

ESSEX COUNTY  
IMPROVEMENT AUTHORITY  
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING :  
and :  
ANNUAL RE-ORGANIZATION :  
: PROCEEDINGS  
: \_\_\_\_\_ :  
:

27 Wright Way  
Fairfield, New Jersey

Tuesday, February 27, 2018  
Commencing at 5:00 p.m.

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

COMMISSIONER MARK S. DUNEC  
COMMISSIONER CLIFFORD ROSS  
COMMISSIONER CARLA A. STANZIALE  
COMMISSIONER JACQUELINE YUSTEIN  
COMMISSIONER STEVEN H. KLINGHOFFER, Chairman

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

COMMISSIONER GERARD M. SPIESBACH  
COMMISSIONER RONALD J. BROWN, Vice Chairman

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  
THOMAS GOMEZ, Airport Manager  
BETSY WILLIAMSON, Administrative Assistant  
JOSEPH CALI, Senior Project Manager/Accounts Receivables

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

CONNELL FOLEY, LLP  
BY: MARK L. FLEDER, ESQ., Special Counsel

CONNELL FOLEY, LLP  
BY: JOHN D. CROMIE, ESQ., Special Counsel

GENOVA BURNS, LLC  
BY: ANGELO J. GENOVA, ESQ.,  
Attorney for Lotus Equity Group, LLC  
(Arrived at 6:15 p.m., left at 6:44 p.m.)

GENOVA BURNS, LLC  
BY: JEFFREY R. RICH, ESQ.,  
Attorney for Lotus Equity Group, LLC  
(Arrived at 6:15 p.m., left at 6:44 p.m.)

BEN KORMAN, CEO,  
LOTUS EQUITY GROUP, LLC  
(Arrived at 6:15 p.m., left at 6:44 p.m.)

KEVIN COLLINS, CFO,  
LOTUS EQUITY GROUP, LLC  
(Arrived at 6:15 p.m., left at 6:44 p.m.)

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1 CHAIRMAN KLINGHOFFER: Okay.

2 Notice was duly given by regular mail,  
3 electronic mail and facsimile to the Essex County  
4 Executive, the Essex County Clerk, the Clerk of  
5 the Board of Chosen Freeholders, Freeholder  
6 President Gill, the News Editor of The Herald  
7 News, the News Editor of The Star-Ledger, and  
8 notice was posted on the bulletin board in the  
9 Office of the Essex County Improvement Authority  
10 stating the time, date, and location of this  
11 Regular Board/Annual Re-Organization Meeting.

12

13 **ROLL CALL:**

14

15 CHAIRMAN KLINGHOFFER: Roll call please.

16 MS. SAPINSKI: Commissioner Dunec?

17 COMMISSIONER DUNEC: Here.

18 MS. SAPINSKI: Commissioner Ross?

19 COMMISSIONER ROSS: Present.

20 MS. SAPINSKI: Commissioner Spiesbach?

21 He did not come; okay.

22 Commissioner Stanziale?

23 COMMISSIONER STANZIALE: Here.

24 MS. SAPINSKI: Commissioner Yustein?

25 COMMISSIONER YUSTEIN: Here.

1 MS. SAPINSKI: Chairman Klinghoffer?

2 CHAIRMAN KLINGHOFFER: Here.

3

4 (Whereupon, the Board discussed and took  
5 action on the following item:

6 **RE-ORGANIZATION**

7 **RESOLUTION NO. 18-04**

8 **A. Nomination and Election of 2018-2019**  
9 **Officers.)**

10

11 CHAIRMAN KLINGHOFFER: Okay.

12 Our first order of business is Re-  
13 Organization, Nomination and Election of 2018-  
14 2019 Officers.

15 Would anybody like to make a nomination?

16 COMMISSIONER YUSTEIN: I'll nominate --

17 COMMISSIONER ROSS: I'll second.

18 COMMISSIONER YUSTEIN: -- the slate.

19 Do you want me to name them?

20 Or --

21 MS. SAPINSKI: Yeah, let's read them.

22 COMMISSIONER YUSTEIN: Okay.

23 For Chairman; Steven H. Klinghoffer.

24 For Vice Chairman; Ronald J. Brown.

25 For Secretary; Carla A. Stanziale.

1 And for Treasurer; Gerald (sic) M.  
2 Spiesbach.

3 MS. SAPINSKI: Motion?

4 CHAIRMAN KLINGHOFFER: You need --  
5 Just moved and seconded.

6 MS. SAPINSKI: Have the second? That's --  
7 Oh, okay.

8 CHAIRMAN KLINGHOFFER: Okay. Yeah, --

9 MS. SAPINSKI: Okay. Roll call.  
10 Commissioner Dunec?

11 COMMISSIONER DUNEC: Yes.

12 MS. SAPINSKI: Commissioner Ross?

13 COMMISSIONER ROSS: Yes.

14 MS. SAPINSKI: Commissioner Stanziale?

15 COMMISSIONER STANZIALE: Yes.

16 MS. SAPINSKI: Commissioner Yustein?

17 COMMISSIONER YUSTEIN: Yes.

18 MS. SAPINSKI: Chairman Klinghoffer?

19 CHAIRMAN KLINGHOFFER: Yes.

20

21 (Whereupon, the Board discussed and took  
22 action on the following item:

23 **RE-ORGANIZATION**

24 **RESOLUTION NO. 18-05**

25 **B. Adoption of 2018-2019 Meeting Schedule.)**

1

2 CHAIRMAN KLINGHOFFER: Would someone like  
3 to move Adoption of the 2018-'19 Meeting  
4 Schedule?

5

COMMISSIONER STANZIALE: I'll move it.

6

COMMISSIONER ROSS: I'll second it.

7

MS. SAPINSKI: Commissioner Dunec?

8

COMMISSIONER DUNEC: Yes.

9

MS. SAPINSKI: Commissioner Ross?

10

COMMISSIONER ROSS: Yes.

11

MS. SAPINSKI: Commissioner Stanziale?

12

COMMISSIONER STANZIALE: Yes.

13

MS. SAPINSKI: Commissioner Yustein?

14

COMMISSIONER YUSTEIN: Yes.

15

MS. SAPINSKI: Chairman Klinghoffer?

16

CHAIRMAN KLINGHOFFER: Yes.

17

18 **PUBLIC COMMENTS:**

19

20 CHAIRMAN KLINGHOFFER: I'll take a chance  
21 here.

22

Any members of the public that would like  
23 to comment?

24

Seeing none. We'll move from Public  
25 Comments.



1

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

4 **ACCEPTANCE OF MINUTES**

5 **RESOLUTION NO. 18-06**

6 **1. REGULAR BOARD MEETING 1-30-18 AND EXECUTIVE**  
7 **SESSION.)**

8

9 CHAIRMAN KLINGHOFFER: Let's just do the  
10 motion to Accept the Minutes of the Regular Board  
11 Meeting of January 30<sup>th</sup> and the Executive Session?

12 COMMISSIONER ROSS: Move it.

13 COMMISSIONER YUSTEIN: Second.

14 MS. SAPINSKI: Commissioner Dunec?

15 COMMISSIONER DUNEC: Yes.

16 MS. SAPINSKI: Commissioner Ross?

17 COMMISSIONER ROSS: Yes.

18 MS. SAPINSKI: Commissioner Stanziale?

19 COMMISSIONER STANZIALE: Yes.

20 MS. SAPINSKI: Commissioner Yustein?

21 COMMISSIONER YUSTEIN: Yes.

22 MS. SAPINSKI: Chairman Klinghoffer?

23 CHAIRMAN KLINGHOFFER: Yes.

24 And we're going to now --

25 MR. ROTHER: We're going to go into --

1 CHAIRMAN KLINGHOFFER: -- go to Executive  
2 Session for --

3 What's the rationale?

4 MR. ROTHER: For -- for two -- for two  
5 matters.

6 One, which is an Added Starter that we're  
7 going to be voting on.

8 And, second, is in advance of a  
9 presentation that's going to be made by the Lotus  
10 Group.

11 We have a couple of other matters, which  
12 we --

13 CHAIRMAN KLINGHOFFER: And -- and that  
14 involves contract negotiations, --

15 MR. ROTHER: Yes.

16 CHAIRMAN KLINGHOFFER: -- the Lotus Group.  
17 Right?

18 MR. ROTHER: Yes.

19 CHAIRMAN KLINGHOFFER: Okay.

20 MR. ROTHER: Yes.

21 Contract negotiations and potential  
22 litigation are the -- the two reasons we're going  
23 into Executive Session.

