HUDSON COUNTY IMPROVEMENT AUTHORITY

IN THE MATTER OF : TRANSCRIPT OF
THE REGULAR MONTHLY MEETING : PROCEEDINGS
--------------------------

WEDNESDAY, OCTOBER 12, 2016
830 BERGEN AVENUE, 9TH FLOOR
JERSEY CITY, NEW JERSEY 07306
COMMENCING AT 5:45 P.M.

BOARD MEMBERS:

FRANK PESTANA, CHAIRMAN
JAMES DORAN, VICE CHAIRMAN (ABSENT)
STEPHEN J. GALLO, TREASURER
FRANK LORENZO, SECRETARY
MARTIN T. MARTINETTI, COMMISSIONER (ABSENT)
FRED M. BADO, COMMISSIONER
JOHN PENEDEA, COMMISSIONER
NICHOLAS GOLDSACK, COMMISSIONER
JEFFREY DUBLIN, COMMISSIONER

APPEARANCES:

KURT CHERRY, EXECUTIVE DIRECTOR/CFO

WILLIAM J. NETCHERT, ESQ.
GENERAL COUNSEL TO THE BOARD
CARMEN LOZANO, EXECUTIVE ASSISTANT/ASSISTANT
SECRETARY TO THE BOARD

SHARON PALMER
CERTIFIED SHORTHAND REPORTER
R.J. O'CONNELL ASSOCIATES,
P.O. BOX 277
CEDAR GROVE, NEW JERSEY 07009
(973) 239-7252
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<tr>
<td>ALSO PRESENT:</td>
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<tr>
<td>BAKARI LEE, ESQ. (McMANIVON SCOTLAND &amp; BAUMANN)</td>
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<tr>
<td>MARY-ELLEN GILPIN, HCIA</td>
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<td>ELIZABETH RAMOS, EXECUTIVE ASSISTANT</td>
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<td>JUNIOR MALDONADO, FREEHOLDER LIAISON</td>
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<td>JAMES POLICASTRO, HCIA</td>
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<td>TED DOMURACKI, MAST CONSTRUCTION</td>
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<td>JAY DeDOMENICO, TMA</td>
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<td>JEFF LANIGAN</td>
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<td>PAUL SKABICH, MAST CONSTRUCTION</td>
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<td>AMIT IANI, VISION MEDIA</td>
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<td>CHAIRMAN PESTANA: Here.</td>
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<tr>
<td>MS. LOZANO: We have a quorum with</td>
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<td>seven board members present, two not present.</td>
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<td>CHAIRMAN PESTANA: Mr. Netchert.</td>
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<td>MR. NETCHERT: Yes, Mr. Chairman. This</td>
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<tr>
<td>is a public meeting. Notice of the meeting</td>
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<td>tonight has been forwarded to the Jersey Journal</td>
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<td>and the Star-Ledger for publication in their</td>
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<td>respective newspapers on August 1st, 2016. Notice</td>
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<td>was also forwarded to the Clerk of the County of</td>
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<td>Hudson and the Clerk of the Hudson County Board of</td>
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<td>Freeholders for posting on their bulletin board.</td>
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<td>Notice was posted on the bulletin board outside of</td>
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<td>this meeting room as well as on the Authority’s</td>
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<td>website. These notices are in compliance with the</td>
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<td>requirements of the Open Public Meetings Act.</td>
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<td>CHAIRMAN PESTANA: Thank you,</td>
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<td>Mr. Netchert.</td>
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<td>Before we open it to the public I would</td>
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<td>like to recognize Freeholder Maldonado.</td>
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<td>FREEHOLDER MALDONADO: Thank you,</td>
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<td>Commissioner.</td>
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<td>CHAIRMAN PESTANA: Are there any</td>
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<td>comments from the public on anything on the</td>
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<td>agenda?</td>
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<tr>
<td>CHAIRMAN PESTANA: I would like to call</td>
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<td>the meeting to order.</td>
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<td>Would everyone please rise for the</td>
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<tr>
<td>Pledge.</td>
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<td>(At this time the Pledge of Allegiance</td>
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<td>is recited.)</td>
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<td>CHAIRMAN PESTANA: Carmen, would you</td>
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<td>call the roll please.</td>
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<td>MS. LOZANO: Commissioner Bado.</td>
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<td>COMMISSIONER BADO: Present.</td>
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<td>MS. LOZANO: Commissioner Doran. Not</td>
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<td>present.</td>
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<tr>
<td>Commissioner Dublin.</td>
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<td>COMMISSIONER DUBLIN: Present.</td>
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<td>MS. LOZANO: Commissioner Gallo.</td>
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<td>COMMISSIONER GALLO: I'm here.</td>
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<td>MS. LOZANO: Commissioner Goldsack.</td>
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<td>COMMISSIONER GOLDSACK: Here.</td>
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<td>MS. LOZANO: Commissioner Lorenzo.</td>
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<td>COMMISSIONER LORENZO: Here.</td>
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<td>MS. LOZANO: Commissioner Martinetti.</td>
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<td>Not present.</td>
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<td>Commissioner Peneda.</td>
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<td>COMMISSIONER PENEDA: Here.</td>
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<td>MS. LOZANO: Chairman Pesta.</td>
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<td>Seeing none the public portion is now</td>
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<td>closed.</td>
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<td>Mr. Cherry.</td>
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<td>MR. CHERRY: Thank you.</td>
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<td>CHAIRMAN PESTANA: Do we have a motion</td>
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<td>to waive the reading of the minutes from the last</td>
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<td>meeting?</td>
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<td>COMMISSIONER PENDA: We can do them</td>
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<td>together.</td>
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<td>CHAIRMAN PESTANA: Do we have a motion</td>
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<td>to approve the minutes of the meetings?</td>
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<td>COMMISSIONER GALLO: I'll make a</td>
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<td>motion.</td>
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<td>CHAIRMAN PESTANA: Motion by</td>
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<td>Commissioner Gallo.</td>
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<td>COMMISSIONER PENDA: Second</td>
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<td>CHAIRMAN PESTANA: Second by</td>
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<td>Commissioner Peneda.</td>
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<td>COMMISSIONER PENDA: This is for both</td>
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<td>minutes of the regular and special meeting?</td>
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<td>COMMISSIONER GALLO: Yes.</td>
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<td>CHAIRMAN PESTANA: Yes.</td>
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<td>MS. LOZANO: Commissioner Bado.</td>
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<td>COMMISSIONER BADO: Bado was not</td>
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<td>present.</td>
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CHAIRMAN PESTANA: Are you abstaining?

