NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

SUBJECT: Agenda for Board Meeting of the Authority April 10, 2012

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Bond Projects

Incentive Programs

Clean Energy Solutions

Board Memorandums

Real Estate

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
March 15, 2012

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Matt McDermott representing the Executive Branch; Chris Jeter representing the State Treasurer; Wayne Staub representing the Commissioner of the Department of Environment Protection; Dr. Aaron Fichtner representing the Department of Labor and Workforce Development; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Richard Tolson, Larry Downes, Charles Sarlo, Harold Imperatore, Kate Whitman, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; Brian Nelson, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Kavin Mistry, Deputy Attorneys General; Nicole Crifo, Governor's Authorities' Unit; Steven Petrecca, Department of Treasury; and staff.

Absent from the meeting: Public Member Marjorie Perry.

Chairman Koeppe called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Franzini announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Ms. Franzini announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the February 14, 2012 meeting minutes. A motion was made to approve the minutes by Mr. Nelson, seconded by Mr. Staub, and was approved by the 12 voting members present.

Mr. McNamara abstained because he was absent from the meeting.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

Ms. Graves entered the meeting.
Mr. Tolson entered the meeting.

BOND RESOLUTIONS

ITEM: Cigarette Tax Revenue Refunding Bonds, Series 2012

REQUEST: To approve the adoption of the Cigarette Tax Revenue Refunding Bonds, Series 2012 and the form of the First Supplemental Indenture in a principle amount not to exceed $1,165,000,000 and other matters with the issuance and sale thereof; the form of the First Amendment to Contract providing Funding to the New Jersey Economic Development Authority for Cigarette Tax Revenue Refunding Bonds, Series 2004, the use of incidental to the professionals and the authorization for the authority to take necessary actions incidental to the issuance of the Bonds.

MOTION TO APPROVE: Mr. Nelson **SECOND:** Dr. Fichtner **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: NJEDA/School Facilities Construction Bonds

REQUEST: To approve the issuance of one or more series of the 2012 School Facilities Construction Refunding Bonds (not to exceed $650,000,000), refund a portion of the prior School Facilities Construction Bonds and pay the costs of issuance of the 2012 Refunding Bonds.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. McDermott **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Robertet, Inc.* **APPL.#37148**
LOCATION: Mount Olive Township/Morris

PROCEEDS FOR: Building Acquisition, Renovation, Equipment

FINANCING: Up to $10,000,000 Tax-Exempt Bond

MOTION TO APPROVE: Mr. Staub **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

COMBINATION PRELIMINARY BOND RESOLUTIONS

PROJECT: Tiferes Bais Yaakov* **APPL.#37254**
LOCATION: Lakewood Township/Ocean

PROCEEDS FOR: Refinancing

FINANCING: $4,500,000 (est.) Tax-Exempt Bond

MOTION TO APPROVE: Mr. Staub **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PROJECT: **The Arc of Mercer, Inc.** **APPL.#37299**
THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

PRELIMINARY BOND RESOLUTIONS

PROJECT: Nandan Company, L.L.C. **APPL.#37291**
LOCATION: Union Township/Union
PROCEEDS FOR: Equipment
MOTION TO APPROVE: Mr. Staub **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Schott NYC Corp. and RBM Realty Inc.* **APPL.#37025**
LOCATION: Union Township/Union
PROCEEDS FOR: Building Acquisition and Renovation, Equipment
FINANCING: Up to $3,150,000 Tax-Exempt Series A Bond, Up to $500,000 Tax-Exempt Series B Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. McDermott **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

DIRECT LOANS

PROJECT: Greater Newark Enterprises Corporation **APPL.#37251**
LOCATION: Newark City/Essex
PROCEEDS FOR: Working Capital
FINANCING: $500,000 Direct Loan, Loan to Lenders Program
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM, BUSINESS RETENTION & RELOCATION ASSISTANCE GRANT PROGRAM

PROJECT: Accupac, Inc. **APPL.#37269**
LOCATION: Lakewood Township/Ocean **BUSINESS:** Pharmaceuticals
GRANT AWARD: 75% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Kosoffsky **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: CommVault Systems, Inc. **APPL.#37286**
LOCATION: Tinton Falls/Monmouth **BUSINESS:** Printing and Publishing
GRANT AWARD: 80% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. McDermott **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
Mr. Nelson abstained because he represents the firm in their negotiations on other issues.

PROJECT: CommVault Systems, Inc. **APPL.# 37294**
LOCATION: Tinton Falls/Monmouth **BUSINESS:** Printing and Publishing
GRANT AWARD: $1,350,000 (est.), **Business Retention and Relocation Assistance grant,** 2 year
MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9
Mr. Nelson abstained because he represents the firm in their negotiations on other issues.

PROJECT: HDR, Inc. and subsidiaries **APPL.#37295**
LOCATION: Lawrenceville/Mercer **BUSINESS:** Services
GRANT AWARD: $450,000 (est.), **Business Retention and Relocation Assistance grant,** 1 year
MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Moore Capital Management, LP & entity to be formed **APPL.#37239**
BUSINESS: Finance
LOCATION: Morristown/Morris
GRANT AWARD: 60% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Imperatore **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

PROJECT: Seafrigo NA Coldstorage Inc. and Affiliates **APPL.#37250**
LOCATION: TBD **BUSINESS:** Transportation
GRANT AWARD: 35% **Business Employment Incentive grant**, 10 years
MOTION TO APPROVE: Mr. Staub **SECOND:** Mr. McDermott **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
Mr. Kosoffsky abstained because Seafrigo NA Coldstorage Inc. and affiliates is a client; he's familiar with the transaction and has regular business dealings with them.

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

PROJECT: Buffalo Pike Associates or Affliate
LOCATION: Egg Harbor Township/Atlantic County
REIMBURSEMENT GRANT: Up to $11,432,283
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Nelson **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Boraie Development LLC or Nominee

REQUEST: To modify the existing approval of the Urban Transit Hub Tax Credit to increase the award amount over ten years from $19,886,090 to $23,810,360 (20% to 35% of eligible costs).

MOTION TO APPROVE: Mr. McDermott **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

EDISON INNOVATION FUND

ITEM: Osage Venture Partners III, L.P.
NextStage Capital II, L.P.

REQUEST: To approve the request to make a $3 million limited partnership investment in Osage Venture Partners III, L.P. and a $2 million limited partnership investment in NextStage Capital II, L.P. through the SSBCI.

MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. McNamara **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

BOARD MEMORANDUMS

ITEM: Kontos Foods, Inc. and related entities*
Paterson City, Passaic County, NJ
$8,960,000 Tax Exempt Stand-alone Bond (P34499)

REQUEST: Consent to extending the interest only period and maturity date on the Bonds (Series A, B & C).

MOTION TO APPROVE: Mr. Nelson **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

ITEM: Baldwin Asset Associates Urban Renewal Company, LLC
$3,825,000 (75%) Brownfields Reimbursement Grant
REQUEST: Consent to adding BR Baldwin Asset Associates Urban Renewal Company, LLC to the Brownfields Site Remediation grant.

MOTION TO APPROVE: Mr. Staub **SECOND:** Ms. Graves **AYES:** 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

FOR INFORMATION ONLY: The next item is a summary of the projects approved under Delegated Authority in February 2012:

New Jersey Business Growth Fund: CDM Enterprises LLC; Holmdel Pediatrics LLC or Nominee

New Jersey Business Growth Fund - Modification: Eccleston Associates; Musicland LLC

AUTHORITY MATTERS

ITEM: Memorandum of Understand (MOU) with Monmouth County to Conduct Comprehensive Economic Development Strategy

REQUEST: To approve the MOU, in substantially final form, between the Authority and Monmouth County.

MOTION TO APPROVE: Mr. Kosoffsky **SECOND:** Ms. Graves **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Mr. Nelson abstained because he represents the County.

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion Mr. Staub, and seconded by Ms. Graves, the meeting was adjourned at 11:40 a.m.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.

Maureen Hassett, Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

RE: Chief Executive Officer's Report to the Board

PUBLIC-PRIVATE ENTITIES COLLABORATE TO HELP EXPAND NEW JERSEY FOOD ACCESS INITIATIVE

EDA staff recently joined Lt. Governor Kim Guadagno, representatives from The Reinvestment Fund (TRF), the Robert Wood Johnson Foundation (RWJF), the Food Trust, and the New Jersey Food Marketing Task Force, and New Brunswick Mayor Jim Cahill to formally launch the expanded New Jersey Food Access Initiative (NJFAI).

Managed by TRF, the NJFAI supports the Christie Administration's focus on increasing the supply of affordable, fresh food in underserved areas, while improving health outcomes and spurring economic development. The Fund provides low-cost loans and grants to supermarket operators and developers statewide, with an emphasis on serving ten priority cities, including Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton and Vineland.

The launch event, which was held at the site of New Brunswick's first full service supermarket in two decades, celebrated the release of the *Expanding New Jersey's Supermarkets* special report and the announcement of a major philanthropic investment in the NJFAI. EDA first seeded the NJFAI with a $3 million investment in 2009. At this event, RWJF formally announced a $12 million investment in the NJFAI, quadrupling the state's investment. The Commissioners of Labor and Agriculture, and the Deputy Health Commissioner joined Lt. Governor Guadagno to support the initiative.

EDA has also worked with The Food Trust to educate the public and policymakers about the need for fresh food access in New Jersey. This collaboration led to the formation of the New Jersey Food Marketing Task Force, a diverse group of stakeholders that met over the last year to craft a comprehensive plan for supermarket development in New Jersey. The *Expanding New Jersey's Supermarkets* special report represents their findings and policy recommendations for the state. The report can be found on the homepage of EDA's website, or http://www.njeda.com/web/pdf/ExpandingNewJerseySupermarkets.pdf

FIRST NEW JERSEY SMALL BUSINESS ASSISTED THROUGH FEDERAL STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

In March, EDA closed its first loan to a New Jersey small business using a federal funding allocation through the State Small Business Credit Initiative (SSBCI).

Dimensional Communications Inc. (DCI) closed on an $8.31 million M&T Bank loan with a $1.25 million EDA participation through the Statewide Loan Pool. DCI designs and manufactures integrated structures for trade show booths, museum exhibit design, multimedia design, and interiors. They specialize in creating customer and visitor experiences with the power to transform both brand perception and buying decisions. This assistance will enable the company to purchase and expand to a facility in Mahwah, supporting the creation of 30 new jobs, as well as 72 existing jobs.

Of the first tranche of $11.1 million in financing received under SSBCI, the EDA has approved $9.6 million in project financing utilizing SSBCI funds. We look forward to continuing to support the growth and success of small businesses in New Jersey through SSBCI.

TWO EDA PROJECTS SUPPORTING MAJOR WINS FOR THE STATE OF NEW JERSEY CLOSED IN MARCH

Last month, EDA closed two projects that were instrumental to major job creation and retention wins for the State of New Jersey.

