CITY OF UNION CITY HUDSON COUNTY, NEW JERSEY UNION CITY REDEVELOPMENT AGENCY

•

TRANSCRIPT OF RECORDED

REGULAR MEETING:

PROCEEDINGS

City Hall, 4<sup>th</sup> Floor 3715 Palisade Avenue Union City, New Jersey

> May 20, 2014 Commencing at 12:04 p.m.

## MEMBERS PRESENT:

PAUL CASPER, COMMISSIONER
EVA FESTA, COMMISSIONER
CARLOS VALLEJO, COMMISSIONER
LUCIO FERNANDEZ, CHAIRMAN, (Left at 12:10 p.m.)

## MEMBERS ABSENT:

VINCENT BONITO, COMMISSIONER JOHNNY GARCES, COMMISSIONER RAFAEL NOVA, COMMISSIONER

## ALSO PRESENT:

BRENDA G. COX, ASSISTANT SECRETARY TO THE BOARD

KENNEDY NG, EXECUTIVE DIRECTOR

FLORIO & KENNY, LLP BY: DAVID J. YANOTCHKO, ESQ. Board Attorney

## $\underline{I}$ $\underline{N}$ $\underline{D}$ $\underline{E}$ $\underline{X}$

	PAGE
CALL TO ORDER	3
SALUTE TO FLAG	3
ROLL CALL	4
APPROVAL OF MINUTES	5
APPROVAL AND RATIFICATION OF PRIOR PAYMENT	
OF CLAIMS	6
APPROVAL PAYMENT OF BILLS AND PREPARATION	
OF CHECKS	6
REPORT ON STATUS OF PROJECTS	11
PUBLIC COMMENT	22
OTHER BUSINESS	24
ADJOURNMENT	26

THE ASSISTANT SECRETARY: Okay, may I have 1 2 your attention please? We're going to call to order a Regular 3 Public Meeting of the Union City Redevelopment Agency. 5 This meeting has been called and scheduled 6 for today, Tuesday, May 20<sup>th</sup>, 2014. We're 7 8 beginning the meeting at ten (sic) after twelve. This is a meeting called in compliance with 9 Chapter 231, Public Law 1975 of the Open Public 10 Meeting Act. 11 12 Adequate notice of the meeting has been provided setting forth the date, time and 13 location of this meeting. 14 Notice of the agenda to the extent known 15 16 was forwarded to The Jersey Journal, The Record and The Hudson Reporter and was posted on our 17 bulletin board and kept on file in the office of 18 the Municipal Clerk. 19 20 Before we roll call for this evening's (sic) meeting, will everyone kindly rise so we 21 22 can salute the flag? 23 There's the flag over on the wall. 24 (Whereupon, the Pledge of Allegiance was 25

