STATE OF NEW JERSEY
LOCAL FINANCE BOARD
June 14, 2017
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Held at the:
DEPARTMENT OF COMMUNITY AFFAIRS
Conference Room 129A
101 S. Broad Street
Trenton, New Jersey 08625

REPORTED BY: Angela R. Waters, CCR.

JERSEY SHORE REPORTING
517A Passaic Avenue
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BEFORE:

TIMOTHY CUNNINGHAM, CHAIRMAN

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EMMA SALAY, Deputy Executive Secretary
PATRICIA MCNAMARA, Executive Secretary

BOARD MEMBERS:

IDIDA RODRIGUEZ
ALAN AVERY
TED LIGHT
DOMINICK DIROCCO
MR. BLEE
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CHAIR CUNNINGHAM: Good morning. We'll begin this portion of the Board agenda. This meeting was previously opened to the public in a separate session upstairs. So we can dispatch with those formalities. I would like to remind the audience, this is a public meeting. If anyone wants to comment publically after an application, please put your hands up and the board will offer them for any testimony they will want to offer.

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FLORENCE TOWNSHIP FIRE DISTRICT #1.
BURLINGTON – NJSA 40A:9-22 1 et seq.
LOCAL GOVERNMENT ETHICS LAW.

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CHAIR CUNNINGHAM: We'll begin right into it, I guess, with Florence Township Fire District No. 1.

Good morning, gentlemen.

Good morning.

CHAIR CUNNINGHAM: Gentlemen, would you please introduce yourselves. And those who aren't counsel be sworn:

MATT SWEENEY: Matt Sweeney,
Phoenix Advisors.

KEVIN MULLEN: Kevin Mullen, fire chief.

MAT SWEENEY, KEVIN MULLEN, after having duly been sworn was examined and testified as follows:

CHAIR CUNNINGHAM: Okay. Good morning.

Good morning.

CHAIR CUNNINGHAM: Florence Fire District No. 1 here seeking to purchase $180,000.

PAT SWEENEY: Yes. $188,335.

CHAIR CUNNINGHAM: Okay. Do you want to introduce anything about the application, or do you just want to jump in and ask questions? Whatever you want to do.

MATT SWEENEY: We can jump right in.

CHAIR CUNNINGHAM: Okay. So again, I know the fire district has been here before. I guess a couple of things. I'll read a couple of things into the record so they're memorialized. If I say anything inaccurate, please correct me. I'll get to a
couple of the specific items that I want to
talk to the district about.

So this is an ambulance that's
being purchased for a cost of $188,335.00.
The total amount, positive findings will be
sought for, is not to exceed more than
$210,000. The district seeks to purchase this
through the Houston Galveston National Coop.
And it's going to be undertaking a three-year
Lease purchase.

MATT SWEENEY: That's correct.

CHAIRMAN CUNNINGHAM: It's also
my understanding from the application that the
district is putting $25,000 as a down payment.

MATT SWEENEY: Correct.

CHAIR CUNNINGHAM: Which I was
happy to see. So let me go into a couple of
the questions that I had.

I guess two things: So
I guess the first question that we had had --
and staff had some conversations with your --
with your Counsel. We had some questions
about the ballot question, about the validity
of the ballot question. This is something we
hadn't previously seen in that your ballot
question which was put forth an election in
2016 was actually seeking a question about
whether an ambulance could be acquired in
2017. And then another ambulance in 2019.
We had questions about the validity of that
ordinance, but I just want to make clear that
for purposes of the application today, the
only component of that referendum question
that's being addressed is the purchase of the
2017. And we're not being asked to do
anything relative to the approval or financing
of the potential of 2019 acquisition.

MATT SWEENEY: True.

CHAIR CUNNINGHAM: Let's just
talk a little bit. And Mr. Sweeney I would
direct the question to you. You had sought
multiple financing packages, but received only
one response.

MATT SWEENEY: One response.

CHAIR CUNNINGHAM: So talk to
me a little bit about this, because I'm a
little surprised, and maybe a little
disappointed. How many -- I heard you sent
out quite a number.

MATT SWEENEY: Yes, we sent out
-- the list we sent out has about
approximately 50 individuals from over 30
firms. The response that we got back was from
one US Bank Corp with a solid bid of 1.991
percent. I guess due to the size and being a
fire district we have seen that we're not
receiving not as many bids as we had hoped.
Somewhere around three bids.

CHAIR CUNNINGHAM: Yes. You
said 50. I have no problem with the rate, but
I was shocked at the lack of response.

MAT SWEENEY: Yeah. I mean
being at this size, we have seen there has
been a limited response, but we did receive
one.

CHAIR CUNNINGHAM: Okay. Did
the Board have any other questions for the
applicant?

MR. DIROCCO: Mr. Chair, there
will not be another public referendum on the
2019 to purchase. This covers both purchases
but you'll have to come back to the local
finance board for that 2019 application.

COURT REPORTER: I'm sorry. I
couldn't hear you. Can you repeat that?
MR. DIROCCO: I was asking whether there would be another public referendum for the 2019 purchase. It's my understanding it will not be, correct?

MAT SWEENEY: That is correct.

MR. DIROCCO: But you'll have to come back before the Board for that purchase.

KEVIN MULLEN: That's correct.

MR. DIROCCO: Yes. Okay. Thank you.

CHAIR CUNNINGHAM: And the application says you are replacing a 2008 ambulance.

KEVIN MULLEN: Yes.

CHAIR CUNNINGHAM: What happens to that piece of equipment?

KEVIN MULLEN: Right now it's going to do either one of two things: We're going to either put it in a reserve status in case one of our ambulances breaks down, or we're just going to sell it outright.

CHAIR CUNNINGHAM: Okay. And my last comment is with respect to financial disclosure compliance, there are a couple key members of the organization that have not yet
filled out their financial disclosure statement.

KEVIN MULLEN: My understanding is that has been corrected.

CHAIR CUNNINGHAM: Okay.

KEVIN MULLEN: I contacted both of those individuals. And my understanding is that it has been corrected.

CHAIR CUNNINGHAM: Okay. Do we know that yet?

PAT MCNAMARA: I didn't get an update.

CHAIR CUNNINGHAM: Certainly we'll take your word. Thank you for passing that message along.

If any other members of the Board have questions, please feel free to ask. If not I would ask for a motion and a second.

MR. LIGHT: I will make a motion.

CHAIR CUNNINGHAM: Mr. Light makes the motion.

MR. BLEE: I second.

CHAIR CUNNINGHAM: Mr. Blee seconds. Roll call, please.
PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

CHAIR CUNNINGHAM: Thank you, gentlemen.

KEVIN MULLEN: Thank you.

MATT SWEENEY: Thank you.

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WILDWOOD CITY (USDA) CAPE MAY.

NJSA 40A:9-22 1 et seq.

LOCAL GOVERNMENT ETHICS LAW.

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CHAIR CUNNINGHAM: Members, the next application in front of the Board arose from the City of Wildwood and Cape May. I actually waived the appearance in this
regard after one internal issue that had to be resolved. The application was such that this is a typical USDA loan, which we do find to be a very beneficial program when it relates to sewer programs. But just for the record, the reason that they have to come in front of the Board is because there is a nonconforming maturity schedule based upon the way the USDA program works in that it utilizes a semiannual principal payments and the principal payments increase by more than one hundred percent, but nevertheless for a project cost of one point seven million dollars, the USDA provides a Grant of nearly seven hundred thousand dollars. The loan amount is just a little over a million dollars, an interest rate of two point eight seven five. All the other documents were in place; and therefore, I waive the appearance. So if there's no questions, you know, feel free to direct them to me, but if there are no questions, I would ask for a motion and second in this application as well.

MR. LIGHT: I'd like to make a motion.
CHAIR CUNNINGHAM: Mr. Light makes a motion.

MR. DIROCCO: I'll second it.

CHAIR CUNNINGHAM: Mr. Dirocco seconds. Roll call, please.

PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

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PATERSON CITY - PASSAIC

NJSA 40A:3-1.

$1,380,952 Proposed issuance of bonds pursuant to the Qualified Bond Program (various recreational improvements)

CHAIR CUNNINGHAM: The next application is the City of Paterson.
Mr. Dirocco, I know because of various professional issues that remain unresolved, you are going to recuse yourself for this application.

MR. DIROCCO: That's right.

CHAIR CUNNINGHAM: You're welcome to stay or step out.

Good morning. I'd ask that you all introduce yourselves. And those who aren't Counsel, be sworn.


JOHN CANTALUPO: John Cantalupo, Archer and Greiner, Bond Counsel to the City.

JOEY TORRES: Joey Torres, Mayor of the City of Paterson.

TERRY READY: Terry Ready, Assistant Business Administrator for the city of Paterson.

JOHN FRANCO: Our Committee Director of Historical Preservation.

MARGE CHERON: Marge Cheron --

COURT REPORTER: Marge Cheron, C-H-E-R-O-N, Budget Officer.
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MARGE CHERON, JOHN FRANCO, TERRY READY, JOEY TORRES, NEIL GROSSMAN, all having duly been sworn was examined and testified as follows:

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CHAIR CUNNINGHAM: Thank you.

Mayor, welcome.

Counselor, do you want to begin?

JOHN CANTALUPO: Yes, sir, Director. And then obviously I will turn it over to the Mayor. The larger part of the presentation on what this application involves and some of the gentlemen here to my right and left.

Today our application involves the issuance of $1.380,952 of bonds and notes under the Municipal Qualified Bond Act. The project involved in this is for the environmental remediation of three sites: Hinchliffe Stadium, Overlook Park and the ATP Quarry Riverwalk. Additionally another portion of the project involves improvements, the Phase I improvements to Hinchliffe
JerseyShore Reporting, LLC

I think the key to this whole application is that the issuance of these bonds and notes, which is roughly $1.4 million will unleash $8.8 million in grants to -- and various grants from various sources, which we can discuss here for the City in order to undertake environmental remediation of these properties as well as Phase I construction of Hinchliffe Stadium. This is mainly in terms of the stadium to provide -- to clean the Stadium up and provide it with security issues on the outside so people can't continue to get into the property. $700,000 of this $1.4 million bond will be used toward the stadium. And it gets us back grants of $830,000. $700,000 of the $1.4 million bond that we're asking for today gets us $800,000 for environmental remediation. This project is much larger --

NEIL GROSSMAN: Eight million.

JOHN CANTALUPO: Eight million -- I'm sorry -- environmental remediation.

This project involves a larger
vision for the City of Paterson, which I'll let the Mayor and other gentlemen go into, which unleashes a large part of the redevelopment that they're going to have a meeting on, a meeting about creating an area of the need for redevelopment in this area, and a number of tax credits that are available in this area. So I'll turn that over to the Mayor now so he can talk about the vision of what the City has. And certainly we can answer some questions that you guys have at this point.

MAYOR JOEY TORRES

Good afternoon commissioners, director.

Basically we did have the conference call at length yesterday. I think that the Board is aware of the application, I can pass it onto John Franco, our Historical Preservation Director to talk about those -- the leveraging that counselor talked about, that the unleashing the approving of the $750,000, 50 percent of the $1.5 million will unleash close to eight million dollars in redevelopment. Most of the funding coming from the federal, state and county government.
Our share of it, the municipal share, was to do the environmental. And the environmental costs for those three projects total $750,000 that includes some remediation work that has to be done in order to proceed for the awarding of the contract for the $1.5 million for the restoration of the stadium. Hinchliffe stadium is one of the two remaining open all year baseball field with Nego League played. There's some discussion that the fieldhouse would be converted into future home of the New Jersey Hall of Fame as well as the Negro League Museum. That would be based on receiving rental income for that space that's going to be fitted out within this Phase I of -- within the build of Phase II of the stadium, not Phase I.

So I would pass it onto John Franco to add anything that I may have missed as it relates to the ATP site and the Quarry site. John Franco.

JOHN FRANCO So the project areas involved in the application are very exciting; one being the stadium; and the other two being the continuous parts of our National
Park Development. Paterson has a new national park established in 2009, and authorized in 2011. And since then we've been in extensive planning and engaging to redevelop and clean up the lands. And some portions will be turned over to the United States perpetuity and thereafter. So these two projects represent the third. We already completed one on one side of the waterfall. This project is directly on the other side. It's a premier viewing area. Last year the Park Service catalogued over 180,000 visitors to the National Park just in that one year, more than the population of the City of Paterson. So we certainly expect these developments will continue to draw public from near and far to enjoy the site. And this is -- these are efforts also to begin a very aggressive economic strategy year-round, that outcome. And that is definitely our goal.

So the ATP site that's involved is basically a large, a great long concept along the river where we will begin a river walk as well as part of the construction project. This is the second matching funding
that the National Park Service is bringing $8.1 million to this project. A total project estimated value is about 4.5 million. The other Overlook Park is ready for build. We have construction documents completed after a two-year process. That's approximately a $2.5 million dollar project of which we have Green Acres funding, and a quarter million dollars of National Park Service funding, and a half a million dollars of county open space funding. So all of these projects are aggressively taking advantage of funneling in as much leveraging as possible. And our application today represents a small percentage that is needed and cannot be funded otherwise for the environmental remediation of these project areas.

CHAIR CUNNINGHAM: Thank you.

JOHN CANTALUPO: Yes. I think, Director, one thing that's important to note is that -- and we had sent this down yesterday as well -- and it's in our application but -- the tax impact for this issue of bonds is roughly four dollars to the average tax payer, based upon the new calculation that Neil ran
last night. So it's four dollars to the average tax payer to unleash almost nine million dollars in grant funding, which if we had to do that on our own, I believe that would be about $300 per taxpayer just for that money.

CHAIR CUNNINGHAM: Thank you, John.

JOHN CANTALUPO: Yep.

CHAIR CUNNINGHAM: As the Mayor indicated to my colleagues on the Board, we had an extensive meeting on this matter yesterday with myself and division staff. We did go through the business plan that was provided. I had mentioned that having previously worked up at Passaic County, and I have seen Hinchliffe Stadium. And I have toured it. And I know the disrepair it's in, and the potential liability that it causes as an attracted nuisance and a congregate site for the unfortunate homeless. I will say those areas of the business plan surprise me that there is no pro forma in there. I question the long-term success of Hinchliffe. I know you guys are closer to it
than I am. But what's in front of the Board today is a relatively small issuance, which as your Bond Counsel has indicated over and over again really is necessary otherwise grant funding is in jeopardy. And I know with particular respect to the interest of Hinchliffe Stadium, I did check with another division in this department, actually through the commissioner, and I know that the department has made a commitment to the historic preservation of the stadium. And I don't want anything that this Board does or not do to run contrary to the commissioner's directive in that regard. And I know that is something I didn't know, but Commissioner Richman learned to play soccer at Hinchliffe Stadium having grown up just across the bridge.

So the Board is not being asked to endorse the project. It's being asked to review the financing. And the one thing that I took a very close look at -- and again, once again, your counsel, very timely, brought up -- that the tax impact we originally thought was going to be five dollars is closer
to four dollars in the City of Paterson where we know how overburdened the taxpayers are. Every dollar matters, but to not proceed with this financing, or for me not to allow this at least to come to the Board for their review would, I think, put significant grant funds in jeopardy, including grant funds that have been reviewed and approved by the commissioner of this department.

So with that said, I would ask if any of my colleagues have any questions about this particular application. Okay. Hearing none, I think that all the points that I had wanted to get onto the record in terms of the City's share versus the overall share, I think, were read into the record at the beginning. So I would then, I guess, ask for a motion and a second from this Board.