24 CHAIRMAN KLINGHOFFER: Okay.

25 Would someone like to move this?

1 COMMISSIONER STANZIALE: I will move it.

2 COMMISSIONER YUSTEIN: Second.

3 MS. SAPINSKI: Commissioner Dunec?

4 COMMISSIONER DUNEC: Yes.

5 MS. SAPINSKI: Commissioner Ross?

6 COMMISSIONER ROSS: Yes.

7 MS. SAPINSKI: Commissioner Stanziale?

8 COMMISSIONER STANZIALE: Yes.

9 MS. SAPINSKI: Commissioner Yustein?

10 COMMISSIONER YUSTEIN: Yes.

11 MS. SAPINSKI: Chairman Klinghoffer?

12 CHAIRMAN KLINGHOFFER: Yes.

13 And who do you need to stay and not stay?

14 Who do you want to stay?

15

16 (Whereupon, the Board moved to I Executive  
17 Session at 5:03 p.m., Resolution No. 18-043.)

18

19 (Whereupon, the Board returned to Open  
20 Session at 5:42 p.m., Resolution No. 18-07.)

21

22 MS. DILLON: Whenever you're ready.

23 CHAIRMAN KLINGHOFFER: Okay.

24

25 (Whereupon, the Board discussed and took

1 action on the following items:

2 **ADMINISTRATIVE**

3 1. RESOLUTION NO. 18-024 - RESOLUTION  
4 AUTHORIZING PAYMENT TO AUDIO-DIGITAL  
5 TRANSCRIPTION SERVICES, LLC FOR TRANSCRIPTION OF  
6 BOARD MEETING ON 1-30-18;

7 2. RESOLUTION NO. 18-025 - RESOLUTION  
8 RATIFYING PAYMENT OF RECURRING BILLS (BILL LIST);

9 3. RESOLUTION NO. 18-026 - RESOLUTION  
10 RATIFYING PAYMENT TO MICROSHOP SYSTEM FOR  
11 COMPUTERS AND SERVER REPAIRS IN THE AMOUNT OF  
12 \$1,575.00; and

13 4. RESOLUTION NO. 18-027 - RESOLUTION  
14 AUTHORIZING PURCHASE OF ECIA INSURANCE POLICIES  
15 FOR UNDERGROUND TANK AND CYBER LIABILITY.)

16

17 CHAIRMAN KLINGHOFFER: So we're going to  
18 continue then with Administrative.

19 Resolutions 1 through 4.

20 Would someone like to move them?

21 COMMISSIONER ROSS: Move it.

22 COMMISSIONER YUSTEIN: Second.

23 MS. DILLON: I'm sorry; who was the second?

24 MS. SAPINSKI: Commissioner Yustein.

25 MS. DILLON: Okay.

1 MS. SAPINSKI: Commissioner Ross?

2 COMMISSIONER ROSS: Yes.

3 MS. SAPINSKI: Commissioner Dunec?

4 COMMISSIONER DUNEC: Yes.

5 MS. SAPINSKI: Commissioner Stanziale?

6 COMMISSIONER STANZIALE: Yes.

7 MS. SAPINSKI: Commissioner Yustein?

8 COMMISSIONER YUSTEIN: 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 **NEWARK RIVERFRONT PROJECT/LITIGATION**

15 5. RESOLUTION NO. 18-028 - RESOLUTION  
16 AUTHORIZING PAYMENT OF \$536.12 TO DE COTIIS,  
17 FITZPATRICK & COLE, LLP FOR LEGAL SERVICES  
18 RENDERED IN THE MONTH OF JANUARY 2018.)

19

20 CHAIRMAN KLINGHOFFER: Would someone like  
21 to move number 5?

22 Newark Riverfront Project/Litigation.

23 COMMISSIONER STANZIALE: I'll move that.

24 COMMISSIONER YUSTEIN: I'll second.

25 MS. SAPINSKI: Jackie.

1 Commissioner Dunec?

2 COMMISSIONER DUNEC: Yes.

3 MS. SAPINSKI: Commissioner Ross?

4 COMMISSIONER ROSS: Yes.

5 MS. SAPINSKI: Commissioner Stanziale?

6 COMMISSIONER STANZIALE: Yes.

7 MS. SAPINSKI: Commissioner Yustein?

8 COMMISSIONER YUSTEIN: Yes.

9 MS. SAPINSKI: Chairman Klinghoffer?

10 CHAIRMAN KLINGHOFFER: Yes.

11

12 (Whereupon, the Board discussed and took  
13 action on the following items:

14 **SPORTSPLEX COMPLEX**

15 6. RESOLUTION NO. 18-029 - RESOLUTION  
16 AUTHORIZING PAYMENT OF \$900.00 TO CONNELL FOLEY  
17 FOR LEGAL SERVICES RENDERED IN THE MONTH OF  
18 JANUARY 2018;

19 7. RESOLUTION NO. 18-030 - RESOLUTION  
20 AUTHORIZING PAYMENT TO PPMG, LLC IN THE AMOUNT OF  
21 \$6,565.00 FOR SNOW/ICE REMOVAL; and

22 8. RESOLUTION NO. 18-031 - RESOLUTION  
23 AUTHORIZING PURCHASE OF ECIA SPORTSPLEX INSURANCE  
24 POLICIES: COMMERCIAL PROPERTY, GENERAL LIABILITY  
25 AND UMBRELLA FOR THE PERIOD 3-1-18 TO 3-1-19.)

1

2 CHAIRMAN KLINGHOFFER: Would someone like  
3 to move 6 through 8 on the Sportsplex Complex?

4 COMMISSIONER ROSS: Move it.

5 COMMISSIONER STANZIALE: Second.

6 MS. SAPINSKI: Commissioner Dunec?

7 COMMISSIONER DUNEC: Yes.

8 MS. SAPINSKI: Commissioner Ross?

9 COMMISSIONER ROSS: Yes.

10 MS. SAPINSKI: Commissioner Stanziale?

11 COMMISSIONER STANZIALE: Yes.

12 MS. SAPINSKI: Commissioner Yustein?

13 COMMISSIONER YUSTEIN: Yes.

14 MS. SAPINSKI: Chairman Klinghoffer?

15 CHAIRMAN KLINGHOFFER: Yes.

16

17 (Whereupon, the Board discussed and took  
18 action on the following items:

19 **AIRPORT**

20 **9.** RESOLUTION NO. 18-032 - RESOLUTION  
21 AUTHORIZING PAYMENT IN THE AMOUNT OF \$9,625.00 TO  
22 D. TORLUCCIO FOR SNOW REMOVAL AND SALT SPREADING  
23 SERVICES ALONG ACCESS ROAD;

24 **10.** RESOLUTION NO. 18-033 - RESOLUTION  
25 RATIFYING PAYMENT IN THE AMOUNT OF \$400.00 TO

1 UNITED AUTOMATIC FIRE SPRINKLER INC. FOR ALARM  
2 PIPE REPLACEMENT AT HANGAR P; and

3 **DRAINAGE IMPROVEMENTS PROJECT**

4 **Project Funded:**

5 **NJ DOT 90%, ECIA 10%**

6 **11.** RESOLUTION NO. 18-034 - RESOLUTION  
7 AUTHORIZING ACCEPTANCE OF A NJDOT AIRPORT  
8 IMPROVEMENTS PROGRAM GRANT IN THE AMOUNT OF  
9 \$416,000.00 FOR THE DRAINAGE IMPROVEMENTS  
10 PROJECT;

11 **12.** RESOLUTION NO. 18-035 - RESOLUTION  
12 AUTHORIZING AN AGREEMENT WITH C&S ENGINEERS, INC.  
13 IN THE AMOUNT NOT TO EXCEED \$54,000.00 FOR  
14 ENGINEERING SERVICES IN CONNECTION WITH DESIGN  
15 FOR THE DRAINAGE IMPROVEMENTS PROJECT; and

