



STATE OF NEW JERSEY SCHOOLS DEVELOPMENT AUTHORITY

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Christie Administration Recovers \$6.5M for Environmental Cleanup Costs for Camden School Project

TRENTON - Through the collaborative work of the New Jersey Schools Development Authority (SDA) and the Office of the Attorney General, the Christie Administration has recovered the full cost of \$6.5 million to pay for cleanup of a contaminated property in connection with a Camden school project.

The property is the former 14-acre site of the Stockton Station apartment complex and is adjacent to Camden's Octavius V. Catto Community School. The remediated property will become part of a community park, now under development.

SDA CEO Marc Larkins said: "Governor Christie has emphasized a commitment to protecting taxpayers and our limited state resources. The creation of the new cost-recovery group at the SDA will position us to continue to aggressively pursue this effort on behalf of the state."

On August 11, 2010, the SDA received a check representing reimbursement from three defendants – H. Kohnstamm and Co. Inc., Warner Jenkinson Company Inc., and Sensient Colors Inc. The reimbursement, which follows the May 27, 2010 settlement of a lawsuit, represents a unique and proactive approach in protecting taxpayer dollars when conducting environmental remediation.

"This is an important settlement for the citizens of New Jersey," said Attorney General Paula Dow. "Simply put, public money should not be used to clean up and restore properties contaminated by private industry. Our office is committed to litigating these environmental cost-recovery cases to ensure that those who caused the contamination are held accountable."

The SDA fully funds construction of school facilities projects in 31 SDA Districts, including Camden. The Camden Redevelopment Agency (CRA), which managed construction of the project on the SDA's behalf, condemned the property in 2007 for \$8.1 million. However, funds for potential environmental-remediation costs were held in escrow by the Superior Court while liability was being determined.

Pleasant Gardens Realty Corporation, the most recent owner of the former apartment-complex site, contended that the contamination was the responsibility of the defendants who, at different times, owned an adjacent site. Pleasant Gardens filed suit in 2003 under the New Jersey Spill Compensation and Control Act, alleging that the defendants dumped hazardous substances between the 1920s and 1950s in a pond crossing both properties. An escrow account in the amount of \$6.5 million was subsequently established and the state required the defendants to purchase an insurance policy that would have protected the SDA had cost overruns occurred. This was a unique approach that ensured that the cost of cleaning up the property would not fall to the taxpayers of New Jersey.

In 2009, the SDA orchestrated a collaborative effort with the Office of the Attorney General that ultimately led to the settlement, with the Authority, the CRA and the New Jersey Department of Environmental Protection joining Pleasant Gardens in seeking summary judgment against the defendants. In May 2010, the defendants agreed to pay the actual \$6.5 million cost to clean up the site, without admitting liability. The remediation work was completed July 26, 2010.