MR. AVERY: So moved.

MR. BLEE: Second.

CHAIR CUNNINGHAM: Mr. Avery and Mr. Blee. Roll call, please.

PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?
MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

CHAIR CUNNINGHAM: Thank you very much.

JOHN CANTALUPO: Thank you, Director.

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TRENTON CITY

MERCER NJSA 40A:3-1.

$934,846 Proposed Adoption of
Ordinances Pursuant to the Qualified
Bond Program.

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CHAIR CUNNINGHAM: City of Trenton. Good morning, Lisa.

LISA GORAB: Good morning.

Would you like me to introduce us?

CHAIR CUNNINGHAM: Yes, please.

And those who aren't counsel be sworn.
LISA GORAB: Lisa Gorab with Wilentz Goldman and Spitzer Bond Counsel to the City of Trenton. Janet Schoenhaar, CFO of the City, and Neil Grossman, Financial Advisor to the City.

CHAIR CUNNINGHAM: Once again, just for the Board to benefit, staff, and myself included, I had a conference call with the applicant yesterday in this matter to address -- I'm sorry. We didn't get sworn in yet.

LISA GORAB, JANET SCHOENHARR, AND NEIL GROSSMAN, after having duly been sworn was examined and testified as follows:

CHAIR CUNNINGHAM: So as I was saying we did do a conference call in this matter yesterday to address outstanding questions of staff. I believe we have everything that we had needed.

So, Lisa, maybe I can turn it over to you to introduce the application to the Board.

LISA GORAB: Thank you.

Yes. Today the City of Trenton is in front of you for the approval under the
Municipal Qualified Bond Act of two bond ordinances. These two bond ordinances are for the acquisition and rehabilitation of a fire truck and sewer improvements, including the cleaning, a cleaning project.

The bond ordinances are a little different in that they cancel prior appropriations and authorizations from 2005 bond ordinances. We understand that at the May Local Finance Board meeting it was stressed that the City should clean up some of its old bond ordinances. And this was intended to be an effort to do that. So we have canceled the appropriations and authorizations of those bond ordinances and are appropriating for these new projects.

The sewer ordinance, which is self-liquidating which is $728,137. The second ordinance for the acquisition and rehabilitation of a fire truck is for $206,709.00. I would add that the second ordinance, the fire truck ordinance, does seek your authorization to proceed with the ordinance, notwithstanding that the City is exceeding its statutory debt limit and also
seeks a down payment waiver for that specific ordinance. Those two specific approvals are not needed for the sewer ordinance since the sewer ordinance is self-liquidating.

We have two things I'd like to point out. We are not seeking approval at this time to issue the debt under these ordinances. We are just seeking approval to adopt the ordinances, which have been introduced. And secondly, we are aware of the Director's position on proceeding forward in this manner. And we are aware of how you feel about that.

CHAIR CUNNINGHAM: Thank you.

Lisa, one of the things that we felt to do when we prepared the agenda is we did not include the waiver of down payment component. So I think that we need to amend the application on the record. So I think I've heard you do that.

LISA GORAB: Yes.

CHAIR CUNNINGHAM: So in addition, members to the approval of issuance of debt, again, the approval of the issuance under the Qualified Bond Act -- I should
say -- we're also putting a waiver of down payment onto the record.

Now on that particular regard, I just want to issue that's another issue we had or conversation we had with the City. The City for a long time had not approached the capital markets given its condition. But I do think that mayor has worked really hard. And they came in front of the Board last year for the first time in quite a while for a capital program ordinance. And I was happy to see that. We did grant a waiver of down payment in its entirety as I recall in that application, but I did have conversation with the mayor, and the professional staff from the City and told them I wanted to see some steady progression where they were going to continue to put money down. And I think I am seeing that, which, you know, I'm appreciative of, but nevertheless, for this particular component, I think the waiver of down payment is appropriate. And again, Lisa, I know you put this on the record, but let me just make sure the Board -- that there are no questions. The City is over the debt threshold, but these
ordinances had already been authorized. So this isn't going to increase that overage by any amount.

LISA GORAB: That's correct, yes.

CHAIR CUNNINGHAM: Thank you.

You know, one other thing that I wanted to note -- and it's not really at all related to the City -- but I'm just struck by the fact that a neighboring town, who this Board has -- or this division has worked with in terms of consolidating fire districts and looked at their equipment and looked at their manpower -- it's funny that they can divest themselves of a truck they no longer need, and when a neighboring town can buy it and use it for a fire operation is really robust. I mean the City of Trenton has a number of high rises. They have high volume. And you know, they can --- I think you're acting very prudently here, Janet. I hope you send that message back to the administrator and the mayor. But I want the public and those of who are in attendance and this Board to know that the City is purchasing a 2005 fire truck from the Township
of Hamilton. And through that purchase price was a one hundred and 50 -- 150,000?

JANET SCHOENHAAR: 150,000.

CHAIR CUNNINGHAM: And you're putting how much into it?

JANET SCHOENHAAR: I think 50,000 -- around there.

MR. LIGHT: I thought you said hundred. I think it said a hundred.

JANET SCHOENHAAR: Hundred?

CHAIR CUNNINGHAM: I learned on the call yesterday that was a little high. And it looked like it was going to be closer to 200,000, the purchase and the renovation.

JANET SCHOENHAAR: Yes.

CHAIR CUNNINGHAM: So I really do complement the City for -- it doesn't always have to be bright, shiny, and new, but I know how robust the fire department here is in the City. I'm frankly impressed by that effort of the City. So please make sure you extend that to the Mayor.

JANET SCHOENHAAR: Okay.

CHAIR CUNNINGHAM: Any questions from the Board as it relates to the
sewer cleaning?

MR. LIGHT: Just a question of what the amount was for the waiver of the down payment? Do you have that?

LISA GORAB: It would have been about 200,000 so far. It would be approximately a little less than $10,000.

MR. LIGHT: Oh.

CHAIR CUNNINGHAM: And again, that was only for one component of this application, and not this application entirely.

LISA GORAB: That's right. That's correct.

CHAIR CUNNINGHAM: And again, I just stress that because that was something that the staff had talked to the City about. And the City is following that direction.

MR. LIGHT: Right.

CHAIR CUNNINGHAM: Any other questions?

MS. RODRIGUEZ: I have a comment.

CHAIR CUNNINGHAM: Please.

MS. RODRIGUEZ: I just want to
commend Mayor Jackson, all the efforts he's making and how he's bringing the City back. And this -- something like this, a former colleague of ours was saying that's great. You don't have to show -- fire trucks. He was very adamant. I think I could feel his spirit here saying: Good job. Good job. So I commend you on it. Good luck.

CHAIR CUNNINGHAM: Would you care to make a motion?

MS. RODRIGUEZ: I'll make s motion, yes.

CHAIR CUNNINGHAM: I will ask for a second?

MR. BLEE: Second.

CHAIR CUNNINGHAM: Mr. Blee seconds. Roll call, please.

PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.
PAT MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

LISA GORAB: Thank you very much.

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CITY OF UNION CITY HUDSON – NJSA

40A:3-1 $21,500,000 Proposed Issuance of Refunding Bonds Pursuant Qualified Bond Program

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CHAIR CUNNINGHAM: The next application in front of the Board is the City of Union City. So Mr. McManimon, I see you in the audience. I guess my question is, we offered the applicant the opportunity to be heard on this application, or to waive the appearance, because the next application from the Hudson County Improvement Authority also relates. So I guess my question to you, seeing you in the gallery, does the City wish to waive its appearance on this particular application?

ED MCMANIMON: Well since our firm
doesn't represent the City --

CHAIR CUNNINGHAM: Oh, I thought you had Union City.

ED McMANIMON: I think it's Parker McCay.

CHAIR CUNNINGHAM: I'll ask Dan.

I'm sorry.

ED McMANIMON: I'm happy to represent them.

CHAIR CUNNINGHAM: So Dan, we sent the e-mail out. We didn't actually hear back.

DAN MARINIELLO: I forwarded the e-mail to the City. I did not hear back from them.

CHAIR CUNNINGHAM: So we'll proceed with the application then.

DAN MARINIELLO: Yes, sure.

CHAIR CUNNINGHAM: Okay. So the next application being heard by the Board is the City of Union City. And the reason that I offer the opportunity to waive the appearance was because this is a refunding of bonds pursuant to the Municipal Qualified Bond Act. The reason I gave them the opportunity to waive was because the next application...
through the Hudson County Improvement
Authority, which is a client of McManimon and
Scotland, it relates to the City and I wasn't
sure if they were going to be here. So I will
read then into the record this particular
application is, as I said, this is a
refunding -- it's actually a current refunding
to provide leveled savings. It does not
exceed the final maturity of the existing debt
and will provide savings greater than the 3
percent net present value. In this particular
regard the savings are about six and a half
percent, a little over than that for an
aggregate savings of $1.338,000. The reason
that the application even comes in front of
the Board in light of the new rules that deal
with refunding is because these bonds are
being issued through the Qualified Bond Act;
otherwise it would be a perfunctory matter and
would no longer have to come in front of the
Board. The City's net debt is 2.63 percent.
We think that will go up slightly to about
2.639 percent. And the City clearly has
enough capacity under the Qualified Bond Act
for the requisite coverage. So that is why we
waived the appearance. And unless someone has
any questions for me, I would ask for a motion
and second in that regard.

MR. BLEE: Motion.

CHAIR CUNNINGHAM: Mr. Blee. Did
I hear Mr. Light?

MR. LIGHT: Yes.

CHAIR CUNNINGHAM: Thank you. Roll
call, please.

PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT MCNARMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

PAT MCNAMARA: Thank you.

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HUDSON COUNTY IMPROVEMENT AUTHORITY

(City Guaranteed Lease Revenue Bonds City of
Union city School district Parking Project)  
Hudson -NJSA 40A:5A-6 $15,000,000 Proposed  
Project Financing.  

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CHAIR CUNNINGHAM: So now Hudson  
County Improvement Authority, City of  
Guarantee Lease Revenue Bonds for City of  
Union City School District Parking Project,  
Union City Board of Education.  

CHAIR CUNNINGHAM: Please identify  
yourselves for the reporter. And those that  
aren't Counsel, simply be sworn in.  

TAMMY ZUCCA: Tammy Zucca, City of  
Union City, Treasurer.  

KURT CHERRY: Kurt Cherry, Executive  
Director, Chief Financial Officer for the  
Hudson County Improvement Authority.  

ANTHONY DRAGONA: Anthony Dragona,  
School Business Administrator, Union City  
Board of Education.  

DAN MARINIELLO NW Financial,  
Financial Advisor.  

ED McMANIMON: Ed McManimon  
from McManimon Scotland and Baumann, Bond  
Counsel for the Hudson County Improvement
Authority. I thought I can hang around in case any other applicants don't appear.

KURT CHERRY, DAN MARINIELLO,
TAMMY ZUCCA, ANTHONY DRAGONA, after having duly been sworn was examined and testified as follows:

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CHAIR CUNNINGHAM: Okay.

ED McMANIMON: Thank you for the patience that this Board has shown on this application. We prepared for presentation two months ago. The Board happily pointed out that there was a separate application needed for the school district under the provisions of Title 18A. And since that time the application has been approved and submitted as a supplement to this application, which was by the Improvement Authority. So the second application is by the school district. And since then on May 26th, 2017, the State Department of Education approved this project, which was one of the things that was holding up this Board's desire to consider the matter. I'll let them explain. This is a project that
involves the significant cooperation of several governmental entities. The property that the garage is going to be located on is owned by the Parking Authority as is the property across the street where the school is going to be built. And because the school is being built on this property, it's replacing surface parking lots that we use for the public. And this project results in the Parking authority essentially leasing land over to the Improvement Authority to enable on one side a parking deck to be built that would result in significantly more parking spaces for both the public through the Parking Authority, as well as to the amount that's needed for the school district when they built the school across the street. There is currently 230-metered parking spaces on the two lots. And on the lot where the garage is going to be built, it has about 68 parking spaces. So those will be closed while the garage is built. The school will delay construction until the garage is done because then the remaining parking spaces, about 170, will be gone when they build the school, but
they'll be able to use the garage across the
street. So the Parking Authority is providing
this land at no cost. The school district is
using this land to enable them to build the
school across the street. And at the end of
the project being done, the Parking Authority
will have the use of four floors of a 433-
space garage. The school district will have
two floors. And when the property is paid off
by virtue of lease payments from the school
district to the Improvement Authority, then
they'll be -- the spots will remain where it
will go back to the Parking Authority, but the
school district will have basic in perpetuity
the two floors they need to run their school
district parking facilities. Under the
Improvement Authority's law and Title 18A, the
Lease from the school district to the
Improvement Authority, which is the security
for the bond, is a subject to appropriation of
Lease by virtue of statute, which is why the
City, an additional component to this, is
guaranteeing the bonds, so that it takes away
the market risk that is associated with the
appropriation obligation. So I think it's a
fairly significant cooperation while the State is funding the construction of the school. So you have a variety of public bodies that have all cooperated at the most significant efficient economic cost to build the school and provide the parking that's associated with it without taking away the parking that's available to the public. So I think in a nutshell that is what it is.

We have the people here from the school district and the City, and the Authority to answer any questions you have regarding the project and why the Improvement authority is involved in doing this. I think it creates the best dynamic for how to finance this at the cheapest method possible.

CHAIR CUNNINGHAM: Thank you, Ed.

ED McMANIMON: Now if I had to do that two months ago, I wasn't familiar with all of those aspects of the project, but in the two months I found that out.

CHAIR CUNNINGHAM: It gave you enough time. So, again, I appreciate that comprehensive introduction. I think you
mentioned -- but I just want to be sure -- that the Improvement Authority, the amount proposed to be issued will be $12,300,000.

ED McMANIMON: That's the expectation. The application was filled out with a $15 million, not to exceed -- this number may change marginally, but it's a 12 and a half million dollar project, not 15.

CHAIR CUNNINGHAM: So there's, you know, as Ed mentioned, there's numerous participace of the Improvement Authority issuing the bond. You have the school district, you have the Parking Authority's additional land, and you also have the City providing the guarantee. The actions that are in front of the board, I just want the board members to be clear, it's approval under 40A:5A6, the proposed project financing, approval of the proposed municipal guarantee of the City, and then also, as Ed mentioned -- because this is a Lease agreement that exceeds five years -- it also requires the Board's approval under Title 18A, and also the Department of Education's approval, which, again, Ed covered all of this so well in the
introduction, but the Department of Education had met on May 26th and notified the school district's approval of the Lease. So that component has been done, but the finance board's approval is still required. So I think it would be helpful a little bit. I mean I read the application. And I guess there is some previous conversations. I largely understand what's going on. But SDA is building a school?

ANTHONY DRAGONAYes.

CHAIR CUNNINGHAM: And I think I know but for the Board's benefit, could you just address the parking need and who will be parking here and a little bit about that please.