16 **OBSTRUCTION REMOVAL PROJECT**

17 **Project Funded:**

18 **ECIA/AIRPORT 100%**

19 **13.** RESOLUTION NO. 18-036 - RESOLUTION  
20 AUTHORIZING PAYMENT TO JOHN J. CURLEY, LLC IN THE  
21 AMOUNT OF \$4,000.00 FOR LEGAL SERVICES RENDERED  
22 IN THE MONTH OF JANUARY 2018; and

23 **14.** RESOLUTION NO. 18-037 - RESOLUTION  
24 AUTHORIZING PAYMENT TO C & S ENGINEERS, INC., IN  
25 THE AMOUNT OF \$507.80 FOR ENGINEERING SERVICES



1 RENDERED IN THE MONTH OF JANUARY 2018.)

2

3 CHAIRMAN KLINGHOFFER: Unless anybody  
4 objects, we can take all the Airport Resolutions  
5 together, 9 through 14.

6 Would someone like to move them?

7 COMMISSIONER YUSTEIN: I'll move it.

8 COMMISSIONER STANZIALE: Second.

9 MS. SAPINSKI: Commissioner Dunec?

10 COMMISSIONER DUNEC: Yes.

11 MS. SAPINSKI: Commissioner Ross?

12 COMMISSIONER ROSS: Yes.

13 MS. SAPINSKI: Commissioner Stanziale?

14 COMMISSIONER STANZIALE: Yes.

15 MS. SAPINSKI: Commissioner Yustein?

16 COMMISSIONER YUSTEIN: Yes.

17 MS. SAPINSKI: Chairman Klinghoffer?

18 COMMISSIONER KLINGHOFFER: Yes.

19

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

22 **CORRECTIONAL FACILITY/CELANESE/ENVIRONMENTAL**

23 **EXPOSURE**

24 **ALL EXPENSES PAID FROM ECIA OPERATIONS ACCOUNT**

25 **15. RESOLUTION NO. 18-038 - RESOLUTION**

1 AUTHORIZING PAYMENT IN THE AMOUNT OF \$40,212.00  
2 TO BUCHANAN, INGERSOLL & ROONEY, PC FOR LEGAL  
3 SERVICES RENDERED IN THE MONTH OF JANUARY, 2018.)  
4

5 CHAIRMAN KLINGHOFFER: Number 15, on the  
6 Correctional Facility/Celanese Litigation.

7 COMMISSIONER ROSS: Move it.

8 COMMISSIONER DUNEC: Second.

9 MS. SAPINSKI: Commissioner Dunec?

10 COMMISSIONER DUNEC: Yes.

11 MS. SAPINSKI: Commissioner Ross?

12 COMMISSIONER ROSS: Yes.

13 MS. SAPINSKI: Commissioner Stanziale?

14 COMMISSIONER STANZIALE: Yes.

15 MS. SAPINSKI: Commissioner Yustein?

16 COMMISSIONER YUSTEIN: Yes.

17 MS. SAPINSKI: Chairman Klinghoffer?

18 CHAIRMAN KLINGHOFFER: Steve, you want to  
19 say something?

20 MR. ROTHER: Go ahead.

21 CHAIRMAN KLINGHOFFER: Okay.

22 MR. ROTHER: It's -- it's a little higher  
23 then -- then --

24 CHAIRMAN KLINGHOFFER: I noticed that, yes.

25 MR. ROTHER: But he has been -- he's been

1 very active.

2 CHAIRMAN KLINGHOFFER: Okay.

3 MR. ROTHER: I've been on the phone with  
4 him and there's lots happening. So, --

5 CHAIRMAN KLINGHOFFER: But overall --

6 MR. ROTHER: Yup.

7 CHAIRMAN KLINGHOFFER: -- overall, he's --  
8 I mean the bill's come way down.

9 MR. ROTHER: Yeah. Yup. Sure.

10 No but I -- he popped up a little bit here.  
11 But that's -- that's reasonable based --

12 CHAIRMAN KLINGHOFFER: Okay.

13 MR. ROTHER: -- on what I see that he's  
14 doing this past month.

15 MS. SAPINSKI: Commissioner --

16 CHAIRMAN KLINGHOFFER: Sixteen and --

17 MS. SAPINSKI: -- Klinghoffer?

18 CHAIRMAN KLINGHOFFER: Oh I'm sorry; yes.

19 MS. SAPINSKI: Chairman Klinghoffer.

20 You did not --

21 Okay.

22 CHAIRMAN KLINGHOFFER: Oh, I'm sorry, --

23 MS. SAPINSKI: All right.

24 CHAIRMAN KLINGHOFFER: -- I thought we were  
25 done voting.

1 MS. SAPINSKI: Okay.

2 CHAIRMAN KLINGHOFFER: That's --

3 I don't want to move on; are we all set?

4 Okay.

5 MS. SAPINSKI: Um-hum.

6

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

9 **FINANCE**

10 **16.** RESOLUTION NO. 18-039 - RESOLUTION  
11 AUTHORIZING AN AGREEMENT WITH GALLEROS-KOH, LLP  
12 FOR FINANCIAL AND ACCOUNTING SERVICES FOR THE  
13 FISCAL YEAR 2018 IN THE AMOUNT OF \$127,800.00;  
14 and

15 **17.** RESOLUTION NO. 18-040 - RESOLUTION  
16 RATIFYING PAYMENT OF CHARGES AND EXPENSES OF THE  
17 AUTHORITY'S \$150,000,000.00 POOLED GOVERNMENT  
18 LOAN PROGRAM (SERIES 1986)

19 PAYMENTS DUE OTHERS FOR PGLP SERVICES

20 1. GALLEROS-KOH, LLP, FINANCIAL CONSULTANT  
21 - FEBRUARY 2018 - \$2,000.00;

22 2. ECIA - 2017 AUDIT FEE - \$7,500.00.)

23

24 CHAIRMAN KLINGHOFFER: Finance, 16 and 17.

25 COMMISSIONER STANZIALE: I'll make a

1 motion.

2 COMMISSIONER DUNEC: Second.

3 MS. SAPINSKI: Commissioner Dunec?

4 COMMISSIONER DUNEC: Yes.

5 MS. SAPINSKI: Commissioner Ross?

6 COMMISSIONER ROSS: Yes.

7 MS. SAPINSKI: Commissioner Stanziale?

8 COMMISSIONER STANZIALE: Yes.

9 MS. SAPINSKI: Commissioner Yustein?

10 COMMISSIONER YUSTEIN: 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 **LATE STARTERS**

17 1. RESOLUTION NO. 18-041 - RESOLUTION

18 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE

19 SITE ACCESS AGREEMENT AND OWNER AUTHORIZATION IN

20 CONNECTION WITH NEWARK LEASEBACK PROPERTY

21 DESIGNED AS BLOCK 99, LOTS 9, 38, AND 40 IN THE

22 CITY OF NEWARK.)

23

24 CHAIRMAN KLINGHOFFER: We have two Late

25 Starters and maybe we should take them separately

1 | because they're not connected at all.

2 | MR. ROTHER: Yeah.

3 | CHAIRMAN KLINGHOFFER: The first one deals  
4 | with the --

5 | Steve, do you want to explain what this is?

6 | MR. ROTHER: Yeah, and Clyde's been  
7 | involved in that one. We were talking about the  
8 | access agreement.

9 | MR. OTIS: Yeah. And I'm glad you said  
10 | which one you were talking about --

11 | MR. ROTHER: Yeah.

12 | MR. OTIS: -- because you saw me looking  
13 | down.

14 | MR. ROTHER: Yeah.

15 | MS. DILLON: Can -- can I just ask you to  
16 | step forward if you're going to --

17 | MR. OTIS: Sure.

18 | Get closer to the mic you mean?

19 | MS. DILLON: Yes.

20 | MR. OTIS: Or -- I'll try to speak up.

21 | The access agreement is the Department of  
22 | Health building. It's one of the buildings that  
23 | were part of the sale and leaseback between the  
24 | City. And PSE&G is apparently buying the parking  
25 | area and vacant area because they're expanding

1 their switching station.