COMMISSIONER BADO: What?

MR. NETCHERT: He abstains.

COMMISSIONER BADO: Yes, I'll abstain.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes on the September 7th and abstain on September 14th.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: The minutes of September 7th, 2016 and September 14th, 2016 are both passes in the affirmative by seven board members voting yes, one abstention - six board members, one abstention, and two not present.

CHAIRMAN PESTANA: Thank you.

MR. NETCHERT: Mr. Chairman, before we get started I just want to bring to the board's attention that item number ten on your initial agenda is being withdrawn at this time until we have more information to bring to the board when we bring this resolution.

CHAIRMAN PESTANA: Thank you.

MR. CHERRY: Item four, Resolution 10-2016-4 of the Hudson County Improvement Authority authorizing payment of certain costs and expenses of the Authority for the month of October 2016.

CHAIRMAN PESTANA: Do we have a motion on this?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by Commissioner Goldsack.

COMMISSIONER LORENZO: Second.

CHAIRMAN PESTANA: Second by Commissioner Lorenzo.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Resolution 10-2016-4 passes in the affirmative by six board members voting yes, two not present.

MR. CHERRY: Item five, Resolution 10-2016-5 of the Hudson County Improvement Authority accepting easements from the Union City Housing Authority - 303 47th Street Union City, New Jersey. This resolution is to accept the easements from the Union City Housing Authority which results from the Hudson County Improvement Authority issuing the initial bond issue that formed the North Hudson Regional Fire and Rescue. So this property is part of that. And it was turned over to the Authority as part of the financing, and now it's being sought to use that shelter with the easements for a shelter for homeless women.

CHAIRMAN PESTANA: Anybody have any questions?

(No response)

CHAIRMAN PESTANA: Are there any motions?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by Commissioner Gallo.

COMMISSIONER PENEDA: Second.

CHAIRMAN PESTANA: Seconded by Commissioner Gallo.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.
MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-5

passes in the affirmative by seven board members

voting yes, two not present.

MR. CHERRY: Item number six,

Resolution 10-2016-6 of the Hudson County

Improvement Authority concerning review of the

findings of the Local Finance Board made at a

meeting of said board on September 14, 2016 in

accordance with the provisions of N.J.S.A.