ANTHONY DRAGONA: Certainly, Mr. Chairman. The units of the Board of Education has been enjoying increased enrollment since 2010 of about between 350 -- 425 students a year. And we found ourselves -- even though we've been very proud recipients of a number of schools, five schools from the SDA, New Jersey SDA, we do have an opportunity to build one more school.
And this school will be on three municipal surface parking lots. The school will actually be on one. There will be an open play space. And to replace those spots that the City is providing we'll be building a parking deck structure. That parking deck structure, the first four floors will be for municipal use operated by the Union City Parking authority. And the top two floors will be for Board of Education use during Board of Education hours. It will be a middle school, so we anticipate that middle school in the structure of grades seven, eight and nine. We believe that that will enable us to align our other schools. We currently have a freshman academy which houses about 800 students. We have two middle schools, which are -- one is six, seven, eight and the other is seven and eight. So there is some disconnect educationally, because of the variety of grades in those three buildings. This will give us the opportunity to have four middle schools that will all be seven, eight and nine so we'll have some educational continuity.
The parking structure is key to this project, because we are -- we've enjoyed a great partnership with the City of Union City. And we believe that that's the spirit of the avid regulations when they were passed for us to be good partners, not only with our municipality, with our Board of Education but also with our county government as well. So here we have a situation where we would be receiving the three lots. We don't want to place the City's Parking Authority at a loss for all of those spots. So Phase I would be we would build this parking structure. Upon the completion of the parking structure, the Parking Authority would then gain back a little bit more than the spots that they were surrendering to us. And once the parking -- once the ribbon is cut, we could then begin to break ground on the four-story middle school, which the SDA has committed about $64 million, too. So that project -- we're in the planning stage of that. So that's sort of running concurrent. But we know that they can't get into the ground until we get the parking structure open, because that would then cause
the loss of the other two surface lots. So you know, if everything works out as planned, and we have some -- we have a great team, a great cooperation amongst all parties, this could certainly, hopefully be the type of project that could be a model to all of the other communities to look at. And as we always do in Union City, we're always willing to share our experiences, good and bad, with others that are looking to seek similar type of harmony and cooperation.

CHAIR CUNNINGHAM: Thank you.

Question on the Authority's fee. And I don't know if it was just an inadvertent duplicate line, but we see the Authority financing fee of 12 and a half basis points, but then there is also listed in the application authority's administrative fee for the same amount.

KURT CHERRY: The administrative fee -- there's an origination fee. And then the other fee is based on unpaid principal.

CHAIR CUNNINGHAM: So it's -- I guess I wrongly assume that it was an inadvertent
duplication. So there's 12 and a half basis points for a financing fee and 12 and a half basis points for an administrative fee?

KURT CHERRY: That's correct. There's an annual ongoing fee that reduces as the principal outstanding reduces so --

CHAIR CUNNINGHAM: Has that been your financing structure?

KURT CHERRY: Yes.

CHAIR CUNNINGHAM: So the DCA cleanup bill capped the fees for Improvement Authority issuers. And I guess -- and I know, Ed, you and I talked yesterday. I didn't expect this. I'm wondering are we in compliance with that statute in terms of what it provides for in terms of financing fees?

ED McMANIMON: Let me address. I wasn't aware of this issue when you and I talked yesterday. Let us check it. And then we'll get back to you. I don't know how this fits, because I hadn't seen it previously, but in terms of how that -- the language of your directive applies to this, I don't know if this is an annual fee. If it's not a financing fee--
It's an annual fee.

I think it is.

So it hasn't been showing up as a fee in the applications previously, because it's an annual fee, but with deference to you, if we could look at it and discuss it with you and determine --

CHAIR CUNNINGHAM: Yes. And the law capping the fee is new, case law. We don't have a lot to go on.

Correct. That's just what the words say.

I think, Chairman, to that issue, I think -- I'm not sure -- I think some of the authorities do it differently than others.

CHAIR CUNNINGHAM: We've learned that.

HCIA has always done that, if I remember correctly, taken that annual fee the first year and brought it to -- in the initial financing fee, so they don't take it in the last year. So they're taking it upfront. Others hold off. It's either an
accrued or in the next year. So this is how HCIA has done it. I'm not exactly sure if all of them do it. They all do it a little bit differently.

CHAIR CUNNINGHAM: And I would ask you, Mr. Cherry, to please just in light of the words of the -- actually known as the DCA cleanup bill. Okay?

ED McMANIMON: Thank you.

CHAIR CUNNINGHAM: Any other questions from the Board?

MR. LIGHT: Just question of interest. If I may, what is the population of Union City? How many students do you have?

ANTHONY DRAGONA: Union City is a mile and a quarter square. We have probably about 72,000 residents according to the census, okay, which we believe may be a little bit higher. And as far as the school district, we have 14 schools currently. We have 14,900 students. And in addition to that we have 1800 three and four-year olds in our preschool program.

MR. LIGHT: The additional school you are building, does that make that 15? Is
that included in the number --

ANTHONY DRAGONA: That would be 15.

MR. LIGHT: 15. And they have high schools?

ANTHONY DRAGONA: Yes, we have one senior high school: 10th, 11th and 12th grade, which opened in 2009. And next year it's anticipated that they'll have about 2800 students. When we opened in 2009, there were about 2,100 students.

MR. LIGHT: Thank you.

ANTHONY DRAGONA: Thank you.

CHAIR CUNNINGHAM: If there are no other questions, I would ask for a motion and a second.

MS. RODRIGUEZ: I will make a motion.

CHAIR CUNNINGHAM: Ms. Rodriguez makes a motion.

MR. BLEE: Second.

CHAIR CUNNINGHAM: Mr. Blee seconds.

Roll call please.

PAT MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?
MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

PAT MCNAMARA: Mr. Close -- sorry.

Mr. Dirocco?

MR. DIROCCO: Yes.

ED McMANIMON: I assume for the record that both applications, since they're separate, HCIA and the Union City School District is one vote for both applications?

CHAIR CUNNINGHAM: I took them as both.

ED McMANIMON: I just wanted the record to be clear. Thank you.

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CRESSKILL BOROUGH BOARD OF EDUCATION

Bergen NJSA 18A:20-42(f)

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CHAIR CUNNINGHAM: Good morning.

Welcome.

Applicants: Good morning.
CHAIR CUNNINGHAM: Please identify yourselves. And those that are not Counsel be sworn in.

ANTONETTE KELLY: Antonette Kelly, Business Administrator Board Secretary for the Cresskill Board of Education.

MICHAEL BURK: Michael Burk, Superintendent, Cresskill Board of Education.

RODNEY HARA: Good morning, Mr. Chairman. My name is Rodney Hara from the law firm of Fogarty Hara. We represent the Cresskill Borough Board of Education.

CHAIR CUNNINGHAM: I'm sorry. You have to all be sworn.

ANTONETTE KELLY, MICHAEL BURK, after having duly been sworn was examined and testified as follows:

CHAIR CUNNINGHAM: Please.

RODNEY HARA: I'll do it again.

Good morning. My name is Rodney Hara. I'm from the law firm of Fogarty and Hara. We represent the Cresskill Borough Board of Education. Pursuant to Title 18 A we are submitting to the Board an application for approval of a 30-year Lease of the Borough
Creskill. This is part of cooperative arrangement between the Board and the Borough, where the Borough has engaged in activity pursuant to 40 A to acquire titles to assist the Board of Education in addressing the problem of overcrowding in schools. The property, in question, is the subject matter of a Lease for administrative offices. The Lease, itself, would alleviate to step one of the process of overcrowding in schools. It will free up classroom space at the junior and middle high school, which is presently housing administrative offices. With the relocation to administrative offices, classroom space then can be devoted to students.

As a second part of the cooperative agreement between the municipality, there is a referendum that's scheduled in September whereby the Borough has acquired two additional properties adjacent to another elementary school. And upon approval of that referendum, the Board will purchase those two parcels of property, fund the Borough and enable it to address the need for additional classroom space for the
overcrowding. So we are submitting this application to you to enable us to effectuate Phase I of the two-phase cooperative arrangement with Borough to address the overcrowding in the schools.

CHAIR CUNNINGHAM: Okay. Thank you, Counselor.

It's funny because I guess I've been in this position for like two and a half years now and hadn't seen any of these five-year school district lease applications during my tenure until the last two -- three months and it seemed to get three or four all of a sudden. So I'm suddenly getting a little more up to speed on them. I do want to mention for the record that the Department of Education approved the Lease on May 12th. And that's always important. I ask the Department of Ed to go first because I think that's much more of a functional approval as ours a financing approval. I guess the one thing that I wasn't completely sure of the application was I guess the Borough's role. And as I understand it -- and please correct me if I'm wrong -- but the annual rent that's being paid by the district
is pegged to the Borough's debt service. And
I was just curious, what's the Borough's role
in the transaction. If you can maybe speak to
that a little bit.

MR. HARA: Specifically they
have acquired the property. And they passed a
resolution financing the purchase of the
property. The financial arrangements between
the Borough and the Board is entering the
long-term Lease. And the Board will pay its
annual rent from its current expense budget.

There is an annual appropriation condition in
the Lease that to the extent to which the
Board decides not to appropriate sufficient
monies for the rental payment for the
following school year, there's a termination
provision in the Lease. Because the cost
associated with renovating these two parcels
of land to use for administrative offices is
going to run into an expense that's not
otherwise part of its normal expenditure. The
Borough also agreed to defer the rent payment
for two years to enable us to use what would
otherwise be budgeted for the rent money for
the cost of renovations of an administrative
building. The Borough will have the ability to use the conference room in these two facilities once the renovation is completed because of certain activities in the housing project, which are more conducive to evening hours. So to that extent there would be a degree of cooperation of joint use.

CHAIR CUNNINGHAM: Thank you. You actually answered my second question, which I didn't even ask you which was the fit out period. So thank you for that.

MR. HARA: Yes.

CHAIR CUNNINGHAM: But you raised another question with your answer. When did the borough acquire the property?

MR. HARA: The borough has contracted and it's waiting to close title based on the approval of the Lease applications. They're in privity of the contract with the property owners right now. And closing is deferred pending the closing -- the closing is deferred rather.

CHAIR CUNNINGHAM: If it wasn't an existing borough property, why didn't the school district acquire the property directly?
MR. HARA: The property, itself,  
where it's situated is something that the  
board does not have the financial resources to  
able to purchase the property, itself. The  
only way that the property can be used by the  
board for the administrative offices would be  
if in fact it could enter into a lease  
arrangement. As I understand indicated to you  
before, Mr. Chairman, that there's a  
referendum in September for the purchase of  
two separate parcels of plans and  
construction, which is the second step of a  
Phase II project to deal with the overcrowding  
of the school.

CHAIR CUNNINGHAM: I just want to ask  
the executive secretary. We may have  
requested the applicant in June at the time.  
Have we received --  

PAT MCNAMARA: No.

CHAIR CUNNINGHAM: We had -- I'm not  
sure who they were addressed to, but staff on  
the division's team had sent on June 5th, a  
list of questions. And we don't believe we've  
gotten responses back to them. Are you in  
receipt of those?
MR. HARA: Yes. On June 8th I sent to Mr. Bennet an e-mail and by way of regular mail responses to those questions. I have my file copy. I will be more than happy to share with you Mr. Chairman for distribution.

CHAIR CUNNINGHAM: Nick, do you have them?

NICK: Can I take a look at them?

CHAIR CUNNINGHAM: Yes, please.

NICK: Yes, I do have them.

CHAIR CUNNINGHAM: Okay. So let me going back to your last answer, and I guess, once I kind of understood that the property had not been existing borough property -- I guess I assume that this had been acquired sometime in the past. So you mentioned that the school district -- I asked why the school district didn't buy the property directly and your answer was that you didn't have the financial resources.

MR. HARA: That's correct.

CHAIR CUNNINGHAM: But you have financial resources to pay it through a Lease. And I guess I don't understand, if it's a new acquisition that's being paid for over time,
then why can't the school district -- help me understand the financing behind it -- why is this that much cheaper that allows you to pay for it? You can lease it over a period of time, but it's actually not an acquisition. It pegs to the debt service which I understand the application to be.

MR. HARA: Well the debt service issue is not a Board of Education issue. The debt service issue in terms of the borough passing a resolution for the financing of a property is a borough issue. The Board of Education is going to be paying the rent at its current expense budget on an annual basis, except for the two-year deferral that I had mentioned before. And that will be done on an annual basis; part of the budget with the annual appropriations associated with it. Any debt service the board would be incurring is related to the referendum project which is scheduled --

CHAIR CUNNINGHAM: Well, I guess, Counselor, I'm sorry, let me try to ask my question again.

I do understand the debt service is
a borough issue. I understand that. What I'm getting at is if your testimony to the board is that the school district didn't have the financial wherewithal to, in essence, finance this acquisition, itself -- which would be a purchase over time likely through bonds -- but you're now having the borough do the same thing. And you're paying a Lease amount that matches the same amount that you would have been paying, because the borough -- borough is issuing that. Because as I understand the application, the amount you're paying, the amount the school district is paying is equivalent to what the borough is paying in debt service. I'm not understanding why the borough is acquiring the property for benefit of the district.

MR. HARA: Other than the financing issue, it's also a timing issue, because for the board to otherwise be able to purchase the property, it would then have to conduct a separate referendum. And it would require the passage of the referendums by the voters and then the time period associated with acquiring the property and making any renovations
associated with it.

CHAIR CUNNINGHAM: And that's why I kind of honed in on this line of questioning, because it seems to me that this could be perceived as an end-around around the referendum process.

MR. HARA: I don't necessarily interpret it that way, because this will be cooperative arrangements between borough and the board, that the borough is authorized by Title 14 A to sell and lease for benefit of the school district which is under 18 A:12-20. That's something they do have the ability to do. Right now the only way we can address the overcrowding in our schools, which is scheduled to be addressed for September, would be to enter into a lease arrangement that would effectively enable us to deal with the property immediately. The location of these two properties, which are in close proximity to the present school on which the administrative locations would give a degree of permanency in existence that would enable the district address the overcrowding and have an effective administrative space to deal with
the normal operations of the school district.

CHAIR CUNNINGHAM: Well I think the good news for me and this board is that I suppose I don't have to deal with the issues for voters in Cresskill, both in the general and school elections. The action in front of the Board today is simply the motion to approve the Lease in excess of five years.

Mr. Light, please.

MR. LIGHT: I didn't mean to interrupt.

CHAIR CUNNINGHAM: No, please ask questions.

MR. LIGHT I would expect that the Board of Education runs periodic annual checks on what the expectations are for the student enrollment. And is it something happened that all of a sudden that there was a larger number of students that came in that was greater than what you had expected in your annual enrollment or how did that all of a sudden become critical issue?

MICHAEL BURKE: The student enrollment has gone up over over 20 percent in nine years. So we had roughly over 1500
students nine years ago and now we're at 1848 right now. We had a demographic study done in 2014, which is consistently underestimated the amount of students coming in the district. We did a secondary demographic study for the referendum. And they project the enrollment to continue to grow. And we're currently having class sizes right now because of the -- growth of 27 -- 28 per class in third grade, which is running close.

MR. LIGHT: 28 percent you're saying?

MICHAEL BURKE: Per class, 27 -- 28 students, which is close of course to fire code with teachers aides.

MR. LIGHT: But that's larger than what was anticipated by the previous --

MICHAEL BURKE: That's correct, yes.

MR. LIGHT: -- expectations that were made?

MICHAEL BURKE: Yes.

MR. LIGHT: Just for the few years it has jumped that way?

MICHAEL BURKE: It's spiked. Yes, it's continued to grow. So we gained about 60
students over the last year alone, which in a school district that is 1700, that is pretty -- pretty substantial.

MR. LIGHT: And over the past, going back five years, it was much less than 60?

MICHAEL BURKE: It was growing about 15 to 20 per year. Now it's --

MR. LIGHT: 20 to 60?

MICHAEL BURKE: Yes.

MR. LIGHT: Okay.