2           So we are in the middle of it kind of  
3 because we are the owner in name of the property.  
4 They came to us for an access agreement and --  
5 and the authorization to be able to advance their  
6 plans before the -- before the Newark boards and  
7 whatever other boards I guess they need  
8 permissions from.

9           After some back and forth we -- we  
10 negotiated an agreement that I think that the  
11 City will be okay with. And it requires their  
12 signature. So that we're not the ones granting  
13 access to PSE&G solely for PSE&G to be able to  
14 come in and -- and do work on --

15           CHAIRMAN KLINGHOFFER: So this is -- this  
16 is limited to an access agreement? That's all it  
17 is?

18           MR. OTIS: Correct. That's all it is.

19           CHAIRMAN KLINGHOFFER: Okay. Yeah.

20           MR. ROTHER: And if they -- if they are  
21 going to literally sell this, I believe under the  
22 bond documents they're going to have come up with  
23 a swap. So that they're going to have to  
24 contribute some -- some equal property or pay it  
25 down in some fashion maybe with the proceeds.

1 But --

2 MR. OTIS: And we had that discussion --

3 MR. ROTHER: Yes.

4 MR. OTIS: -- with the City before  
5 regarding the Central Avenue building that was  
6 also part of this transaction. And they  
7 understood that they were going to have to do a  
8 swap --

9 MR. ROTHER: Yeah.

10 MR. OTIS: -- in order to maintain the --

11 MR. ROTHER: Yup.

12 CHAIRMAN KLINGHOFFER: But, again, we're  
13 only voting on the access?

14 MR. ROTHER: Yup.

15 CHAIRMAN KLINGHOFFER: Okay.

16 Would someone like to move this?

17 COMMISSIONER DUNEC: Move it.

18 COMMISSIONER STANZIALE: I'll move it.

19 COMMISSIONER DUNEC: Second.

20 MS. SAPINSKI: Commissioner Dunec?

21 COMMISSIONER DUNEC: Yes.

22 MS. SAPINSKI: Commissioner Ross?

23 COMMISSIONER ROSS: Yes.

24 MS. SAPINSKI: Commissioner Stanziale?

25 COMMISSIONER STANZIALE: Yes.



1 MS. SAPINSKI: Commissioner Yustein?

2 COMMISSIONER YUSTEIN: Yes.

3 MS. SAPINSKI: Chairman Klinghoffer?

4 CHAIRMAN KLINGHOFFER: Yes.

5

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

8 **LATE STARTERS**

9 2. RESOLUTION NO. 18-042 - RESOLUTION  
10 AUTHORIZING AN AGREEMENT WITH HAWKINS, DELAFIELD  
11 & WOOD LLP IN AN AMOUNT NOT TO EXCEED \$10,000.00  
12 IN CONNECTION WITH THE IRS AUDIT OF THE AUTHORITY  
13 \$12,480,000 RECOVERY ZONE ECONOMIC DEVELOPMENT  
14 BONDS, SERIES 2010 (BLOOMFIELD PARKING AUTHORITY  
15 PROJECT).)

16

17 CHAIRMAN KLINGHOFFER: And the last matter  
18 is retaining Hawkins, Delafield and Wood in an  
19 amount not to exceed 10,000 in connection with  
20 the IRS audit of the Bloomfield Parking Authority  
21 Bonds.

22 Would someone like to move that?

23 COMMISSIONER ROSS: Move it.

24 COMMISSIONER DUNEC: Move it.

25 COMMISSIONER YUSTEIN: Second.

1 COMMISSIONER DUNEC: Second.

2 MS. SAPINSKI: Move it was Commissioner  
3 Ross.

4 And second Commissioner Yustein.  
5 Commissioner Dunec?

6 COMMISSIONER DUNEC: Yes.

7 MS. SAPINSKI: Commissioner Ross?

8 COMMISSIONER ROSS: Yes.

9 MS. SAPINSKI: Commissioner Stanziale?

10 COMMISSIONER STANZIALE: Yes.

11 MS. SAPINSKI: Commissioner Yustein?

12 COMMISSIONER YUSTEIN: Yes.

13 MS. SAPINSKI: Chairman Klinghoffer?

14 CHAIRMAN KLINGHOFFER: Yes.

15 MR. ROTHER: And if they're still not here  
16 we can go into another Executive Session and wrap  
17 that up.

18 CHAIRMAN KLINGHOFFER: Should we check one  
19 more time just to make sure that --

20 (Whereupon, there was a pause in the  
21 proceedings.)

22 MS. SAPINSKI: Five, ten minutes away.

23 MR. ROTHER: Five, ten minutes? We can --  
24 we can do the --

25 CHAIRMAN KLINGHOFFER: Yeah.

1 MR. ROTHER: -- we can do the other  
2 Executive.

3 CHAIRMAN KLINGHOFFER: And the rationale  
4 for going into the second Executive Session?

5 MR. ROTHER: And Tom and Joe should stay  
6 for that one.

7 Is litigation -- litigation and contract  
8 negotiation?

9 CHAIRMAN KLINGHOFFER: Okay.

10 Is there a motion to go into Executive  
11 Session?

12 COMMISSIONER YUSTEIN: You do it.

13 COMMISSIONER DUNEC: Motion.

14 COMMISSIONER YUSTEIN: Second.

15 MS. SAPINSKI: Commissioner Ross?

16 COMMISSIONER ROSS: Yes.

17 MS. SAPINSKI: Commissioner Dunec?

18 COMMISSIONER DUNEC: Yes.

19 MS. SAPINSKI: Commissioner Stanziale?

20 COMMISSIONER STANZIALE: Yes.

21 MS. SAPINSKI: Commissioner Yustein?

22 COMMISSIONER YUSTEIN: Yes.

23 MS. SAPINSKI: Chairman Klinghoffer?

24 CHAIRMAN KLINGHOFFER: Yes.  
25

1           (Whereupon, the Board moved to II Executive  
2 Session at 5:49 p.m., Resolution No. 18-044.)

3

4           (Whereupon, the Board returned to Open  
5 Session at 6:15 p.m., Resolution No. 18-08.)

6

7           (Whereupon, Angelo J. Genova, Esq., Jeffrey  
8 R. Rich, Esq., Ben Korman and Kevin Collins  
9 arrived at 6:15 p.m.)

10

11           MS. DILLON: Okay.

12           CHAIRMAN KLINGHOFFER: Okay, Debbie?

13           MS. DILLON: On the record.

14           CHAIRMAN KLINGHOFFER: Okay. It's all  
15 yours.

16           MR. GENOVA: Thank you.

17           CHAIRMAN KLINGHOFFER: You just -- you want  
18 to --

19           MR. GENOVA: Angelo Genova.

20           CHAIRMAN KLINGHOFFER: -- identify voice.

21           MR. GENOVA: Angelo Genova.

22           Can you hear me?

23           MS. DILLON: Yes.

24           MR. GENOVA: Okay.

25           Well, first of all, thank you Chairman

1 Klinghoffer and -- and Board members for the  
2 opportunity to sit with you this evening.

3 Both Steve Rother and John Cromie have been  
4 working with us over these many weeks to try to  
5 put together the potential for a transaction that  
6 we hope is going to serve not only this Board but  
7 serve the City of Newark and -- and its citizens.

8 We're kind of down to the wire, I think, on  
9 -- on most issues, although we'll learn a little  
10 bit about that tonight. But we think we are.

11 And Ben Korman and Kevin Collins from Lotus  
12 asked for the opportunity to sit with you to give  
13 you a little bit more detail about what is  
14 contemplated for the Bears Stadium site; and,  
15 specifically, as it relates to our intentions and  
16 -- with regard to the ECIA garage located there.

17 And I'll share with you personally my  
18 chagrin that the proposal will eliminate my view  
19 -- the Manhattan skyline -- in my offices in  
20 Newark but I -- I accepted that and I'm ready to  
21 proceed if -- if it goes that way.

22 MR. KORMAN: For the good of Newark.

23 MR. GENOVA: For the good of Newark.

24 So I'll turn it over to Ben.

25 MR. KORMAN: So, thanks again for your

1 time.