Church & Dwight Co., Inc., executed a Business Retention and Relocation Assistance grant (BRRAG) for just over $13.5 million. Church & Dwight is a leading diversified global packaging goods company responsible for well-known brands such as Arm & Hammer, Trojan, OxiClean, Spinbrush, First Response, Orajel, Nair, and Xtra. This BRRAG assistance, along with assistance provided through the Business Employment Incentive Program (BEIP) in 2011, enabled Church & Dwight to build their new 250,000 square-foot global headquarters in Ewing Township. Church & Dwight's decision to remain in New Jersey instead of relocating to Pennsylvania retained over 1,000 existing jobs and created 130 new jobs in New Jersey.

Also in March, Realogy Corporation, executed a $1.5 million Sales & Use Tax Exemption (STX) that enabled the leading provider of real estate and relocation services to remain in New Jersey and relocate its corporate headquarters from Parsippany to Madison. The company was set to move its headquarters to North Carolina, but proactive outreach from the Business Action Center and EDA support under BRRAG and STX enabled New Jersey to retain the company and its 953 employees. Realogy signed a 17-year lease and will be the sole tenant of the 270,000-square-foot state-of-the-art facility that will house all current Realogy corporate headquarters location employees, including the Realogy Franchise Group and its leading franchise brands, Realogy's brokerage subsidiary, NRT, as well as NRT's Eastern Seaboard Support Center and its local brokerage, Coldwell Banker Residential Brokerage.

FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY (FMERA) UPDATE

FMERA expects to have a final Memorandum of Agreement (MOA) for their Board of Directors' consideration at the April meeting of the Authority. In addition to consideration of the MOA, FMERA anticipates bringing a purchase/sale agreement with CommVault for Parcel E in the Tinton Falls section of Fort Monmouth, and a lease agreement, with obligation to purchase with AcuteCare for the Clinic Parcel in the Oceanport section of Fort Monmouth, to their Board for consideration of approval. The Authority will be meeting on April 24, 2012 this month instead of April 18, 2012 to accommodate Board Members' schedules.

FMERA issued a Design-Build Request for Proposals (RFP) on March 29, 2012. The Authority is seeking proposals to convert the Library Building (Building 502) on Fort Monmouth into office space for the Authority staff. The EDA Fort staff hopes to occupy their new office space by the end of the summer. FMERA also anticipates issuing an RFP for a Master Broker in the near future. The Master Broker will assist FMERA with marketing the Fort Monmouth property on a national scale.

FINANCING ACTIVITY

In the first three months of 2012, the EDA has closed financing and incentives totaling just over $63 million for 35 projects that are expected to support the creation of over 600 new jobs, the retention of over 3,600 existing jobs at risk of leaving New Jersey, and involve total public/private investment of over $234 million in New Jersey's economy. In addition to the aforementioned projects above, other businesses assisted in March include:

Excalibur Group, Inc. which executed a Business Retention and Relocation Assistance grant (BRRAG) for just over $159,000. Excalibur Group is a provider of a diverse array of services to clients in the healthcare industry, specializing in the installation of advanced medical diagnostic and surgical devices. This assistance will enable the company to expand in Perth Amboy instead of Maryland, keeping 71 jobs in New Jersey.

WDDS Enterprises Inc., which closed on a $30,000 EDA guarantee of a $120,000 PNC Bank loan through the New Jersey Business Growth Fund. WDDS Enterprises, Inc. d/b/a Contract Services is a Camden-based company that rents and leases heavy construction machinery and equipment. This support will allow the company to purchase commercial property to expand their operations, supporting 10 existing jobs and the creation of 1 new job.

Katz Pierz Inc., which closed on a $177,000 EDA participation of a $708,300 PNC Bank loan through the New Jersey Business Growth Fund. Katz Pierz Inc. is a Cherry Hill-based insurance sales and services company. This assistance will enable the company to purchase the building they currently lease.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 25 events in March. These events included the NJ NAIOP Public Policy Forum in East Brunswick, the Engineers' Club Spring Dinner in West Orange, the New Jersey Future Redevelopment Forum in New Brunswick, and the South Orange Performing Arts Center 2nd Annual Business Leaders Breakfast.

AUTHORITY MATTERS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

RE: 2011 Comprehensive Annual Report

Request

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2011, as required under Executive Order No. 37 (2006).

Background

Each year since inception, as directed under our enabling legislation, the Authority designs and distributes our Annual Report of accomplishments and activities to support economic development in New Jersey. Beginning in 2006, in order to meet the requirements of Executive Order No. 37 (2006), our Annual Report is combined with our audited financial statements and serves as our "comprehensive annual report" for 2011.

The audited financial statements for the year ending December 31, 2011 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Ernst & Young has issued an unqualified opinion with regard to the 2011 financial statements.

Certification accompanying the financial statements has been executed by the Chief Executive Officer and the Chief Financial Officer that the EDA has followed its standards, procedures and internal controls.

On March 15, 2011, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the draft comprehensive annual report, including the 2011 audited financial statements prior to release and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies. Subsequent to the meeting and its review of the report, the Committee recommended that the report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Authorities' Unit, posted to the EDA website, and transmitted electronically to members of the Legislature.

Recommendation:

Authority staff has prepared the comprehensive annual report for 2011 as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities' Unit, post to Authority website, and transmit to the Legislature.

New Jersey Economic Development Authority
Annual Report 2011

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2011 Annual Report

2011 was a busy and exciting year at the New Jersey Economic Development Authority (EDA) as we continued to support the bold economic development agenda of Governor Chris Christie and Lieutenant Governor Kim Guadagno: a more favorable tax climate, a common-sense, predictable regulatory process, competitive business incentives, and a proactive business outreach strategy.

Over the course of 2011, the Christie Administration's focus on making New Jersey a home for growth prompted the introduction of new programs and policies that bolstered the EDA's ability to spur lending activity for small businesses, generate and maintain jobs and encourage private investment in our communities. As a result, the EDA finalized over $882 million in financing assistance, business incentives and tax credits in 2011 to support New Jersey-based businesses, not-for-profit organizations and municipalities. Compared to 2010, the impact of this assistance is significant:

- More than doubled the amount of total public/private investment, from $1.4 billion in 2010 to $3.4 billion in 2011;
- More than doubled the number of estimated new jobs, from 5,200 in 2010 to over 13,000 in 2011;
- More than doubled the number of existing jobs supported, from 12,350 in 2010 to 26,942 in 2011.

The expansion of the Business Retention and Relocation Assistance Grant (BRRAG) and Urban Transit Hub Tax Credit programs were particularly critical to New Jersey's ability to retain companies and jobs in the state, and encourage major investment in our cities. In tandem with administering the still powerful Business Employment Incentive Program (BEIP), the transformational Economic Redevelopment and Growth (ERG) program, and various lending programs, the EDA has enthusiastically continued its role as the state's "bank for business" to encourage economic development and job creation.

The Partnership for Action team joined Governor Chris Christie and Lt. Governor Kim Guadagno at the February 2011 New Jersey Economic Summit, a roundtable discussion with business leaders from across the state at Rutgers Business School in Newark.

Working under the leadership of Lt. Governor Guadagno, EDA collaborates closely with the Business Action Center and Choose New Jersey as part of the New Jersey Partnership for Action. The Partnership has successfully attracted new businesses to the state and helps existing businesses thrive by zeroing in on relationship-building and person-to-person outreach, promoting state incentives and resources, developing pro-growth policies, and helping businesses navigate state government and programs.

Through advocacy and business incentives, the Partnership for Action team has: encouraged companies such as Archimedes Pharma, Fluitec International and Allergan, Inc. to locate new facilities in New Jersey; supported Watson Pharmaceuticals, Bayer Healthcare and Church & Dwight as they sought to remain and expand here; and, assisted Panasonic Corporation, Revel Entertainment and Wakefern Food Corporation as they advanced projects that will result in significant private investment in New Jersey's urban centers.

The Urban Transit Hub Tax Credit (UTHTC) and Economic Redevelopment and Growth (ERG) programs have been critical to New Jersey's ability to advance transformational, catalytic redevelopment projects in New Jersey's cities and other geographic areas targeted for growth.

Through 2011, 14 projects have been approved through the UTHTC for a total benefit of more than $887 million in tax credits. These projects are expected to leverage an estimated $1.7 billion in private investment, and spur the creation of 2,330 new jobs and 8,400 construction jobs, as well as help to ensure the retention of 2,270 jobs that were certified as "at risk" of leaving the state. Under ERG, 12 projects have been approved for incentives totaling approximately $370 million over an average term of 19 years. These projects are spurring an estimated $2.2 billion in private investment, and are expected to create an estimated 9,190 new jobs and over 7,975 construction jobs. The net benefit to the state tied to these projects is estimated to be $877.5 million over the term.

Our focus on supporting entrepreneurs and small businesses was also expanded in 2011 as the state worked to create new funding and technical assistance opportunities for this critical sector of New Jersey's economy. In October, the Christie Administration announced that New Jersey was allocated $33.8 million in funding through the federal Small Business Jobs Act. These funds strengthen EDA's existing lending programs, with a focus on supporting small manufacturers, women and minority-owned enterprises, and businesses that are located in underserved communities throughout the state.

Support for Small Businesses

The EDA Board took action in November and December to further support small business development in New Jersey. This included doubling the EDA's line of credit guarantee assistance from $250,000 to $500,000; increasing the number of banks from 15 to 44 that can participate in a new Premier Lenders banking program to expedite loan approvals; strengthening the lending capacity of microlenders and other financial intermediary organizations through the Fund for Community Economic Development; and entering into a new contract with UCEDC and awarding first-time contracts to Rising Tide Capital, Inc. and the Latin American Economic Development Association (LAEDA) to expand the array of training, technical and financial assistance services available to small, women and minority-owned businesses. In 2011, UCEDC trained or mentored over 2,400 entrepreneurs across the state and offered 82 business training and informational workshops. Additionally, 16 small business owners received a total of nearly $430,000 in loans to start or expand their business.

In an effort to educate more small businesses across New Jersey on available financial and advocacy assistance, EDA hosted several small business forums in coordination with Urban Enterprise Zones (UEZs) and other local business community members. In 2011, events were held in Asbury Park, Trenton, Lakewood and Carteret. EDA also launched a new website landing pages, with a focus on key audience segments, including bankers, small business owners, manufacturers, and not-for-profit organizations. In addition, EDA launched e-mail newsletters that inform these key audiences about updates on products, success stories and related business news from around the state. In 2011, EDA completed its first video testimonial which highlighted North Bergen-based Sequin City and the small manufacturing company's experience working with the Partnership for Action team.

Growing the Innovation Economy

With a continued focus on growing New Jersey's "innovation" economy, EDA took significant steps in 2011 to expand the availability of capital for life sciences and technology companies. In August, the EDA introduced three new programs under the Edison Innovation Fund to support emerging companies that have attracted capital through angel and venture capital investors. EDA also worked with the state's technology community to create New Jersey's first Technology Accelerator Initiative, which will provide a competitive environment for entrepreneurs to showcase their products, ideas and business model in a mentor driven program that leverages EDA's initial investment with private capital.