MR. HARA: Mr. Chairman, I just may add in terms of the line of questioning and discussions we had, public hearings were held for the approval of long-term Lease. And with the referendum public hearings were held with respect to the subject matter of the referendum, primarily the purchase of two properties to be able to expand one of the elementary schools and alleviate the overcrowding in the classroom. So these issues, and the solutions were very transparent and --

CHAIR CUNNINGHAM: Were you at these public hearings?

MR. HARA: Was I? No, I was not,
sir.

CHAIR CUNNINGHAM: Were either of

the superintendent --

MICHAEL BURKE: Yes.

CHAIR CUNNINGHAM: So let me ask

this question -- because the borough is not

here. And I understand you don't represent

the borough.

MR. HARA: That's correct, sir.

CHAIR CUNNINGHAM: But during any of

these public hearing processes, did anyone ask

the question: What happens if the school
district terminates the Lease -- as I

understand you have the ability to do in

practically a moment's notice? What happens

then to the borough? The borough is stuck

with the acquisition of paying the debt

service?

MICHAEL BURKE: The question was

asked but our board of offices are currently

in the high school and middle school building.

And it's something that's not typically to

have that. And we really do need that space.

CHAIR CUNNINGHAM: I don't doubt it.

MR. HARA: In returning to the legal
consequences of that, sir, obviously the superintendent can talk to whether there was such discussions that took place. The efforts between the borough and the board are very cooperative. And they understood the non-appropriation provision of the New Jersey Administrative Code. And we have the provision in the Lease there to address the non-appropriation. The only instances where they will be a non-appropriation, if for some reason we brought back the administrative space into the existing -- one of the existing schools, because that would then satisfy what would be the circumstances of why we want appropriate -- appropriate sufficient funds. And it's not non-appropriating because we want to rent it from ABC Corporation, another entity.

CHAIR CUNNINGHAM: Things are cooperative until they're not. And we, on this board, have been in the game a long time. We've seen, you know, politics change, and things go off the rails pretty quickly. I just have to note that there is no one from the borough here. So I don't know that if the
borough didn't think it important enough to come and speak to this, then I don't know whether it's incumbent upon this board to kind of address a question that doesn't seem to have an answer. This is specifically why I was asking. This, as I understand the application, the school district is leasing the property pegged to the exact debt service the borough is pegged. I'm not saying you don't need the space at all, but you also have a termination provision. So at some point the school district could -- don't want it anymore. And you may tell me that's impractical. And I'm not questioning your need for the space at all, but the borough has now acquired -- perhaps in my cynical jaded opinion -- property on behalf of the school district to avoid going through the referendum process. And now you have the ability to terminate it. And if for some reason you terminated it, what protection does the borough have that they're going to be stuck with the building not paying debt service. I'm not sure I expect an answer to that question, because I'm not sure if any of you
...are in the position to answer that question.

MR. HARA: The only thing I can say, Mr. Chairman, on page 2 of the Lease, Section 4 dealt with the appropriation issue. It was fully vetted, because what you're asking that questions "were questions raised and what will happen if discussions and negotiations to the language took place between the parties." And Section 4 of the Lease on page 2, is the culmination of discussions between the parties. And we have signed a Lease agreement on that provision.

MS. RODRIGUEZ: I'm going to recommend that we table this, and that we ask the borough to come in. Because, you know, listening to this, I think the Director has a valid point. Ultimately it is -- the borough is going to acquire a piece of property contingent on a five-year Lease. And there's no one here to represent the borough to say: You know, what is the contingency plan? If the district decides to say: We no longer want to rent this. And I understand the need, when you're telling me about 27 children in a classroom, and the whole issue of
redevelopment in that area, and more people moving into the area, but I think the borough is the key player in this application. And for us not to have any representation from the borough, you can't speak on behalf of the borough. So I'm going to ask that we table this, and that we have till next month and have somebody from the borough come in and talk about this.

MR. HARA: My only response to that, Mr. Chairman, is that I respect the comments that are made, but when you have a Lease Agreement that specifically addresses the contingencies, and it's signed and approved by the municipality, the municipality is legally bound by that provision if, of course, the Lease Agreement is approved, and this provision in the Lease reflects the decision made by the municipality, knowing that in the event of non-appropriation, if the board decided to bring back administrative offices back in the school district, that the board could legally not appropriate. If there was no provision and they're dealing with it, I could appreciate the need to make sure:
Municipality, did you really not address the issue? But when you have clear language in the Lease Agreement, sir, I believe that the issue has been addressed, because if it was a concern, the municipality would not have signed off on the Lease.

CHAIR CUNNINGHAM: Let me offer two comments: The first comment is we try very hard to prevent issues like this from popping up at the board. Most of the time these issues are handled ahead of the meeting. So by the time they're queued up in front of the board, we have these answers. Because there was a bit of a disconnect in what was in the application what we asked for, and kind of when we got the response back, I wasn't able to pick the phone up and have a conversation prior to the application. So I acknowledge that.

My second comment is that I understand that the language of the Lease may speak for itself, but by that logic, I have a whole room of applicants who are relying on documents that are either executed or waiting to be executed. And we could kind of do away
with these meetings -- which I know would make a lot of people happy -- and just rely on a paper submission, but we don't do that. And I go back to Ms. Rodriguez's point that there is no one here from the borough. While they may have committed to a Lease document, and from your perspective, that affirms their incentives. I do understand that point. Ours is an oversight role. Ours is a kind of backstop, if you will. And I think I really do appreciate Ms. Rodriguez's suggestion to table the matter. And I will offer myself and my staff for a conference call -- because I know it's a long drive down from Cresskill -- to work these issues out so that we can make sure that we're fully comfortable. But I just need to hear something from the borough in terms of making sure that they are committing, on the record, that they understand the risks they're taking on this.

MR. LIGHT: Mr. Chairman, I agree with what you're saying that this is highly unusual from our normal process of how we review these and approve them. Concerning issues that there is a timing in the past,
emergency, we've had some phone call arrangements where we made approvals and if it is that much of an emergency from the community, because they got students waiting to come in, there are ways we can work for this. But I'm uncomfortable on voting on it on what we have here now. And it's not the normal process we do. And if something happens in the future, they'll come back to this board and say: Well, why didn't you pick that up? Why didn't you make a change at that particular time?

CHAIR CUNNINGHAM: So I think that Mr. Light's suggestion is if we table the agenda, and it would cause undue hardship to the district to wait till the July meeting to have this resolved, we can entertain the concept of doing this, a special meeting of the board, doing it telephonically in order to allow you to move forward.

MS. RODRIGUEZ: Right.

MR. LIGHT: I'd be willing to come in. We have to protect --

CHAIR CUNNINGHAM: So talk about that if you would. I realize this is probably the
summer and the school is coming to an end. You are looking to fit the building out. The Lease is ready to go. Talk to me a little bit about the timing and what lack of action on this board would do to this project.

MR. HARA: Well presently right now the construction is going to commence for retrofitting the former administrative offices at the high school building for the classroom. The administrative offices have to go somewhere. So that's the temporal issue that Mr. Light recognized.

CHAIR CUNNINGHAM: Just help me understand it. So what happens practically between now and the board's July meeting? We meet – we meet once a month. So we don't meet again till mid July.

MR. HARA: Do you want a specific date, sir?

CHAIR CUNNINGHAM: No, I just want to talk about our -- say, it's July 12th. So by -- we do a conference call. We'll do it as early as the end of this week -- early next week. The meeting is not until July. What does that do practically in terms of your
construction schedule?

MR. HARA: I will have to defer to
administrators.

CHAIR CUNNINGHAM: Can you wait that
long, or do you need this --

MICHAEL BURKE: Our concern would
just be that currently our offices are in the
middle of the high school library in an open
air environment. So while the school does end
and there will not be students in there, the
contern would be having the properties ready
for September so we don't open the schools
with the board offices still in the high
school library. That would be the concern.
So whatever accommodations could be made --

MS. RODRIGUEZ: See, I was under the
impression that, you know, you're retrofitting
your offices right now for the classrooms,
right?

MICHAEL BURKE: Right. Our old
offices, right.

MS. RODRIGUEZ: Right. And you're
moving --

MICHAEL BURKE: Two preschools.

MS. RODRIGUEZ: Two -- okay. Either
way you want 00 you'd like to do it, Mr. Chairman, whether it's telephonically or coming back, you know, regardless we need your partner, which is the borough. And I don't know how many offices, or how much space, in terms of square footage. Is it a thousand, two thousand, 2,500 that you're looking for, your administrative office.

CHAIR CUNNINGHAM: So here's what I would --

MS. RODRIGUEZ: The important part, which is the classroom fit-out is already being done regardless.

CHAIR CUNNINGHAM: Do I see another hand up?

MR. AVERY: I just wanted to make sure -- is the borough waiting to close on these properties based on this board's decision?

MR. HARA: Yes, sir.

MR. AVERY: So that you can't -- you, yeah. Okay. Thank you.

MR. HARA: Mr. Chairman, who do you want to speak with on behalf of the municipality? If I'm able to, somehow, contact a representative of the municipality
by way of telephone today, is that a viable alternative, sir?

CHAIR CUNNINGHAM: I don't think -- we wouldn't be able to have time to break to have a conversation in light of the agenda.

MR. HARA: Okay. It was just a suggestion.

CHAIR CUNNINGHAM: I'm going to build off Mr. Light's suggestion. Normally we don't do special meetings. It's very, very rare. I think we can do it telephonically.

Because Mr. Light asked the question that maybe I wasn't specific on. Because I heard you say before -- and the reason I was asking about the timeliness, because I understood what you had said -- we will reach out to your client, through you, Counselor -- we'll reach out to the business administrator for the borough. We will set a conference call up in the coming days, if not this week, early next week. And then I will pull the board to do a special meeting, to do it telephonically as quickly as possible, so that we can perform our role, while at the same time not jeopardizing the project in its
entirety. Okay?

MR. HARA: Thank you. I appreciate it.

CHAIR CUNNINGHAM: Happy to work with you.

MR. HARA: Thank you. Have a good day.

CHAIR CUNNINGHAM: Thank you. You, too.

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SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY (Subordinated Sewer Revenue Bonds Energy Resilience Bank Financing Program) Monmouth - NJSA 40A:5A-6, $1,280,000 Proposed Project Financing.

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CHAIR CUNNINGHAM: Mr. DiRocco.

MR. DIROCCO: Mr. Chairman, maybe I should make sure that this authority doesn't have a service agreement with the Manasquan Regional Sewerage Authority.

MR. FEARON: No, they're adjacent to --

CHAIR CUNNINGHAM: Mr. Fearon, good to see you. Would you kindly introduce your colleagues and those who aren't Counsel be sworn.
MR. FEARON: Certainly. To the right of me is Bernard Budak, he's the Manager of Finance and Administration for the Authority. And next to him is Ryan Krouse, the Engineer.

(All witnesses sworn.)

JAMES FEARON: Thank you. The South Monmouth Regional Sewerage Authority is a regional authority comprising eight Southern Monmouth County municipalities. They are: Belmar, Brielle, Lake Como, Manasquan, Seagirt, Spring Lake, Spring Lake Heights and Wall.

The Authority operates the sewerage collection and treatment system for those eight towns; although in Wall it's a portion of that town, not the entire town.

It is not a retail provider. It accepts the sewerage from each of these towns and passes along the cost to each of the municipalities via service agreements. And then it's up to the towns to collect through their own rate structure or tax base as they see fit.

The application before you is
for a $2.46 million project to upgrade the combined heat and power system for the waste water treatment plant. It is -- it has been approved preliminarily by the New Jersey Development Economic Authority for an Energy Resilience Bank Program Funding, which is a combination of grant and loan. That is funded ultimately through the federal Sandy-related Community Development Grant Block Program. As it is currently costed out, it would come out to about 55 percent grant and 45 percent loan. The application before you is for $1.28 million upside on the loan authorization. The financing structure would be similar to NJEIT transaction. It would be subordinate to the revenue bond transaction. We go subordinate because that would avoid the need for a debt service reserve fund funding, which is not necessary in these contexts. There would be no payments due during the construction period. And the six months following construction after that, there would be a level debt service amortization of 20 years. And again the payments on the debt service would come from charges that are assessed by
the authority against each of the eight towns. We're seeking the Board's findings for a project financing. And then just for -- we ask for approval of the application of these preexisting service agreements as security agreements for the bonds.

We will be happy to answer any questions you may have.

CHAIR CUNNINGHAM: Not too many questions, Jim. I guess I just want to put some comments on the record.

I believe this is the first time that this Board has seen something come from the Energy Resiliency Bank.

JAMES FEARON: Yes.

CHAIR CUNNINGHAM: And it's important to me, personally, because I was in the Governor's office post-Sandy, you know, and we had a limited amount of time to develop an action plan that contemplated how the CDBG funds were going to be spent. And I think that the State has done a tremendous job in expending its CDBG money. In fact HUD just cited New Jersey as being one of -- the only one of 12 disaster recipients that managed to
comply with all aspects of their internal audit function, which having worked with HUD in the HUD OIG directly was significant. But I can tell you, I remember some days, shortly after the storm when we were working on this and we set this concept of an energy resiliency back up, and it was something that not a lot of people understood and it really hadn't been done. And I thought then that eventually this was going to lead to some really, hopefully, comprehensive projects to prevent some of the ancillary concerns we had during the storm. The fuel station outages, the sewer treatment outages. And this is the first one to come in front of us. So I'm really happy to see that Monmouth County was at the forefront of this.

And I'll just ask you, how was your reaction to it? And you know, I kind of left that world. But working through the process of being the first one, dealing with EDA, how did that ultimately progress?

BERNARD BUDAK: I think we had a very positive experience. It is always good to be an innovator but --
CHAIR CUNNINGHAM: It's not always
great to be a guinea pig.

BERNARD BUDAK: As the innovator you
also have a lot of arrows in your back. But
we were able to work with the EDA, modify the
program, work towards resiliency, and work
towards, you know, serving the public.

CHAIR CUNNINGHAM: So from a
resiliency standpoint, can you just talk a
little bit about: What does this project or
this financing, this combined ED power, what
does that do to make your authority more
resilient then had been done in the past?

RYAN KROUSE: So Mr. Chairman, for
example, Super Storm Sandy, we were out of
commercial power for 14 consecutive days.
During that time period we had to rely on
diesel generators. It was hard to get diesel
during that time period. So this project
enables us to become what is essentially our
own. We're not going to have to rely on
diesel fuel. This project expands our
existing cogent system for dual fuel
capability, so we're able to use methane gas
which will generate on site. And we also have
the capability to run on natural gas.

CHAIR CUNNINGHAM: Thank you. Any questions?

(Discussion held off the record.)

RYAN KROUSE: Right. They're right behind this application process.

MR. AVERY: Right. Thank you for taking the arrows.

CHAIR CUNNINGHAM: Um --

BERNARD BUDAK: We proud ourselves in being innovative, progressive. And I believe we are going to be the first public agency to close with your approval.

CHAIR CUNNINGHAM: That's great. Well to that end, if there are no other questions, I'll be glad to make a motion to approve.

MS. RODRIGUEZ: I'll second.

CHAIR CUNNINGHAM: Ms. Rodriguez seconds. Roll call, please.

PAT McNAMARA: Mr. Cunningham

CHAIR CUNNINGHAM: Yes.

PAT McNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT McNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.
PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

JAMES FEARON: Thank you very much.

CHAIR CUNNINGHAM: Good luck. Good seeing you.

JAMES FEARON: Good seeing you, Mr. Chairman.