2 I thought it would be helpful to -- to give  
3 an overview of where we stand, what we did since  
4 we closed and -- and give you a better  
5 understanding of this ambitious project that  
6 we're -- that we're about to start soon.

7 What I'd like to do is give you -- I made  
8 about eight. I think you would need more, so you  
9 would have to share. I'll give you a few and you  
10 can just spread them the other way as well. So  
11 at least you'll know what I'm talking about.

12 What we did see --

13 (Whereupon, there was a pause in the  
14 proceedings.)

15 MR. KORMAN: This is just to give you some  
16 orientation --

17 (Whereupon, there was a pause in the  
18 proceedings.)

19 MR. KORMAN: -- and to give you a little  
20 bit of a sense of how we envision it. Because  
21 obviously looking at this it looks extremely  
22 ambitious. And -- and some may raise an eyebrow  
23 and that's totally understandable.

24 But what you look at -- the full front is  
25 the Bears Stadium site, which has a West parcel,

1 which is a commercial office for the moment in  
2 our planning. We have the North parcel, which is  
3 about 800 units residential rental building. And  
4 then you have a series of about four buildings on  
5 the east side of the -- of Bears Stadium site and  
6 that is about a little over 650 apartments, also  
7 rental.

8           The incentive there was a piazza and there  
9 is a pretty impressive design that we already --  
10 that we'd love to show you. I think we presented  
11 the Master Plan but we're way beyond that.

12           What we did since the last time we saw you,  
13 we actually worked on -- in making the design  
14 detailed enough so that it is a shovel ready  
15 project.

16           We also entered into a contract to purchase  
17 the Lincoln Motel site, which is just north of  
18 the Bears site.

19           And a lot of it is counting on the parking  
20 garage being moved to somewhere in that move of  
21 purchasing the Lincoln Motel site. We actually  
22 allowed to -- for a location that we know in  
23 advance for the parking so that it, in fact, it  
24 takes away or takes out of the equation any risk  
25 of where the -- where the parking would be and it

1 gives us certainty.

2           And as we obligated ourselves in our  
3 agreement, we also are consulting with you with  
4 regards to the layout, accessibility, and how it  
5 -- it would all work.

6           So, the way we look at it is that we are  
7 prepared to break ground, we believe, early in  
8 2019.

9           And under all or under best of  
10 circumstances we believe that we would need  
11 fairly quickly to move the parking and to build a  
12 new parking on the Division Street site and move  
13 your operation from there to the Lincoln Motel  
14 site. And then take down the building and build  
15 the East parcel and the West parcel.

16           But we are not sure about timing and this  
17 is why we are here. And I'll distribute in a  
18 minute, if you would be interested in a whole  
19 phasing and schedule.

20           But when you go for a project like this --  
21 and those that are familiar with Newark and seen  
22 quite a few projects lingering for ten years or  
23 more, we felt that so much money is being  
24 invested; not only in the sites themselves but also  
25 in the design. We didn't want to find ourselves



1 | in the -- in a spot where we're vulnerable just  
2 | because the right to move you has expired.

3 |         And we believe that by creating the kind of  
4 | project that we're creating here, we would  
5 | actually enhance your operation and you'll be  
6 | making hopefully more money than you're making  
7 | now.

8 |         What we would like you to listen to -- to  
9 | how we go about it. The large building that  
10 | you're looking at is about a million and a half  
11 | square feet of Class A office on the Lincoln  
12 | Motel site. That we will never build unless we  
13 | had a tenant. So, most likely that's not going  
14 | to be there.

15 |         The -- which is marked as Phase 5, 420  
16 | apartments, most likely will go very late but  
17 | definitely well after the close to 1500 units  
18 | have been marketed and -- and operated and that  
19 | might take some time.

20 |         And what is marked as Phase 7, is actually  
21 | a condominium most likely building residential  
22 | that would probably go only if and when Newark is  
23 | mature for condominium product and that can take  
24 | ten to 15 to 20 years.

25 |         So, we're -- we're trying to be realistic.

1 So if you put your hand on all these tall  
2 building, you'll see relatively lower-rise, which  
3 goes anywhere from six stories to 15 stories on  
4 the north side. And you see the office building,  
5 which you probably saw quite a few articles  
6 about. That's the structural timber there that  
7 we propose and we thought would be a terrific  
8 environment for companies to work at.

9           We're already marketing it for tech  
10 companies and for other companies and we hope to  
11 have traction soon.

12           If we find a tenant, we will have to move  
13 you very quickly. If we don't find -- find a  
14 tenant, we would be starting with the North  
15 parcel and we would be building this.

16           This is assuming that we get all the  
17 financing in place and all the different  
18 incentives in place and a bunch of other things.  
19 So, we definitely still have work to do in order  
20 to -- to make this ready.

21           But the first building would be the North  
22 building. And then once we have enough  
23 absorption we would start working on the East  
24 building. And the Phase II, which is the office  
25 building, will go at any moment in which we'll

1 have a tenant coming in.

2 But our vision is to see the entire Bears  
3 Stadium site as one. And we believe that you  
4 can't really build it organically, so we'll  
5 teaming with the proper partners to be able to do  
6 this. But, obviously, there are quite a few  
7 things to -- to put in place.

8 So when it comes to our request to have the  
9 option or the -- or the right to move you for  
10 significant amount of time, it's really taking it  
11 -- take in -- takes in consideration all the  
12 things that we cannot predict where a good part  
13 of it is having the financing, the equity, the  
14 economy in the right spot so that it really  
15 justifies breaking ground --

16 MR. ROTHER: Can I -- can I stop you for a  
17 moment, Ben?

18 MR. KORMAN: Yeah.

19 MR. ROTHER: This -- this plan is  
20 significantly different from what was discussed  
21 with us last week when we sat with your people.

22 MR. KORMAN: It -- it is different.

23 MR. ROTHER: Very different.

24 MR. KORMAN: -- significantly different.

25 The only difference is between the West

1 parcel there; this is the way we submitted it to  
2 the City. Our intention --

3 And we did it for various reasons.

4 But our intention is actually to -- to do  
5 this.

6 At the end the count is the same count.  
7 The only difference is that instead of putting  
8 office on this side and residential on this side,  
9 we're putting office here and residential here.  
10 It's just a switch --

11 MR. ROTHER: The -- the --

12 MR. KORMAN: But the total program is the  
13 same.

14 MR. ROTHER: Let -- let -- let me just  
15 point this out.

16 We -- we were told when we sat with your  
17 folks is that F and G were going to be the  
18 location for our garage. We were going to be on  
19 the four -- on the first floor -- four floors of  
20 F --

21 MR. KORMAN: Right.

22 MR. ROTHER: -- and G.

23 MR. KORMAN: Right.

24 MR. ROTHER: It looks to me that this is F  
25 and G.

1 MR. KORMAN: Right.

2 MR. ROTHER: Is that correct?

3 MR. KORMAN: Correct.

4 And that we manage the case and this is on  
5 top and, most likely, will -- (indiscernible).  
6 This is only so that it matches the program and,  
7 most likely, we will put residential in there.

8 MR. ROTHER: Okay. Okay, so --

9 MR. KORMAN: But what is underneath it --

10 MR. ROTHER: Okay.

11 MR. KORMAN: -- is the same.

12 MR. ROTHER: So -- so when we look at Phase  
13 II, Phase II is really the footprint -- the  
14 total --

15 MR. KORMAN: Right.

16 MR. ROTHER: -- footprint.

17 MR. KORMAN: Yeah.

18 MR. ROTHER: Okay. Good.

19 MR. KORMAN: So let me just hand this to  
20 you so that you get a sense --

21 And, again, I -- I have --

22 CHAIRMAN KLINGHOFFER: We can share.

23 MR. KORMAN: So if everything goes ideal we  
24 would need to start building Phase -- the  
25 Division Street Phase I, which is the parking

1 garage that -- that was presented to you last  
2 week, pretty much immediately.

