

ESSEX COUNTY IMPROVEMENT AUTHORITY
ESSEX COUNTY, NEW JERSEY

REGULAR BOARD MEETING) TRANSCRIPT OF
) PROCEEDINGS
- - - - - *

27 Wright Way
Fairfield, New Jersey

Tuesday, March 25, 2025
Commencing at 4:02 p.m.

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

COMMISSIONER STEVEN H. KLINGHOFFER, CHAIRMAN
COMMISSIONER JACQUELINE YUSTEIN, SECRETARY
COMMISSIONER ANTHONY S. NARDONE
COMMISSIONER CLIFFORD ROSS
COMMISSIONER RICKY E. BAGOLIE

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

COMMISSIONER RONALD J. BROWN, VICE CHAIRMAN
COMMISSIONER GERARD M. SPIESBACH, TREASURER

LYNANN DRAGONE
CERTIFIED COURT REPORTER
54 STIRLING TERRACE
TOTOWA, NEW JERSEY 07512
(973) 519-9562
lynanna220@gmail.com

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

NIA H. GILL, ESQ. General Counsel
LUCY SAPINSKI, Director of Operations
BETSY WILLIAMSON, Administrative Assistant
STEVEN C. ROTHER, Executive Director
JOSEPH CALI, Airport Manager

1 CHAIRMAN KLINGHOFFER: Notice was duly
2 given by regular mail and electronic mail to the
3 Essex County Executive, the Essex County Clerk,
4 and the Clerk of the Board of County
5 Commissioners, County Commissioners President
6 Pomares, the News Editor of the Herald News, the
7 News Editor of the Star Ledger and notice was
8 posted on the bulletin board in the office of the
9 Essex County Improvement Authority stating the
10 time, date and location of this Regular Board
11 Meeting.

12 Roll call, please.

13
14 (Roll call was taken, all Commissioners
15 present respond in the affirmative)
16

17 CHAIRMAN KLINGHOFFER: Do we have any
18 members of the public present to comment?

19 MS. SAPINSKI: Nope, there's nobody in the
20 office.
21

22 ACCEPTANCE OF MINUTES
23

24 CHAIRMAN KLINGHOFFER: Hearing none, we'll
25 move on to acceptance of minutes.

1 Would someone like to move to accept the
2 minutes of the February 25, 2025 Regular Board
3 Meeting?

4 COMMISSIONER BAGOLIE: I'll move it.

5 CHAIRMAN KLINGHOFFER: Is there a second.

6 COMMISSIONER ROSS: I'll second it.

7
8 (Roll call was taken, all Commissioners
9 present respond in the affirmative)

10
11 CHAIRMAN KLINGHOFFER: Lucy, this may be
12 you. There sounds like there's a lot of shuffling
13 of papers right by the speakerphone.

14 MS. SAPINSKI: Yeah, we hear it too.

15 COMMISSIONER YUSTEIN: It might be me.
16 I'm going into my apartment and then it will end.

17 CHAIRMAN KLINGHOFFER: Oh, okay. Thank
18 you, Jackie.

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

22
23 LATE STARTERS

24 ADMINISTRATIVE

25 #25-057

1 1. Bond Resolution authorizing the Essex County
2 Improvement Authority to issue not to exceed \$80,000,000
3 Revenue Bonds (Newark Teachers Village Project) Series
4 2025 and determining other matters related thereto
5 #25-058

6 2. Resolution authorizing the Executive Director to
7 enter into a License of Parking Spaces Agreement with
8 Audible, Inc. for 300 parking spaces at the Sportsplex
9 Parking Garage

10
11 CHAIRMAN KLINGHOFFER: We're going to do
12 the Late Starters first. Is that my
13 understanding?

14 MS. SAPINSKI: Yes, please, yes. We have
15 John Draikiwicz on the phone too.

16 CHAIRMAN KLINGHOFFER: Okay. John, if
17 you're on, just let us know who you are and so
18 forth, for the record.

19 MR. DRAIKIWICZ: Yes. This is John
20 Draikiwicz from Gibbons Law Firm and we're
21 fortunate enough to serve as bond counsel for the
22 improvement authority in connection with the
23 matter I'm about to describe. Steve Rother, is it
24 okay for me to start?