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said by all.)
2
          THE ASSISTANT SECRETARY: Thank you all.
3
4
   ROLL CALL:
5
6
          THE ASSISTANT SECRETARY: I'll do a roll
7
    call for today's meeting.
8
          Lucio Fernandez?
9
10
          CHAIRMAN FERNANDEZ: Here.
          THE ASSISTANT SECRETARY: Eva Festa?
11
12
          COMMISSIONER FESTA: Here.
13
          THE ASSISTANT SECRETARY: Johnny Garces?
          Rafael Nova?
14
15
          Paul Casper?
16
          COMMISSIONER CASPER: Here.
          THE ASSISTANT SECRETARY: Vincent Bonito?
17
          Carlos Vallejo?
18
          COMMISSIONER VALLEJO: Here.
19
20
          THE ASSISTANT SECRETARY: Okay, let the
    record indicate that we have four members
21
22
    present.
23
          Those absent or late would be Johnny
24
    Garces, Rafael Nova and Vincent Bonito.
          So we have a Board made up of four members,
25
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which constitutes a full legal quorum to
1
    establish any decisions we make today.
2
 3
    APPROVAL OF MINUTES FROM THE MARCH 18, 2014
 4
   MEETING:
 5
 6
 7
          THE ASSISTANT SECRETARY: I'm going to
8
    start with the first item on tonight (sic) -- on
    today's agenda, which is the approval of the
10
    minutes from the March 18, 2014, meeting.
          If you all recall we didn't meet in the
11
12
    month of April due to logistical challenges in
    getting a quorum together.
13
          So, would anyone vote on accepting the
14
    minutes from the --
15
16
          COMMISSIONER FESTA: Motion.
          THE ASSISTANT SECRETARY: -- March --
17
          Motion by --
18
          COMMISSIONER VALLEJO: Second.
19
20
          THE ASSISTANT SECRETARY: -- Eva Festa.
          Seconded by Carlos Vallejo.
21
          Roll call.
22
23
          Lucio Fernandez?
          CHAIRMAN FERNANDEZ: Yes.
24
25
          THE ASSISTANT SECRETARY: Yes. Right?
```

1	Okay.
2	Eva Festa?
3	COMMISSIONER FESTA: Yes.
4	THE ASSISTANT SECRETARY: Paul Casper?
5	COMMISSIONER CASPER: Yes.
6	THE ASSISTANT SECRETARY: And Carlos
7	Vallejo?
8	COMMISSIONER VALLEJO: Yes.
9	THE ASSISTANT SECRETARY: Let the record
10	show that the minutes from the March 18, 2014,
11	was adopted.
12	And now I will turn the meeting over to
13	counsel for continuation.
14	MR. YANOTCHKO: Okay.
15	Thank you, Brenda.
16	THE ASSISTANT SECRETARY: Um-hum.
17	
18	APPROVAL AND RATIFICATION OF PRIOR PAYMENT OF
19	CLAIMS;
20	and
21	APPROVAL PAYMENT OF BILLS AND PREPARATION OF
22	CHECKS:
23	
24	MR. YANOTCHKO: The next two items involve
25	the Approval, Ratification of Prior Payment of

- Claims, the Approval and Payment of Bills and
   Preparation of Checks, more for current claims.
- The first item for prior payments, we don't have any for this -- for this Regular Meeting.
- 5 Oh, actually, wait. I'm sorry, we do. We 6 do.
- 7 We don't have any for the general operating 8 account --
  - THE ASSISTANT SECRETARY: Right.

16

17

18

19

20

on.

- 10 MR. YANOTCHKO: -- but we do have a rather 11 large one.
- This is the famous requisition number 42

  13 for the high school project that has -- that took

  14 a long time for the School's Development

  15 Authority to approve and to -- to make payment
  - They went through a large series of revisions but they finally approved it; we signed -- we signed the letter for it and you can see it there.
- Even though it's about one-tenth of one

  percent of the entire school cost, it took a long

  time to get through but it's gotten through. And

  now Epic is -- the redeveloper's on number 43.
- 25 So that was finally paid out in the last

- 1 couple weeks and approved.
- Moving on to number 4, that's the 2
- Resolution to approve payment of bills and claims 3
- presented, authorize the preparation of checks. 4
- There's a couple bills here. 5
- Audio-Digital for 383. 6

11

12

13

14

15

16

17

25

- 7 Then mostly legal bills, you know, from a 8 variety of different files.
- 9 The first one either general PBG Realty or Yardley, depending on what -- what came up, 10

that's in the amount of \$3,195.00.

- The one -- the category that seems like it's even taken more time and money than this is the legal bill for Stadium Demonstration because the audit has started. You know that's something we'll talk about in the reports; --
  - THE ASSISTANT SECRETARY: Um-hum.
- MR. YANOTCHKO: -- the State audit from the 18 School's Development Authority. 19
- 20 And it's a lot of work. It's been many meetings, time spent in file areas and, you know, 21 just communications back and forth with our team 22 and sometimes to the State to try to -- to try to 23 get responses to them. So, -- and that's in the 24 amount of 4,350.

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For a total of $7,928.14.
1
2
          THE ASSISTANT SECRETARY: Do I have a
   motion to accept?
3
          COMMISSIONER FESTA: Motion.
4
          THE ASSISTANT SECRETARY: Motion by Eva
5
6
    Festa.
         COMMISSIONER VALLEJO: Second the motion.
7
          THE ASSISTANT SECRETARY: Seconded by
8
9
    Carlos Vallejo.
10
          I'll roll call.
          Eva Festa?
11
12
          COMMISSIONER FESTA: Yes.
13
          THE ASSISTANT SECRETARY: Lucio Fernandez?
          CHAIRMAN FERNANDEZ: Yes.
14
          THE ASSISTANT SECRETARY: Paul Casper?
15
16
          COMMISSIONER CASPER: Yes.
17
          THE ASSISTANT SECRETARY: And Carlos
    Vallejo?
18
          COMMISSIONER VALLEJO: Yes.
19
20
          THE ASSISTANT SECRETARY: Let the record
    show that the ratification of prior payments and
21
    also the checks and authorization to pay bills
22
23
    was approved.
24
          CHAIRMAN FERNANDEZ: With all due
    respect, --
25
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This is Lucio Fernandez speaking.
 1
          -- I will step out of the meeting and will
 2