3 But this is really with the assumption that  
4 we will have an office tenant in place.

5 And if we don't have an office tenant in  
6 place, we'll start moving it all along because  
7 moving you is -- is a significant cost that we  
8 would not need unless we need the footprint of  
9 your --

10 MR. ROTHER: Say -- say again; I -- I  
11 missed that.

12 MR. KORMAN: What I'm saying is that if you  
13 look at the schedule, when you look at 2019,  
14 you'll see the North parcel and Division Street  
15 Phase I garage, which is the 1,000 car above-  
16 grade parking on the Division Street parcel,  
17 which is the --

18 MR. ROTHER: Yeah.

19 MR. KORMAN: -- Lincoln Motel parcel.

20 MR. ROTHER: Yeah.

21 MR. KORMAN: This assumes that we will  
22 start building the West parcel, which is the  
23 office --

24 MR. ROTHER: Yup.

25 MR. KORMAN: This is assumes that we'll

1 have a tenant by then, a lease by then, and --

2 MR. ROTHER: Yeah.

3 MR. KORMAN: -- everything else.

4 MR. ROTHER: That's consistent with what  
5 you were told -- we were told --

6 MR. KORMAN: Right.

7 MR. ROTHER: -- last week.

8 MR. KORMAN: If we don't have that, then  
9 this -- that -- what you see here in the second  
10 row that will start moving until the point in  
11 which we need the footprint of your garage. And  
12 that -- the need for the footprint of your garage  
13 will occur either with the West parcel or with  
14 the East parcel. One of them will then need to  
15 -- to do this.

16 While building the North parcel, we would  
17 not need to move you. And the cost of moving you  
18 to the -- to the Division Street parcel is  
19 significant and would only be justified once we  
20 actually need to build that site.

21 MR. ROTHER: Oh. Well, that's -- that's a  
22 little different than what we understood from the  
23 meeting.

24 At -- at the meeting we -- we understood  
25 that toward the end of the construction of this

1 S-shape structure, --

2 MR. KORMAN: Right.

3 MR. ROTHER: -- I guess that's Phase I.

4 Yeah.

5 MR. KORMAN: Right.

6 MR. ROTHER: Toward the -- toward the end  
7 and -- and the -- the numbers thrown around was  
8 probably going to take a year before you put a  
9 shovel in the ground; --

10 MR. KORMAN: Yeah, yeah, yeah.

11 MR. ROTHER: -- probably take three years  
12 to build it. That toward the end of that  
13 construction phase is when you would start the  
14 garage.

15 MR. KORMAN: Right. And that is correct.  
16 This is assuming again -- and -- and that way it  
17 will happen. This is assuming that we are done  
18 marketing and we -- and occupying the North.

19 MR. ROTHER: Yup. Yup. Yup.

20 MR. KORMAN: And then we starting work on  
21 the East parcel. And that is absolutely --  
22 absolutely correct.

23 What I'm saying is this is all under a good  
24 assumption that we're doing really well and  
25 everybody loves Newark and wants to be at our



1 project.

2           It also assumes that we'll find a tenant  
3 for Phase 3, the 500,000 square feet.

4           But if that does not happen then we would  
5 slow down. And my point is if for whatever  
6 reason we -- we have been slowed down or for  
7 whatever reason we couldn't pull it -- at the  
8 very beginning it took us another year because of  
9 market conditions or whatever else, I didn't want  
10 to be in a position where the option expires and  
11 all of a sudden all -- all the plans that we have  
12 worked on for so long expire.

13           So we were looking for an outside date.  
14 Originally we were not thinking about it on the  
15 -- in the LOI but I actually do agree that an  
16 outside date should govern there. And I said,  
17 you know, 15 years is outside enough for me to  
18 say if it didn't happen until then, then it's  
19 yours again.

20           But whatever it is we wanted your  
21 understanding and your empathy to the fact that  
22 we're going to create a very significant  
23 transforming project for Newark and it's not  
24 going to be that easy to put the shovel in the  
25 ground to begin with. But once we do we kind of

1 really predict every element.

2 My personally -- feel is that it will go a  
3 lot faster. But I'm conservative enough to say  
4 it's a very nice personal feel and this is why we  
5 put so much money in for this but we don't know  
6 that it will actually go as quickly as we would  
7 like because it's -- it's a significant project  
8 to absorb.

9 So what we wanted from you is to give us a  
10 long enough time to execute our plan, with the  
11 understanding that there is also a risk for you  
12 and that we're aligned in the sense that we would  
13 like to see this project happening because it's  
14 good for you and it's good for us and good for  
15 Newark at the end.

16 So, this is pretty much what we are --

17 I can give you a lot of -- a lot of details  
18 if you want about the different stages of design  
19 for the different buildings but I'm not sure that  
20 this is what you're interested in. And what I  
21 think was most important for us is that you  
22 understand the different consideration when it  
23 comes to the phasing and to the scheduling and --  
24 and that you understand why we were asking for  
25 such a long time to execute.

1           CHAIRMAN KLINGHOFFER: Mr. -- Mr. Korman, I  
2 -- you gave us a much better understanding now  
3 that you've made that presentation and you --  
4 we've all seen things slow down in Newark that we  
5 didn't expect.

6           But we operate under certain limitations.  
7 A statutory limitation and the reality is that  
8 the longer the time period it limits our use of  
9 the garage, we basically can't finance the flow  
10 of -- we can't do anything with the garage while  
11 it's -- while this time period's in place.

12           I think counsel had advised us at one point  
13 that there's a statutory limit on what we can do.  
14 Five years? Was -- I am correct or incorrect  
15 or --

16           MS. SAPINSKI: Stay here.

17           MR. CROMIE: Yeah, where -- the --

18           CHAIRMAN KLINGHOFFER: Okay, I'm sorry.

19           MR. CROMIE: Yeah.

20           CHAIRMAN KLINGHOFFER: We got a lot of  
21 lawyers --

22           MS. DILLON: Can I just ask you to stand up  
23 please.

24           MR. CROMIE: Sure.

25           MS. DILLON: Thank you.

1 MR. CROMIE: John Cromie from Connell Foley  
2 on behalf -- Special Counsel for the Authority.

3 There is a statutory provision that limits  
4 the Authority's ability to enter into long term  
5 agreements without special circumstances.

6 Including, if you go beyond five years -- and  
7 there's some discussion we've had with -- with  
8 counsel -- that there may be some flexibility  
9 there.

10 But what the statute provides, if you're  
11 going to go beyond five years on this phase for a  
12 lot of plans, you would have to get State  
13 approval for that. You'd have to go to Community  
14 Affairs.

15 Absent that there is a provision in this  
16 statute, if you went beyond five years, that the  
17 Board would have to make -- the Authority would  
18 have to make a special determination and a  
19 resolution that it was in the best interests of  
20 the plan. But I think, Mr. Chairman, you did  
21 touch on a couple of factors --

22 CHAIRMAN KLINGHOFFER: Um-hum.

23 MR. CROMIE: -- separate and apart from  
24 statutory --

25 CHAIRMAN KLINGHOFFER: Yeah.

1 MR. CROMIE: -- conditions; that a long  
2 term commitment would -- would put somebody --  
3 even though it might be in the best interest of  
4 the project, there are some limitations you got  
5 to be aware of and take into account -- a  
6 balance.

7 CHAIRMAN KLINGHOFFER: Presumably once this  
8 contract is out there, it's a cloud on the title  
9 --

10 MR. CROMIE: It's a practical --

11 CHAIRMAN KLINGHOFFER: -- and we really --

12 MR. CROMIE: -- matter.

13 CHAIRMAN KLINGHOFFER: We can't do anything  
14 with that garage if --

15 MR. FLEDER: Right.

16 CHAIRMAN KLINGHOFFER: -- for that time  
17 period.

18 MR. FLEDER: Can't refinance it; we can't  
19 do --

20 MR. KORMAN: Mr. Chairman, let me just  
21 clarify on that.

22 There is no interruption to your operation  
23 and you would only be moving when the other  
24 garage is ready for you. So, --

25 CHAIRMAN KLINGHOFFER: No, no, that's not

1 the issue.