25 MR. ROTHER: Go. All yours.

1 MR. DRAIKIWICZ: Okay. Thank you.

2 What's in front of us today is a bond
3 resolution to authorize issuance of not to exceed
4 \$80 million in revenue bonds, the proceeds of
5 which we utilize to acquire certain real property
6 located in the Halsey Street area in Newark, New
7 Jersey, which we utilize to acquire certain
8 property and also to make certain improvements to
9 the facilities on that property.

10 What that property is currently being used
11 as is a housing project and it's being refurbished
12 to make it a housing project that would consist of
13 203 units of, it's called "workforce housing" as
14 well as about -- 162 units of workforce housing
15 and about 41 units of affordable housing units for
16 a total of 203 units.

17 This transaction, again, is to refinance
18 the transaction as well as to make certain
19 improvements. This transaction will not be
20 secured by any payments from the County of Essex.
21 There's no County guarantees involved. It's
22 strictly a revenue bond transaction that will be
23 paid off by the rental payments coming in from the
24 building.

25 The transaction has already received the

1 approval or consent by the County Commissioner
2 Board. Last Wednesday we got their vote to move
3 ahead with the transaction and after that vote we
4 are now in front of this authority.

5 We already had received from Local Finance
6 Board back in November positive findings in
7 connection with moving forward with the
8 transaction. The reason why there was a little
9 bit of a delay from November till current was that
10 the County had requested, Frank McEnerney from the
11 County in particular, had requested certain
12 financial information in connection with the
13 project and particularly wanted certain audits
14 from the years '22 and '23, which he received
15 basically a week or two ago and that permitted us
16 then to go to the County Commissioner Board to get
17 their consent. Now we're in front of you here now
18 for your vote on the matter.

19 The transaction will be moving forward
20 after this, but it might take a couple of months
21 before we actually close the transaction. Again,
22 it's a transaction based upon rental payments,
23 rent coming in from the units. And it's going to
24 be what's called an "unrated transaction". It
25 will not have a rating and it will be only sold,

1 what's known as sophisticated accredited
2 investors. It may mean folks that have a certain
3 financial net worth or companies that have a
4 certain net worth for them to look closely at the
5 transaction to make our sure it works from a
6 financial perspective.

7 So that's what's in front of you today and
8 if you have any questions, I'd be happy to answer
9 them at this time.

10 CHAIRMAN KLINGHOFFER: Anybody have any
11 questions? If not, I do have a question.

12 Who is the owner or sponsor of the
13 project?

14 MR. DRAIKIWICZ: Yeah, good question.
15 Sorry I didn't bring it up in my summary.

16 It's entitled a limited liability company
17 called Teachers Village Social Impact Newark. So
18 it's Teachers Village is the name of the entity on
19 it. It's been a developer that's been here for
20 awhile. They constructed the project back in 2012
21 over a couple of years. So it has been
22 functioning as a live project. I think there was
23 certain losses that were occurring and they're
24 trying to convert their losses from a non-tax
25 exempt debt to tax exempt. I do believe the

1 transaction to the improvement authority will
2 lower their cost of capital from a taxable to tax
3 exempt rate that would prove economically
4 beneficial to the developer.

5 And by the way, it's non-recourse to the
6 authority. There's no financial obligation.

7 CHAIRMAN KLINGHOFFER: Is the developer a
8 501(c)(3)?

9 MR. DRAIKIWICZ: The developer will be a
10 503 entity, that's correct.

11 CHAIRMAN KLINGHOFFER: Okay. Anybody else
12 have any questions?

13 COMMISSIONER BAGOLIE: Yeah. There's no
14 market rate units in this, right? These are all
15 below market rate at different levels?