    read the minutes following this and I'll get a --
 3
    I'll get some feedback from the other members
4
   before the next meeting.
5
          I will step away now.
 6
 7
          THE ASSISTANT SECRETARY: Before you step
8
    away could I have your signature --
          CHAIRMAN FERNANDEZ: Yes.
9
10
          THE ASSISTANT SECRETARY: -- on a few
    things so that way we're -- we can really close
11
12
    this altogether properly.
13
          CHAIRMAN FERNANDEZ: Yes.
          THE ASSISTANT SECRETARY: Second line on
14
15
    each page for me.
16
          Okay?
17
          Good-bye.
18
          Thank you.
19
          Okay, very good.
20
          CHAIRMAN FERNANDEZ: The next is just
    reports.
21
22
          THE ASSISTANT SECRETARY: Okay.
23
          CHAIRMAN FERNANDEZ: You can carry the
   meeting without a quorum.
24
25
          THE ASSISTANT SECRETARY: Very good.
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1 (Whereupon, there was a pause in the 2 proceedings.) 3 (Whereupon, Chairman Fernandez left the 4 meeting at 12:10 p.m.) 5 6 REPORT ON STATUS OF PROJECTS: 7 8 MR. YANOTCHKO: And moving on to number 5; 9 10 that's the Report on Status of Projects. The big one is the high school audit. The 11 12 School's Development Authority has, you know, indicated for months and months that eventually 13 they were going to audit the project, take a look 14 15 at documents, payments, all sorts of things. 16 And they finally sent their first document request at the -- towards the end of March. 17 We had our first meeting with the auditors 18 in early April, April 9<sup>th</sup>. 19 20 And after that it's been a big task of trying to get everything together to cover all of 21 their questions and document requests. 22 23 I've got a copy of it and I think I'll just pass it along so you can kind of just get a sense 24

of what they're asking for. Some requests aren't

25

1 very bad.

You know one I'll read here is -- the first one is just get a signed and dated copy of a redevelopment agreement between UCRA and the redeveloper. That's okay. No problem.

Other -- other questions, like number 7, they'll say provide a complete list of subconsultant contracts inclusive of services provided, budget amount -- service and actual dollars expended. In addition to this list provide the physical contracts for every firm that UCRA awarded contracts for for pre-development.

And they have a list of seven. Then any others that you could find and tell us.

So, that's -- that's kind of what we're dealing with. And some of these other questions are worse than that.

So I'll just pass this along, first to Commissioner Casper. Kennedy's, you know, seen this before.

UCRA's role in this, it's not as big as the redeveloper or the redeveloper's construction firm, which is Epic -- and then the redeveloper was Summit.

We probably have greater responsibility over about 10 or 11 of these 69 questions that they've asked.

THE ASSISTANT SECRETARY: Um-hum.

MR. YANOTCHKO: Our areas mostly are pre-development issues that deal with land, like appraisals, relocation of tenants or businesses and -- there's one other, I think -- land acquisition for the most part. Like whether we -- whether eminent domain had to be used or sales.

So, it's a -- our task is a bit easier than some of the -- what the construction company has to do in producing like back payrolls or every example of every change order and things like that. But it's -- it is a really extensive list of items that they've asked for. It's time consuming.

I've spent a few days, you know, here and there, half-days really, in the file cabinet here. Most of the documents we have are stored there. The good news is we have most of everything we're responsible for.

There's some gaps but I think what I'll do is I'll ask some professionals who were with this

project earlier, Gerry Nissen or Lou Flora, you
know just to point me in the right direction and
I think we'll probably be able to track them down
or track them down with help of the redeveloper.

But even with a lot of work we did our first initial what's called a document production back at them, you know, answering questions and sending a lot of documents last Tuesday on May 13<sup>th</sup>.

We probably answered about 20 of those 69 questions based on what we had at the time and, you know, this is a combination between us and Epic. You know and we've told, look, it's a very large amount of documents that you're looking for.

They said fine -- you know over the phone they say fine and then you know by email they usually say well when you going to have everything for us?

So we've -- you know we've met sometimes to tell them, you know, what our strategy is.

What we're really going to -- our main plan is to update our list, our responses, every  $15^{\rm th}$  and the  $30^{\rm th}$  of every month until we can knock everything down as -- for what we have.

The other I think positive on how we're responding to it is that the redeveloper set up almost like a website that you can have -- that only certain people can have access to. It's called an FTP site. And it's off their -- it's off their company web page.

And so what happens is if you log in and you have the right codes you can see the -- you could see responses.

So what they've done is they've put like a folder for each one of those questions -- you know, 1 through 69. And then when we have something what we do is we can just send it up to the website in it's placed there.

The really good part about this, as we've talked to the redeveloper, is that they've had trouble with the SDA in terms of things that they've -- think they've sent three or four times before.

This way it's really hard for them -- if there's something that we've sent and -- it's almost impossible to get out and say, no, you didn't send -- you know if the State says we didn't send it because it's right there on the website.

