



**SPECIAL SESSION BOARD MEETING
August 25, 2016**

DATE: August 25, 2016
TIME: 1:30 p.m.
PLACE: 2 DeKorte Park Plaza - Lyndhurst, NJ
RE: **SPECIAL SESSION MEETING MINUTES**

Members in Attendance:

Michael Ferguson, Chairman (via phone)
Joseph Buckelew, Vice Chairman (via phone)
Wayne Hasenbalg, Esq., President and Chief Executive Officer
John Ballantyne, Member (via phone)
Armando Fontoura, Member (via phone)
Michael H. Gluck, Esq., Member
LeRoy Jones, Member (joined meeting at 1:45p.m)
George Kolber, Member (via phone)
Steven Plofker, Member (via phone)
Andrew Scala, Member
Anthony Scardino, Member
Robert Yudin, Member
Peter Simon, NJ State Treasurer's Representative (via phone)

Absent:

Michael Gonnelli, Member

Also Attending:

Ralph J. Marra, Jr., Sr. Vice President of Legal and Regulatory Affairs
Adam Levy, Vice President of Legal and Regulatory Affairs
Lisa LeBoeuf, Governor's Authorities Unit
Christine Ferrante, Executive Assistant/Paralegal
Robert Tuteur, Esq., Eckert Seamans
Kevin Evans, Esq., Gibbons PC
Peter Nissen, ACACIA Financial

President Hasenbalg called the meeting to order.

President Hasenbalg stated that the New Jersey Sports and Exposition Authority gave notice of the time, place, and date of this meeting by providing such notice to the Secretary of State for the State of New Jersey, The Star-Ledger, The Record, and other newspapers and by posting the notice at the offices of the Authority.

President Hasenbalg explained that since this is a special meeting the board will be limiting actions to the two proposed resolutions. The agenda and resolutions are available to the public. The board will first go into Executive Session. Upon return, the public is invited to

comment on the proposed resolutions. After public comment the board will consider the two resolutions.

I. EXECUTIVE SESSION

President Hasenbalg stated a need for the Board to enter into Executive Session to discuss contractual matters and litigation matters.

Resolution 2016-36 Resolution authorizing the NJSEA to enter into a meeting to which the general public shall not be admitted to discuss legal matters, personnel matters and contract negotiations.

Upon motion made by Commissioner Scala and seconded by Commissioner Scardino, Resolution 2016-33 was approved by a vote of 12-0.

Executive session commences at 1:35 p.m.

Motion to enter into open session was made by Commissioner Gluck and second by Commissioner Scardino with all in favor.

Public session re-commences at 3:00 p.m.

III. PUBLIC PARTICIPATING ON RESOLUTIONS

- James Cassella, Mayor of East Rutherford , spoke in favor of Resolutions 2016-37 and 2016-38.
- Jim Kirkos, Meadowlands Chamber of Commerce, spoke in favor of Resolutions 2016-37 and 2016-38.
- John Zoller, East Rutherford resident, spoke in favor of the project but no at taxpayers' expense.
- Teri Festa, representing the president and chairman of the Meadowlands Area YMCA, spoke in favor of Resolutions 2016-37 and 2016-38.
- Donald Evanson, Secaucus resident, spoke of his concerns with traffic, loss of local businesses and closing of retail stores.
- Alex Lopez – Hackensack resident, spoke in favor of Resolutions 2016-37 and 2016-38.
- Bruno Tedeschi, NJ Alliance for Fiscal Integrity, opposed to Resolutions 2016-37 and 2016-38, but not opposed to construction of the project.
- Rick Sabato, President Bergen County Building Construction Trade Council, spoke in favor Resolutions 2016-37 and 2016-38.

II. APPROVALS

Resolution 2016-37 Resolution of the New Jersey Sports and Exposition Authority authorizing the sale and issuance of Limited Obligation Grant Revenue Bonds of the Authority and authorizing and directing the authorized Authority officials to approve, execute and deliver

President Hasenbalg asked for a motion on Resolution 2016-37. Motion was made by Commissioner Gluck and seconded by Commissioner Yudin and carried.

President Hasenbalg invited Robert Tuteur, NJSEA bond counsel, to explain resolution 2016-37 to Commissioners.

Mr. Tuteur explained Resolution 2016-37. If approved, the resolution would authorize the sale by the NJSEA to the Wisconsin Public Finance Authority of a limited obligation grant revenue bond of the NJSEA in an amount not to exceed \$300 million dollars, for the purpose of providing a portion of funds necessary to complete the American Dream Project. Bonds would be sold pursuant to a bond purchase agreement between the NJSEA and the Wisconsin Authority. Proceeds received by the NJSEA will be used to acquire from Ameream LLC, which is the beneficiary of an Economic Redevelopment Grant from the State of New Jersey, the grant revenues which are to be paid under grant agreement from incremental sales tax derived from the operation of the project upon its completion. NJSEA would pledge those grant revenues to secure its obligation under the bond which it is issuing to the Wisconsin Authority. Separate from the NJSEA, Wisconsin Authority will issue bonds to the public, a portion of proceeds of which will be used to acquire the NJSEA bond from the NJSEA. THE NJSEA's obligation with respect to its grant revenue bond is limited solely to the grant revenues paid under the grant agreement. Mr. Tuteur clarified that if the NJSEA does not receive payments of grant revenue from incremental sales taxes, the NJSEA has no obligation to pay its bond. The NJSEA has no obligation for the payment of the bonds being issued by the Wisconsin Public Financing Authority. The resolution would also authorize the President of NJSEA to approve, execute, acknowledge and deliver all documents necessary in order to effectuate the issuance of the sale of the bonds. This resolution would also revoke the resolution adopted on August 13, 2015 that allowed the NJSEA to issue grant revenue bonds directly to the public. The NJSEA would no longer have authority to issue bonds directly to the public.