16 MR. DRAIKIWICZ: The only thing mentioned
17 was the market rate, there was one income tax
18 (inaudible) investment the financial capital
19 adjustments to area income. So it's not low and
20 moderate income that we would specifically think
21 of low income housing, but there is a part
22 (inaudible) that has led so they could afford to
23 live --

24 CHAIRMAN KLINGHOFFER: Someone is making a
25 lot of background noise. If you can possibly mute

1 your phones while you're not speaking, that might
2 help, please.

3 MR. ROTHER: Yeah, there's affordable
4 housing units, that will be a bit cheaper.

5 MR. DRAIKIWICZ: Yeah. 41 units are
6 affordable housing, which is 50 percent of the
7 area median income.

8 The workforce housing has what's called a
9 cap of 120 percent of the average of adjusted, of
10 the area median income. So even if they're not
11 affordable, the 162 units they'll still have some
12 income restrictions on it to make it more
13 affordable for certain folks in the area. But,
14 again, 41 units out of the 203 are affordable
15 units.

16 MR. ROTHER: It's going to be a certain
17 percentage of it sought for teachers.

18 MR. DRAIKIWICZ: Correct.

19 COMMISSIONER ROSS: Is this building
20 occupied at the moment?

21 MR. DRAIKIWICZ: Yes, I think we were told
22 that it was 70 percent are teachers in it
23 currently.

24 CHAIRMAN KLINGHOFFER: I'm not sure if
25 that was the question. I thought the question is

1 what's the percentage of occupancy in the units,
2 total percentage.

3 MR. DRAIKIWICZ: Let me see if I can get
4 that information real quick.

5 COMMISSIONER ROSS: And while you're
6 looking that up, what is the cost going to be to
7 refurbish this building?

8 MR. DRAIKIWICZ: I guess what I should
9 have also added in, the whole project is going to
10 be around \$80 million, but the authority's piece
11 is going to be about \$40 million. They're getting
12 other loans in from other entities to cover the
13 bulk of some of the improvements as well, so
14 there's other money coming in from other sources.

15 CHAIRMAN KLINGHOFFER: Then I don't
16 understand something. It says not to exceed
17 \$80 million. They're only going to draw down 40
18 million of the 80 million?

19 MR. DRAIKIWICZ: Yes, that's what's
20 anticipated based on the latest communication with
21 them, correct, yep.

22 The \$80 million are just in case the other
23 financials didn't come through. But at this point
24 in time they are anticipating only approximately
25 40 million from the Essex County Improvement

1 Authority funding.

2 I'm just trying to... I just had an email
3 that I'm trying to search for. If you want to
4 conduct your other business, I could try to find
5 that email and get back to you on that question
6 that way I won't slow you down.

7 CHAIRMAN KLINGHOFFER: Okay. Let's go
8 onto the other Later Starter in the meantime and
9 then we'll get back to Mr. Draikiwicz.

10 We have a resolution authorizing the
11 Executive Director to enter into a License of
12 Parking Spaces Agreement with Audible, Inc. for
13 300 parking spaces at the Sportsplex Parking
14 Garage.

15 Mr. Rother, is there anything you'd like
16 to add to that?

17 MR. ROTHER: No, other than the fact that
18 with the housing authority and these leases it's
19 pretty much filled garage.

20 CHAIRMAN KLINGHOFFER: Okay. Anybody
21 else?

22 MR. ROTHER: And, wait, wait, wait.

23 CHAIRMAN KLINGHOFFER: Okay.

24 MR. ROTHER: Another thing, there are a
25 good number of other things we should mention.

1 CHAIRMAN KLINGHOFFER: Good.

2 MR. ROTHER: This lease is for a
3 relatively brief period. It's going to expire in
4 December the 31st and if we renew it, it will only
5 be for six months, additional six months and the
6 reason is because we're trying to sell it and by
7 leasing it now it should be made more attractive
8 to parties who may want to buy it, so that's why
9 we're leasing it and that's why the lease is
10 short, because we want to encourage folks to come
11 in and make an offer to buy it. And in fact, the
12 party that's leasing those majority of the spaces
13 right now, we're urging them to purchase it. And
14 we have reached out to two other parties who are
15 interested in this property for a purchase.