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ESSEX COUNTY IMPROVEMENT AUTHORITY
(REVENUE REFUNDING BONDS ESSEX-NJSA 40A: 5A-6 $43,250,000 Proposed Project Financing)

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CHAIR CUNNINGHAM: Essex County Improvement Authority.

Good morning, gentlemen. How are you today?

SPEAKERS: Good.

CHAIR CUNNINGHAM: Would you please identify yourselves. And those who aren't Counsel be sworn.

JOHN SCALLY: I'm John Scally from Chiesa, Shahinian & Giantomasi, Bond Counsel to the Improvement Authority.
MARK ACKER: Mark Acker, Director and Partner of Administration and Finance of Essex County.

COURT REPORTER: Can you repeat your name again?

MARK ACKER: Acker, A-C-K-E-R.

SIAMAK AFSHAR: Siamak Afshar, Financial Group, Financial Advisor to the Authority.

MARK ACKER, SIAMAK AFSHAR, after having duly been sworn was examined and testified as follows:

CHAIR CUNNINGHAM: I could start with the theoretical question: Why are you here? Why are any of us here?

We were a little unsure whether this application has come from the board, given the recent rule changes. I think that out of an abundance of caution, it was decided that you felt action by the board would be prudent.

SIAMAK AFSHAR: That's correct.

Given the bonds that we're planning to refund, our county guarantee with the bonds we're planning to issue require a new county guarantee. The language in the new rule, we weren't certain provided for not to come here
given there was going to be a county guarantee issued.

CHAIR CUNNINGHAM: Understood. So just either you or I, maybe to close the deal, just set up the savings.

SIAMAK AFSHAR: Yes. The savings was -- we're refunding the 2005 and 2007 project consolidation bonds to the Authority. They are producing savings in excess of $5.3 million. In aggregate it is approximately 13 percent present value savings. No extension --(inaudible) maturity.

CHAIR CUNNINGHAM: I had it a little bit higher at about 13 and a half -- 14 and a half. 13?

SIAMAK AFSHAR: I could be --

CHAIR CUNNINGHAM: Nevertheless it could be significant savings on this.

SPEAKER: (Inaudible)

SIAMAK AFSHAR: Thank you.

CHAIR CUNNINGHAM: What was it?

SIAMAK AFSHAR: 14.6. I was just doing a little bit of math in the back of my head here off of an executive summary, but--

CHAIR CUNNINGHAM: Okay. You're doing
current refunding.

SIAMAK AFSHAR: Currently both

refundable as of September of this year.

CHAIR CUNNINGHAM: And Mr. Acker is

here on behalf of the county --

SIAMAK AFSHAR? County.

CHAIR CUNNINGHAM: County guarantee

which is really the reason for the appearance.

It's something the county obviously supports

and is willing to put onto the project. If

there's nothing else --

MR. LIGHT: Motion -- oh, I'm sorry.

CHAIR CUNNINGHAM: No, please do.

MR. LIGHT: I'll make a motion the

application be approved.

MR. AVERY: Second.

CHAIR CUNNINGHAM: Roll call, please.

CHAIR CUNNINGHAM: Yes.

MR. AVERY: Yes.

MS. RODRIGUEZ: Yes.

MR. LIGHT: Yes.

MR. DIROCCO: Yes.

MR. BLEE: Yes.

CHAIR CUNNINGHAM: We like savings.

We like 14 and a half savings.
SIAMAK AFSHAR: Yes, thank you.

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PISCATAWAY TOWNSHIP MIDDLESEX-NJSA

40A:12A-29(a)(3) $950,000 Proposed Private Sale of Bonds

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CHAIR CUNNINGHAM: Township of Piscataway. Good morning.

KEVIN McMANIMON, ESQ.: May I proceed?

CHAIR CUNNINGHAM: Yes, please, Counselor. Please introduce your colleagues. And those who aren't Counsel be sworn. And I'll turn it over to you, Kevin.

KEVIN McMANIMON, ESQ.: Thank you, Director. Kevin McManimon from McManimon, Scotland and Baumann. Bond Counsel to the Township of Piscataway and Redevelopment Council. To my right is Daniel Lamptey. Mr. Lamptey is the Chief Financial Officer of Piscataway. To my far right is Mike Caccavelli from Sintok and Caccavelli, Counsel for the redeveloper in this matter.

And this application of township --

MR. LIGHT: Wait. Before you continue, can I just make a statement? I've
been involved in Piscataway Township for many years. So I just want to make it clear that I'm not involved in any way that would have a conflict with this. I'm politically involved but I'm not administratively involved in the action that was taken here. In fact, I don't even know where Turner Place is. Where is that?

KEVIN McMANIMON: Its in Piscataway. It's near the intersection of --

MR. LIGHT: Dan, do you know where?

KEVIN McMANIMON: The intersection -- the intersection where this project is being undertaken is near the intersection of Turner Place and perhaps you're more familiar with County Routes 665, South Washington Avenue?

MR. LIGHT: Yes.

KEVIN McMANIMON: And 625 which is Stelton Road.

MR. LIGHT: It's off of Stelton Road.

MR. LIGHT: Thank you.

KEVIN McMANIMON: And --
CHAIR CUNNINGHAM: Just remember, your colleagues haven't been sworn yet.

(DANIEL LAMPTLEY, after having duly been sworn was examined and testified as follows:)

CHAIR CUNNINGHAM: Thank you.

COURT REPORTER: You may proceed.

KEVIN McMANIMON: Thank you. In this application, the Township seeks approval of the board in connection with the issuance of not to exceed $950,000 of nonrecourse redevelopment area bonds. The approvals that we seek are under NJSA 40A:12 A-29 A3. That's the redevelopment law for approval to issue bonds at private sale. And NJSA 40A:12 A 67 G, which is the redevelopment area bond financing law for approval to issue bonds that are secured by an annual service charge and/or special assessment payments.

Piscataway and Two Turner Place Urban Renewal, which is an affiliate of the Frank Greek Organization, entered into a redevelopment agreement, financial agreement and special assessment agreement regarding the construction of a 451,000-square foot
warehouse distribution facility.

The project will include parking and on and offsite infrastructure improvement center. Piscataway agreed to issue non-recourse bonds to finance a portion of the cost associated with the offsite infrastructure improvements. And the amount they agreed was -- the amount they agreed to contribute was $750,000. The infrastructure improvements include curb, traffic signage and signal-related improvements at the intersection that we discussed a moment ago. The Township intends to issue up to $950,000 in order to finance the $750,000 contribution, capitalized interest and costs of issuance.

The financial agreement that I mentioned before provides for an annual service charge in the amount of 75 and a half cents a square foot, plus the amount necessary each year in order to pay the debt service due on the nonrecourse rabs in that year. And the special assessment payments will service a backstop to that annual service charge. The redeveloper will get a credit each year against the annual service charge -- I'm sorry
-- against the special assessment obligation in the amount of the annual service charge payments they make. They won't pay both in other words.

We believe that the structure, the annual service charge and the special assessment provides sufficient layers of protection for the township in this event. And in any event they are nonrecourse to the town. So there's really no risk to the taxpayers in Piscataway. I'd like to point out that the site at issue was a chemical plant that is obsolete and has since been demolished. And we think that this is a reasonable way to accomplish the township's goal of ensuring that the site is both remediated and redeveloped into a productive use. It will create between 150 and 300 construction jobs, and approximately 260 or 70 permanent jobs. And it will almost double the revenue stream that's currently being realized by the site with little or no risk to the Township.

So Mr. Caccavelli is here on behalf of the redeveloper. And we spoke this morning
about the perspective tenant on the project.
And I wonder if the board might indulge them
for a moment to speak about the perspective
tenant there.

MIKE CACCAVELLI: Thank you. The
perspective tenant is a Canadian-based company
manufacturing, looking to increase
manufacturing capacity in the United States.
They have significant US presence already.
These would be new jobs, not relocated, as Mr.
McManimon said, in excess of a couple hundred
jobs, new jobs, and with an average -- I think
an average salary is in excess of $70,000,
plus benefits per position. So good jobs,
manufacturing jobs and I think the type of
development that everybody would like to see
in Piscataway.

KEVIN McMANIMON: The important
part, too -- and Mr. Caccavelli and I spoke
about this earlier -- these are going to be
new jobs to New Jersey. This isn't a facility
that's relocating from one town or another
place in Piscataway to this site. They're --
they'll be new jobs.

I wanted to point out, too,
that the current financial agreement and
special assessment agreement referred to a
not-to-exceed amount of $750,000 in bonds.
The municipality governing body has introduced
ordinances that modify approval, to approve
the modification of those agreements to
increase that, not to exceed an amount of 750
to 950. Those ordinances have been introduced
already. They're scheduled for a second
meeting tomorrow night. So we'll be in
position -- assuming the Board approves this,
we'll be in a position to move forward very
soon thereafter. And with that, we ask the
Board to favorably approve the application.

CHAIR CUNNINGHAM: Would you just,
again, state -- not in terms of square footage
but in terms of dollars -- how much the RAB is
relative to the overall project?

KEVIN McMANIMON: It's a $32 million
project. The RAB is 700 -- well up to
$950,000.

CHAIR CUNNINGHAM: And I think I heard
you say, nonrecourse?

KEVIN McMANIMON: Yeah, if I didn't
say it enough times, I'd just like to point
out this is nonrecourse to the Township of Piscataway. So there's little to no risk to the taxpayers.

CHAIR CUNNINGHAM: I should note for the record that the EDA and the office of Planning Advocacy weighed in their positive results to the Board. Any questions from the Board?

MR. LIGHT: The question is, I'm sure this is not a warehouse facility. It's a manufacturing project rather than a warehouse?

MIKE CACCAVELLI: Yes, it started more as a warehouse facility in the interest that they've gotten through market. And there's a tenant now very close to signing his Lease, a manufacturer.

MR. LIGHT: The fact that it's not warehousing, and it will provide jobs --

MIKE CACCAVELLI: Exactly.

MR. LIGHT: There's a number of warehouses in the area.

MIKE CACCAVELLI: Correct.

MR. LIGHT: Thank you.

CHAIR CUNNINGHAM: Any other questions? If not, I ask for a motion and a
MS. RODRIGUEZ: I make a motion.
CHAIR CUNNINGHAM: Ms. Rodriguez makes the motion.
MR. BLEE: Second.
CHAIR CUNNINGHAM: Mr. Blee seconds.
Roll call please.
PAT MCNAMARA: Mr. Cunningham?
CHAIR CUNNINGHAM: Yes.
PAT MCNAMARA: Mr. Avery?
MR. AVERY: Yes.
PAT MCNAMARA: Ms. Rodriguez?
MS. RODRIGUEZ: Yes.
PAT MCNAMARA: Mr. Light?
MR. LIGHT: I will abstain. I approve of the project, but I'm abstaining just because of the fact I'm closest to Piscataway.
PAT MCNAMARA: Mr. Dirocco?
MR. DIROCCO: Yes.
PAT MCNAMARA: Mr. Blee?
MR. BLEE: Yes.
KEVIN McMANIMON: Thank you very much.
CHAIR CUNNINGHAM: Thank you.

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MIDDLESEX COUNTY IMPROVEMENT AUTHORITY
(COUNTY-GUARANTEED CAPITAL EQUIPMENT AND IMPROVEMENT REVENUE BONDS).

Middlesex - NJSA 40A:5A-6, $15,000,000

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CHAIR CUNNINGHAM: So, gentlemen, good afternoon.

SPEAKER: Good afternoon.

So we're going to the Middlesex County Improvement Authority. This is the application dealing with the capital improvement, capital equipment improvement program.

JASON CAPIZZI: My name is Jason Capizzi. My firm is Bond Counsel to the Middlesex Improvement Authority.

With me is the Executive Director, Jim Polos to my right. The Authority's municipal advisor is Anthony Inverso. To my far left and the County Treasurer, Joe Pritti, to my immediate left.

We are here --

CHAIR CUNNINGHAM: Those who aren't Counsel be sworn.

ANTHONY INVERSO, H. JAMES POLOS, JOE PRITTI, after having duly been sworn was...
examined and testified as follows:

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JASON CAPIZZI, ESQ.: The Authority here is requesting positive findings of its proposed project financing relating to its county guaranteed capital equipment and improvement revenue bond. The financing program is not to exceed 15 million. This is an annual program, financing program, offered by the Authority whereby it will issue its bonds and enter into Lease and/or loan agreements with the various participants to finance certain projects.

JAMES POLOS: I would just add that we currently have the following participants in the program: Carteret Borough, the Improvement Authority, Dunellen Borough, Highland Park Borough, Monroe Township and the County of Middlesex.

CHAIR CUNNINGHAM: The County of Middlesex is the largest participant of the --

JAMES POLOS: That's correct.

CHAIR CUNNINGHAM: Actually issuing less than that was about seven and a half million for the County to acquire -- for the
County it was vehicles, equipment, furniture, computers and computer-related accessories. Dennellen was the next largest with two point million -- two point one for fire truck, some sewer and road projects. And Monroe, one point two million for police public work and vehicles, correct?

JASON CAPIZZI: Right. And just to address, the County has been a participant in this program since day one every year that's been done. And they use it for short-term equipment, because the payback is five years. So instead of rapping that into a longer-term bond issue, they do it through this program so it gets paid off faster.

CHAIR CUNNINGHAM: Okay. You're going to have various leases, five and 15 years depending on the life of the Lease.

JASON CAPIZZI: Right. We currently participate with the participants that we have now. We're looking at schedules that extend up to 10 years, but you know, in discussions with the various participants, we want to make sure that what we put together is appropriate for their needs, and you know, to accommodate
if somebody else comes along, and last minute wants to be part of the program, we can get them in, but they want a longer term, that's why we requested a longer term. But we expect to be a 10-year financing at this point.

CHAIR CUNNINGHAM: Okay. Thank you.

And it's my understanding that the 2016 audit report has not been filed and it's late. Is that something you can speak to?

JASON CAPIZZI: For the County?

CHAIR CUNNINGHAM: No, I believe for the Improvement Authority. We don't have the 2016 audit, which would have been due on May 31st.

I believe that's being finalized soon.

CHAIR CUNNINGHAM: Can you define "soon"?

ANTHONY INVERESO: I can't define soon this morning. I can certainly report back. They were in the process of working on it for us last week.

CHAIR CUNNINGHAM: Okay. The deadline is May 31st, '17. I'm not going to hold the application up. It's a good program. I'd
like your commitment that you are willing to
talk to your auditor and get it done.

   ANTHONY INVERSO: We're willing to
expeditiously and we'll get it done.

   CHAIR CUNNINGHAM: Okay.

   JASON CAPIZZI: Sorry, Tim. We do mention
in the application that we expect it by the
end of June, so it looks like the director --

   CHAIR CUNNINGHAM: That's the
definition of "soon."

   JASON CAPIZZI: Soon. In two weeks.

   CHAIR CUNNINGHAM: Yes. I asked for a
definition of "soon."

   JASON CAPIZZI: That's what we're
anticipating, but we'll certainly circle back
with you and find out the status.

   CHAIR CUNNINGHAM: Okay. Thank you.

Any questions? Hearing none I'd ask for a
motion and a second?

   MR. BLEE: Motion.

   CHAIR CUNNINGHAM: Motion, Mr. Blee.

   MR. DIROCCO: I'll second it.

   CHAIR CUNNINGHAM: Mr. Dirocco seconds.

Roll call, please.

   PAT MCNAMARA: Mr. Cunningham?
CHAIR CUNNINGHAM: Yes.

PAT MCNAMARA: Mr. Avery?

MR. AVERY: Yes.

