A PAYMENT IN THE AMOUNT OF \$1,308.40
12 TO EQUIPMENT & MAINTENANCE SERVICES FOR METERS
13 CALIBRATIONS AT THE FUEL FARM; and

14 **AIRPORT**

15 **OBSTRUCTION REMOVAL PROJECT-CONDEMNATION**

16 PROJECT FUNDED:

17 ECIA/AIRPORT 100%

18 **17.** RESOLUTION NO. 16-202 - RESOLUTION
19 AUTHORIZING PAYMENT TO JOHN J. CURLEY, LLC IN THE
20 AMOUNT OF \$1,120.00 FOR LEGAL SERVICES RENDERED
21 IN THE MONTH OF MAY 2016; and

22 **AIRPORT**

23 **RESTROOM RENOVATION PROJECT AT HANGAR/BUILDING I**

24 PROJECT FUNDED:

25 ECIA/AIRPORT 100%

1 **18.** RESOLUTION NO. 16-203 - RESOLUTION
2 AUTHORIZING CHANGE ORDER #1 AND FINAL TO FINE
3 WALL CORPORATION IN THE AMOUNT OF \$5,590.25; and

4 **19.** RESOLUTION NO. 16-204 - RESOLUTION
5 AUTHORIZING PAYMENT #3 AND FINAL TO FINE WALL
6 CORPORATION IN THE AMOUNT OF \$12,589.25 FOR
7 SERVICES RENDERED; and

8 **AIRPORT**

9 **ENVIRONMENTAL PROJECTS - HANGAR 1 AND HANGAR 3**
10 **AND OIL/WATER SEPARATOR REPLACEMENT**

11 PROJECT FUNDED:

12 AIRPORT-100%

13 **20.** RESOLUTION NO. 16-205 - RESOLUTION
14 AUTHORIZING PAYMENT TO H2M ASSOCIATES INC., IN
15 THE AMOUNT OF \$1,400.17 FOR ENGINEERING SERVICES
16 IN CONNECTION WITH OIL/WATER SEPARATOR
17 REPLACEMENT PROJECT THROUGH 6-24-16; and

18 **21.** RESOLUTION NO. 16-206 - RESOLUTION
19 AUTHORIZING PAYMENT TO H2M ASSOCIATES INC., IN
20 THE AMOUNT OF \$58,229.05 FOR ENGINEERING SERVICES
21 IN CONNECTION WITH SITE REMEDIATION AT HANGAR 1
22 AREA PROJECT THROUGH 6-24-16; and

23 **22.** RESOLUTION NO. 16-207 - RESOLUTION
24 AUTHORIZING PAYMENT TO H2M ASSOCIATES INC., IN
25 THE AMOUNT OF \$18,980.46 FOR ENGINEERING SERVICES

1 IN CONNECTION WITH SITE REMEDIATION AT HANGAR 3
2 AREA PROJECT THROUGH 6-24-16.)

3

4 CHAIRMAN KLINGHOFFER: Can we move 13
5 through 22 together? Is there any reason?
6 They're all related to the airport, I believe?
7 Unless I'm misreading --

8 MS. SAPINSKI: No, they are.

9 CHAIRMAN KLINGHOFFER: Any reason not to
10 move them all together?

11 MR. ROTHER: No.

12 VICE CHAIRMAN BROWN: Thirteen to 22?

13 CHAIRMAN KLINGHOFFER: Thirteen to 22, all
14 airport matters.

15 VICE CHAIRMAN BROWN: I'll -- I'll move it.

16 COMMISSIONER DUNEC: Second.

17 MS. SAPINSKI: Commissioner Brown?

18 VICE CHAIRMAN BROWN: Yes.

19 MS. SAPINSKI: Commissioner Dunec?

20 COMMISSIONER DUNEC: Yes.

21 MS. SAPINSKI: Commissioner Spiesbach?

22 COMMISSIONER SPIESBACH: Yes.

23 MS. SAPINSKI: Chairman Klinghoffer?

24 CHAIRMAN KLINGHOFFER: Yes.

25

1 (Whereupon, the Board discussed and took
2 action on the following items:

3 **PARKING FACILITY (Juror Lot and Parking Garage)**

4 **23.** RESOLUTION NO. 16-208 - RESOLUTION
5 AUTHORIZING PAYMENT IN THE AMOUNT OF \$1,592.00 TO
6 ID CARD GROUP FOR PROXIMITY CARDS; and

7 **24.** RESOLUTION NO. 16-209 - RESOLUTION
8 AUTHORIZING A PAYMENT IN THE AMOUNT OF \$897.00 TO
9 GRAINGER FOR LIGHT BULBS; and

10 **25.** RESOLUTION NO. 16-210 - RESOLUTION
11 RATIFYING AN ACCEPTANCE OF PROPOSAL FROM
12 CORCOVADO GENERAL CONTRACTOR LLC TO POWER WASH
13 THE GARAGE (COUNTY BID).)