2 MR. KORMAN: -- it's not the location.

3 CHAIRMAN KLINGHOFFER: That -- that's not  
4 the issue.

5 MR. KORMAN: So why couldn't you get  
6 financing if ultimately there was no interruption  
7 to stream of income?

8 MR. CROMIE: I think -- I don't know if I'm  
9 aware of and I've done enough financing. I think  
10 you'd have to have a -- a call provision in those  
11 bonds and because of the uncertain nature of --  
12 of when that call would have to go into place, it  
13 would have to be, you know, a very, very broad  
14 discretionary call.

15 MR. GENOVA: I -- I guess -- I guess --

16 MR. CROMIE: And so that -- that would --

17 MR. KORMAN: Isn't it against the income  
18 though?

19 MR. GENOVA: Yeah. Yeah. I guess to Ben's  
20 point, you know as I understand, -- I'm not a  
21 bond lawyer either but --

22 Jeff you can jump in to fill the void in my  
23 understanding of things.

24 -- but -- but, you know, it's about a  
25 securitization and what's the revenue stream

1 that's going to secure -- secure the return on  
2 the bond.

3 And I -- and I think the basic thing we'd  
4 like the Commissioners to understand is that  
5 there's only a disruption when --

6 CHAIRMAN KLINGHOFFER: No, that part we  
7 got. Yeah.

8 MR. GENOVA: Yeah.

9 MR. KORMAN: And there is no disruption.

10 MR. GENOVA: There's no disruption during  
11 the pendency of it --

12 MR. KORMAN: There -- there's no disruption  
13 at any point.

14 MR. GENOVA: Right. Because --

15 MR. KORMAN: Because we will have --

16 MR. GENOVA: -- we're going to be done.  
17 We're going to be done.

18 MS. DILLON: One at a time, gentlemen, --

19 MR. GENOVA: Yes.

20 MS. DILLON: -- please.

21 Thank you.

22 MR. GENOVA: Go ahead.

23 MR. KORMAN: What I said is that there was  
24 no disruption at any point because you will be  
25 moving into the new garage or new space only

1 after it's ready for your operation. And you  
2 will -- and that was the whole idea that there  
3 will be no disruption.

4 CHAIRMAN KLINGHOFFER: I think we  
5 understand that.

6 MR. CROMIE: Mr. Chairman, we had not had a  
7 chance yet to talk about this.

8 So one thought that occurred to me was, if  
9 you're trying to balance this, if you could enter  
10 into a -- a fixed term for the agreement and then  
11 have the ability to renew it in smaller  
12 incremental --

13 CHAIRMAN KLINGHOFFER: Um-hum.

14 MR. CROMIE: -- terms.

15 CHAIRMAN KLINGHOFFER: That's right, yeah.

16 MR. CROMIE: That may be -- and, again, we  
17 haven't spoken about that. I want to be --

18 CHAIRMAN KLINGHOFFER: Um-hum.

19 MR. CROMIE: -- very, very clear about  
20 that. But that might be an approach that could  
21 balance the competing interests here.

22 Hearing loud and clear that you're not sure  
23 what the future holds but knowing that 15 is --  
24 might be problematic, that may be a way to  
25 balance it.



1 MR. KORMAN: What would be --

2 MR. CROMIE: Have some risk but -- but if  
3 there's an ability to renew, at least your --  
4 your -- you have lines of demarcation.

5 MR. KORMAN: And it's an automatic renewal  
6 or the --

7 CHAIRMAN KLINGHOFFER: We'd have to --

8 MR. KORMAN: -- with the condition --

9 MR. CROMIE: To be determined I guess.

10 MR. KORMAN: Because if you have conditions  
11 then it puts us again in a vulnerable position  
12 because we don't know what condition it would be.  
13 But if it's an automatic renewal, then I don't  
14 see an issue with that.

15 MR. GENOVA: Or you can establish, I  
16 suppose, conditions precedent to its nonrenewal.  
17 That it's presumptively automatically renewed but  
18 there are certain conditions precedent so its  
19 nonrenewal, which might not have as much of a  
20 risk to us.

21 But we -- the lawyers would have to fight  
22 it out.

23 MR. ROTHER: Yeah. Yeah. No, --

24 MR. GENOVA: But I guess the fundamental  
25 thing or the fundamental question I have on -- on

1 | behalf of Ben is, you know, gets to the point  
2 | that John made which is, you know, there's a  
3 | certain extraordinariness to this. There's a  
4 | certain public interest in this. I -- I think it  
5 | is somewhat transforming. I -- I, as one lawyer,  
6 | think it would qualify for the kinds of  
7 | exceptions that John's talking about and probably  
8 | would be well-received by the DCA, particularly  
9 | in this Administration; to my view, but that  
10 | being said, you know, I -- I think at a minimum  
11 | we'd like to leave this evening with a sense that  
12 | there's buy-in, we're trying to find a map to --

13 |           And I'm not asking for a vote or anything.  
14 | I'm just saying that there's buy-in to trying to  
15 | find a roadmap to a disposition that balances  
16 | these things.

17 |           CHAIRMAN KLINGHOFFER: Mr. Genova, I think  
18 | there's a sense here --

19 |           And I -- I don't want to speak for  
20 | everybody because we haven't had a chance to  
21 | discuss it.

22 |           But I think the -- the greater sense is we  
23 | want -- we want to be part of this project; we  
24 | want this project to work. It's very exciting  
25 | for Newark. It's very exciting for Essex County.

1 And it's very exciting for all of Northern New  
2 Jersey.

3 So, we're -- we're -- yes, we're all  
4 pulling in the same direction. It may take a  
5 little bit of -- of work and creativity to figure  
6 out quite how to --

7 MR. GENOVA: Get through this.

8 CHAIRMAN KLINGHOFFER: -- to do this and --  
9 but we're pulling in the same direction.

10 MR. GENOVA: Yeah.

11 COMMISSIONER STANZIALE: Jeff's --

12 MR. GENOVA: Jeff?

13 MR. RICH: One point with respect to what  
14 John had raised with respect to financing.

15 I think there -- there probably could be a  
16 path created to -- to allow for financing to  
17 occur while this agreement is in place. Similar  
18 to what you do in situations where you have  
19 either long term debt or existing debt. We can  
20 enter into some type of non-disturbance agreement  
21 or subordination agreement.

22 But subject to communications with bond  
23 counsel, I think we could find a path that would  
24 not handcuff you from the standpoint of financing  
25 on a going forward basis while this agreement's

1 | in place.

2 | MR. CROMIE: Yeah, I would -- I would --  
3 | Not to turn this into a real property or --

4 | MR. RICH: Right.

5 | MR. CROMIE: -- mortgaging class. I would  
6 | agree with you --

7 | MR. RICH: Um-hum.

8 | MR. CROMIE: -- on the real estate end.

9 | My concern was more on the -- on the  
10 | economics of the viability of the bonds and what  
11 | -- what you would -- what the interest rate would  
12 | be to pay somebody -- that somebody would want to  
13 | pay --

14 | MR. RICH: Right.

15 | MR. CROMIE: -- and figuring out what the  
16 | pricing of the bonds would be because it had that  
17 | -- that very broad call provision.

18 | CHAIRMAN KLINGHOFFER: I -- I think this is  
19 | beyond the -- I think this is beyond the scope of  
20 | the discussion --

21 | MR. CROMIE: Yeah.

22 | CHAIRMAN KLINGHOFFER: -- for today.

23 | MR. CROMIE: Yeah.

24 | CHAIRMAN KLINGHOFFER: But I think we're --  
25 | we agree in concept that we would like to work

1 with you if we could find this common ground.

2 Yes.

3 MR. GENOVA: Not to mention the goodwill  
4 that we hope to engender for eliminating the bond  
5 obligations that you had on the underlying the  
6 purchase of the property.

7 CHAIRMAN KLINGHOFFER: So noted.

8 MR. KORMAN: Just one request.

9 We're scheduled to close on the Division  
10 Street parcel at the end of March. We've been  
11 discussing this for quite a long time.

12 I feel a significant fiduciary  
13 responsibility towards my own investors --

14 CHAIRMAN KLINGHOFFER: Sure.

15 MR. KORMAN: -- in this project and the  
16 investment is growing. And this is harboring  
17 because this is a piece -- and we have this  
18 agreement it feels like a handshake with a  
19 government entity or quasi -- quasi-government.