PAT MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PAT MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PAT MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PAT MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

CHAIR CUNNINGHAM: Thank you, gentlemen.

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MIDDLESEX COUNTY IMPROVEMENT AUTHORITY (NEW BRUNSWICK CULTURAL CENTER PROJECT, COUNTY GUARANTEED) MIDDLESEX - NJSA 40A:5A-6 $34,000,000 Proposed Project Financing.

NEW BRUNSWICK CITY (NEW BRUNSWICK CULTURAL CENTER PROJECT Middlesex - NJSA 40A 12A: 67g, $18,500,000 Proposed Redevelopment area Bonds.

MIDDLESEX-NJSA 40A:12A29(a) (3).

$18,500,000 Proposed Private Sale of Bonds.
NEW BRUNSWICK CITY PARKING AUTHORITY

(NEW BRUNSWICK CULTURAL CENTER PROJECT/CITY GUARANTEED) MIDDLESEX - NJSA 40A:5A-6

$23,000,000 Proposed Municipal Guarantee

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CHAIR CUNNINGHAM: The next three applications in front of the Board are various parties: The Middlesex County Improvement Authority, the City of New Brunswick, and the New Brunswick City Parking Lot all relate to a singular project: The New Brunswick Cultural Center Project that we would like to bring — kind of hear them altogether, because I think we need to understand the total context of the project.

I know there's a large number of people, but if you can introduce yourself, explain who you represent in this particular transaction. Those that aren't Counsel, be sworn in. And those that want to start, will give the presentation.

MARISSA BUCHNEY: Marissa Buchney and I'm from the New Brunswick Development Corporation.

MITCHEL KARON: Mitchel Karon, the
Executive Director to the New Brunswick Parking Authority.

CHRISTOPHER PALADINO: I'm the President of the Development Corporation and we're the developer of the project.

JOE PRUITI: Joe Pruiti, CFO Middlesex County.

TONY PANNELLA: Tony Panella, Wilentz Goldman, Bond Counsel.

LISA GORAB: Lisa Gorab, Wilentz Goldman, and Spitzer, Bond Counsel.

JAMES POLAS: James Polas, Executive Director MCIA.

DOUGLAS PETIX: Douglas Petix, CFO City of New Brunswick.

ANTHONY INVERSO: Anthony Inverso, Phoenix Advisors, Municipal Advisor.

CHAIR CUNNINGHAM: I think for the Board's benefits, this project was capable -- we had a meeting on this project, myself and staff. It's a pretty interesting application. It's a very interesting project.

Chris are you going to be the one to kind of --

CHRISTOPHER PALADINO: I think Mr.
Pannella is going to say a few words.

TONY PANNELLA: I guess what I would start out saying is that Chris Paladino is the long-time head of the New Brunswick Development Corporation. If you go to the City of New Brunswick and you see a building taller than three stories, it's about 99 percent certainty that Chris was involved in the envisioning of the project, taking it all the way through construction and operation.

This project that we will go through with you is a perfect example of a multiple-party participant. We've got the State of New Jersey Treasurer providing volume cap allocation for private activity bonds. The NJEDE providing ERG grants in the amount of $40 million. We have the County of Middlesex guaranteeing those ERG bonds. We have the City of New Brunswick issuing RAB bonds on a general obligation basis. We have the County of Middlesex making a six million dollar grant for performing arts. You've got the top of the state, straight through to a municipality, participating in the project. Rutgers is making a contribution as well.
$17 million for performing arts. It is truly a village of financings to make the project happen. And what I would suggest is before we go through each of the financing applications, to put the project in context. We'll have Mr. Paladino run you through the project.

CHAIR CUNNINGHAM: Absolutely.

CHRISTOPHER PALADINO: Mr. Chairman, members of the Board. Thank you for taking the time today to entertain these requests. It was only about a year ago that we were here, I was here, Marissa and I were here to get your approval on the Atlantic City Gateway Project, which I'm actually happy to report that $220 million project is full speed ahead, on budget, on time and will open in the next 14 months. So actually — it's nice to actually feel to come back and tell you some of those things we've done when we had come and requested your help.

This is certainly the largest most broad-spectrum public private partnership in the history of New Jersey. There are 14 real partners in this project. As Mr. Pannella said, the State of New Jersey, the legislature
passed legislation that increased the allocation amount for the ERG program and the governor signed that legislation that allowed for us to go to the EDA. That is yesterday the EDA approved that, that request. So we got $40 million worth of ERG allocation. As Mr. Pannella said, the treasurer this week provided us with volume caps so we can do tax exempt financing for the market written for affordable housing. That's part of the housing component of this, which drives the project in many ways.

The County of Middlesex, the MCIA, the City of New Brunswick, New Brunswick Parking Authority, Rutgers University, five established not-for-profit arts organizations are partners in this project. We have not-for-profit developers and a private sector partner.

The project is actually the second phase -- and we've been before you before -- of the New Brunswick Transit Village Master Plan. So several years ago we were here and we did the New Brunswick Gateway Project. And we did the Wellness project.
That is the first phase of that project; that it represented, I believe, about a quarter of a billion dollars in investment. And about 750,000 square feet of redevelopment that has already occurred and is operational and fully tenanted, and people are living and working and shopping in those buildings. This is the second phase of the project. And I hope I'm back here by next June to show you what we're going to do with the third phase of that project, which represents 1.8 million square feet and a billion dollars of investment for New Brunswick that hopefully will be research, headquarter space, housing, retail, entertainment and transportation infrastructure. So it's something that I look forward to coming back and talking to you about.

This project represents a $170 million in investment on 1.5 acres in the cultural district of New Brunswick. It's going to be two new theaters, eight rehearsal spaces, two floors of office, 207 affordable and market rate apartments, and a parking garage. It's really more than just steel and
glass and masonry. Through technology, the state of the art fly space and trap space, rehearsal spaces, hydraulic pits, we're going to be able to increase the capacity, the cultural district of New Brunswick and do next year -- the first year that it's open two years -- 160 additional performances that currently happen, which translates to about 70,000 new patrons, which will increase our visitation to the city by about 30 percent for arts. And you guys know better than I do how that translates in revenue for the city, and most importantly jobs in our restaurants, and our hotels, and a variety of different things.

Not only are we expanding the artistic opportunities for patrons, but this project will allow us -- particularly the County of Middlesex, which has really taken an aggressive position in this project -- to get more community, ethnic, religious, community arts organizations to the downtown and be afforded the ability to both rehearse and to perform and at a micro level, something that's really kind of important to New Brunswick. And we talked about this, I think, at our
The American Repertory Ballet is going to -- and the Princeton Ballet School are going to move their headquarters of a professional company to New Brunswick. And they're going to have their studios here. The Princeton Ballet is going to be able to do what they do in Princeton very effectively is do classical ballet teaching. The American--the Princeton Ballet today involves about 1500 students a year in the dance power program in the public schools. They've reached almost 30,000 students in our school system over the time they've run the program. What happens are when children want to continue that program, they are usually afforded scholarships. And for a couple of years, we're able to accommodate them in the limited space we have and the teachers from the Princeton Ballet School teach them in New Brunswick. But then they have to start to go to Princeton as they start to advance. And given our population, transportation becomes an issue. So only by the end, two or three of our students are actually finishing the
program by the time they finish high school. This is going to allow us to do that program in New Brunswick and include many of our students from our public schools and classical ballet training all the way through high school, which we think is going to be really a significant thing.

The other thing that's really important here is that this is going to bring Rutgers into our arts community in a big way, the Mason Gross School for the Performing Arts. It certainly has been a very, very successful part of the university. My classmate, James Gandolfini, and when I think of all the other people that have come through that program. They have now probably one of the best top five opera programs in America. So this is going to be where they will perform. They're actually opening starting a musical theater program, and all of their dance programs. So that's going to bring a whole different, not only performing, but teaching element to this -- to this site. And those university students are going to be able to participate when professional companies are
there, both through a learning process and performing side.

We're actually asking you to do three things, and obviously our professionals will walk you through them, but you know, it's the RAB financing from the City. The City is making, from a public housing decision, to make a large contribution to this project. They're not taking it out of -- out of city coffers that exist today, but we are generating new tax revenue on a site that hasn't -- well, I'm 57 years old -- but I don't think there's anybody who has ever paid property taxes there, because it was the YMCA and theaters. So we're creating new tax revenue that the mayor is allowing us to leverage and capitalize through the RAB program so that the City can make that donation to the -- for the project. We are getting -- we're asking you to approve the County's guarantee of the ERG bond. As I said earlier, we had legislation back that increased the amount of availability of ERG proceeds. The EDA approved that application. And we have already secured the buyers of
those tax credits. So we're going to sell them to Aegon, Investors Bank and City Bank. We have contracts with them to buy those -- to buy those tax credits. That revenue will support the 10-year bond issue that's being guaranteed by the County, which is allowing us to use their Triple A rating and basically maximize the amount of capital we're able to raise. And then the third part, the important part of this is the parking: 344 parking spaces. This is classic smart planning, smart growth utilization of a parking structure. It is 344 spaces. I can't tell you how many people will probably end up parking in that garage on a daily basis, because it will be people who live there, people who work there, people who come to performances. And fortunately it's situated across the street from the state courthouse. So it will be lawyers and visitors to the courthouse. So it's -- I wish there was more room to build a bigger building.

We've gotten a lot of support from the corporate community. We're actually raising money. All the money that we're
raising and doing naming rights for is going
to support the endowments of the arts
organization and to create a loan -- excuse me
-- a reserve for a placement for when we need
to change things in the future. And TD Bank
has actually approved our ability to take
their parking lot and to build over top of
their parking lot and build a parking garage,
so they have donated that space.

So, you know, it's just one of
those things. I think those are all great
public policy here. We brought everybody to
the table. In fact we had to go to three
different sessions of the planning board
because we couldn't find members that didn't
have a conflict because everybody was married
to somebody. I thought we were going to have
to go to Piscataway and do planning.

(Laughter.) But you know, I think when you
can bring that many people in a community of
our size to the table and all move in the same
direction, I think we're doing something
right. So we're obviously asking for your
support.

CHAIR CUNNINGHAM: Thank you. Before
you sit down, and I know that you are kind
enough to come in and talk to the Division,
but I just want to make sure the board
understands. So you're tearing down the
theater?

CHRISTOPHER PALADINO: We're tearing
down George Street Playhouse, which is where
I learned to swim in the old YMCA. I still
smell the chlorine when I go in. And the old
Crossroads theater. Then there was a parking
lot behind it that the EDA had owned and that
the cultural center purchased from the EDA
about two years ago when they were disposing
of property. And then we're using a piece of
the TD Bank parking lot. So we're taking two
theaters down. And we're replacing it with
two theaters. We're increasing capacity by
about 250 seats, but more importantly, as
I mentioned, it's all really through
technology, so we're building an
80-foot fly. What does an 80-foot fly mean?
When George Street Playhouse is on that stage
and they've got their scenery, but they're not
in performance on Monday, and Tuesday night.
That scenery can be lifted, and Rutgers can do
a concert there. We can do a lecture there. We can do that type of thing. We got wing space that allows us to do ballet and the ballet to do a complete season. And most importantly we got the rehearsal spaces that mimic the size of the stages. So they don't need to use the stages for rehearsals. They go from rehearsal to two days of tech to two days of dress rehearsal and perform instead of wasting several weeks. We got a hydraulic pit. We have all the things that allow us to take the same two theaters and do about 160 more performances there.

CHAIR CUNNINGHAM: So you're taking two theaters down; replacing them with two state of the art, obviously bigger, better theaters. And in addition to that you're building a parking garage. At our meeting you explained to me -- and I'm not, with apologies, personally, I'm not that familiar with New Brunswick. You were just talking about how tractor-trailer access would be necessarily to load and unload --

CHRISTOPHER PALADINO: So currently we use a surface parking lot that's managed by
the Parking Authority. Mr. Karon will close it down for a day and be able to bring in tractor-trailers to load the state theater or these theaters.

What we're going to be able to do here is the ground floor -- what makes this parking garage expensive and inefficient is that nobody is parking on the ground floor that's paying. So we need to have a 22-foot height where it would have normally been 11 so we can bring tractor-trailers and buses in to maneuver in there to actually load the state theatre, which is the 1800-seat -- so they'll get, you know, big acts that come in and use two tractor-trailers, and then these two theatres.

Also, on the ground floor -- since we need to do that for the tractor-trailers -- it's the perfect opportunity to use that heights of the American Repertory Ballet is going to put their studios right on Baird Street. So again as we walk along Baird Street when you're going to city hall or the courthouse or to the post office, you don't just see a parking
garage. You'll see dance studios. Much like if you've been to Miami and the Miami Ballet is right on the street. So it's a complicated ground floor, inefficient floor that really let's us do some exciting things.

CHAIR CUNNINGHAM: And although TD Bank is donating the property, so you can go up on it --

CHRISTOPHER PALADINO: We're replacing the parking.

CHAIR CUNNINGHAM: So just do me a favor, keep going up now. Go to the higher floors and talk about -- a little bit about the housing that's --

CHRISTOPHER PALADINO: So if we start on the ground floor of the -- that's more and more complicated. Every time Marissa goes to a meeting she comes back and tells me that we're doing something new. In the basement we've got shops and wardrobe and where they're building scenery, and doing all of those types of things. Come to the second floor, you have the two main floors of the theatre and the lobbies. You've got the office and residential lobbies are all along Livingston
Avenue. Second floor are obviously the balconies for the two theatres, the public spaces for the two theatres, restrooms, et cetera, et cetera. And of all the things -- in Atlantic City we were doing the residential but all the people wanted to talk about was the surfboard storage. Here all people want to talk about are how many stalls are going to be in women's room, because all the theatres in New Brunswick, none of them have enough bathrooms. So there will be bathrooms. They'll be rehearsal spaces. What's really kind of great is when you are standing on the street you are going to see those rehearsal spaces.

And then as you go up into the building, they'll be two floors of offices. And then as you go into the next 20 floors, the first floor will be the amenity floor for the housing where they will have lounges, yoga studios, gymnasium, demonstration kitchen, and outdoor spaces, which will really kind of great because it's going to be at like six stories, so it's not going to feel so high. Then we'll build 207 units. The majority of
them one bedrooms; I think 55 percent. The next largest percentage we're actually going to build are studios. We haven't done that. And we're going to build fewer two bedrooms, because we're finding two bedrooms are not as popular in New Brunswick and studios are more. And then on the roof, we're actually building a pool, and more amenity space for the apartments.

CHAIR CUNNINGHAM: What's the mix of the apartments?

CHRISTOPHER PALADINO: As in?

CHAIR CUNNINGHAM: The market

(inaudible) --

CHRISTOPHER PALADINO: 80 percent market; 20 percent affordable.

CHAIR CUNNINGHAM: Thanks very much.

MS. RODRIGUEZ: Pennrose is --

CHRISTOPHER PALADINO: Pennrose is our partner in the residential community.

MS. RODRIGUEZ: Right. How many parking spaces?

CHRISTOPHER PALADINO: 344
spaces are being built.

MS. RODRIGUEZ: How many are going to be assigned to the bank?

CHRISTOPHER PALADINO: To the bank? Oh, 24. So it's replacing what we're -- the employees are going into the garage, and we're going to replace some of the them on the ground floor.

MS. RODRIGUEZ: I went to Douglas, when -- you know, and when I was there, you know, (inaudible) now I go back to New Brunswick it's amazing I get excited about projects like this.

MR. LIGHT: I wanted to go to Douglas, they wouldn't let me in.