16 CHAIRMAN KLINGHOFFER: Any questions?
17 Anybody else? If not, would someone like to move
18 this number 2, number 2 Later Starter?

19 We need someone to move it.

20 COMMISSIONER ROSS: I'll move it.

21 COMMISSIONER BAGOLIE: I'll second.

22 MS. SAPINSKI: Who was the second? I'm
23 sorry. Commissioner Bagolie, was that you?

24 COMMISSIONER BAGOLIE: Yes, that was me.

25 MS. SAPINSKI: Okay, thank you.

1 (Roll call was taken, all Commissioners
2 present respond in the affirmative)

3
4 CHAIRMAN KLINGHOFFER: Let's go back to
5 the Late Starter on the Teachers Village Project.

6 Mr. Draikiwicz, do you have anything to
7 add?

8 MR. DRAIKIWICZ: Yes, I do. I did find
9 the email I was looking for.

10 Yeah, there has been at least 70 percent
11 are educators that have resided in the project
12 since inception, which was about ten years ago.
13 It also has been virtually fully occupied with an
14 approximately three percent vacancy due to
15 turnover units in the normal course. So, yeah,
16 it's basically been fully occupied to answer those
17 two questions; 70 percent educators and basically
18 fully occupied 97 percent.

19 CHAIRMAN KLINGHOFFER: Thank you.

20 Anybody else have any other questions on
21 this resolution?

22 If not, would someone like to move it?

23 COMMISSIONER BAGOLIE: No, not from me.

24 COMMISSIONER ROSS: I'll move it.

25 CHAIRMAN KLINGHOFFER: Is there a second?

1 COMMISSIONER NARDONE: Second.

2 MS. SAPINSKI: Thank you.

3
4 (Roll call was taken, all Commissioners
5 present respond in the affirmative)

6
7 CHAIRMAN KLINGHOFFER: Thank you, Mr.
8 Draikiwicz, we appreciate it.

9
10 Whereupon, the Board discussed and took
11 action on the following items:

12
13 RESOLUTIONS

14 ADMINISTRATIVE

15
16 #25-040

17 1. Resolution ratifying payment to Lynann Dragone,
18 Certified Court Reporter for stenographic transcript of
19 ECIA Regular Board Meeting on 2-25-25

20
21 #25-041

22 2. Resolution ratifying payment of recurring bills (Bill
23 List)

24
25 #25-042

1 3. Resolution ratifying payment to Chiesa, Shahinian,
2 Giantomasi in the amount of \$4,534.45 for legal services
3 rendered in connection with environmental matters

4
5 #25-043

6 4. Resolution ratifying an Agreement with Connell Foley,
7 LLP in the amount not to exceed \$10,000.00 for general
8 legal services rendered from March 1, 2025 to December
9 31, 2025

10
11 CHAIRMAN KLINGHOFFER: We're now going to
12 move onto our regular agenda.

13 Would someone like to move Administrative
14 Resolutions 1 through 4?

15 COMMISSIONER NARDONE: Move.

16 COMMISSIONER ROSS: Second.

17 MS. SAPINSKI: Thank you.

18
19 (Roll call was taken, all Commissioners
20 present respond in the affirmative)

21
22 Whereupon, the Board discussed and took
23 action on the following items:

24
25 PARKING FACILITIES

1 #25-044

2 5. Resolution ratifying payment to Arocho Services,
3 LLC in the amount of \$1,150.00 for landscaping,
4 elevators and stairwells cleaning services at the Juror
5 Parking Garage in February 2025

6
7 #25-045

8 6. Resolution ratifying payment to Noor Star
9 Properties, LLC in the amount of \$10,165.00 for
10 maintenance services in February 2025

11
12 #25-046

13 7. Resolution authorizing payment to Precision
14 Technology in the amount of \$6,935.10 for parking
15 equipment repairs and supplies

16
17 CHAIRMAN KLINGHOFFER: Next, would someone
18 like to move Parking Facilities Resolutions 5, 6,
19 7?