Commissioner Gluck requested that Mr. Tuteur clarify further how and if taxpayers of the state are obligated. Mr. Tuteur explained that NJ Economic Recovery Act provides economic incentives to State of New Jersey projects. If a grant is made, 75% of incremental sales taxes from the project for which the grant is provided can be used either to pay for direct construction costs of the project or to pay debt service on obligations issued for the purpose of raising funds to provide sufficient funds to pay for the project. The State obligation is limited to the sales tax collected and allocated.

With no other questions from Commissioners, President Hasenbalg called for a vote. Resolution 2016-37 was unanimously approved by a vote of 13-0.

Resolution 2016-38 Resolution of the New Jersey Sports and Exposition Authority authorizing the sale and issuance of Limited Obligation PILOT Revenue Bonds of the Authority and authorizing and directing the authorized authority officials to approve, execute and deliver required documents and to take other actions in connection therewith; and authorizing further actions.

President Hasenbalg asked for a motion on Resolution 2016-38. Motion was made by Commissioner Scardino and second by Commissioner Gluck and carried.

President Hasenbalg invited Robert Tuteur, NJSEA bond counsel, to explain resolution 2016-38 to Commissioners.

Mr. Tuteur explained Resolution 2016-38. If approved, with authorize the issuance of limited obligation PILOT revenue bonds of the NJSEA. The NJSEA would issue its bonds to the Wisconsin Public Finance Authority. The Wisconsin Public Finance Authority would pay for that bond through its unrelated issuance of bonds to the general public. The proceeds of the bonds in the amount not to exceed \$800 million dollars would be granted by NJSEA to American Dream for purposes of providing a portion of the funds necessary to complete the construction of the American Dream Project. The bonds would be limited obligation of the NJSEA, payable solely from Payments In Lieu of Taxes (PILOT), which Ameream LLC has agreed to pay pursuant to a financial agreement to be entered into between American Dream, East Rutherford, and the NJSEA. Mr. Tuteur made it clear that the only liability the NJSEA would have would be if PILOT payments are made by Ameream LLC. The NJSEA has no liability on this obligation other than from its receipt of PILOT payments.

The resolution would also authorize the President of NJSEA to approve, execute, acknowledge and deliver all documents necessary in order to effectuate the issuance of the sale of the bonds

Commissioner Yudin asked Mr. Tuteur to make clear that if the project fails, that there is no risk to the taxpayers. Mr. Tuteur explained that there is no obligation to pay the bond holders by the state of New Jersey or NJSEA, absent the receipt of PILOT payments. Bond holders bear the risk or loss.

Commissioner Gluck asked about the developer senior debt. Mr. Tuteur explained that the bonds of NJSEA would not be at risk due to the lack of closing of commercial financing by the developer.

Commissioner Jones spoke about the public's concern about taxpayer exposure on the bonds and asked if this is a non-starter in this matter. Mr. Tuteur agreed.

With no other questions from Commissioners, President Hasenbalg called for a vote. Resolution 2016-38 was unanimously approved by a vote of 13-0.

IX. MOTION TO ADJOURN

Motion to adjourn the meeting was made by Commissioner Scala and seconded by Commissioner Yudin with all in favor.

I certify that on information and belief this is a true and accurate transcript of the Minutes of the Special Session Meeting of the New Jersey Sports and Exposition Authority Special Board Meeting held on August 25, 2016.



Ralph J. Marra, Jr., Esq.
Assistant Secretary

August 25, 2016 – Special Meeting

Commissioner	Roll Call	2016-36	2016-37	2016-38
Ferguson	P (via phone)	Y	Y	Y
Buckelew	P (via phone)	Y	Y	Y
Hasenbalg	P	Y	Y	Y
Ballantyne	P (via phone)	Y	Y	Y
Fontoura	P (via phone)	Y	Y	Y
Gluck	P	Y	Y	Y
Gonnelli	--	--	--	--
Jones	P (arrived 1:45pm)	--	Y	Y
Kolber	P (via phone)	Y	Y	Y
Plofker	P (via phone)	Y	Y	Y
Scala	P	Y	Y	Y
Scardino	P	Y	Y	Y
Yudin	P	Y	Y	Y
Treasury Rep Simon	P (via phone)	Y	Y	Y

P - Present A - Abstain
 -- Absent R = Recuse
 Y = Affirmative N = Negative