CHRISTOPHER PALADINO: I used to take classes there and I was the only male.

CHAIR CUNNINGHAM: So thanks for the introduction to the project. I wanted to kind of start with that.

And then, I don't know, Tony, if you want to go back to you.

TONY PANNELLA: Yes, we'll start with the City's RAB, and my partner Lisa Gorub will do that.
LISA GORUB: Like you know when you go to Disney --

CHAIR CUNNINGHAM: Before you start, I'm sorry, do you want to -- do you want to take each of the applications and vote on them, or do you want to go through them and then do both at the end?

TONY PANELLA: They have different kind of votes. Some are approvals; some are positive findings.

CHAIR CUNNINGHAM: Let's start with the city's RAB. We'll take a vote on that.

Lisa, please, I didn't mean to interrupt you. So please.

LISA GORUB: So the image I got here, is like this is like Disney. You have the lower level. The basement in Disney are all the ducts. And we're like the lower level of Disney now.

The City is seeking your approval to issue Redevelopment Area Bonds. I'll refer to them as "RABs" and the private sale of those RABs. The RABs are being contemplated to be issued, not to exceed 18.5
million. Proceeds of the RABs will finance the theatres, and approximately two and a half years of capitalized interest for the construction. There are, you know, essentially five elements of this project: The theatres, county offices, parking garage, residential apartments and ballet rehearsal space. The RAB will only finance a portion of the theatres. You know, as I'm speaking, as we're all speaking, it might be beneficial to look at the chart in the executive summary, if you're inclined, because it really does show the various different funding sources for those five aspects of the project. You can see the RABs are financing -- producing proceeds of about 14.8 to finance the theatre project which is estimated of about $59 million.

The theater portion and the apartment portion will be granted long-term tax exemption. Pursuant to that, the City will enter into a redevelopment agreement with CCURE which is the redeveloper for the project. And the theatre and the residential portion will make pilot payments. Of course
the theatre will make very nominal pilot
payments with the substantial pilot payments
coming from the residential portion of the
project. Those pilot payments are pledged to
the bonds. I need to say up front, which
I meant to say, this RAB is a general
obligation of the City. It's not a non-
recourse bond. It is general obligation but
supported by the pilot payments, which are
structured to cover the entire debt service on
the bonds.

The pilot payment begins at
about $695,000 and ramps up to approximately
one million six in the 30th year. That
schedule is set forth in the financial
agreement that's attached to the application.
The RABs are proposed to be issued for a
32-year period, two and a half year
capitalized interest period. And again the
pilots do fully support the debt service on
the bonds.

The RAB will be sold through a
negotiated public underwriting. So we are
also seeking your approval to sell these on a
negotiated basis. And again, as has been said
before, the RABs just really represent one portion of the public and private financing sources that will go into this project are related applications, are a MCIA revenue bond application supported by the ERG tax credits and the Parking Authority financing for the parking garage.

Do you want to stop here and take questions on the RABs or --

CHAIR CUNNINGHAM: Yes.

Lisa, but I don't want to initially take a vote. We'll come back and do the vote. But I want to go through to the end to make sure no other questions come up as to the project.

LISA GORUB: Okay.

TONY PANNELLA: The one thing we should add on the RABs to put the RAB in perspective for purposes of the "but for" test, as we said in our private meeting, this is not the four hundred million dollar project with the one million dollar RAB, and we all look at each other and say: If not for the one million dollar RAB, the four hundred million dollar project wouldn't happen.

That's not what this is. This RAB is eight
percent of the cap cost of the project.

Because the City has agreed to place its general obligation on that RAB, the interest rate on that RAB is going to be at least 35 percent lower than if we attempted to sell a plain old fashion pilot payment secured RAB on its own. So the City of New Brunswick is making a significant contribution to this project that, in my view, meets the "but for" test in spades. It's eight percent of the total project cost. And the Mayor and the Council agreeing to issue general obligation bonds should never be confused with trying to sell an 18 and a half million dollar RAB secured only by a pilot.

Mr. Inverso can explain the interest rate differential to you, but it's gigantic.

MR. INVERSO: I think the other thing that's important to note that the developer is paying -- although with its kind of stepped -- a higher rate that he would have been if we had come in with an 80/20 project and paid kind of more the 10, 11, 12 percent. This project, he's actually paying over 15
percent, on average, in pilot payments. So he's paying, you know, the top end of the scale.

CHAIR CUNNINGHAM: I'm glad you addressed the "but for" test, before I asked about it. I thank you for that. But I think in doing so, you also brought up something from -- at least from my perspective -- subsidized project, and it is, but you brought up the fact that the municipal commitment and the guarantee need to be put on it. And I think that's compelling for the board, because the local stakeholders, the people who are ultimately responsible being -- they're putting their town behind it. And I think that's something that this board certainly has to consider and staff consider as we advance the application.

If there's any questions on the RAB, by all means. If not, we can go next to maybe the Improvement Authority, okay? So do you want to talk about those?

TONY PANNELLA: We'll talk about the MCIA financing to capitalize the NJEDA ERG grants.
So as you know, the NJEDA yesterday at its meeting in Camden approved $40 million in ERG tax credits for the project. The general allocation of those tax credits is $29 million to the residential housing; $11 million to the performing arts. All of those tax credits -- Mr. Palladino has already sold all those tax credits already. And they were purchased by City Bank, Investors Bank, and Trans --

MR. INVERSO: Aegon.

TONY PANPELLA:-- Aegon. So we're talking about very high calibre tax credit purchasers, but I'm going to get to something that puts into perspective why the County guarantee is still so important on these ERG bonds. So the tax credits have been sold between 90 and 95 cents. And of course, the way they work is the tax credit purchasers sign a purchase agreement at closing where they agree to purchase the tax credits in each of the 10 years that they become available.

So we have wonderful tax credit purchasers. We have the Middlesex County Improvement Authority with a statutory...
authorization to issue the bonds to capitalize that ERG. MCIA went out to sell those bonds secured only by those ERG payments, even though it's a city, and Investors Bank -- and a name I always forget -- they're not rated. Those bonds would be unrated. And that bond financing is what I effectually call "a yield grab event," because the investors that would participate in that financing would have one thing on their mind: Yield extraction. So we could have done it that way. And we would have significantly less production off those tax credits. Middlesex County, like the City, has made a significant contribution to this project. And it's not all one way, because the County is getting significant benefit. They are buying two floors for $13 million, but they're their floors. They've made a six million dollar grant for performing arts. And they've agreed to place the County guarantee on the approximate $30 million of ERG bonds that are going to be financed through the MCIA. Once again, Mr. Inverso can give you the specifics. That is a minimum 35 percent interest rate differential because the County
put its guarantee on those bonds.

Now, Mr. Joe Piurti, the long-time County CFO is here. And what I'm going to say next, I should tell you that Mr. Polos is the new executive director of the improvement authority. He has been a freeholder for many, many, many years. So because the County never appears here before you, I feel like there is something you should know that Mr. Piurti will be sure to tell you.

Middlesex County is Triple A, as our five other counties. In my opinion Middlesex County should be a Quadruple A and here's why: The math is stunning. In the last three years, Middlesex County has reduced its net debt from 702 million to 519 million in three years. In five years it has raised its cash balance from 17 million to 54 million. It has reduced its annual debt service by about 20 million in the last few years.

JOE PIURITI: Including next year.

TONY PANNELLA: And what it does with that money now is, it puts it into
its capital, so it becomes pay-as-you-go capital. So it's all working irritatively. As their debt drops, they have to borrow less money because they're using the reduction and their debt service payments to fund their capital. This year the County's bond financing was $8.4 million. In years past -- I've been there 27 years, and this was going on before I got there -- the average bond financing, as you know, was $40 million. So what the County -- the County was always a Triple A. Don't misunderstand me, but it's a mega Triple A now. So when Middlesex County puts its Triple A on these ERG bonds, nothing but spectacular things can happen to the interest rate on those bonds. This is not a County -- again we always laugh -- other than the capital equipment program, that's 17 to 15 million a year. And whenever the Educational Services Commission comes for a financing -- which I believe you are coming with one of those -- absent that, if you want a County guarantee at Middlesex County, unlike its other Triple A-rated county brethren -- you need to come with a bazooka, a machete and any
other threatening item that you can and it's
turned down almost every time. So the fact
that the County has been willing to put its
guarantee on these bonds, in my view, is a one
off number one; it can't even touch the
County's credit rating in any way, because of
the nature of the county's credit rating; and
it's a significant benefit to the project that
evidences the County's commitment to the
project. So that's the ERG financing. Once
again, it's not a tail wagging the dog. It's
-- the ERG project is 18 percent of the cap
cap cost. So you put that County guarantee on
that ERG financing, you did something real to
the debt service overall on the project.
That's the ERG financing. We're happy to
answer any questions, but it would have been
so hard -- Mr. Palladino -- it's a 10-year
bond financing.

CHRISTOPHER PALLADINO

Two
years followed by 10 years --

TONY PIURITI: Mr. Palladino
can tell you, they could not get the Atlantic
County ERG sold on its own. That had to have
an Atlantic County guarantee as well. So as
much as we would think that NJEDA ERG tax
credits purchased by reputable financial
institutions should be able to garner an
interest rate that's reasonable, it's a yield
grab. The County guarantee changes
everything.

MR. INVERSO: And the only --
really the only criteria by which the state
treasurer can deny the tax certificate every
year is that the building is no longer used as
51 percent residential purposes. So to belt
and suspenders that, we put a deed restriction
on the building that it can only be for those
10 years.

CHAIR CUNNINGHAM: Let's then turn to
the parking authority.

TONY PIURITI: Okay. The way we like
to look at the parking authority financing is
that we say that you can be a stranger in the
night that never meets. This is a stranger in
the night that does meet, but it's a stranger
in the night. This financing is a customary
vanilla New Brunswick Parking Authority city
guarantee bond financing. And it has to meet
all of the requirements of the Parking
Authority's Master bond Resolution Feasibility study done. We had to show appropriate coverages. We attached the feasibility study to the application. And if you took a look in there, you'll see that the coverages on the parking debt will run anywhere from 115 to 130, starting out in the 115ish range ramping up to the 130-range over time as the project matures. I am just a dumb bond lawyer and I never understood why but I can only tell you what the fact is. In New Jersey parking authorities can't seem to sell their bonds without guarantees. Every New Brunswick Parking Authority financing that's ever been done, since 1991, which when we showed up, but Lisa, there was -- every financing has been done with the city guarantee. And importantly to put that in perspective, the City is a strong A-plus urban town which is hard to do, with 260 or so million dollars of parking authority guarantee debt. Now that debt goes into the gross but comes out of the net. But that tells you how strong the New Brunswick parking system is, because the rating agencies do never ding New Brunswick for these massive
redevelopment projects that always result in a new parking debt, because the system is so strong that the rating agencies are comfortable that the benefits of the City guarantee for the greater good of the City far outweigh the growing gross debt guarantee total. So this financing, obviously, is going to service additional parking demand generated by the project, but make no mistake, this is not attached to the project. This financing had to meet all of its regular customary coverage tests and other bond resolution requirements to be issued as a city guarantee senior lien bond. So that's what this one is.

CHAIR CUNNINGHAM: Thank you.

NICK: This has two years of capitalized interest, but 30 years total. Two years capitalized interest; then 28 years amortization.

TONY PIURITI: And I guess we should also point out that you wrapped it.

NICK: Yes, it's slightly wrapped around the authority's existing debt service. They have a pretty significant drop-off in their debt service after 2020.
CHAIR CUNNINGHAM: Is it nonconforming.

NICK: It's not conforming, yes.

TONY PIURITI: If you look at Exhibit B --

NICK: It makes sense when you look at the total schedule.

TONY PIURITI: If you look at Exhibit B to the application, you see their aggregate debt. It drops significantly after 2020. So we were dealing with that blip. And for some reason, in the year 2040, there's a one million dollar spike which we also addressed.

NICK: Right.

MS. RODRIGUEZ: I sat on the parking authority for 10 years in New Brunswick was always the envy of all the parking authorities.

TONY PIURITI: Obviously Mr. Karon, the executive director is here to answer any questions as is his long-time parking consultant -- you may have heard of -- Mr. Howard Izis.

CHAIR CUNNINGHAM: Any questions on
the projects or any of the three related applications?

   MR. LIGHT: After the presentation we had, I don't think there's many questions.

   CHAIR CUNNINGHAM: And again the staff met --

   SPEAKER: Is the public allowed to ask questions?

   CHAIR CUNNINGHAM: I will excuse --

I just want to make sure there are no questions of the applicant. I'll excuse the applicant and then I'll ask the public to come up and make any comments.

   TONY PIURITI: But the parking authority has got one more, remember?

   CHAIR CUNNINGHAM: Yes, but it's unrelated.

   TONY PIURITI: Yes.

   CHAIR CUNNINGHAM: I ask this group to stand down in the gallery and the public can ask questions to the matters in front of the board.

   CHAIR CUNNINGHAM: Good afternoon, sir. If you would be kind enough to introduce yourself to the court reporter.
MICHAEL SHURIN: Michael Shurin, S-H-U-R-I-N.

MICHAEL SHURIN, after having duly been sworn was examined and testified as follows:

CHAIR CUNNINGHAM: Thank you. Good afternoon.

MICHAEL SHURIN: Thank you, Mr. Chairman. I only have a brief question. I was doing a little research on the bonding involved with this. And I just want to start off that -- I just want to make clear if you guys can tell me.

In 2015 in New Jersey, legislature passed a law, which for the record I'll reference as Public Law 2015, Chapter 167 Assembly number 4413. That prohibits the state public body from awarding an economic development subsidy to a business that previously received an economic development subsidy that was a loan or loan guarantee if the recipient business is in default on that previously awarded loan or loan guarantee. The bill defines economic development subsidy as the provision of the amount of funds to a business by or from the state public body with
a value of greater than $25,000 for the
purpose of simulating economic development in
New Jersey, including but not limited to any
bond, grant, loan, loan guarantee matching
fund tax credits or other tax expenditure.

My question, Mr. Chairman, and
to your Council simply is: Does that law
govern approval applications by the New Jersey
Local Finance Board?

CHAIR CUNNINGHAM: I don't
believe so. Can you give me the cite one more
time?

MICHAEL SHURIN: I have it as
Public Law 2015, Chapter 167, Assembly number
4413. And I would just state Assembly 4413,
but the new legislative session is using that
number again and it has something to do with
-- I forgot, but it's --

CHAIR CUNNINGHAM: We're going
to take a look at it. But I have the feeling
this is neither EDA or HMFA, but while we have
the chapter out, we're looking at the actual
cite. Give us one second.

MICHAEL SHURIN: I think if you just
search, "Assembly Bill No. 4413 2015" --
CHAIR CUNNINGHAM: I just want to see where it's coded by.

Amazing world where we can just stop and do this by our phones.

2015 bill 4413.

MICHAEL SHURIN: Yes, 2015.

CHAIR CUNNINGHAM: Yes, and I guess and again, you know, this is not a question we anticipated. It's not a statute we operated. After, you know, obviously a very brief review, we saw the statute here deals with the awarding of the economic grants. This body does not do that. This body only approves various financing under a couple different statutes. And we'll read them out when we go through the voting process, but the votes that we're going to be taking are under, I think, exclusively all under Title 40 A. Of course this is under Title 52. So I don't believe that this is applying to the actions of the board.