20 And we feel comfortable with your  
21 support overall but we need to bring this to an  
22 end.

23 So if we can do this within these coming  
24 weeks prior to closing it will be very helpful.

25 CHAIRMAN KLINGHOFFER: We could certainly

1 use our best efforts to do that.

2 MR. KORMAN: Thank you.

3 MR. CROMIE: Angelo, may -- may I ask a  
4 quick question -- a subsequent question?

5 MR. GENOVA: Sure.

6 MR. CROMIE: I don't want to --  
7 You had mentioned --

8 MR. GENOVA: I don't waive any privileges.

9 MR. CROMIE: Well, --  
10 You mentioned that you were partnering, I  
11 -- I think -- thought I heard you say partnering  
12 with -- with other stakeholders in terms of  
13 development because of the scale. Was that -- is  
14 -- is Lotus principally going to remain involved?

15 MR. KORMAN: Yes. Yes.  
16 We would need some support.

17 MR. CROMIE: Sure.

18 MR. KORMAN: It's a very significant  
19 project. Because we can't --

20 I mean we're humble enough to say that we  
21 can't pull it through all the way. It's over two  
22 billion dollars in total.

23 We will see through the beginning -- we  
24 will remain there. We think that -- carry a  
25 vision that is unique and -- and therefore it

1 | would be in the interest of anyone that we would  
2 | bring in. And this is not unusual. These kind  
3 | of projects are done in collaboration.

4 |           MR. CROMIE: So, again, not to get into  
5 | legal, we can talk -- part of the concern from  
6 | the long term would be knowing that -- that you  
7 | can't predict the future, wanting to make sure  
8 | that the relationship is with Lotus.

9 |           Not patronizing you and your partners but  
10 | making sure that that commitment to get that  
11 | garage built and the swap that was --

12 |           MR. KORMAN: Yeah.

13 |           MR. CROMIE: -- was backstopped. And --

14 |           MR. KORMAN: And -- and --

15 |           MR. CROMIE: -- and I realize there's a  
16 | lot, variables and flexibilities; you can't  
17 | predict the future.

18 |           MR. KORMAN: But at the end --

19 |           MR. CROMIE: That's important.

20 |           MR. KORMAN: -- if it's not up to the  
21 | standards or if we didn't completed it to your  
22 | satisfaction, you will not hand it to us and you  
23 | will not remove it.

24 |           So -- so you're in control of that whole  
25 | process regardless of what entity ultimately is

1 the one that's carrying it through.

2 We will most likely be the -- the entity  
3 but even if we're not the entity, you're --  
4 you're in full control of the swap. The swap  
5 will not happen unless you are happy with the  
6 product that you're moving into.

7 MR. CROMIE: Okay.

8 I'm going to give it a little thought.

9 Thank you.

10 Appreciate it.

11 MR. GENOVA: To Ben's point, maybe Steve  
12 you can educate us a little bit, but if we're  
13 capable in the next few days to hammering out  
14 what I think is this last issue, what's the  
15 process for this Board to act?

16 You -- is it -- you have authority --

17 MR. ROTHER: This -- this Board -- this  
18 Board acts very promptly.

19 MR. GENOVA: Okay.

20 MR. ROTHER: We -- we hold special  
21 meetings; --

22 MR. GENOVA: Okay.

23 MR. ROTHER: -- that's never an issue.

24 MR. GENOVA: All right.

25 Thank you.



1 CHAIRMAN KLINGHOFFER: That's not the only  
2 factor here.

3 MR. GENOVA: Any -- any questions?  
4 Anyone?

5 Well you've been very generous with your  
6 time.

7 MR. KORMAN: Yeah, thank you for your time.

8 CHAIRMAN KLINGHOFFER: Appreciate you  
9 coming up here to visit us.

10 MR. COLLINS: It was a pleasure. Thank  
11 you.

12 MR. KORMAN: Any time, just let us know if  
13 you want to know more.

14 CHAIRMAN KLINGHOFFER: We're not bashful.  
15 (Whereupon, there was a pause in the  
16 proceedings.)

17  
18 (Whereupon, Angelo J. Genova, Esq., Jeffrey  
19 R. Rich, Esq., Ben Korman and Kevin Collins left  
20 the meeting at 6:44 p.m.)

21  
22 MR. ROTHER: You want to go back into  
23 Executive Session?

24 CHAIRMAN KLINGHOFFER: I think we have to.  
25 I think we have to. I think we have to.

1 MR. ROTHER: All right.

2 CHAIRMAN KLINGHOFFER: It occurred to me we  
3 can't have this disc-- yeah, I mean, it's --

4 MR. ROTHER: Yeah.

5 CHAIRMAN KLINGHOFFER: -- negotiation.

6 (Whereupon, there was a pause in the  
7 proceedings.)

8 MS. DILLON: You have to move --

9 MS. SAPINSKI: Oh, I'm sorry. We have to  
10 move to Executive Session.

11 What's the --

12 MR. ROTHER: Yup.

13 MS. SAPINSKI: What's the rationale?

14 MR. ROTHER: Contract negotiations.

15 MS. SAPINSKI: Contract negotiations.

16 Okay.

17 Move?

18 COMMISSIONER STANZIALE: I'll make a  
19 motion.

20 MS. SAPINSKI: Okay.

21 MS. DILLON: I'm sorry; it's too loud.

22 Who moved it?

23 MS. SAPINSKI: Carla is moving.

24 Second?

25 COMMISSIONER ROSS: Second.

1 MS. SAPINSKI: Commissioner Dunec?

2 COMMISSIONER DUNEC: Yes.

3 MS. SAPINSKI: Commissioner Ross?

4 COMMISSIONER ROSS: Yes.

5 MS. SAPINSKI: Commissioner Stanziale?

6 COMMISSIONER STANZIALE: Yes.

7 MS. SAPINSKI: Commissioner Yustein?

8 COMMISSIONER YUSTEIN: Yes.

9 MS. SAPINSKI: Chairman Klinghoffer?

10 CHAIRMAN KLINGHOFFER: Yes.

11 MS. DILLON: Okay, just one moment.

12

13 (Whereupon, the Board moved to III  
14 Executive Session at 6:44 p.m., Resolution No.  
15 18-045.)

16

17 (Whereupon, the Board returned to Open  
18 Session at 7:26 p.m., Resolution No. 18-09.)

19

20 MS. DILLON: Whenever you're ready.

21 MS. SAPINSKI: Chairman? Are we ready to  
22 finish this meeting?

23

24 **ADJOURNMENT:**

25

1 CHAIRMAN KLINGHOFFER: Is there a motion to  
2 adjourn?

3 COMMISSIONER DUNEC: Motion.

4 COMMISSIONER ROSS: Second.

5 COMMISSIONER YUSTEIN: Second.

6 MS. SAPINSKI: Commissioner Dunec?

7 COMMISSIONER DUNEC: Yes.

8 MS. SAPINSKI: Commissioner Ross?

9 COMMISSIONER ROSS: Yes.

10 MS. SAPINSKI: Commissioner Stanziale?

11 COMMISSIONER STANZIALE: Yes.

12 MS. SAPINSKI: Commissioner Yustein?

13 COMMISSIONER YUSTEIN: Yes.

14 MS. SAPINSKI: Chairman Klinghoffer?

15 CHAIRMAN KLINGHOFFER: Yes.

16 MS. SAPINSKI: Thank you.

17 CHAIRMAN KLINGHOFFER: Thank you,  
18 everybody.

19 This is a record.

20 MR. ROTHER: Two and a half hours.

21

22 (Whereupon, the proceedings were concluded  
23 at 7:26 p.m., Resolution No. 18-10.)

24

25

1 STATE OF NEW JERSEY :

2 :

3 COUNTY OF ESSEX :

4

5 I, Karen A. Marino, assigned transcriber,  
6 do hereby affirm that the foregoing is a true and  
7 accurate transcript of the REGULAR BOARD MEETING  
8 and ANNUAL RE-ORGANIZATION of the ESSEX COUNTY  
9 IMPROVEMENT AUTHORITY heard on Tuesday,  
10 February 27, 2018 and digitally recorded.

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