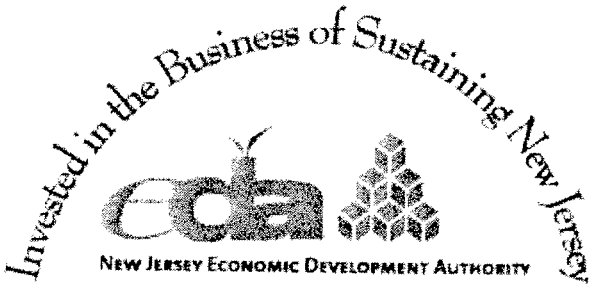
Encouraging Sustainability

To help promote a green economy in New Jersey, EDA enhanced its Clean Energy Solutions portfolio in 2011 with the introduction of the Edison Innovation Green Growth Fund (EIGGF) and Energy Efficiency Revolving Loan Fund (EERLF). The EIGGF is a program funded by the New Jersey Board of Public Utilities (BPU) that offers growth capital loans to assist New Jersey clean technology companies in advancing energy efficient and renewable energy products.

Through EERLF, New Jersey-based commercial, institutional or industrial entities that have already received an approved Energy Reduction Plan under the BPU's Pay for Performance program can apply for a low-interest loan to help achieve energy efficiency improvements that benefit New Jersey ratepayers, reduce operating costs for businesses, and enhance the environment.

2011 also marked the official launch of EDA's internal sustainability initiative. Through this effort, we are striving to become a more sustainable organization by focusing on the triple bottom line – people, planet and profits. This approach will allow EDA to plan for and respond to current and future challenges and opportunities through adaptive decision making that accounts for social, economic and environmental protections and enhancements.

EDA is also staff to the Fort Monmouth Economic Revitalization Authority (FMERA), which kept busy in 2011 with the closing of the Fort Monmouth post in September 2011.



EDA's new sustainability logo and tagline, "Invested in the Business of Sustaining New Jersey."

The essential component of FMERA's initial redevelopment effort is the transfer of the 1,100-acre property from the U.S. Army to FMERA, which takes place through the Economic Development Conveyance (EDC) agreement. The Memorandum of Agreement (MOA) is the overarching agreement between the U.S. Army and FMERA, which lays out the deal points for the future EDC agreement. Drafts of both documents were submitted to the U.S. Army in December 2011 and we expect that both agreements will be in place by April, with action on transferring the land parcels identified for Phase 1 of the redevelopment beginning soon after.

As we continue to cultivate an environment conducive to economic growth and job creation, the EDA looks forward to working with the Christie Administration to build on the success the Partnership for Action achieved in 2011. As we move ahead in 2012, we are focused on increasing our lending activity for small and mid-size businesses, supporting companies looking to expand globally, and ensuring our policies are aligned with the new State Strategic Plan, which is focused on growing targeted industries, including advanced manufacturing, transportation, logistics and distribution, life sciences, technology, green energy, health and finance.

2011 Annual Report

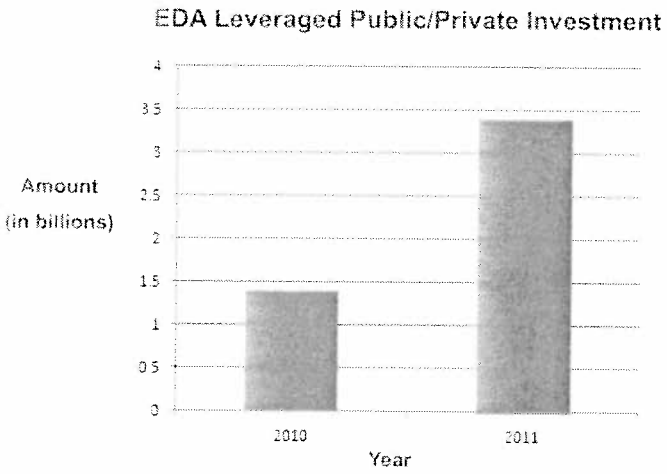
The EDA remains committed to growing New Jersey's economy through financial assistance, facilitation and partnerships; optimizing internal workforce effectiveness to improve and strengthen the customer experience; and, advancing a financially sustainable business platform to ensure we are able to meet the state's economic development needs while excercising financial stewardship. Our success as an organization is a testament to our talented and dedicated staff, a business philosophy that facilitates quick adaptability to marketplace needs, and productive partnerships with public, private and community organizations across New Jersey.

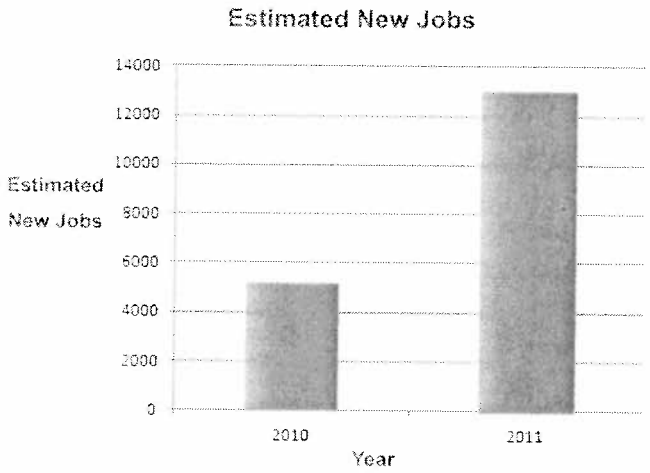
The following pages highlight the various ways EDA supported and encouraged economic development in 2011. We invite you to visit www.njeda.com or the state's business portal at www.NewJerseyBusiness.gov to learn more about opportunities for business growth throughout the state.

Al Koeppe
Chairman of the Board

Caren S. Franzini
Chief Executive Officer

2011 Results





EDA Results 2011	
Projects Assisted	301
Total Assistance	$882.7 million
Public/Private Investment	$3.44 billion
Estimated New Permanent Jobs	13,025
Estimated Construction Jobs	13,942

EDA Results 1974-2011	
Projects Assisted	11,081
Total Assistance	$21.6 billion
Public/Private Investment	$47.8 billion
Estimated New Permanent Jobs	322,882
Estimated Construction Jobs	332,759

EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent State agency that serves as the State's "bank for business" by financing small and mid-sized businesses, administering tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development by providing access to training and mentoring programs.

Supporting Entrepreneurial Development and Business Growth

2011 was marked by the Christie Administration's staunch commitment to support small and mid-size businesses in New Jersey. The state's efforts are strengthened by EDA's relationship with New Jersey's banking community. In partnership with commercial banks, nearly 100 small and mid-size companies and not-for-profit organizations across New Jersey received approximately $867 million in total public/private assistance through the state's small business lending and bond financing programs.

Sequin City represents a great example of the unprecedented responsiveness that defines the Partnership for Action and its efforts to support the needs of New Jersey businesses, large and small.

With 40 years of experience in the textile industry and a desire to make his son proud, Raymond Hill acquired Sequin City in 2002, making him the owner of the only sequin fabrics manufacturing company in the United States. The company supplies its fabrics to the fashion district in New York City, Broadway costume designers, and major American theme parks such as Disneyland. In March 2011, Mr. Hill was told by his landlord that the building housing his company would be demolished that April. After experiencing difficulty in obtaining a conventional bank loan to purchase a new property, Mr. Hill wrote Governor Christie seeking help. Lt. Governor Guadagno immediately reached out to Mr. Hill to discuss his issues and how the state could assist with his facility needs. The New Jersey Partnership for Action stepped in, and with advocacy from the Business Action Center and a $225,000 Small Business Fund loan from the EDA, Sequin City was able to relocate into new space. Mr. Hill credits the Christie Administration and the Partnership for Action for keeping his business operational and growing in New Jersey. Sequin City plans to retain its staff of six and create three new jobs as it continues to grow at its new facility in North Bergen.

Sequin City

Raymond Hill, President of Sequin City, pictured in the company's new North Bergen-based manufacturing facility.

The Small Business Fund program provides below-market rate financing to eligible businesses through direct loans or guarantees, with the choice of a variable or fixed interest rate. Roselle Park-based **Hexacon Electric** has been manufacturing soldering parts and equipment longer than any other company of its kind worldwide. The company, which has been family-owned since it was established in 1932, was the pioneer developer of long-life, iron-plated tip technology and also introduced the first industrial pencil-style soldering iron, the first temperature-controlled soldering station, and the first irons and tips for surface mount technology. These technological developments were essential to the creation of high-reliability military electronic applications and to advancing space program resources for achieving moon landing. To support the company's continued growth in New Jersey, Hexacon closed a $70,000 loan through the Small Business Fund. The low-interest financing was used to purchase new equipment. Hexacon expects to maintain its existing staff of 28.

Supporting Entrepreneurial Development and Business Growth

To help facilitate its expansion in East Rutherford, **MamaMia Produce** closed on a $2.8 million mixed credit facility from EDA Premier Lender Provident Bank that included a $250,000 EDA guarantee through the Main Street Business Assistance Program. With three generations of agricultural experience, the company utilizes greenhouse and hydroponic technology to offer premium fruits and vegetables under the MamaMia and La Vita™ brands. MamaMia plans to add six new employees to its existing staff of 26 as it continues to grow in Bergen County. Based in Berlin, **Interlock Device of New Jersey (IDNJ)** provides installation and monitoring of interlock devices, which are breath alcohol analysis devices that are installed in motor vehicles to prevent an alcohol-impaired person from starting their vehicle. Through the Main Street program, EDA provided this company with a 50 percent guarantee of a $200,000 Fulton Bank of NJ line of credit. Fulton Bank is also an EDA Premier Lender.

Hexacon Electric

The owners of Hexacon Electric, Kathi and Art Schwaiger, pictured in front of their new CNC Machine, acquired with financing from the Small Business Fund.

The Main Street Business Assistance Program was advanced to help businesses in New Jersey access capital. The program provides financial support to commercial banks in New Jersey to assist in offering loans, guarantees and line of credit guarantees to small businesses and not-for-profit organizations. Among the actions taken in December to enhance the state's small business support, the EDA Board voted to double the line of credit guarantee available through the Main Street program from $250,000 to $500,000. Additionally, the Board voted to reduce the interest rate for the program from 5-percent fixed to the Five Year U.S. Treasury plus 300 basis points with a 3-percent floor, fixed at closing.

The EDA Board voted to launch the new Premier Lenders Program in December to be more responsive to the needs of businesses and bank partners. The Program helps to expedite approvals for small business loans and increase activity with all of the EDA's banking partners. The streamlined loan approval process involves the EDA reviewing finance applications within three days, the result of which speeds the flow of capital to growing businesses in the state. Quick turnaround time from approval to closing provides a strong incentive for borrowers, while the EDA's exposure by participating in or guaranteeing a portion of a loan reduces the lender's risk.

Through the Statewide Loan Pool Program, Premier Lender TD Bank worked in partnership with EDA to provide **Specialty Vehicle Solutions (SVS)** an $810,000 bank loan supported by a $180,000 EDA participation. The manufacturing company specializes in custom law enforcement and government vehicles, with a customer base of both domestic and international clients. As a result of this financing, SVS was able to purchase a 22,800-square-foot facility that it had previously leased in Trenton. The company expects to add five positions to its existing staff of 25.

Supporting Entrepreneurial Development and Business Growth

The Statewide Loan Pool Program also proved beneficial to **Hays Sheet Metal, Inc.** when it sought to purchase a building in Pennsauken to house its sheet metal contracting business. With an $800,000 mortgage loan from Premier Lender Citizens Bank that included a $240,000 EDA participation, the company is acquiring its new facility on Kaighn Avenue, where it expects to grow from a staff of 12 to 16. Under the Statewide Loan Pool Program, EDA can participate in or guarantee up to 50 percent of a bank loan, up to $1.5 million for fixed assets or working capital.