40A:5A-7 with respect to the issuance of County

2007-2008 County Guaranteed Pooled Loan Notes, Series 2016C.

This resolution is to allow the board

to review the positive findings from the Local

Finance Board.

CHAIRMAN PESTANA: Does anybody have

any questions on that?

(No response)

CHAIRMAN PESTANA: Are there any

motions?

COMMISSIONER GALLO: I'll move the

motion.

CHAIRMAN PESTANA: Motion by

Commissioner Gallo.

COMMISSIONER GOLDSACK: Seconded.

CHAIRMAN PESTANA: Seconded by

Commissioner Goldsack.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-6

passes in the affirmative by seven board members

voting yes, two not present.

MR. CHERRY: Item number seven is

Resolution 10-2016-7 of the Hudson County

Improvement Authority concerning review of the

findings of the Local Finance Board made at a

meeting of said board on September 14, 2016 in

accordance with the provisions of N.J.S.A.

40A:5A-7 with respect to the issuance of County

2016, which is for the Hudson County Plaza.

This resolution actually was - of the

Local Finance Board, was at the same meeting as

item six, only in this instance it's for the

Series 2007 County Secured Lease Revenue Bonds for

County Plaza. They weren't refunding at that

point.

What happened was it was $5 million of

bonds that when they went to do the refunding the

market conditions did not allow for that, so they

did not refund that small section of bonds.

This resolution was for the last piece

of that refunding because market conditions

allowed for the refunding of that particular

section of the bonds.

So this resolution is to allow you

review positive findings from the Local Finance

Board.

CHAIRMAN PESTANA: Does anybody have

any questions?

(No response)

CHAIRMAN PESTANA: Is there a motion on

this?

COMMISSIONER GOLDSACK: Motion.

CHAIRMAN PESTANA: Motion by

Commissioner Goldsack.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-7

passes in the affirmative by seven board members

voting yes, two not present.

MR. CHERRY: Item number eight is
Resolution 10-2016-8 of the Hudson County Improvement Authority making application to the Local Finance Board pursuant to N.J.S.A. 40A:5A-6. This resolution is to authorize an application seeking positive findings for the issuance of an amount not to exceed $2 million for improvements to the Red Bull Stadium.

Nothing we do is regular, so this one is extra not regular. And I'm going to ask if Bakari Lee, from the firm of McManimon, Scotland and Baumann to give you just a little more information than I have provided to you. MR. NETCHERT: It's unique as opposed to extra not regular.

MR. CHERRY: Yes.

MR. NETCHERT: Bakari.

MR. LEE: Good evening, commissioners. The resolution that you have before you is to authorize an application to the Local Finance Board for the issuance of $2 million of what we're titling Red Bull Stadium Settlement Bonds Series 2016. Without going into too much detail, but by way of background, you are probably aware of the tax litigation between Red Bull and the Town of Harrison. Several years ago the Improvement Authority issued bonds to finance the acquisition of land upon which the Red Bull Stadium was constructed. The overall impetus of that transaction, the tax analysis of that transaction, was that the stadium would be a tax exempt facility. The tax assessor of the Town of Harrison subsequently took a different view, so that Red Bull then was in a position to have to pay property taxes, when they originally acquired a leasehold interest in the land and built the stadium they didn't think they had a property tax liability.

So Red Bull filed suit to avoid the property taxes, they lost, they appealed, they lost again, and it had since gone to the New Jersey Supreme Court. The New Jersey Supreme Court ordered mediation. And as part of the mediation a broader transaction has been constructed that would include Red Bull, the Town of Harrison, Harrison Redevelopment Agency, and the Hudson County Improvement Authority. The long and the short of it is that land to the Improvement Authority. Red Bull would convey in fee simple the stadium to the Improvement Authority. So then the Improvement Authority would own both the land and the stadium.

Red Bull's discomfort was that they paid $200 million to have a stadium constructed. They wanted some other bells and whistles in the transaction to protect their long term interest in case some future court decided that the property taxes were not - that their interest in the facility was not tax exempt.

Among other things what they have asked for is a bond issuance by the Improvement Authority with the debt service to be paid for by Red Bull and the bond purchaser to be a Red Bull affiliate. And by virtue of that bond issuance and the mortgages securing that bond would give Red Bull an additional layer of security in the stadium.