14

15 CHAIRMAN KLINGHOFFER: Before we move to
16 Parking Facility, I happened to use the parking
17 lot today, I got to tell you, the gentleman that
18 was handling the tickets was so polite and so
19 pleasant --

20 MS. SAPINSKI: You're sure he works for us?

21 Okay. Thank you.

22 Good.

23 Okay.

24 CHAIRMAN KLINGHOFFER: Twenty-three through

25 25.

1 COMMISSIONER DUNEC: Move it.

2 VICE CHAIRMAN BROWN: Second.

3 MS. SAPINSKI: Commissioner Brown?

4 VICE CHAIRMAN BROWN: Yes.

5 MS. SAPINSKI: Commissioner Dunec?

6 COMMISSIONER DUNEC: Yes.

7 MS. SAPINSKI: Commissioner Spiesbach?

8 COMMISSIONER SPIESBACH: Yes.

9 MS. SAPINSKI: Chairman Klinghoffer?

10 CHAIRMAN KLINGHOFFER: Yes.

11

12 (Whereupon, the Board discussed and took

13 action on the following item:

14 **FINANCE**

15 **26.** RESOLUTION NO. 16-211 - RESOLUTION

16 AUTHORIZING PAYMENT OF CHARGES AND EXPENSES OF

17 THE AUTHORITY'S \$150,000,000 POOLED GOVERNMENT

18 LOAN PROGRAM, SERIES 1986

19 PAYMENTS DUE OTHERS FOR PGLP SERVICES

20 GALLEROS KOH, LLP \$2,000.00

21 FINANCIAL CONSULTANT

22 JULY, 2016

23 PEARLMAN & MIRANDA, LLC \$120.00

24 LEGAL FEES

25 BNY MELLON \$4,000.00

1 TRUSTEE FEE
2 7-1-16 TO 9-30-16
3 MOODY'S INVESTORS SERVICES \$5,000.00
4 ANNUAL FEE - RATING AGENT.)

5

6 CHAIRMAN KLINGHOFFER: Number 26, which is
7 the Pooled Government Loan Program Series
8 Resolution, expenses.

9 Anybody like to move it?

10 VICE CHAIRMAN BROWN: I'll move it.

11 COMMISSIONER DUNEC: Second.

12 MS. SAPINSKI: Commissioner Brown?

13 VICE CHAIRMAN BROWN: Yes.

14 MS. SAPINSKI: Commissioner Dunec?

15 COMMISSIONER DUNEC: Yes.

16 MS. SAPINSKI: Commissioner Spiesbach?

17 COMMISSIONER SPIESBACH: Yes.

18 MS. SAPINSKI: Chairman Klinghoffer?

19 CHAIRMAN KLINGHOFFER: Yes.

20

21 (Whereupon, the Board discussed the
22 following items:

23 **7. ADDITIONAL INFORMATION**

24 A. Report of PGLP Administrator

25 B. Cty of Essex-Dept.of Welfare extension

1 letter for parking

2 C. Letter from Bergman - ground lease rent
3 for 2016-2021.)

4

5 CHAIRMAN KLINGHOFFER: Director, on item 7,
6 Additional Information, the PGLP Administrator
7 Report is -- is something we're familiar with,
8 but there was two other items there.

9 I don't know if you want to address those.
10 The -- the Essex County Department of Welfare
11 extension letter, and the ground lease rent.