The EDA partners exclusively with PNC Bank to support credit-worthy companies that are retaining or creating jobs in the state through the New Jersey Business Growth Fund. Small and mid-sized businesses may be eligible for up to a $3 million PNC Bank loan with a 25 percent or 50 percent EDA guarantee.

Companies that received assistance through this partnership in 2011 include **Wipe Out Productions**, which used a $330,000 PNC Bank loan, backed by a 25 percent EDA guarantee, to purchase a new facility in West Berlin for its video and radio programming production company. **Bennie's Bread**, a wholesale and retail Italian bakery located in Ocean City, utilized a $580,000 PNC Bank loan that included a $290,000 EDA guarantee to refinance existing debt. **Interfashion Cosmetics Corp.**, a second generation family-owned cosmetic and skin care custom house contract manufacturer and formulator, utilized a $500,000 PNC Bank loan, backed by a 50 percent EDA guarantee, to purchase new equipment and machinery for its Teterboro-based facility.

Kontos Foods

Kontos President Evris Kontos pictured with his employees.

Through tax-exempt bond financing, the EDA supports manufacturing companies and not-for-profit organizations across the state. The EDA serves as a conduit issuer of these private activity bonds, which provide long-term, tax advantaged financing, with either a fixed or variable interest rate.

With nearly $9 million in tax-exempt bond financing, **Kontos Foods** purchased and made renovations to a 60,000-square-foot facility in Paterson, as well as a nearby 25,000-square-foot facility. Additional proceeds from the tax-exempt bonds were used to finance equipment and machinery. Kontos, a manufacturer of authentic, hand-stretched flatbread, was founded by Evris Kontos, a master fillo maker who emigrated to the United States from Capri in 1949. Utilizing the preparation process that Mr. Kontos has perfected through the years, Kontos has seen considerable growth, and the additional space will accommodate new equipment and product lines. Kontos expects to add 20 new employees to its existing staff of 160. The bond was directly purchased by EDA Premier Lender TD Bank.

Supporting Entrepreneurial Development and Business Growth

Century Packaging, Inc. of East Brunswick utilized a $1.62 million tax-exempt bond to acquire a new printing press that will allow the manufacturing company to increase business by an estimated 20 percent. Founded in 1986, Century Packaging is a full service manufacturer that specializes in designing folding cartons for a variety of industries, including cosmetic, pharmaceutical, healthcare, bakery products, automotive and pet products. In October, Century Packaging became the 79th stop on the Lt. Governor's "100 Business Initiative" tour, which began in mid-February with the goal of visiting businesses across key industries to foster a stronger dialogue with New Jersey's job creators. Century Packaging expects to maintain its staff of 53 and create seven new jobs. The bond was directly purchased by People's Capital and Leasing Corp.

The **South Brunswick Family YMCA** benefited from $2.25 million in tax-exempt bond financing, which will allow the not-for-profit organization to refinance existing debt and undertake a roof replacement capital project. The community and family-centered organization runs a childcare facility, summer camps, and after school programs. The facility boasts a teaching pool, dance studio and fitness center, and offers a wide range of programs, including parent/tot gymnastics classes and classes for seniors. The bonds were directly purchased by EDA Premier Lender TD Bank.

South Brunswick Family YMCA
The childcare facility at the South Brunswick Family YMCA

Enhancing Governor Christie's commitment to economic growth and entrepreneurial development, the EDA entered into a new contract with UCEDC in November 2011. The EDA formed a strategic partnership with the not-for-profit economic development corporation in 2008 to deepen the state's reach into underserved communities and provide greater access to resources for aspiring entrepreneurs and small business owners.

UCEDC offers various training workshops that are available in English and Spanish, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation, and a comprehensive Entrepreneurial Training Initiative that walks entrepreneurs through all aspects of starting a business, culminating in the development of a business plan. All UCEDC clients receive one-on-one business counseling customized to meet the specific needs of their business. Through its microloans, SBA 7(a) loans and business growth fund, UCEDC also offers a range of financing vehicles to address business needs at every stage of growth.

Jersey Farm Produce, Inc. was founded in 2009 by Hector Perez, a former agricultural engineer from Mexico who came to the United States in 2000. Jersey Farm operates from a 46-acre farm in Milford and grows a wide variety of vegetables, fruit, flowers and plants year-round. In addition to serving neighborhoods in New York, Perez has also been the featured farmer at the Golden Nugget Green Market in Lambertville. In 2011, Perez received a $15,000 microloan and one-on-one mentoring from UCEDC to support the continued growth of his business. Jersey Farm expects to grow from a staff of three to 10 in the next few years.

Supporting Entrepreneurial Development and Business Growth

Jersey Farm Produce

Hector Perez of Jersey Farm Produce tends to his 46-acre farm in Hunterdon County.

With a lifelong interest in biology, Olive Lynch turned her enthusiasm into a business idea two years ago when she sought to use bugs to recycle food waste. Today, Lynch is utilizing UCEDC's training and mentorship services to successfully launch **Green Waste Technologies**. The Plainfield entrepreneur, a recent graduate of UCEDC's Entrepreneurial Training Initiative, recently had her first taste of success when she won the business plan contest sponsored by the Central Jersey Chapter of the National Association of Women Business Owners.

Two guys, fresh out of college, couldn't get past their dream of selling ice cream at the Jersey shore. Despite having full-time jobs, they used their own money and sweat equity from family and friends to open **Ensign Ice Cream** last summer. But as a seasonal startup business, Ensign's co-owners didn't know where to turn when additional funds were needed to keep their business moving forward. UCEDC's help came in the form of a $15,000 microloan that allowed the owners to obtain vending permits for the 2011 summer season and purchase and convert additional vehicles to sell their ice cream in Beach Haven, Harvey Cedar, Barnegat Light and Toms River. With a successful summer, Ensign Ice Cream has already paid off its microloan.

In addition to its partnership with UCEDC, EDA also manages the New Jersey Small Business Development Centers (SBDCs) contract on behalf of the Business Action Center. The SBDC network is comprised of 11 centers across the state. Small business owners and entrepreneurs can use these centers to develop a business plan, create marketing strategies, learn principles of accounting and financial analysis and identify capital financing.

Encouraging Business Attraction, Retention and Expansion

Governor Christie provided an immediate economic boost to the state by advancing competitive business incentives that complement his tax and regulatory reform policies and further demonstrate that New Jersey is well-positioned for business expansion, economic growth and job creation.

Statutory revisions signed into law by the Governor in January 2011 enhanced the effectiveness of the Business Retention and Relocation Assistance Grant (BRRAG), which is a key incentive for businesses committed to retaining jobs in New Jersey. The BRRAG program involves the utilization of corporation business tax credits, or insurance premiums tax credits, to businesses to encourage economic development and job creation while preserving existing jobs in the state. The program now offers up to $2,250 per year for up to six years, per job retained in the state. With a meaningful incentive for retention, activity under BRRAG in 2011 significantly increased.

Since 1996, companies that have chosen to locate new facilities in New Jersey have taken advantage of the Business Employment Incentive Program (BEIP), which continues to be a powerful tool to attract and encourage businesses to grow in the state. Approved businesses receive annual cash grants for up to 10 years. Grant amounts are based on a percentage – up to 80 percent – of the state income taxes withheld from the employees who fill the newly created jobs, and grants are disbursed to companies only after verification of new employment.

Governor Christie and Lt. Governor Guadagno joined global industry leader **Church & Dwight** in October 2011 to announce the company's decision to build their new global headquarters in Ewing Township, further expanding their manufacturing and R&D footprint in New Jersey. Founded in 1846, the company manufactures and markets a wide range of personal care, household and specialty products, under the ARM & HAMMER brand name and other trademarks.

Church & Dwight currently has its global headquarters and R&D center in Princeton and a manufacturing plant in Lakewood. The company was approved for a $2.7 million BEIP and a $13.5 million BRRAG to support the relocation of its corporate headquarters to a new, 250,000-square-foot facility in Ewing, rather than a competing location in Pennsylvania. In addition to this new corporate center, the company remains committed to the Princeton location, which will become its new R&D center. The company also will be expanding their facility in Lakewood with the help of a $719,000 BEIP tied to the creation of 28 new positions at this manufacturing plant. Together, this is resulting in the retention of over 1,000 jobs, the creation of more than 130 new jobs, and the private investment of nearly $80 million in New Jersey's economy.

"I commend the pro-business efforts of Governor Christie's Administration and the incredible customer service that we received throughout our decision-making process. That coupled with the incentives is what our company needed to maintain our headquarters in New Jersey and keep our employees in the state."

– James R. Craigie, Chairman and Chief Executive Officer, Church & Dwight

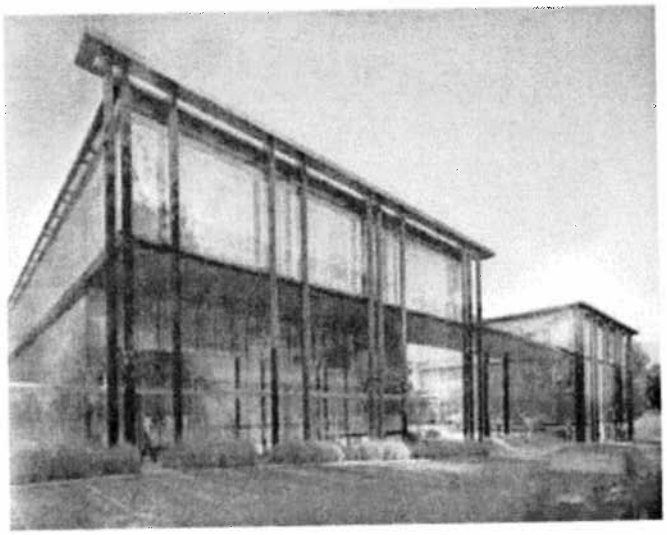
Governor Christie and Lt. Governor Guadagno join James R. Craigie of Church & Dwight to break ground on the company's new headquarters in Ewing.

Encouraging Business Attraction, Retention and Expansion

Two years ago, **Realogy Corporation** had essentially made the decision to move its headquarters from New Jersey to North Carolina. The leading provider of real estate and relocation services needed to move due to a stalled economy, and its lease in Parsippany was set to expire in 2013. Dubbed "the state's first retention save" by Lt. Governor Guadagno, the proactive outreach by the Christie Administration and enhanced BRRAG helped encourage Realogy to remain and invest in New Jersey. The company announced in late November 2011 plans to move its corporate headquarters to a new facility currently under development in Madison. The EDA approved a BRRAG in April 2011 estimated at $10.7 million and a $1.4 million sales tax exemption to help retain the company and its 953 employees. Realogy signed a 17-year lease and will be the sole tenant of the 270,000-square-foot state-of-the-art facility that is being developed by The Hampshire Companies of Morristown. The building will house all current Realogy corporate headquarters location employees, including the Realogy Franchise Group and its leading franchise brands, Realogy's brokerage subsidiary, NRT, as well as NRT's Eastern Seaboard Support Center and its local brokerage, Coldwell Banker Residential Brokerage.