Again, the impetus is that Red Bull owns the stadium and they are now conveying the stadium for nominal value to the Improvement Authority. So this transaction has been structured in a way to give Red Bull comfort that they have a long-term interest in the stadium.

They have asked the Improvement Authority to issue $2 million of bonds. They are being used to make certain equipment related improvements at the site.

Again, Red Bull is the payor of the debt service and Red Bull is the purchaser of the bond. It's what we call a private placement. There will be no preliminary official statement or other official statement. There will be no public sale of the bonds. It is a internal transactional bond issuance that is intended to provide additional security for Red Bull's interest in the stadium.

The Local Fiscal Authority's Control Law requires that before the Authority adopt a bond resolution that an application be made to the Local Finance Board. The resolution that you have before you authorizes the application to the Local Finance Board.

COMMISSIONER GOLDSACK: Mr. Chairman, what is it secured by? You say it's secured by a mortgage?

MR. LEE: Right. The Red Bull bond or the Red Bull affiliate entity, as the purchaser of the bond, is also going to be given a mortgage.
interest in the stadium. And that mortgage
interest in the stadium, on behalf of the bond
that they purchased, is what provides them
additional security in the stadium.
Again, the concept is that Red Bull
owns the stadium as of today. Red Bull owns the
stadium, this $200 million stadium. So they are,
as part of this transaction, conveying in fee
simple, conveying an outright ownership of the
stadium away from itself to the Improvement
Authority.
Red Bull's concern has always been we
spent $200 million to build the stadium. We're
now giving the stadium up. We need some form of
security that insures that we can get the stadium
back if any number of bad things happen.
From our perspective, as the Authority,
we are serving as a facilitator of this
transaction really between the Town and Red Bull
in order to alleviate the tax liability that Red
Bull is subject to currently.
My understanding is that the Town has
had discussion with the tax assessor, and the tax
assessor intends to sign off on the transaction
when we finalize.

From the Authority's perspective we
have been very diligent to negotiate this
transaction such that it is at no exposure to the
Authority whatsoever. The Authority does receive
certain amounts in administrative fees on an
annual basis for facilitating the transaction, but
has no exposure whatsoever.
COMMISSIONER GOLDSACK: If I may.
CHAIRMAN PESTANA: Yes.
COMMISSIONER GOLDSACK: Is this going
to be an ongoing scenario with Red Bull with
respect to coming to us if they want to make any
improvements to the stadium, that they would use
us as --
MR. LEE: That's not enough. That's
not anticipated at all. I can't predict the
future is what I'm saying, but that is not part of
the transaction and not any part of the
discussions.
MR. NETCHERT: In order for the
transaction to be as bulletproof as it could be so
as to eliminate the time for appeal --
MR. LEE: Right.
MR. NETCHERT: -- the bond concept is
in there to shorten the appeal time. So I think
Bakari's answer was the right answer. He has no
idea whether they may or may not ever come to us
again. They have never come to us before.
MR. LEE: Right.
MR. NETCHERT: The concept of the bond
now is not necessarily to raise money, but to add
legitimacy to the transaction.
MR. LEE: Right.
MR. NETCHERT: And the requirement that
the legitimacy money be put back into the stadium
was our demand that they put it back into upgrades
and improvements.
COMMISSIONER GOLDSACK: So at any point
in time they could come back to us if they want to
make any additional improvements.
MR. CHERRY: To our stadium.
COMMISSIONER GOLDSACK: It is our stadium per se.
MR. CHERRY: It is our stadium until
it's not.
MR. LEE: It will be once the
transaction is finalized. As of today, at this
moment, it is not. The transaction is scheduled
to close somewhere around December 16th or
something like that. Once we execute the
documents the Authority will own the stadium at
fee simple.
MR. CHERRY: As Bakari alluded to, you
can imagine, we have met face-to-face with the
higher ups of the Red Bull who come to us from
Austria --
MR. LEE: Correct.
MR. NETCHERT: -- and they come to us
with fear and trepidation of the single owner of
the Red Bull, and they worry about the fact that
they're going to sign a piece of paper that they
paid $200 million to build the stadium with and
give us to us for nothing. Now that's the
downside to the transaction.
The upside for them is that they're
going to end up getting a PILOT that they should
have gotten when they built the stadium. They
didn't get it. If they did it when they should
have we wouldn't be here today.
The only other way to get there is
under the Improvement Authority's Law. The
Improvement Authority can take title to it and
gain legitimate use of it to some degree. And
that has been a push and shove match as well,
again, because they are very protective of their
turf field and the money that goes into it and the
requirement that it be turf field for professional
soccer. And so we're going to get to use it on a
fairly broad basis, but extremely limited basis as
well.