MICHAEL SHURIN: Thank you, sir. Just to continue on just regarding some bonding issues with Middlesex County Improvement Authority.
In 2005 the Middlesex County Improvement -- if they want to challenge this as a fact, I'm more to open to my own research. In 2005 Middlesex County Improvement Authority issued approximately $70 million of bonding related to the development of a hotel, which was developed by the same developer here, DEVCO, which is also obviously, you know, the same developer here.

Upon further research in 2009, US Bank notified senior bondholders that they had become aware of an adventive default under Section 7.01E of the bond indenture. Though according to the press of Atlantic City and established news source, holders of $30 million in senior bonds had been repaid with about five percent interest according to schedule while subordinate bondholders hadn't seen a payment in years. Specifically the press of Atlantic City article from February 2015 focuses on Middlesex County Improvement Authority's failure to pay $1 million in principal and interest on a $20 million loan it received from the Casino Reinvestment Development Authority. From that article
officials from both the CRDA and MCI expressed confidence with the debt being paid off. The article also to--you know, for contacts also talked about some of the economic issues that we had about eight years ago, 2009, that we don't remember. So it's obviously important to factor that in with some other issues that they may impact. But in November 2016, Moody's Investor Service downgraded the bond ratings issued by the MCIA for that hotel following a change in outlook from stable to negative. Moody cited the chronically weak operating and financial performance of the hotel as reasons for the downgrade and claims, "In light of the negative outlook and the prospects for the project, a positive rating action is not likely in the near term."

To quote the actual press release from Moody, "It's an important rating consideration for the senior bonds is acknowledgment that the subordinate bonds and junior lien bondholders, which collectively aggregate almost 75 percent of the total debt at yearend 2005 continue to not receive debt service payments which such amounts being
deferred. However, subordinate or junior lien bondholders cannot trigger a default on senior lien bonds when cash flows are not sufficient to cover subordinate or junior lien debt service. This feature provides protection to the senior bondholders from a default and recovery perspective. That said our rating incorporate the continuing weak financial profiles of the project and the belief that a debt restructuring seems inevitable at some future point."

And they go on to say that it's very unlikely that they could see the rating moving up. And I think, you know, more or less, you know, obviously the issue was with the law, if the board is governed by that law. Obviously it's not. But it was just kind of a question that, you know, we -- you know, obviously this is a beautiful project. I haven't been to New Brunswick since my college years. I boycotted once the grease trucks went away. This is -- you know, it really raises questions, you know, as far as -- you know, are the -- is this a real financially sound project? You know what
I mean? That is really why I'm coming forward, because I was wondering, as far as the board, you know: Do you guys take that into account when you make your decision if you want to approve? Obviously like, you know, like that law applies to if there's a state tax credit. Maybe there should have been time to discuss that. I kind of got late into the game on this. But that's all for today. And thank you and hopefully I'll see you all at the next meeting, too. And I'll be down here a little more often.

CHAIR CUNNINGHAM: Okay. I appreciate your comments. Thank you.

So I will ask the Applicant to come back up. We don't engage back and forth with public comment. Public comment is on the record.

I suspect that you want to make a statement on the record about the Improvement Authority. And I think by virtue of the rating we talked about, but I don't know that there's been a default in the New Jersey Municipal Marketplace for many times. And I do think that given my -- I would never say
-- sophistication when you try to think -- my understanding, indentures are set up who is senior and subordinates.

But Tony, I don't know if you want to lead.

TONY PIRUITI: I think -- I think -- you know, in our capacity as Bond Counsel to the County and the City of New Brunswick, and with this particular project, the MCIA, we'll make a statement. But Mr. Palladino can probably make a better statement about the Heldridge Project.

The one thing I want to make perfectly clear to everyone is that the Heldridge Project financing was a project financing. The County of Middlesex did not have a nickle of participation in the original financing of that project; guaranteed no debt. The same thing applies to the City of New Brunswick. So let there be no confusion that we're not participants in that initial financing. The MCIA was the NJEDA of that financing. It was the conduit issuer of the bonds that financed the portion of that project that permitted some of those bonds to
be issued on a tax exempt basis. So the MCIA was the conduit issuer of those bonds, but was not a pecuniary participant in that financing in any way.

So let there be no confusion: County? No. City of New Brunswick? No. Middlesex County Improvement Authority? No. But having said that, there are things, I'm sure, Mr. Palladino can say in a few minutes, but to put into context. The Heldridge Project, the benefits of that project has actually brought to the City of New Brunswick in terms of its operations. And I'm sure you can discuss the financing structure as well.

CHRISTOPHER PALLADINO: Mr. Chairman, as you indicated, the structure was done to protect the senior bondholders. This was a project, which was very significant to the City. Not only did it bring an additional 267 hotel rooms to New Brunswick and a 50,000 square foot conference center, 50 apartments. But it took an important block of the City, which had been causing the development that we were doing this at the same time we were doing Rockoff Hall, which caused that disruption —
as you go down Douglas -- to clean up this part of the City.

Today one hundred thousand --
and we opened this project in the Spring of 2007 and then into the jaws of the greatest recession since the Great Depression.
Actually for the first nine months, this hotel performed exactly like the pro forma; like the feasibility said it would. And then the bottom fell obviously out of the conference market.

Interestingly enough this hotel still employs over two hundred people. It brings about one hundred thousand people to New Brunswick every year. It pays about $1.4 million in property taxes, which has never been paid. And we've never missed a senior bond payment nor have we ever used the reserves for those bond payments. We've also invested several million dollars to upgrade the hotel over time.

The folks who bought these bonds were the same people who brought us that recession. The Lehman Brothers of the world -- and we can go through the litany of
people who were speculating in real estate at the time. They knew they were very sophisticated investors. They knew what they were doing. In fact we've got people we pay every quarter, five percent on tax exempt bonds on the senior.

CREDA, being the provider of debt of last resort, originally it was supposed to be a grant, but the last 60 days they decided that it was going to be a loan. We kind of conceded to that. What I have said to CREDA senior staff and to board members, if you look at all the debt that CREDA, during the same period of time, if we went out into the boardwalk, those hotels are all dark. This hotel never closed. They continue to employ almost 200 union employees, and bring one hundred thousand people to New Brunswick and continues to pay over $1.4 million in property taxes. So as an economic redevelopment project, it has been very successful.

Now I also tell you we continue to operate close to 70 percent occupancy. And since, kind of, the economy has gotten better,
our average rate has continued. And that I wishfully suspect that we will work our way out of this. And that we will eventually pay bondholders on a current basis. No one is ever going to make a profit at this. This is not going to be what Mr. Icon would do or Mr. Trump would have done or those other folks that had borrowed all kinds of money from CREDA and then closed their hotels. So this is exactly what these entities are supposed to have done. It's an important service to the City of New Brunswick, and that eventually but we will actually cut off, those obligations will be paid.

CHAIR CUNNINGHAM: The hotel is not in front of this board. I think the comment that was made was relative to the developers' capacity and past performance. I think that this project is clearly distinguishable by the fact that this is a different type of financing with a different guarantee, structure actually entirely different, the structure.

So I do appreciate it. I would suggest that if there's ever a question about
our statutory oversight, feel free to e-mail it in advance, because --

MICHAEL SHURLIN: To be honest, I went on the website. And it had all your home addresses and for some reason it didn't have e-mails.

CHAIR CUNNINGHAM: That's where the board packages go.

Mine is on the divisions's website. I don't even give out business cards. I know you reached out to the executive secretary. My only point is we can do a better job answering questions if you have the ability to make it in. At what point, if you know a particular question, if you want to. Obviously you have a right to public comment. I encourage you. But I just always want to make sure I give a good result. I don't like having to answer on the fly on the phone just in fear I give the wrong answer out.

So bringing us back to the applications in front of us, I think that I would ask my colleagues if there is any further comment or discourse? All right. I think we're in a position to take a vote.
We'll do them individually. I'm going to do them in order of the agenda. And just because there are multiple applications related to the same project, I'm going to read the particular statutory cites that they're being approved under.

So we're going to start with the Middlesex County Improvement Authority. This is an action under 40A:5A-6: Positive findings of the project, as well as 40A:5A-6 for the guarantee being placed by the County of Middlesex. $34,000,000 -- if I didn't state that out loud -- I would ask for a motion and a second to approve the application as I described it.

MR. BLEE: Motion.

CHAIR CUNNINGHAM: Mr. Blee makes a motion.

MR. AVERY: Second.

CHAIR CUNNINGHAM: Mr. Avery seconds.

Thank you. Roll call please.

PATRICIA MCNAMARA: Mr. Cunningham?

CHAIR CUNNINGHAM: Yes.

PATRICIA MCNAMARA: Mr. Avery?

MR. AVERY: Yes.
PATRICIA MCNAMARA: Ms. Rodriguez?

MS. RODRIGUEZ: Yes.

PATRICIA MCNAMARA: Mr. Light?

MR. LIGHT: Yes.

PATRICIA MCNAMARA: Mr. Dirocco?

MR. DIROCCO: Yes.

PATRICIA MCNAMARA: Mr. Blee?

MR. BLEE: Yes.

CHAIR CUNNINGHAM: The next application -- again, going in the order of the agenda -- is the City of New Brunswick. This is an action being taken under 40A:12A-67G. This is the issuance of redevelopment area bonds in an amount not to exceed 18 and a half million dollars.

I should note on this particular application that the EDA and the Office of Planning Advocacy -- Christine, you said the Office of Planning Advocacy has provided the memo. We didn't have it yesterday when I last checked, but we have the memos from both the EDA and Office of Planning Advocacy with her positive findings on it, so I would ask for a motion --

LISA GORUB: Director, one more
statutory cite for the RAB, which would permit
the private sale.

CHAIR CUNNINGHAM: Yes. I'm sorry.

12A-29(a)(3) Lisa, thank you so much. Got
that.

So under those two statutory cites,
I would look for a motion and a second as it
relates to the City of New Brunswick.

MS. RODRIGUEZ: I make a motion.

CHAIR CUNNINGHAM: Ms. Rodriguez makes
a motion. Mr. Blee seconds. Roll call please.

ROLL CALL BY PATRICIA MCNAMARA:

CHAIR CUNNINGHAM: Yes.

MR. AVERY: Yes.

MS. RODRIGUEZ: Yes.

MR. LIGHT: Yes.

MR. DIROCCO: Yes.

MR. BLEE: Yes.

CHAIR CUNNINGHAM: Then the last
component of the application is the City of
New Brunswick Parking Authority. Here the
requested action is positive findings for the
issuance of revenue bonds, and positive
findings for the City's guarantee of the
bonds, both under NJSA 40A:5A-6 in an amount
not to exceed $23 million; although the
expected issuance amount is $20,835,000.
I would ask for a motion and a second in that
regard.

MR. BLEE: Motion.
MS. RODRIGUEZ: Second.
CHAIR CUNNINGHAM: Mr. Blee, Ms.
Rodriguez. Roll call please.

PATRICIA MCNAMARA TAKES ROLL CALL:
CHAIR CUNNINGHAM: Yes.
MR. AVERY: Yes.
MS. RODRIGUEZ: Yes.
MR. LIGHT: Yes.
MR. DIROCCO: Yes.
MR. BLEE: Yes.
CHAIR CUNNINGHAM: So we have one last
application in front of the Board. It relates
to the New Brunswick Parking Authority. So
I guess I would ask those that don't -- are
involved and don't need to be involved, feel
free to step down. I would ask the City of
New Brunswick Parking Authority to remain.
You've already been sworn in. So we should be
able to --

Again being sworn in, this is an
application for the positive findings of a project note being sold to Amboy Bank for $3.9 million. It relates to a different project called the HUB project. And you'd be purchasing two parcels of land that would be used for a parking deck. I just want to mention. I want -- I'm going to ask you to give a brief summation of the project, but do note that the $3.9 million that's being used to support the purchase was subject to appraisal. And that appraisal was -- came back at an adequate figure. So if you just want to quickly talk about the HUB project and need for parking.

TONY PANNELLA: Okay. Sure.

Tony Pannella, Bond Counsel, Mitch Karon, long time executive director of the parking authority.

When Chris Palladino first did his presentation he showed you a board on a project called the HUB project. And he cited it was the 1.8 million square foot project that was going to have housing and office and retail, and everything you can think of in there. And he called that the "Phase 3" of
this wave of redevelopment, current wave of redevelopment in New Brunswick. This project that you just approved today is Phase 2. The HUB would be next year's project Phase 3.

I don't remember how long ago the Feron Mall was built, Mitch -- early '80s. It was at least 35 years ago.

The parking authority had a deck project in its parking system called the Feron Mall Parking Deck. It was a parking deck, plus some retail and office space in it. In fact the authority's offices used to be in there many years ago. And that deck finally got to the too-broke-to-be-fixed stage. So the site for that deck got targeted for the HUB project. I think it's about four acres.

So if you drive through New Brunswick now, if you drive around just enough you can see a gigantic hole in the middle of the city now and that's where the Feron Mall Parking Deck used to be. And that's going to be the site of the HUB redevelopment project. The city owns that city -- forgive me, the parking authority owns that site outright. There was still a need for some adjacent parcels to
complete the site. That's what this application is for. It's $3.9 million to purchase two sites. That will be, in essence, connected to and become a part of the redevelopment site. Obviously the plan to these parking project notes for them to be refinanced, the parking deck bond in either 2018 or 2019. So if the project moves fast enough, the notes will not be renewed. If the project goes to bonding in 2019, we'll renew the notes and the local authorities -- to control all one time. Amboy Bank is the long time bond trustee to the parking authority. And their rates seem to just continually go down. Normally they give us 1.5 percent on their notes. This year they gave us 1.25. Amboy Bank has already agreed to purchase this note for 1.25 percent with no financing fee, no legal expenses. It's a straight zero cost upfront, 1.25 percent interest rate note.

CHAIR CUNNINGHAM: Thank you very much.

Any questions? I'll take a motion and a second.

MR. BLEE: Motion.
CHAIR CUNNINGHAM: Mr. Blee.


PATRICIA MCNAMARA TAKES ROLL CALL:

CHAIR CUNNINGHAM: Yes.

MR. AVERY: Yes.

MS. RODRIGUEZ: Yes.

MR. LIGHT: Yes.

MR. BLEE: Yes.

MR. DIROCCO: Yes.

CHAIR CUNNINGHAM: The last matter before the board, I need your approval for a proposed new rule. There's been a statute in place for quite a while. It deals with an employee contribution disclosure form that was passed by the legislature. I don't remember exactly, but this goes back quite a bit, and it contemplated the Local Finance Board preparing an employee compensation disclosure form. That hadn't been done. Jason Martucci from the team has been working on that, and has developed a package and worked with the stakeholders and a proposed -- the text of the proposed rule is in your package. I need your vote to move forward

PATRICIA MCNAMARA TAKES ROLL CALL:

CHAIR CUNNINGHAM: Yes.

MR. AVERY: Yes.

MS. RODRIGUEZ: Yes.

MR. BLEE: Yes.

MS. RODRIGUEZ: Yes.

MR. DIROCCO: Yes.

MR. BLEE: Yes.

CHAIR CUNNINGHAM: Motion to adjourn?

BOARD MEMBER: Motion.

All in favor?

BOARD MEMBERS: Aye.

(Hearing adjourned at 1:10 PM.)
C E R T I F I C A T E.

I, ANGELA R. WATERS, CCR, RPR, DO HEREBY CERTIFY that the Local Finance Board Hearing for the State of New Jersey held on June 14, 2017 is a true and accurate transcript of my stenographic notes.

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ANGELA R. WATERS, CCR, RPR
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