Other state-assisted projects in 2011 also proved that New Jersey had successfully redefined itself in the marketplace, as a host of out-of-state and international companies chose to expand in or relocate to the Garden State.

Biomeasure Inc., a U.S.-based subsidiary of Ipsen, announced in December 2011 that the company will relocate its U.S. headquarters from Brisbane, California to Bridgewater, New Jersey. The company expects to begin operating from its new 30,000-square-foot facility by April 2012. To encourage the company to locate in New Jersey, EDA approved a BEIP grant worth an estimated $4.47 million over 10 years based on the creation of 91 new, high-wage positions. Based in Paris, France, Ipsen is a global biopharmaceutical specialty care group.



An artist's rendering of the Realogy Corp.'s future headquarters at 175 Park Ave. in Madison. Courtesy of The Hampshire Companies.

Archimedes Pharma US Inc. is a recently formed subsidiary of United Kingdom-based specialty biopharmaceutical company Archimedes Pharma Ltd. In early 2011, the company decided to locate its first U.S. operations in Bedminster with the support of a 10-year, $2-million BEIP grant. The company expects to create 75 new, high-wage jobs.

Crane Group International produces steel framed, all inclusive commercial and residential structures, with a focus on providing quality, sustainable living environments. A BEIP grant worth an estimated $1 million over 10 years helped to encourage the company to grow its New Jersey workforce from a staff of six to over 180. The company invested approximately $4.25 million to support its move to a new, 200,000-square-foot manufacturing facility in Hillside. The company also explored facilities in Louisiana.

Encouraging Business Attraction, Retention and Expansion

When **Revolution Foods** was looking to expand its market reach in the Northeast, a BEIP grant worth an estimated $222,000 over 10 years helped to encourage the company to lease and build out a 25,000-square-foot facility in Elizabeth over competing locations in Connecticut and New York. The company delivers healthy meals and nutrition education to schools and community programs across the country. Revolution expects to create 75 new jobs and invest an estimated $2.83 million in its new facility.

SSM Industries, a manufacturer of heating, ventilation and air conditioning products, shifted operations from Philadelphia to West Deptford with the help of a 10-year, $609,750 BEIP tied to the creation of 70 new, high-wage jobs and the private investment of $2.15 million.

SSM is another great representation of the proactive efforts and responsiveness that defines the Christie Administration and the Partnership for Action. After hearing that SSM was considering relocating to New Jersey, Lt. Governor Guadagno personally called the company to encourage them to move to the state. As the process moved forward, the Lt. Governor called SSM again and was told that the company was facing an unexpected issue that threatened to scuttle the project. The Partnership for Action team worked fervently to successfully resolve the issue, and today the company is thriving at its new location in Gloucester County.

"The State of New Jersey really stepped up to help make sure the transition to Gloucester County was a smooth one."
– Thomas Szymczak, President, SSM Industries

In October, Lt. Governor Kim Guadagno announced the relocation of Damascus Bakery from Brooklyn, N.Y. to Newark with owners Ed and David Mafoud. The EDA previously provided the bakery tax-exempt bond financing, two loans through the Local Development Financing Fund, and a Business Employment Incentive Program grant tied to the creation of 180 new manufacturing jobs in New Jersey.

Growing New Jersey's Innovation Economy

The success of New Jersey's technology and life sciences companies is critical to growing the state's economy and essential to maintaining the Garden State's role as a leader in the development of innovative technologies that enhance and save lives, while creating new jobs and attracting private investment. The EDA offers a continuum of assistance through the Edison Innovation Fund to support these companies throughout their lifecycle of growth.

As part of the Edison Innovation Fund, the EDA helps increase available capital for emerging technology and life sciences companies by investing as a limited partner in venture capital firms that invest in New Jersey-based companies. Venture capital serves as a lifeline for many promising companies that need a large infusion of cash prior to becoming commercially viable. EDA's venture fund investments include: NextStage Capital, NJTC Venture Fund, Edison Venture Fund, NewSpring Health Capital, the Garden State Life Sciences Fund, managed by Quaker BioVentures and OmniCapital Group. Investments made by the EDA are expected to earn a reasonable rate of return, which is measured in financial terms and by job growth. Funds in which the EDA invest in demonstrate an ability to leverage the EDA's investment with other investment dollars at a minimum ratio of 3:1. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses.

In August 2011, Governor Christie and Lt. Governor Guadagno announced three new programs offered through the Edison Innovation Fund to support emerging companies that have attracted capital through angel and venture capital investors. The three programs – the Edison Innovation Angel Growth Fund; Edison Innovation VC Growth Fund; and, Edison Innovation Growth Stars Fund - are structured as subordinated convertible debt and will benefit early stage, emerging technology and life sciences companies by providing growth capital to directly fund uses such as hiring key staff, product marketing and sales.

"In late 2009, Replication Medical was in trouble. With revenues totaling just $9,000 for the year, we were quickly running out of cash. Because of Pennsylvania's close proximity and our existing relationships with researchers in that state, I very seriously considered moving the company out of New Jersey. Why are we still here? The State's Technology Business Tax Certificate Transfer Program."

- Ann Prewett, Chief Executive Officer, Replication Medical, Inc.

In September 2011, EDA approved the first project under the Edison Innovation VC Growth Fund with its support of **CareKinesis, Inc.** The company, which began operating in 2010, is a provider of personalized medication management and customized medication distribution for elderly and other at-risk individuals. The Moorestown-based company was approved for a $500,000 loan from EDA for growth capital. CareKinesis plans to maintain its staff of 50 and create 40 new jobs as it continues to grow in Burlington County.

In support of the Christie Administration's commitment to entrepreneurial development within the technology industry, the EDA is working with the state's technology community to advance a Technology Accelerator Initiative. The initiative will provide a competitive, "in search of excellence" environment for technology-focused entrepreneurs to showcase their products, ideas and business model in a mentor driven program in return for an opportunity to receive funding. The program will be funded with $450,000 over three years through the EDA and is modeled on successful accelerators in other states.

Growing New Jersey's Innovation Economy

As companies progress beyond the venture funding stage, they have access to a full range of services provided by the EDA, including the competitive Technology Business Tax Certificate Transfer (NOL) Program. The program allows emerging technology and life sciences businesses to sell New Jersey net operating losses and/or research and development tax credits to profitable businesses in order to raise cash to finance their growth and operations. Recognizing the importance of this program, Governor Christie's Fiscal Year 2012 budget increased funds by $30 million over the Fiscal Year 2011 allocation. The 75 applicants approved this year will share the $60 million allocation, and on average, receive approximately $800,000 each, more than double last year's average. Companies that benefited include Bridgewater-based **Nistica, Inc.**, **Immunogenetics, Inc.** of Buena, New Providence-based **KIRUSA, Inc.**, **Akers Laboratories, Inc.** of Thorofare, and Manalapan-based **Tobira Therapeutics**.

Replication Medical, Inc. of Cranbury also benefited from the program in 2011. The medical device company's Chief Executive Officer Ann Prewett noted that the vital injection of cash her company received through the NOL program in 2010 kept them in business and in New Jersey. "In late 2009, our company was in trouble. With revenues totaling just $9,000 for the year, we were quickly running out of cash. Because of Pennsylvania's close proximity and our existing relationships with researchers in that state, I very seriously considered moving Replication Medical out of New Jersey," Prewett said. "Why are we still here? The State's Technology Business Tax Certificate Transfer Program."

In the heart of the state's bioscience cluster is the EDA's Technology Centre of New Jersey, which offers young, growing firms, as well as large established companies, customizable laboratory and production facilities.

Replication Medical, Inc. CEO Ann Prewett pictured at the Annual Meeting of the North American Spine Society with Luis Gonzalez and Luis Holl of the John D. Thompson Hospice Institute for Education, Training and Research, Inc.

The Centre complex sits on more than 50 acres, and consists of approximately 325,000 square feet of lab, production and office space. The Centre's proximity to prestigious institutions of higher learning and major research corporations provides occupants with access to a highly educated and skilled labor pool.

In August 2011, EDA approved a BEIP grant worth an estimated $569,910 over three years to encourage **Watson Pharmaceuticals** to locate its new Global R&D Center at the Technology Centre. Watson intends to initially invest approximately $4.5 million in outfitting its new 32,000-square-foot facility, and will immediately retrofit roughly 19,000 square feet for product development and analytical laboratories. The remaining 13,000 square feet will accommodate future expansion. The new facility will house approximately 50 scientists, chemists, engineers and support staff.

Growing New Jersey's Innovation Economy

"Watson is pleased to continue to work with Governor Chris Christie, Lieutenant Governor Kim Guadagno and the Partnership for Action team as we expand our presence in New Jersey. The location of the new Global R&D Technology Center will enable Watson to leverage our proximity to such educational centers of excellence as Rutgers University. This will enable Watson to establish collaborations with University departments including pharmaceutics, chemistry and engineering and permit us to benefit from the talent pool in the heart of the pharmaceutical industry of New Jersey."
- Paul Bisaro, President and CEO, Watson Pharmaceuticals

With its new location at the Technology Centre of New Jersey complex, Watson joins such prestigious companies as **Merial Limited**, **Chromocell Corporation** and **Rutgers Technology Center II** — home to **WINLAB** and **Energy Storage Research Group**.

The complex also includes the Commercialization Center for Innovative Technologies (CCIT), which houses 22 emerging biotech companies and is one of only 23 business incubation programs from around the world that have earned the Soft Landings International Incubator designation from the National Business Incubation Association. The designation recognizes incubators that are especially capable of helping nondomestic companies enter the domestic market with translation services, cutting through red tape, accessing capital, providing domestic market research, and other assistance programs.

Chromocell Corporation is a drug discovery company focused on the identification and development of novel therapeutics. When Chromocell moved to CCIT, the company occupied one lab and employed a staff of three. It has since grown to occupy 26,000 square feet at the Biotechnology Development Center (BDC) - "tweener" space that is also on the Tech Centre campus. The company recently celebrated its 100th employee.

CCIT is one of the more significant incubation facilities in the nation dedicated to life sciences and biotechnology companies. The 46,000-square-foot facility offers the most wet labs in the state for incubation, in addition to business accelerator office space and flexible conference facilities. Among other unique features, business development and collaborative opportunities are provided to tenants through a "corporate technology transfer" initiative exclusive to CCIT and working relationships with over a dozen global bioscience research parks and incubators. Current tenants include **ShanghaiBio Corporation**, a U.S.-based subsidiary of Shanghai Biochip Co. Ltd., one of the largest biotech companies in China, and and **Actinobac Biomed**, a UMDNJ spin-out focused on the development of pharmaceutical technologies based upon agents which target Leukocyte Function Antigen-1.

Growing New Jersey's Innovation Economy

The EDA's Waterfront Technology Center at Camden is a 100,000-square-foot facility designed exclusively to accommodate the work of established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech and life sciences fields. The five-story building is in close proximity to other technology companies, universities and research centers, offering an ideal location convenient to a pool of talented people and important local and regional resources.