```
You know it's kind of like a running, you
1
    know, set of answers that they can always go in
 2
    -- go back and forth to.
3
          So that's -- that's what, you know, what
 4
    we've had some challenges with lately and, you
5
    know, it's led to a lot of meetings. You know
6
    sometimes they'll get conversations on how to
 7
    best interact with the auditors, you know, being
    a bit assertive in asking for what we need while
    also not trying to sound non-compliant. You
10
    know, we intend to --
11
12
          MR. NG: If I can --
13
          MR. YANOTCHKO: -- fully comply.
          MR. NG: -- interrupt you?
14
15
          MR. YANOTCHKO: Yeah.
16
          MR. NG: I just want to remind the
    Commissioners that Mr. Yanotchko he's only been
17
    here for two years --
18
19
          THE ASSISTANT SECRETARY: Yup, at the
20
    moment.
          MR. NG: -- and I personally think that
21
    he's been doing an excellent job --
22
23
          THE ASSISTANT SECRETARY: Yup.
          MR. NG: -- in, you know, coordinating
24
    every -- all those documentation from
25
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Redevelopment in conjunction with Epic and the
1
    Board of Education.
          There were a lot of meetings, conference
 3
    calls; he actually call me every day for, you
4
    know, for information and he's been in my office
5
    -- our office, Redevelopment Agency office
6
    downstairs looking for all those files in there.
7
8
    That's not easy.
          You remember Brenda, spending a lot of time
9
10
          THE ASSISTANT SECRETARY: It's -- no, it
11
12
    isn't.
          MR. NG: -- before this --
13
          THE ASSISTANT SECRETARY: It's very
14
15
    challenging.
16
          MR. NG: -- he started, it's very
    challenging.
17
          THE ASSISTANT SECRETARY: Yeah.
18
19
          MR. NG: And I just want to point that out
20
    that you're doing --
21
          MR. YANOTCHKO:
                          Thank you.
22
          MR. NG: -- I mean a great job.
23
          MR. YANOTCHKO: Thank you.
          MR. NG: This is not easy.
24
25
          THE ASSISTANT SECRETARY: No.
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1 MR. YANOTCHKO: Yeah. Yeah, I should say that most of what 2 they've asked for is from 2004, '05, '06, '07. 3 They're more concentrated on stuff that happened 4 a while ago. Really a lot when the -- how 5 project started. 6 7 They want to see things -- it seems like 8 they want to see things like did you follow the rules in terms of finding the right consultants to projects in the construction area. And this 10 is more the redeveloper's, you know, 11 12 responsibility; just showing how they bidded subcontracts to make sure they did it properly. 13 I mean it's important to know that, you 14 15 know, government money was spent accurately. 16 Yes? COMMISSIONER FESTA: What's the retention 17 schedule on all these documents been? 18 MR. YANOTCHKO: The retention schedule? 19 20 You're talking about how long we have to keep them? 21 COMMISSIONER FESTA: Yeah. You're going 22 23 back ten years. 24 MR. YANOTCHKO: Yeah. 25 THE ASSISTANT SECRETARY: Um-hum.