MR. LEE: That's correct.
MR. NETCHERT: And that's a
contradiction in terms, but I think we're allowed
one or two inside the stadium uses. We're allowed
a number of outside the stadium uses. We're
allowed uses of the stadium itself as opposed to
its field for uses. We're allowed use of the
parking lot for concerts, flea markets, or
whatever. We're allowed use of it for the county
championship matches. And there is a list of
things that -- and there is a sign-off by Red Bull
as to the usability or not of what we're trying to
do with it.

Truthfully, as we said to you when we
presented this concept to you, if we had our
druthers -- I don't think Norman wants the
responsibility of managing this stadium or owning
it and making the decisions that we're going to
end up having to make. But as an assist to the
Town of Kearny, I mean the Town of Harrison, I

up $2 million actually because Red Bull is putting
up $2 million to buy a bond that it's paying the
debt service on.

MR. NETCHERT: And it has a 45-cay
appeal period.
MR. LEE: Right. Correct.
MR. NETCHERT: As opposed to a two-year
statute of limitation on it.
MR. LEE: Correct.

So they are putting up the money, but
they are doing it through the Improvement
Authority with the intent that it's another
security. It's another component of the security
stack that enables - that comforts them that they
have a viable long term interest in the stadium.

Again, you have to think about it from
the perspective that Red Bull paid $200 million to
construct the stadium and now, in order to avoid
property tax, they have to convey the stadium to
the Authority. So they're looking for security
measures to protect their long term interest. So
they are funding a bond that they are paying for,
but they are just -- the structure is using the
Improvement Authority.

COMMISSIONER BADO: So then the

Improvement Authority will submit an application
to the State --

MR. LEE: Yes.

COMMISSIONER BADO: -- in its name?
MR. LEE: Correct.
COMMISSIONER BADO: But the money is
going to benefit Red Bull.
MR. LEE: Correct.
COMMISSIONER BADO: And then they will

MR. LEE: It is Red Bull's money that's
going to benefit Red Bull.

COMMISSIONER BADO: No. It's money
from the State.

MR. NETCHERT: Red Bull is going to
purchase the bond when it's sold for $2 million.

MR. LEE: A Red Bull affiliate, a Red
Bull entity is going to go in its bank account and
take out $2 million and give it to the Authority
which, in turn, the Authority will give it right
back to Red Bull make the certain improvements to
the stadium. So it's not money out of the
Authority's coffers so to speak, it's money out of
Red Bull. So the debt service --

COMMISSIONER BADO: Why do we have to
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| get State approval on that?  
MR. LEE: Well that's actually a  
fantastic question.  
My opinion is technically we don't have  
to get State approval for the bond issuance, but  
Red Bull and the Town of Harrison in particular  
have asked nonetheless to have the Local Finance  
Board review and approve the transaction as  
another prophylactic measure in order to insure  
that they don't wind up in some space again where  
someone disagrees with the deal structure in terms  
of the property tax liability that they are  
currently faced with.  
COMMISSIONER BADO: Well let's go to  
the property tax liability. They're transferring  
title to Red Bull Stadium, right?  
MR. LEE: From Red Bull to the  
Improvement Authority.  
COMMISSIONER BADO: And then how much  
is the taxes?  
MR. LEE: I don't have the numbers off  
the top of my head, but maybe about $1.8 million.  
MR. NETCHERT: I'm going to say about  
1.6 or 1.8 compared to what today is 3.2 or a 3.4.  
MR. LEE: Correct.  
the agreement, then you can do a PILOT. You get a  
second chance at a PILOT.  
MR. LEE: Correct.  
MR. NETCHERT: That's how they're doing  
the PILOT.  
MR. LEE: Correct.  
COMMISSIONER BADO: And how much is a  
PILOT?  
MR. NETCHERT: I think he said  
$1.8 million.  
MR. LEE: Give or take. I don't know  
the exact number.  
COMMISSIONER BADO: And now they are at  
3.4?  
MR. NETCHERT: Whatever the Town has  
negotiated. We have nothing to do with it.  
MR. LEE: So instead of paying  
conventional taxes they will be paying the PILOT  
payments.  
COMMISSIONER BADO: Well I understand  
that.  
What is the conventional tax?  
MR. LEE: I don't know the exact  
amount, but as counsel said it is about --  
MR. NETCHERT: I think it is 3.4 or 3.3 |