Waterfront Technology Center tenant **Agilence, Inc.** is a leading provider of Event-based Video Analytics (eVA) and the developer of "Hawkeye," an industry leading video auditing solution that enables retailers to quickly identify losses caused by operational errors, promotion execution, systemic errors, and associate fraud. Agilence is supoprted by NextStage Capital, an early stage venture capital fund focused on investing in undiscovered software and hardware technology and/or services companies in the Mid-Atlantic region. EDA is a Limited Partner in this fund.

For more established companies, the BEIP has proven to be an especially powerful incentive for encouraging technology and life sciences businesses to expand in or relocate to New Jersey. In order to qualify for BEIP, businesses must create at least 25 new jobs within a 2-year period; however, the eligibility threshold for technology and life sciences companies is 10 new jobs.

In October 2011, a BEIP grant worth an estimated $125,190 over 10 years helped encourage **Vertellus Specialties, Inc.** to locate a new 6,5000-square-foot R&D center in Roxbury, over competing locations in Delaware and Pennsylvania. The specialty chemicals company, focused on the manufacture of ingredients used in pharmaceuticals, personal care, nutrition, agriculture, and a host of other market areas, expects to create 13 new, high-wage positions at its new facility in Morris County.

Celsion Corporation executed a BEIP in December 2011 worth an estimated $1.1 million over 10 years tied to its relocation from Maryland to Lawrenceville and the creation of 35 new, high-wage jobs. When the company was deciding where to relocate their growing drug company, President and CEO Michael Targudno initially reached out to the Business Action Center hotline. With his call returned in less than 24 hours, Targudno was immediately impressed. Of its decision to ultimately choose New Jersey over Massachusetts and Pennsylvania, Targudno notes, "there was a sense of urgency from the economic development people and a commitment that was palpable. That was an important aspect."

In Mercer County, **Mednet Healthcare Technologies Inc.** expects to create 65 new jobs as it expands its footprint by up to 8,000 square feet in Ewing. The company, a leader in specialized non-invasive cardiac monitoring services and products, finalized a BEIP grant in January tied to its expansion and also executed a BRRAG to support the retention of 66 existing jobs in New Jersey. The company also considered relocating its operations to Pennsylvania.

To accommodate its growth in the U.S. market, **ThromboGenics US** executed a BEIP grant in November 2011 worth an estimated $1.5 million over 10 years to help establish a facility in Woodbridge and create 60 new, high-wage jobs. ThromboGenics US is the U.S. subsidiary of ThromboGenics NV, a Belgium-based biopharmaceutical company focused on the discovery and development of innovative therapies and medicines for the treatment of eye disease, vascular disease and cancer. Middlesex County also welcomed the new Northeastern facility for **Vitech Systems Group** in 2011. The company executed a BEIP grant worth an estimated $1.3 million over 10 years tied to the relocation of 50 jobs from New York to New Jersey and the creation of an additional 50 new jobs in the state. Vitech is a leading provider of insurance, investment and benefit administration software. Its new state-of-the-art facility in Iselin includes a data center, on-site cafeteria and fitness center.

Nurturing the Growth of New Jersey's Green Economy

Promoting and advancing a more sustainable New Jersey is a top priority of the Christie Administration, and the Partnership for Action aims to help business and industry leaders identify ideas, programs and funding sources to help them reduce energy costs and their carbon footprint.

EDA's significant incentives - BEIP, BRRAG, the Urban Transit Hub Tax Credit and Economic Redevelopment and Growth programs - all have green building elements integrated into the program as either a requirement or tied to priority funding.

In 2011, EDA unveiled two new "green" programs in partnership with BPU. The Edison Innovation Green Growth Fund offers loans of up to $2 million to Class I renewable or energy efficient clean technology companies that are seeking funding to grow and support their technology business. The loan, which may be converted to a 50 percent performance grant, must be used for growth capital, including key hires, product iteration/rollout, product enhancement and marketing/sales. The program requires that a business employ 75 percent of its workforce in New Jersey or commit to growing 10 high paying jobs in the state within two years.

The Energy Efficiency Revolving Loan Fund (EERLF) provides funding for those applicants that have already been approved under BPU's Pay for Performance (PFP) program or the Large Energy Users (LEUP) Program, which became available in 2011. BPU's PFP is a comprehensive energy efficiency program that provides incentives towards whole-building energy improvements. To support this effort, the EERLF provides up to a $2.5 million loan to support up to 100 percent of the eligible project costs of commercial or industrial entities that received BPU rebates.

These programs complement the existing Clean Energy Manufacturing Fund (CEMF), which is another EDA/BPU offering that provides up to $3.3 million in the form of low-interest loans and grants to companies manufacturing renewable energy, clean energy and energy-efficiency products in New Jersey. Up to $300,000 is available as a grant to assist with site identification and procurement, design and permits, and up to $3 million is available as a loan to support site improvements, equipment purchases and facility construction and completion. To be eligible, products manufactured must contribute to the cost-competitiveness of renewable energy and energy efficiency in New Jersey, and other tangible ratepayer benefits, including economic development and environmental benefits, must result from either the production or the direct use of a company's products.

In October 2011, **Fluitec International** became the first wind project to be approved through CEMF. The $3.3 million award will help the company establish the manufacturing of wind turbine lubricating systems in New Jersey. The Belgium-based clean energy startup relocated its U.S. operations to Jersey City from Florida. To encourage the company to consolidate its U.S. operations and all global corporate functions in New Jersey, EDA approved a $463,800 BEIP grant over 10 years that proved to be a key factor in the company's decision-making process.

Fluitec is growing by an estimated 70 percent annually and expects to create 25 new, high-paying jobs in Jersey City by next year and 80 by 2017. Fluitec invested approximately $5.6 million to support its move to New Jersey.

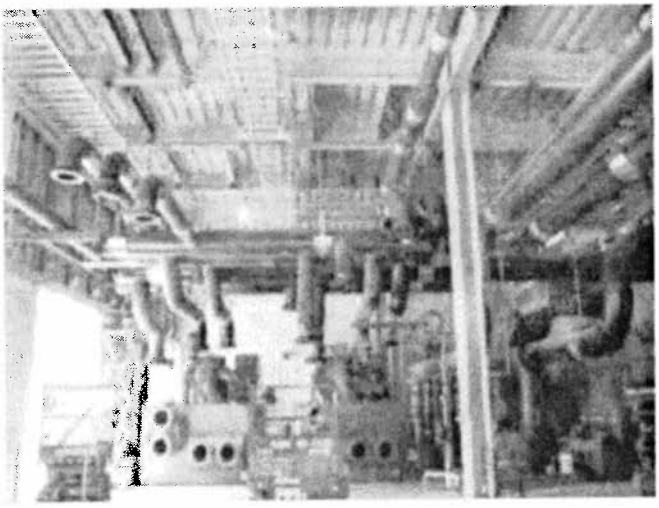
"With its talented workforce, diverse population, excellent transportation network and supportive State partners like Lt. Governor Guadagno, we are very pleased to announce our plans to relocate to and grow in New Jersey. We expect to bring more than 80 jobs to New Jersey over the next five years and hope to soon be counted as one of the State's many Fortune 500 companies."
- Frank Magnotti, CEO of Fluitec.

Nurturing the Growth of New Jersey's Green Economy

In 2011, the EDA closed on six projects that received funding through the Clean Energy Solutions ARRA Combined Heat and Power (CHP) Program, a competitive grant program supported by the American Recovery and Reinvestment Act and jointly administered by the EDA and BPU. The program made project based grants available to commercial, institutional or industrial entities (including public and not-for-profit entities) in New Jersey with a CHP project. The federally allocated funding was available in an amount of $450 per kW of installed electric generation.

With the help of a $1.36 million grant, RED-Burlington, LLC is developing an ultra-efficient CHP generating facility that will serve the Burlington-based manufacturing facility of the National Gypsum Company (NGC), one of the largest gypsum board producers in the world. The facility will produce approximately 3.4 megawatts of clean electricity and deliver more than 210,000 MMBtu of thermal energy, resulting in an overall efficiency of greater than 90 percent and reducing the company's energy costs, consumption, and greenhouse gas emissions. The project, developed by CHP specialist Recycled Energy Development, is expected to create over 50 construction jobs.

With an anticipated opening of May 2012, the new University Medical Center of Princeton at Plainsboro will be among the most sustainable hospitals in New Jersey due, in part, to an on-site Energy Center NRG Thermal is developing. The Energy Center will be comprised of a central utility plant, CHP facility, and a thermal energy storage system, supplying 100 percent of the hospital's heating and cooling needs. The project will reduce the hospital's energy bill and greenhouse gas emissions, as well as increase reliability. NRG Thermal received a $1.9 million grant to establish the 4.6 megawatt CHP facility. NRG Thermal is a subsidiary of NRG Energy, Inc., a Princeton-based Fortune 500 company that owns and operates one of the country's largest power generation portfolios. NRG will operate the Energy Center for the hospital. The project is expected to create nearly 300 construction jobs.



NRG Thermal's Energy Center at the new University Medical Center of Princeton at Plainsboro. The hospital is expected to open in May 2012.

Revitalizing Communities through Redevelopment

"The tax credit showed Wall Street that the State of New Jersey was going to stand behind Atlantic City. It was a huge boost in financing, and I think it would have been very difficult to do without it."
– Kevin DeSanctis, CEO, Revel Entertainment

The revitalization of New Jersey's cities is essential to the growth of the state's economy. With a focus on invigorating and restoring underutilized community assets, Governor Christie signed legislation to expand the Urban Transit Hub Tax Credit (UTHTC) and Economic Redevelopment and Growth (ERG) programs in July.

The legislation expanded the ERG program to make growth areas in the Meadowlands eligible. Previously, the program was limited to projects in State Planning Areas, Pinelands growth areas, transit villages and closed federal military bases. ERG is a powerful incentive that provides reimbursement incentive grants so developers can utilize new state and local incremental taxes generated from a project to fund the gap in the total project cost.

Specifically, the program utilizes up to 75 percent of the incremental increase in certain state and local revenue sources attributed to the project to provide gap financing of up to 20 percent of the total project cost, which may be paid out over a 20 year period. The EDA, in conjunction with the Department of the Treasury, undertake rigorous due diligence in order to determine eligibility. Further, the EDA must conduct a comprehensive net benefit test to ensure that the project will result in a positive financial impact to the state. No funding is provided until the project generates revenue to the state in terms of the new incremental tax collection. To achieve greater protection of public funds, the EDA adopted a new policy in February 2011 that entitles the EDA to recoup its investment through ERG for those projects in excess of $50 million.

UTHTC is another redevelopment tool that the state offers to developers, owners, or tenants making a qualified capital investment within a designated Urban Transit Hub. These Hubs are located within ½ mile of New Jersey Transit, PATH, PATCO, or light rail stations in: Camden (expanded to one mile), East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson and Trenton. Eligibility was expanded to locations within these municipalities that have active freight adjacent or connected to the proposed building, and utilized by the occupant. The program was designed to spur private capital investment, business development and employment by providing tax credits for businesses planning a large expansion or relocating to a designated transit hub.

Governor Christie signed into law changes to the program in 2011 including: increasing the credit for residential projects from 20 percent to 35 percent of eligible costs over 10 years; providing that affordable housing requirements for UTHTC projects are to be determined at the sole discretion of the municipality; allowing mixed use projects to receive tax credits for both the residential and commercial components of a project; allowing the tax credits to be carried forward for up to 20 years; and, providing new standards and procedures for the net benefit analysis for in-state job moves.

