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New Jersey Schools Development Authority, OAG Recover More Than \$1.8 Million Through Three Environmental Remediation Cases

TRENTON, NJ– The New Jersey Schools Development Authority (SDA), in cooperation with the Office of the Attorney General, Division of Law, has recently received more than \$1.8 million through settlements across three separate matters.

“Together with the Office of the Attorney General, SDA will continue to fight to protect state dollars,” said CEO Marc Larkins. “Taxpayer money afforded to the school construction program was intended to improve classrooms and not pay for environmental remediation. Therefore, we will pursue recoveries from those responsible for contaminating future school sites.”

“This is an important outcome for the citizens of New Jersey,” said Attorney General Jeffrey S. Chiesa. “These cost recovery actions provide the dual benefit of cleaning up contaminated property and advancing critical school construction projects.”

The first matter was settled following a formal mediation through the New Jersey Office of Dispute Settlement. The Estate of Alan Zelinger, Ethical Products, Inc., Bell Construction, Inc. and Coca-Cola Refreshments USA, Inc. agreed to pay the SDA \$800,000 for costs associated with the environmental remediation of a property acquired for the construction of the First Avenue Elementary School in Newark. Construction of the new school commenced in 2005 and opened to students in 2007.

After a judgment in favor of the SDA in February 2010, the second matter reached final settlement in April 2012 while on appeal. SDA recovered \$483,535 in the settlement and a total of \$863,207 overall for costs associated with the cleanup of a property acquired for the Ronald Reagan Leadership Academy School Number 30 in Elizabeth. The settlement was reached with Getty Petroleum Marketing, Inc. and Power Test Realty Company, L.P. The Ronald Reagan Leadership Academy School No. 30 opened to students in September, 2006.

Finally, SDA reached a settlement agreement to recover \$561,924 for environmental remediation activities related to a property acquired for the construction of Public School Number 20 in Jersey City. In May 2012, SDA entered into an agreement with Shadrall Associates for the turnover to the SDA of the full amount of monies held in an escrow account established to offset

environmental remediation costs. Shadrall Associates had disputed their legal responsibility to pay for the environmental cleanup under the New Jersey Spill Act. Public School Number 20 was identified for advancement as part of the SDA's 2011 Capital Project Portfolio.

Deputy Attorney General Kimberly Hahn and Deputy Attorney General Paul Stofa, assigned to the Division of Law's Cost Recovery and Natural Resource Damages section, handled the matter on behalf of the SDA.

Since the beginning of the Christie Administration, more than \$11 million has been recovered through the SDA cost recovery program. All funds recovered go toward the construction of future projects in SDA districts.

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