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| PILOT agreement that's been entered into between  
the Town of Harrison and Red Bull.  
COMMISSIONER BADO: So once it comes to  
the Improvement Authority it's tax exempt?  
MR. NETCHERT: Except for the payment  
of the PILOT that they agreed to.  
MR. LEE: Yes.  
COMMISSIONER BADO: When did they enter  
into the PILOT.  
MR. NETCHERT: They haven't entered  
into it until the deal is structured.  
MR. LEE: Right.  
COMMISSIONER BADO: So before  
construction.  
MR. NETCHERT: Okay. What I said is  
they should have done a PILOT before they began  
construction. The only other way you can get to a  
PILOT is that there is a provision under the  
Improvement Authority's law that says if you're  
taking your property and you're conveying it to  
the Improvement Authority for a public purpose, as  
defined by a number of things, therefore the 25 or  
30 public purpose uses that we are permitted under  
or 3.5. It's about 50 percent of conventional  
taxes.  
MR. LEE: Right.  
MR. NETCHERT: Right.  
CHAIRMAN PESTANA: And Harrison has  
agreed?  
MR. NETCHERT: These are Harrison's  
members. We're simply a facilitator.  
MR. LEE: Right.  
Harrison has been the primary architect  
of the structure, the Town of Harrison, along with  
Red Bull, and then us also at the table to  
facilitate this and protect the Improvement  
Authority's interest. But the Town of Harrison  
has again been the primary architect of this  
structure.  
MR. NETCHERT: From Harrison's  
perspective the downside risk to the Supreme  
Court hearing and deciding this is if Red Bull  
wins the appeal Harrison owes five years of  
$3 million, which John Peneda you know, they may  
as well owe $10 billion to owe $16 million back.  
So one would say well why would  
Harrison do this? Because the risk is too great  
I think. |
COMMISSIONER PENEDA: And also because the PILOT, 95 percent of the PILOT stays, five percent goes to the County.

MR. NETCHERT: Right.

COMMISSIONER PENEDA: So there is no school component involved.

MR. NETCHERT: Right.

COMMISSIONER PENEDA: So by giving up half --

MR. NETCHERT: They are not really giving up a lot.

COMMISSIONER PENEDA: They are maybe better off doing it with the PILOT than --

MR. LEE: In terms of absolute dollars that go to the Town.

CHAIRMAN PESTANA: Thank you, Bakari.

MR. LEE: It's my pleasure.

CHAIRMAN PESTANA: Does anybody have any other questions?

(No response)

CHAIRMAN PESTANA: Are there any motions?

COMMISSIONER GOLDSACK: Motion.

COMMISSIONER PENEDA: I'll second it.

CHAIRMAN PESTANA: Motion by Commissioner GOLDSACK and seconded by Commissioner PENEDA.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: I'll vote yes, but I don't see how this benefits the Improvement Authority or the City of Harrison, but I'll vote yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-8 passes in the affirmative by seven board members voting yes, two not present.

MR. NETCHERT: And for the commissioners who may be wondering, but didn't want to ask, there is no commissioners box involved in the deal. We tried. We tried.

COMMISSIONER GOLDSACK: I was going to text you on that.

MR. CHERRY: Item nine, Resolution 10-2016-9 of the Hudson County Improvement Authority approving change Order Number No. 01 to the Agreement between the Authority and Terminal Construction Corporation for Design-Build Services for a new High Tech High School.

This change order, which is the first one, relates to site work for the High Tech High School in the amount of $1,602,934.84.

This change order will be funded as part of the project contingency, so there is no additional funds that will be required.

If you have any questions, Ted Domuracki from Mast Construction is here. If you don't, then --

COMMISSIONER BADO: Well what is the scope of the work?

MR. CHERRY: What is the scope of the work?

COMMISSIONER BADO: Yes. The site?

MR. CHERRY: It's the site in Secaucus where the High Tech High School is being built.