20 COMMISSIONER NARDONE: Move.

21 COMMISSIONER BAGOLIE: Second.

22
23 (Roll call was taken, all Commissioners
24 present respond in the affirmative)

25

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

3
4 AIRPORT

5
6 #25-047

7 8. Resolution authorizing Modification to the State
8 Grant Agreement #6107314 to extend the original grant
9 expiration date until April 2026 in connection with
10 construction of NAVAID's system

11
12 #25-048

13 9. Resolution authorizing payment to Park Place in the
14 amount of \$1,085.00 for snow removal and salt spreading

15
16 #25-049

17 10. Resolution authorizing payment to Groome Industrial
18 Service Group in the amount of \$13,650.00 for T-Hangars
19 repairs

20
21 #25-050

22 11. Resolution authorizing payment to Thomas O'Beirne in
23 the amount of \$4,516.08 for plumbing repairs at Hangar M,
24 I, and maintenance garage

25

1 #25-051

2 12. Resolution authorizing payment to H2M Associates
3 Inc. in the amount of \$1,826.62 for engineering services
4 in connection with the Underground Storage Tank
5 compliance as per DEP regulations

6
7 #25-052

8 13. Resolution authorizing payment to C & S Engineers
9 Inc. in the amount of \$17,500.00 for services rendered in
10 connection with the Drainage Study Project at the Airport

11
12 #25-053

13 14. Resolution authorizing payment to C & S Engineers
14 Inc. in the amount of \$29,990.70 for services rendered in
15 connection with the Design of Rehabilitation of Runway
16 10-28 Project at the Airport

17
18 #25-054

19 15. Resolution authorizing payment to C & S Engineers
20 Inc. in the amount of \$4,721.50 for CA/CO services
21 rendered in connection with the Runway 4-22 NAVAID's and
22 Airfield Signage replacement Project

23
24 #25-055

25 16. Resolution authorizing payment to C & S Engineers

1 Inc. in the amount of \$5,378.50 for CA/CO services
2 rendered in connection with the Rehabilitate Apron C and
3 Taxilanes H & 11 Project at the Airport - Final Invoice
4

5 CHAIRMAN KLINGHOFFER: Next we have
6 Airport Resolutions 8 through 16.

7 Would someone like to move them?

8 COMMISSIONER NARDONE: Move.

9 COMMISSIONER ROSS: Second.

10 MS. SAPINSKI: Thank you.
11

12 (Roll call was taken, all Commissioners
13 present respond in the affirmative)
14

15 Whereupon, the Board discussed and took
16 action on the following items:
17

18 FINANCE
19

20 #25-056

21 17. Resolution authorizing payment of charges and
22 expenses of the Authority's \$150,000,000.00 Pooled
23 Government Loan Programs, Series 1986
24

25 Payments due for PGLP Services

1 all when that's going to be in the event you might
2 be able and want to join us. So that you should
3 know.

4 CHAIRMAN KLINGHOFFER: Thank you.

5 Any questions for Mr. Rother?

6

7 ADJOURNMENT

8

9 CHAIRMAN KLINGHOFFER: If not, Mr.
10 Nardone, Commissioner Nardone.

11 COMMISSIONER NARDONE: I make a motion to
12 adjourn the meeting.

13 CHAIRMAN KLINGHOFFER: Is there a second?

14 COMMISSIONER ROSS: Second.

15 MS. SAPINSKI: Thank you.

16

17 (Roll call was taken, all Commissioners
18 present respond in the affirmative)

19

20 CHAIRMAN KLINGHOFFER: Wishing everybody
21 nice holidays and we'll see you on April 29th.

22

23 (Proceedings concluded)

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, LYNANN DRAGONE, License No. XI01388, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the hearing at the time and the date hereinbefore set forth.

I further certify that I am neither attorney nor Counsel for, nor employed by any of the parties to the action in which this hearing was taken.

I further certify that I am not an employee of anyone employed in this case, nor am I financially interested in this action.

Lynann Dragone
LYNANN DRAGONE, CR
Certified Court Reporter