Under the UTHTC program, a developer or owner making a minimum $50 million capital investment within a designated Hub may be eligible for tax credits equal to up to 100 percent of the capital investment.

The ERG and UTHTC programs have already proven to be successful in stimulating new redevelopment and business growth. Through 2011, 12 projects have been approved under the ERG program for incentives totaling approximately $370 million over an average term of 19.2 years. These projects are leveraging $2.2 billion in private sector investment, and spurring the creation of an estimated 9,190 new, permanent jobs and 7,975 construction jobs. The net benefit to the state as a result of these projects is estimated to be $877.5 million over the term.

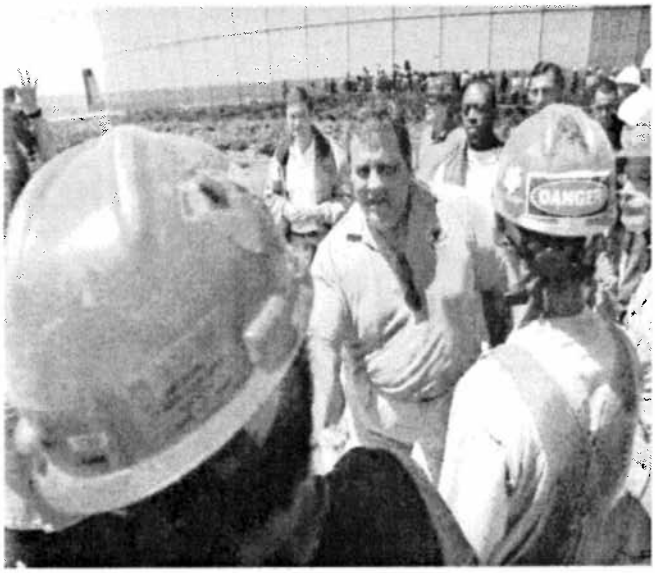
In February 2011, **Revel Atlantic City** became the first project to close under the ERG program. Revel was approved for just over $261 million in tax reimbursements over 20 years for the construction of a 6.3 million-square-

foot entertainment resort that will create an estimated 5,500 new jobs, 5,400 construction jobs, and leverage over $2 billion in capital investment. Payments will only be made to Revel after the state collects the new taxes. Money from the tax credits will go to revitalize the blighted South Inlet neighborhood, including a host of improvements to the Boardwalk and other areas surrounding the site and improving public access to the beach and recreational areas.

Revel Entertainment announced in late February that it had secured the remainder of the financing necessary to complete the project, which had been stalled for five years. Under the policy change approved by the EDA Board in February, the Revel project will also provide for a return on the state's investment. The policy entitles EDA to recoup its investment through ERG for those projects in excess of $50 million.

In December 2011, Lt. Governor Guadagno announced the award of a $2.6 million training grant from the New Jersey Department of Labor and Workforce Development that will help local residents qualify for the new jobs once the resort opens this spring. Revel has committed to hiring locally.

In August 2011, **Saker ShopRites, Inc.** became the second project to close under ERG. The new, 70,000-square-foot world-class ShopRite opened in Somerville in October 2011 with the help of $5 million over 20 years through ERG. This marked the Borough's first and only supermarket since Pathmark closed in 2007. The project is expected to create 300 new jobs, and 235 employees have been hired to date.



Governor Chris Christie greets construction workers during an August visit to Revel Atlantic City.

An estimated 200 construction jobs were created as well. The $28.1 million project, which was built with the latest sustainable technologies, represents the first element of the Borough's West Main Street Redevelopment project, and is expected to serve as the anchor for a future shopping and residential complex.

In 2011, 14 projects have been approved through UTHTC for a total benefit of more than $887 million in tax credits. These projects are expected to leverage an estimated $1.7 billion in private investment, and spur the creation of 2,330 new, permanent jobs and 8,400 construction jobs, as well as help to ensure the retention of 2,270 jobs that were certified as "at risk" of leaving the state.

Revitalizing Communities through Redevelopment

Supported by both ERG and UTHTC, the $124.3 million **Teachers Village** is a catalytic redevelopment project moving forward in downtown Newark. The project, being developed by RBH Group, is a 368,993-square-foot development that will include eight low-rise, mixed-use buildings that cover five city blocks. Teachers Village will consist of 224 rental residential units, pre-marketed to Newark teachers; three charter schools and a daycare center totaling 100,000 square feet; and, 70,000 square feet of retail. The project consists of environmentally-conscious, LEED-certified design and construction, and will also include a health club, dry cleaner, café, parking, and shops. The project was approved for up to $20.5 million for up to 20 years under ERG and up to $39.45 million under UTHTC.

A rendering of Teachers Village in downtown Newark. Courtesy of RBH Group.

The Teachers Village is located on both sides of Halsey Street, connecting the existing University Heights area with the Prudential Center and the rest of downtown Newark's existing core. Designed by was world-renowned architect and Newark native Richard Meier, the project represents the first development phase in the SoMa Newark redevelopment plan, which consists of 12 square blocks and 15 million square feet of development in downtown Newark. The Teachers Village project is expected to create 450 construction jobs and 460 permanent jobs.

Lt. Governor Guadagno greets Panasonic employees at the October 2011 event announcing the company's decision to stay in New Jersey and build its new North American headquarters in Newark

Upon hearing that **Panasonic Corporation** was considering moving to another state, the Governor and Partnership for Action team worked diligently to ensure that the company's U.S. operations remained in New Jersey. With the help of UTHTC, Panasonic will be moving to a new, state-of-the-art, sustainable facility in Newark that will serve as its North American headquarters and be home to 1,000 of the corporation's employees and contractors, beginning in 2013.

By staying and expanding operations, Panasonic will retain over 800 jobs in New Jersey, and create an additional 200 new, permanent positions. The project will also create over 900 construction jobs. Panasonic's new high-rise office building is being constructed by Matrix Development Group and SJP Properties adjacent to Newark's One Riverfront Center. The $125.8 million development will total 410,000 square feet, with 250,000 square feet leased to Panasonic. The UTHTC award is estimated to be $102.4 million. Panasonic is one of the largest electronic product manufacturers in the world.

Wakefern Food Corp. and the **Newark Farmers Market** are advancing a $65 million redevelopment project in Newark that involves the construction of 260,000 square feet of warehouse space. The new distribution facility for Wakefern is expected to create over 280 new jobs at full

build-out. The project, which is supporting an estimated 550 construction jobs, was approved for a total of up to $45 million through UTHTC.

The **Gateway Transit Village** is a mixed-used development providing significant economic benefits to the City of New Brunswick. Located adjacent to the New Brunswick Train Station, the project is being developed by the New Brunswick Development Corporation (DEVCO). Gateway was approved for up to $76.6 million through UTHTC to support the $326 million redevelopment, which is expected to create over 450 jobs and 3,000 construction jobs.

When completed, the development will include a parking structure; Class A office space; destination retail, including a new Barnes & Noble-operated bookstore for Rutgers University; and, over 190 for-sale and rental units. Situated on the eastbound side of the Northeast rail line, the Wellness Plaza component of the project worked to bring two vital and long-awaited elements to the downtown streetscape: a 50,000-square-foot full-service Fresh Grocer supermarket and a 60,000-square-foot fitness and wellness center, in partnership with Robert Wood Johnson Hospital.

"The [Gateway] development would not have been able to be built in the current environment but for the benefits of the Urban Transit Hub Tax Credit Program. It has allowed us to bridge a variety of financial challenges."

– Christopher J. Paladino, President, New Brunswick Development Corporation

DEVCO is working with Middlesex County to create both a local hiring initiative for immediate job opportunities at the grocery store, as well as utilizing the facility as an incubator for a more formal, on-site job training program for careers in the supermarket industry. DEVCO has also created an innovative financing structure to support reduced membership fees at the fitness center and the elimination of initial registration costs for city residents. Through a partnership with the New Brunswick Public Schools, the pool in the privately managed fitness center will be made available during the regular school day to provide swimming instruction for all 6th grade students as part of the Physical Education curriculum.

The Gateway project was a 2011 finalist for the highly coveted "Deal of the Year Awards," sponsored by the New Jersey Chapter of NAIOP, the commercial real estate development association. It was ultimately rewarded with a Meritorious Recognition Award.

View of the Gateway Transit Village from the westbound train platform of the New Brunswick Train Station. Courtesy of DEVCO.

In addition to ERG and UTHTC, EDA's other incentive and lending programs also help to contribute to the revitalization of New Jersey's cities.

In March 2010, New Jersey received a bond allocation to issue Qualified School Construction Bonds (QSCB). The State Treasurer authorized the transfer of a portion of its allocation to the EDA for the purpose of issuing bonds to benefit charter school projects in the State. QSCBs were issued to help finance the construction, rehabilitation or repair of school facilities or for the acquisition of land where a school will be built.

In 2011, **Camden Academy Charter High School** closed on just over $2.4 million in QSCB financing. Camden Academy is a part of Camden's Charter School Network – a group of charter schools designed to provide a better educational opportunity for Camden youth. This assistance allowed Camden Academy to renovate the former Camden City YMCA into a 30,000-square-foot Science, Technology, Engineering, and Math (STEM) Center that will serve as many as 525 students. Camden Academy has graduated five classes of seniors with a 90 percent college admissions rate. The bond was directly purchased by EDA Premier Lender TD Bank.

Ace Alliance, Inc. is a not-for-profit community based organization that has purchased several historic properties in the downtown Newark area to house its mission advancing initiatives such as the **Adelaide L. Sanford Charter School**, which currently serves 288 students in grades K-5. The EDA finalized $6 million in traditional tax-exempt bond financing and a $3 million QSCB to support an expansion of the Charter School that will result in the addition of grades 6-8, as well as a new cafeteria, auditorium, gymnasium, a special activities learning center and expanded classroom space.

A $500,000 direct loan from EDA is helping to support the expansion of **Pride Academy Charter School**, a tuition free middle school serving 240 students from Newark, Orange, East Orange, and surrounding communities.

Shining Schools, Inc. was formed in 2007 to provide educational support services to Essex County charter schools. The organization is acquiring an existing three story building and four adjacent parcels, which will be rehabilitated and leased solely to Pride Academy. EDA's loan provided the gap financing necessary to complete the project, which was supported by a $1.65 million loan from The Reinvestment Fund (TRF) and a $500,000 equity contribution from Pride Academy.

Fort Monmouth Economic Revitalization Authority

2011 was an eventful year for the **Fort Monmouth Economic Revitalization Authority (FMERA)** as its staff and Board began activities, the official closing of Fort Monmouth commenced, and the following key principles to accelerate redevelopment were determined:

- Continue interactive and transparent communications with stakeholders/public;
- Identify and target industries to match facilities and investors/employers;
- Utilize New Jersey incentives to attract the best and brightest employers and employees;
- Emphasize the Fort's outstanding location;
- Ensure professional, fast and accurate responses from the FMERA team;
- Uphold a commitment to excellence in all aspects;
- Create a branding strategy to promote the Fort nationally and internationally, with assistance from the New Jersey Partnership for Action.