Commissioner GOLDSACK and seconded by Commissioner PENEDA.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: I'll vote yes, but I don't see how this benefits the Improvement Authority or the City of Harrison, but I'll vote yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

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COMMISSIONER BADO: Well what is the scope of the work?

MR. CHERRY: What is the scope of the work?

COMMISSIONER BADO: Yes. The site?

MR. CHERRY: It's the site in Secaucus where the High Tech High School is being built.
for additional import soil. The project is an
import project. We had to raise the grade. This
defect required us to raise it an additional foot
on the project.
We met with the bridge document team
engineer and Terminal Construction's engineer and
we went through a reconciliation process. They
asked for an additional 58,000 cubic yards of soil
and we negotiated it down to our recommendation of
35,000 yards. That's the issue.
COMMISSIONER BADO: Okay.
So this is for fill.
MR. DOMURACKI: This is additional
fill.
COMMISSIONER BADO: Additional fill.
MR. DOMURACKI: Yes.
The site originally had --
COMMISSIONER BADO: What is the total
square yardage?
MR. DOMURACKI: The additional site had
74,000 yards of additional fill. This is an
additional 35 on top of that to raise the grade to
DEP flood standards so that you're up out of the
floodplain.
COMMISSIONER BADO: Okay.

CHAIRMAN PESTANA: Does anybody else
have any questions?
(No response.)
CHAIRMAN PESTANA: Thank you, Ted.
MR. DOMURACKI: Commissioners, I
brought - from the last presentation I brought the
pictures of the site, I'll leave them here if
anyone wants copies from the last presentation.
CHAIRMAN PESTANA: Thank you.
Do we have any motions?
COMMISSIONER GALLO: I'll move it.
CHAIRMAN PESTANA: Motion by
Commissioner Gallo.
COMMISSIONER GOLDSACK: Second.
CHAIRMAN PESTANA: Second by
Commissioner Goldsack.
MS. LOZANO: Commissioner Bado.
COMMISSIONER BADO: Yes.
MS. LOZANO: Commissioner Dublin.
COMMISSIONER DUBLIN: Yes.
MS. LOZANO: Commissioner Gallo.
COMMISSIONER GALLO: Yes.
MS. LOZANO: Commissioner Goldsack.
COMMISSIONER GOLDSACK: Yes.
MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.
MS. LOZANO: Commissioner Peneda.
COMMISSIONER PENEDA: Yes.
MS. LOZANO: Chairman Pestana.
CHAIRMAN PESTANA: Yes.
MS. LOZANO: Resolution 10-2016-9
passes in the affirmative by seven board members
voting yes, two not present.
MR. CHERRY: Item number eleven,
Resolution of the Hudson County Improvement
Authority authorizing execution of a subcontract
for Fiscal Year 2017 between the Hudson
Transportation Management Association, the New
Jersey Transportation Planning Authority, and the
New Jersey Institute of Technology.
This resolution is for the Authority to
accept the award of $520,000 from the New Jersey
Department of Transportation for the period
July 1st through June 30th, 2017.
This is not the first time for this
grant. This has come before this board annually
and is the main grant that funds the TMA
operation.
CHAIRMAN PESTANA: Does anybody have
any questions on this?
MS. LOZANO: Resolution 10-2016-11 passes in the affirmative by seven board members voting yes, two not present.

MR. CHERRY: Item 12 is Resolution 10-2016-12 of the Hudson County Improvement Authority approving its Fiscal Year 2017 Budget. The resolution before you is the introduction assuming that there are no changes from the Division of Local Government Services. It will come back for a final adoption on November 9th.

This Budget that this resolution is for actually is a reduction from last year's budget of $8,361,912. Of that budget there is a decrease in debt service of $10,303,344. And when you take into consideration the reduction of debt service, operations is actually going up by $1,941,341 and -- let me try that again, $1,941,341,841, which is an increase of less than one percent. So from an operations standpoint the Budget is basically flat to about one percent.

So the capital budget is also $450,000 which is the same as last year. That's used to fund the vehicles and other equipment, computer programming and some computer equipment that we just use in our operations.

Last year actually we automated the Enforcement Division where they're using smart phones in the field to do their violations, and we intend to continue that this year, and possibly get into recycling with the same kind of program. Are there any other questions? (No response.)

CHAIRMAN PESTANA: So basically you just want the one percent increase on the Budget.

MR. CHERRY: That's correct.