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MR. YANOTCHKO: Well, here's -- here's how
 1
    they were able to do this.
          As part of the grant agreement they put in
 3
    that, okay you have to keep documents from 2004
    on. So that's -- that's how they're able to do
 5
    this. So, --
 6
          MR. NG: Ten years.
 7
          MR. YANOTCHKO: Fortunately we did.
          You know because it's -- you -- and I know
 9
    in most industries you wouldn't have that.
10
          You know like even for lawyers it's usually
11
12
    seven --
          COMMISSIONER FESTA: Seven.
13
          MR. YANOTCHKO: -- years you keep a file.
14
15
          But here it's a special requirement because
16
    it's -- they're saying, well, we gave you well
    over a hundred million dollars to build this and
17
    if you're going to take the money you've got to
18
19
    play by our rules.
20
          So that's how they get to it.
          And -- but, you know, the good news is we
21
22
    have, --
23
          THE ASSISTANT SECRETARY: Um-hum.
          MR. YANOTCHKO: -- you know, most if not
24
    everything that they're -- that they're looking
25
```

1 for.

I mean some of these questions are hard because the -- the really, really difficult ones are why did this change, you know, back in --

And if something that happened in 2005 that's really difficult. And that's something we're going to, in the next month or two, we're going to have to figure out like --

COMMISSIONER FESTA: The change orders you  $\label{eq:commutation} \text{mean.}$ 

MR. YANOTCHKO: Yeah.

-- how we can do that.

Or just like the development on a project.

Like on -- they've asked questions about a

smaller part of what we did, which was relocating
businesses and tenants.

And as far as I could tell, some -- you know the basic amount that was given for that didn't change but sometimes there is a little more money spent towards residential than businesses than first thought.

So I think they might ask questions like why did that change. And that's the hard thing to kind of -- you know because then you're looking at emails and letters and -- and trying

to put it back together.

And, you know, hopefully maybe Lou or Gerry

-- who I've heard both have great memories -
might be able to help if -- you know on some of

those tough ones.

THE ASSISTANT SECRETARY: Um-hum.

MR. YANOTCHKO: And that's -- for the most part that's what we've been up to.

There has been a little development with PBG Realty, the potential developer of  $22^{\rm nd}$  and Summit -- between  $22^{\rm nd}$  and  $23^{\rm rd}$  and Summit. We've been going back and forth about the height of the building.

I sent them a letter almost a month ago now, late April, about what the City really wanted to see; that we're hoping that they could keep it to 15 stories, which is the same height as a nearby building. And, you know, a couple other things that we wanted to affirm that would be part of this development. Mostly things that are already in the redevelopment plan, like sidewalk improvements, making sure there's enough — you know there's some trees and some green space.

We have not had a response back to that

1 letter; at least not a formal response. I don't know if their attorney has reached out to the 2 City attorney. You know because we've been 3 pretty much handling this, you know, together --4 the City -- with the City and UCRA. So that's --5 but that's where we are at that point. 6 7 We sent them a letter stating this is the 8 UCRA/City position on what we'd like to see out of height, building and when we'd like to build it -- when we'd like you to build it. 10 Because that's one concern is I'm hoping 11 12 that they'd actually, if we do a deal, that they'll build it and not just sell it to somebody 13 else or have to have a development sit around, 14 15 plans sit around for like five, ten years. 16 And that's basically been the last two months. 17 MR. NG: Thank you. 18 19 MR. YANOTCHKO: No problem. 20 Any questions? Any other? Thank you. 21 THE ASSISTANT SECRETARY: Okay. 22 23 PUBLIC COMMENT: 24

25

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THE ASSISTANT SECRETARY: I guess we could
1
   move on to --
          MR. YANOTCHKO: I quess the --
3
          THE ASSISTANT SECRETARY: -- item 6, the
4
   Public Comment --
5
          MR. YANOTCHKO: -- item 6.
6
 7
          THE ASSISTANT SECRETARY: -- portion.
          MR. YANOTCHKO: At this point we'll open it
    up to public comment.
10
          Although not really -- not seeing any
   members of the public, --
11
12
          THE ASSISTANT SECRETARY: I guess we can
    close it.
13
          MR. YANOTCHKO: Yes, a motion to close it?
14
15
          THE ASSISTANT SECRETARY: Okay.
16
          Any motion to close the public?
17
          COMMISSIONER FESTA: Motion.
          THE ASSISTANT SECRETARY: Motion by Eva.
18
19
          Seconded by?
20
          COMMISSIONER VALLEJO: Second.
          THE ASSISTANT SECRETARY: Carlos Vallejo.
21
          All in favor?
22
23
          (Whereupon, there was a chorus of ayes.)
24
25
```