12 MR. ROTHER: I'm going to have to pass
13 those off to Lucy.

14 What's the -- the extension letter was --
15 that's for -- that's -- that's for the Bridge
16 Street garage, if I'm --

17 MS. SAPINSKI: Yes.

18 MR. ROTHER: -- not mistaken.

19 Right?

20 MS. SAPINSKI: Yes.

21 Department of Welfare rents parking from
22 us.

23 CHAIRMAN KLINGHOFFER: So, they're just
24 going to extend it.

25 MS. SAPINSKI: So, they're just going to

1 extend it for --

2 MR. ROTHER: Yeah.

3 MS. SAPINSKI: -- another year --

4 MR. ROTHER: And by the way, in connection
5 with the Bridge Street garage, we have done an
6 analysis with -- Phil Alagia brought to us a -- a
7 developer. The developer's doing both the
8 Verizon building and the Hahne's building, who
9 was interested in leasing vacant spaces in the
10 Bridge Street garage from us.

11 And we did an analysis of what is truly
12 available by -- by way of spaces.

13 CHAIRMAN KLINGHOFFER: Is this permanent,
14 or is this during -- during the development now?

15 MR. ROTHER: The developer that we met with
16 really is looking for a long term commitment.

17 CHAIRMAN KLINGHOFFER: Okay.

18 MR. ROTHER: I had a conversation with Phil
19 just this morning, where I suggested to him, and
20 he agreed to me -- with me that we should not
21 commit for any more than two years. Preferably a
22 year. Maybe we can go out two years.

23 And the reason I -- I said that is, and he
24 agreed, is because there's so much development
25 going on in that corner of the city, both the

1 Hahne's building, Verizon building and the
2 Stadium, that we have no real feel for what the
3 true need is going to be, and how we can
4 maximize, once those --

5 CHAIRMAN KLINGHOFFER: Makes sense.

6 MR. ROTHER: -- units start get building;
7 how we can maximize our revenue from that.

8 And so, we should wait.

9 And as a matter of fact, we -- we've talked
10 that there's probably going to be a need for
11 another garage. And if there's some good way
12 that we can finance another garage, and there's a
13 -- there's a site available behind the Verizon
14 building where that actually could be built.

15 CHAIRMAN KLINGHOFFER: Who owns the
16 property?

17 MR. ROTHER: There -- I'm forgetting who
18 owns it now, but there's an underutilized
19 building that's back there, I'm told, that we
20 could -- we could acquire and -- and build yet
21 another garage, so that there -- we have to wait
22 to see what -- what ultimately gets developed,
23 and what the real need is before we should make
24 any long term commitments for it.

25 But in the meantime, we do have vacant

1 spaces. And so, on an annual, or maybe a
2 two-year basis, we can increase the revenue from
3 the garage.

4 So, I have placed a call to the developer.
5 I had already given him our analysis of what the
6 vacant space looked like, and let's start a
7 conversation about renting additional spaces to
8 him there.

9 CHAIRMAN KLINGHOFFER: It makes sense not
10 to enter into a long term agreement --

11 MR. ROTHER: Yeah. Yeah.

12 CHAIRMAN KLINGHOFFER: -- because those
13 things can turn out to be embarrassing down the
14 road.

15 MR. ROTHER: Yeah. Exactly. Exactly.

16 So, he -- he hasn't called me back yet, but
17 in the first instance, he was looking for spaces
18 for the -- the construction workers for both the
19 Hahne's and -- and the Verizon building. And
20 that would be on a short term basis, anyhow. So,
21 that would make -- make some sense.

22 So, probably by the next Board meeting,
23 we'll have something to bring back.

24 VICE CHAIRMAN BROWN: Mr. Chairman, through
25 you.

1 Director, what percentage of that space is
2 he talking about renting over the long term? Or
3 even the two-year period?

4 MR. ROTHER: Well, --

5 VICE CHAIRMAN BROWN: Percentage of the
6 garage.

7 MR. ROTHER: Did you have that analysis?

8 MS. SAPINSKI: That you sent?

9 MR. ROTHER: Yeah. That -- that one pager?
10 Is that something you can -- you can print,
11 because we -- we can share that with everybody.

12 VICE CHAIRMAN BROWN: Well, if you don't
13 have it -- the next time, I won't worry about it.

14 Lucy, that's all right. You can share it
15 with us next time.

16 MS. SAPINSKI: Okay.

17 VICE CHAIRMAN BROWN: My next question is,
18 where are we with the Bears Stadium?

19 MR. ROTHER: The -- we -- we had meetings,
20 a matter of fact, we -- we had meetings with the
21 County and the City in terms of moving along
22 their legislation that's necessary because both
23 the City and the County have a reversionary
24 interest in the Stadium.

25 And so, we had meetings with them to get

1 | that legislation moving.