CHAIRMAN PESTANA: Does anyone have any other questions? (No response)

CHAIRMAN PESTANA: Are there any motions?

COMMISSIONER GALLO: I'll move it.

COMMISSIONER GOLDSACK: Second.

CHAIRMAN PESTANA: Motion by Commissioner Gallo, second by Commissioner Goldsack.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-12 passes in the affirmative by seven board members voting yes, two not present.

MR. CHERRY: Chairman, I would like to bring to your attention that there are a couple of documents that were left for each of you to complete. This is required information for the Budget. They don't just have numbers in the Budget any more. They seek to collect data on you. So this form has a series of questions on it.

There is also another form for you to fill out that is asking for employment from other public entities. It is just public entities. It is not private entities.
And if you could I'll those out at your convenience and get them back to me I would appreciate it.

CHAIRMAN PESTANA: Do we have a number 13?

MR. CHERRY: Yes. Actually we do have a 13.

This is item 13. Resolution 10-2016-13 of the Hudson County Improvement Authority authorizing the purchase of property and casualty insurance through Scirocco Financial Group, Inc.

This is an annual policy that the Authority has. There is approximately a $600 increase in the premium this year. But at the same time we're going to be covered for flood insurance at the Harrison Parking Garage in the amount of $2 million. This was as a result of FEMA and Hurricane Sandy last time. And if you recall, the garage was flooded. There was fish swimming in the garage and everything else.

This additional coverage will, in the event that we have another one of those hundred year storms within the next year, we'll be covered.

Also, the deductible for public officials claims have been reduced from $50,000 to $15,000.

CHAIRMAN PESTANA: Are there any questions?

(No response.)

MR. CHERRY: And this is all for a $600 increase in premiums. So I would recommend that you accept this resolution.

CHAIRMAN PESTANA: Are there any motions on this?

COMMISSIONER GOLDSACK: Motion.

COMMISSIONER PENEDA: I'll second it.

CHAIRMAN PESTANA: Motion by Commissioner Goldsack and seconded by Commissioner Peneda.

MS. LOZANO: Commissioner Bado.

COMMISSIONER BADO: Yes.

MS. LOZANO: Commissioner Dublin.

COMMISSIONER DUBLIN: Yes.

MS. LOZANO: Commissioner Gallo.

COMMISSIONER GALLO: Yes.

MS. LOZANO: Commissioner Goldsack.

COMMISSIONER GOLDSACK: Yes.

MS. LOZANO: Commissioner Lorenzo.

COMMISSIONER LORENZO: Yes.

MS. LOZANO: Commissioner Peneda.

COMMISSIONER PENEDA: Yes.

MS. LOZANO: Chairman Pestana.

CHAIRMAN PESTANA: Yes.

MS. LOZANO: Resolution 10-2016-13 passes in the affirmative by seven board members voting yes, two not present.

MR. CHERRY: Chairman, there is no personnel matters to report on.

You have your division reports. I don't know if there is anything that has to be brought up.

There is no litigation and there is no closed session.

CHAIRMAN PESTANA: I'm looking at the certification N3 and N4. Where do we find those pages?

MR. CHERRY: N4 is in your packet.

It's this blank one. And the N3, the questions that are on this certification, came off of N3. I can get you that if you wish.

CHAIRMAN PESTANA: Okay, if you could, Kurt.

MR. CHERRY: Sure.

CHAIRMAN PESTANA: Is there any other business?

MR. CHERRY: No, sir.

CHAIRMAN PESTANA: Do we have a motion to adjourn?

COMMISSIONER PENEDA: I'll make the motion.

COMMISSIONER GALLO: Second.

CHAIRMAN PESTANA: Motion by Commissioner Peneda and seconded by Commissioner Gallo.

All in favor?

COMMISSIONER BADO: Aye.

COMMISSIONER DUBLIN: Aye.

COMMISSIONER GALLO: Aye.

COMMISSIONER GOLDSACK: Aye.

COMMISSIONER LORENZO: Aye.

COMMISSIONER PENEDA: Aye.

CHAIRMAN PESTANA: Aye.

(Whereupon the meeting is concluded at 6:25 p.m.)
CERTIFICATION

I, Sharon Palmer, C.C.R., License Number X100796, a Certified Court Reporter of the State of New Jersey, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of the within proceedings to the best of my knowledge and ability.

Sharon Palmer, C.C.R.

Dated: October 14, 2016