1 THE ASSISTANT SECRETARY: Okay. 2 Thank you. I'm not going to take a vote on that. 3 Very good. 4 5 OTHER BUSINESS: 6 7 THE ASSISTANT SECRETARY: And then we move 8 on to item 7. Any other business before the 10 Board? None. 11 12 If I could indulge myself and take the liberty of getting this on record, as the 13 Secretary to the Board. 14 I'm formally announcing that I will be 15 retiring effective June 30<sup>th</sup>. 16 I've already discussed it --17 MR. NG: Yeah. 18 THE ASSISTANT SECRETARY: -- with Kennedy. 19 20 I'm mentioning it to those that didn't --MR. YANOTCHKO: I might have heard 21 something actually. 22 23 THE ASSISTANT SECRETARY: Yes. Yes. 24 So, I just wanted to mention it on the record, although I'm typically a non-speaker in 25

```
the meetings. But I didn't want it to come as a
1
2
    surprise to anyone, so.
          MR. NG: Well, Brenda, you know, --
3
          COMMISSIONER VALLEJO: Congratulations.
 4
          MR. YANOTCHKO: Thank you and
5
    congratulations.
6
7
          MR. NG: -- as I told you, --
          MR. YANOTCHKO: Yeah.
8
9
          THE ASSISTANT SECRETARY: I know.
10
          COMMISSIONER CASPER: Congratulations.
          MR. NG: -- you know, we're all going to
11
12
    miss you and the excellent --
          THE ASSISTANT SECRETARY: I know.
13
          I'm going to miss this, too. But --
14
15
          MR. NG: -- the excellent job that you have
16
    done with this Agency and, you know, I didn't --
          THE ASSISTANT SECRETARY: Five years went
17
    fast.
18
19
          MR. NG: -- really don't want you to go.
20
          THE ASSISTANT SECRETARY: Yeah. I know.
          MR. NG: But I know it's the right decision
21
    for you and for your family right now.
22
23
          THE ASSISTANT SECRETARY: It is.
          MR. NG: And this is a tough time for you
24
25
    to go --
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THE ASSISTANT SECRETARY: Oh, yes. It is a
1
2
    rough time. I -- part of me feels guilty.
          MR. NG: No.
3
          THE ASSISTANT SECRETARY: I'm abandoning
 4
    the ship but --
5
 6
          MR. NG: I will call you.
 7
          THE ASSISTANT SECRETARY: -- mutiny does
8
    happen. Mutiny on the bounty, you know? I gotta
    run. Gotta die.
10
11
   ADJOURNMENT:
12
13
          THE ASSISTANT SECRETARY: So with that, as
    there being no other items on today's agenda, do
14
    I have a motion to close the meeting?
15
16
          COMMISSIONER VALLEJO: Motion.
17
          COMMISSIONER FESTA: Motion.
          THE ASSISTANT SECRETARY: Motion by Carlos
18
    Vallejo.
19
20
          Seconded by Eva Festa.
          All in favor?
21
22
23
          (Whereupon, there was a chorus of ayes.)
24
25
          THE ASSISTANT SECRETARY: Okay, so with
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that, the meeting is formally closed, ladies and
 2
    gentlemen.
          MR. NG: Thank you.
 3
 4
          (Whereupon, the proceedings were concluded
 5
6
    at 12:23 p.m.)
7
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12
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16
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21
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STATE OF NEW JERSEY: COUNTY OF ESSEX : I, KAREN A. MARINO, assigned transcriber, do hereby affirm that the foregoing is a true and accurate transcript in the matter of the REGULAR MEETING of the UNION CITY REDEVELOPMENT AGENCY, held on Tuesday, May 20, 2014, and digitally recorded. Monitored and Proofread by: Deborah Dillon