2 | And I believe this week, the County is
3 | going to adopt their Ordinance. And very
4 | shortly, thereafter, the -- the City will.

5 | And we went and we appeared before the
6 | Planning Board of the City, and we got a -- a
7 | courtesy hearing on the subdivision of a site, so
8 | that --

9 | CHAIRMAN KLINGHOFFER: I'm sorry. What
10 | does a courtesy hearing mean?

11 | MR. ROTHER: We are exempt from land use
12 | regulation, the Authority. And so -- you know,
13 | to get a subdivision of the property, we really
14 | don't need their approval.

15 | CHAIRMAN KLINGHOFFER: Okay.

16 | MR. ROTHER: But one of the things we
17 | wanted to see was a -- a resolution adopted, even
18 | for no other purpose than to justify the fact
19 | that this is a courtesy hearing and doesn't
20 | require formal action by them, so that we can
21 | give that to Lotus and their title company, so
22 | that there's no question that these properties
23 | are now appropriately subdivided. We're keeping
24 | the garage there behind the Stadium.

25 | VICE CHAIRMAN BROWN: One more question.

1 Wasn't that an issue with the developer and
2 spacing between the garage? He wanted a certain
3 amount of easement between them?

4 We never did talk about that.

5 MR. ROTHER: Yeah.

6 We're -- we're still -- we're still
7 discussing that and that's going to have to be
8 resolved before the -- before the closing.

9 VICE CHAIRMAN BROWN: Yeah.

10 MR. ROTHER: We've -- we've talked about a
11 number of options that are available. And I had
12 a couple of missed calls with the developer that
13 I think they're getting back to us on, on which
14 option they wanted to -- to accept from us.

15 VICE CHAIRMAN BROWN: And the final plans
16 for it? We'll see it before the closing.

17 MR. ROTHER: Oh, yeah. It has to be.
18 That's got to be resolved before the closing.

19 VICE CHAIRMAN BROWN: Okay.

20 MR. ROTHER: And -- and there was a third,
21 the letter --

22 CHAIRMAN KLINGHOFFER: Yeah. I only have
23 one question on the letter.

24 It appears from the letter that the
25 calculation of changes to the -- the ground lease

1 base rent is a function of rents that the
2 landlord is collecting.

3 Has anybody verified, against the ground
4 lease, that that's accurate, and it's not -- it's
5 a COLA or a CPI or anything?

6 MS. SAPINSKI: That's --

7 CHAIRMAN KLINGHOFFER: But this is correct.

8 MS. SAPINSKI: This is correct --

9 CHAIRMAN KLINGHOFFER: Okay.

10 MS. SAPINSKI: Yes. Yes. Yes. Yes.

11 It's every five years that this changes.
12 And this year, it's not changing. Last -- last
13 time --

14 CHAIRMAN KLINGHOFFER: Not surprised to
15 see.

16 MS. SAPINSKI: Yeah. Last time, it did
17 change.

18 MR. ROTHER: No. We -- we discussed that
19 --

20 MS. SAPINSKI: Yeah.

21 MR. ROTHER: -- when we got the letter.

22 Yeah.

23 Okay.

24 CHAIRMAN KLINGHOFFER: Anything else?

25 No?

1 Is there a motion to adjourn?

2 COMMISSIONER DUNEC: Motion.

3 VICE CHAIRMAN BROWN: Second.

4 MS. SAPINSKI: Commissioner Brown?

5 VICE CHAIRMAN BROWN: Yes.

6 MS. SAPINSKI: Commissioner Dunec?

7 COMMISSIONER DUNEC: Yes.

8 MS. SAPINSKI: Commissioner Spiesbach?

9 COMMISSIONER SPIESBACH: Yes.

10 MS. SAPINSKI: Chairman Klinghoffer?

11 CHAIRMAN KLINGHOFFER: Yes.

12 We off the record?

13

14 (Whereupon, the proceedings were concluded
15 at 5:48 p.m., Resolution No. 16-26.)

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1 STATE OF NEW JERSEY :
2 :
3 COUNTY OF ESSEX :

4
5 I, DEBRA A. KASZNIAK, assigned transcriber,
6 do hereby affirm that the foregoing is a true and
7 accurate transcript of the REGULAR BOARD MEETING
8 of the ESSEX COUNTY IMPROVEMENT AUTHORITY heard
9 on Tuesday, July 19, 2016 and digitally recorded.

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25 Monitored and proofread by: Deborah Dillon