One of the most noteworthy accomplishments in 2011 came in April when the Governor announced plans to invest New Jersey Turnpike Authority capital funds in a project that will provide an important boost to the redevelopment of the former post. The Turnpike Authority plans to reconfigure the Garden State Parkway in Tinton Falls, adding new ramps from the southbound Parkway to Wayside Avenue and signage in both directions at Exit 105 for Fort Monmouth visitors. The project also includes improving the intersection of Hope Road and Route 36, an area plagued by congestion and traffic delays. The project will improve traffic flow in the vicinity and provide better access to the western portion of the property. These

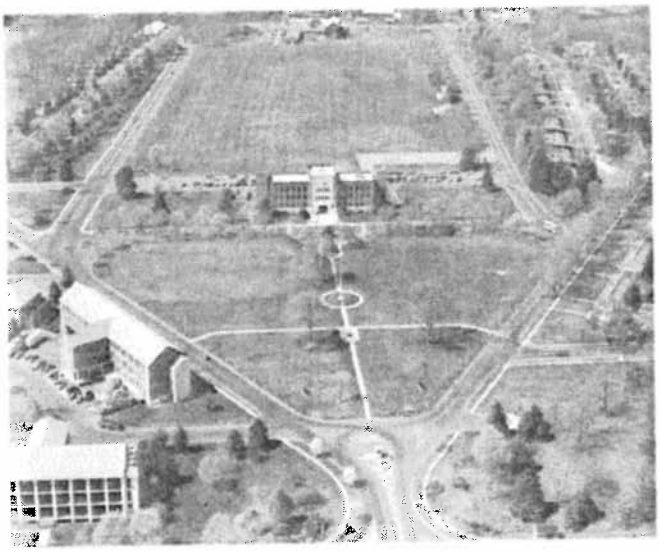
improvements will serve to add value to the property and further demonstrate a commitment to development. In late July, the Turnpike Authority Board awarded the design contract to RBA Group of Parsippany. Construction on the new exit and Hope Road improvements are anticipated to start in 2013.

In May 2011, FMERA approved the selection of a professional planning consultant, Phillips Preiss Grygiel LLC, another significant step that will result in the preparation of design guidelines, zoning maps and land use regulations. In addition, the FMERA Board also set forth procedures for land sales and leasing space at the property in accordance with the appropriate land transfer from the U.S. Army. These rules provide a transparent process for FMERA to proceed with the reuse and economic revitalization of Fort Monmouth and were advanced to encourage the use of existing buildings at the post, optimize revenue opportunities to support redevelopment, and prioritize job creation and economic activity.

The FMERA Board approved the Memorandum of Agreement (MOA) with the U.S. Army and Economic Development Conveyance (EDC) application at its December 2011 Meeting. The MOA is the foundation document for the deal with the U.S. Army, and together with the EA, identifies the properties intended for transfer. With this key action taken by the Board of Directors, FMERA now awaits final approval of the conveyance documents from the U.S. Army that will guide the first phase of the redevelopment.

As FMERA moves forward in advancing the redevelopment plan, staff has outlined four central goals tied to its key strategies:

1. Job Creation
2. Re-Investment of Sale Proceeds within the Fort's footprint
3. Ensure Army Resolves Environmental Issues
4. Satisfied Stakeholders



FMERA staff continues to build upon its early redevelopment efforts, and lay the foundation for the transfer of the 1,100+ acres that make up the former post.

EDA Board Members

Chairman

Al Koeppe
President and Chief Executive Officer
Newark Alliance

Vice Chairman

Joseph A. McNamara
Director
Laborers - Employers Cooperation and Education Trust

Ex Officio Members

Ken Kobylowski
Acting Commissioner
New Jersey Department of Banking & Insurance

Bob Martin
Commissioner
New Jersey Department of Environmental Protection

Matthew P. McDermott
Governor's Designee
Chief of Staff, Office of the Lieutenant Governor

Andrew P. Sidamon-Eristoff
State Treasurer
New Jersey Department of the Treasury

Harold J. Wirths
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Charles H. Sarlo, Esq.
Law Office/Vice President and General Counsel
DMR Architects

Richard Tolson
Director
Bricklayers and Allied Craftworkers of New Jersey

Kate Whitman Annis
Director of Alumni Relations and Annual Giving
The Pingry School

Alternate Public Members

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Burke Motor Group

Elliot M. Kosoffsky
Chief Operating Officer
F. Greek Development

Nonvoting Member

Rodney Sadler
Camden Economic Recovery Board

EDA Executive Team

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Chief Executive Officer

Frederick J. Cole
Chief Operating Officer

Maureen M. Hassett
Senior Vice President
Governance and Communications

Timothy J. Lizura
Senior Vice President
Finance & Development

Thomas A. Murphy, III
Chief Information Officer

Greg Ritz, CPA
Chief Financial Officer

Certifications Pursuant to E.O. 37

March 15, 2012

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2011 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated March 15, 2012, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Caren Franzini, certify that during 2011, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the authority for the year in question.

Caren S. Franzini
Chief Executive Officer

I, Greg Ritz, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the authority for the year in question.

Greg Ritz, CPA
Chief Financial Officer

2011 Project List

ATLANTIC COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
ACB Energy Partners LLC	Atlantic City	Services	2		ARRA CHP Program	$ 3,201,943	$ 25,312,059
ACR Energy Partners, LLC	Atlantic City	Services	2		ARRA CHP Program	$ 3,201,943	$ 27,564,000
Harry's Oyster Bar, LLC	Atlantic City	Commercial	36		Direct Loan	$ 1,500,000	$ 1,900,000
Township of Hamilton (Hamilton Sanitary Landfill)	Hamilton Township	Site Remediation	0		Hazardous Site Remdiation - Municipal	$ 426,003	$ 426,503
ACR Energy Partners, LLC	Atlantic City	Exempt Public Facility	8		Stand Alone Bond	$ 118,600,000	$ 161,748,000
Revel Atlantic City, Revel Entertainment Group LLC, and certain to be designated related or affiliate entities	Atlantic City	Hotel, Resort	5,500		Economic Redevelopment and Growth Program	$ 261,364,000	$ 1,600,000,000
6 projects			**5,548**			**$ 388,293,889**	**$ 1,816,950,562**

BERGEN COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Aeropostale, Inc.	Lyndhurst Township	Office Facility	75		Business Employment Incentive Program	$ 766,500	$ 6,766,500
Aeropostale, Inc.	Lyndhurst Township	Office Facility	See BEIP	146	Business Retention and Relocation Assistance Grant Program	$ 328,500	$ 328,500
Data Centrum Communications, Inc.	Montvale Borough	Services	80		Business Employment Incentive Program	$ 1,124,000	$ 2,484,000
Merisel Americas, Inc.	Carlstadt Borough	Services	120		Business Employment Incentive Program	$ 836,154	$ 3,536,154
Bartnik Properties, LLC and Clifton Wallington Medical Group PA	Wallington Borough	Services	4		NJ Business Growth Fund	$ 172,500	$ 697,000
FIMS Manufacturing Corporation (Formerly IMS Tool Co., Inc)	Rochelle Park Township	Manufacturing	0		NJ Business Growth Fund	$ 61,655	$ 249,236
Interfashion Cosmetics Corp.	TetEconomic Recovery Board - Camdenoro Borough	Manufacturing	10		NJ Business Growth Fund	$ 250,000	$ 708,075
WJJ & Company LLC	Garfield City	Manufacturing	2		Small Business Fund	$ 300,000	$ 363,375
Teaneck Community Charter School	Teaneck Township	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 102,116	$ 102,616
Thomas R. Roesler and Richard G. Roesler, Ptnshp	Hackensack City	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 15,989	$ 64,456
MamaMia Produce, LLC	East Rutherford Borough	Distribution	6		Main Street Assistance Line	$ 250,000	$ 2,815,000
Children's Aid and Family Services, Inc.	Paramus Borough	Not-for-Profit	3		Stand Alone Bond	$ 1,981,147	$ 2,045,500
Engel Burman at Woodcliff Lake, LLC	Woodcliff Lake Borough	Exempt Public Facility	60		Stand Alone Bond	$ 36,500,000	$ 40,000,000
Conopco/Unilever	Englewood Cliffs	Manufacturing		see BRRAG	Sales and Use Tax Exemption Program	$ 1,519,252	$ 1,519,252
Conopco/Unilever	Englewood Cliffs	Manufacturing		448	Business Retention and Relocation Assistance Grant Program	$ 627,200	$ 78,727,200
Triangle Manufacturing Co. Inc.	Upper Saddle River Borough	Manufacturing	7		Stand Alone Bond	$ 2,750,000	$ 3,000,000
16 projects			**367**	**594**		**$ 47,585,013**	**$ 143,406,864**

BURLINGTON COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
RED-Burlington, LLC	Burlington City	Services	1		ARRA CHP Program	$ 1,365,300	$ 7,551,428
Mission Solutions Engineering, LLC	Moorestown Township	Services	90		Business Employment Incentive Program	$ 2,011,961	$ 13,647,261
502 Pleasant Valley Limited Liability Corporation	Moorestown Township	Technology	8		Statewide Loan Pool	$ 487,300	$ 1,234,000
Ben Ski, Inc	Mount Holly Township	Recycling	10		Statewide Loan Pool	$ 950,000	$ 2,311,207
City of Beverly (Former Beaunit Mills)	Burlington City	Site Remediation	0		Hazardous Site Remdiation - Municipal	$ 72,701	$ 80,471

continued

BURLINGTON COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
City of Burlington (Burlington Mart)	Burlington City	Site Remediation	0		Hazardous Site Remdiation - Municipal	$ 294,310	$ 294,810
Allied Recycling, Inc.	Mount Holly Township	Recycling	0		Main Street Assistance Line	$ 150,000	$ -
7 projects			109			$ 5,331,572	$ 25,119,177

CAMDEN COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Bounderby, LLC	Cherry Hill Township	Manufacturing	35		Business Employment Incentive Program	$ 113,750	$ 2,113,750
D & D Hay Associates Limited Liability Company	Cherry Hill Township	Services	4		NJ Business Growth Fund	$ 153,000	$ 617,650
DB Land Holdings LLC and Innovative Orthodontics, LLC	Gloucester City	Services	5		NJ Business Growth Fund	$ 127,500	$ 514,694
DB Land Holdings LLC and Innovative Orthodontics, LLC	Gloucester City	Services	5		NJ Business Growth Fund	$ 36,450	$ 164,736
Dunk the Ball LLC and Wipe Out Productions Limited Liability Company	Berlin Township	Services	4		NJ Business Growth Fund	$ 82,500	$ 334,000
Electro Parts Inc.	Berlin Township	Manufacturing	3		NJ Business Growth Fund	$ 62,500	$ 128,388
Gary R. Banks Industrial Group, LLC and GBA Ente prises Limited Liability Company	Berlin Township	Wholesale	2		NJ Business Growth Fund	$ 97,500	$ 394,263
Jay Brad Inc. Nominee	Mount Ephraim Borough	Manufacturing	0		NJ Business Growth Fund	$ 50,000	$ 244,975
John Ahern	Pennsauken Township	Services	5		NJ Business Growth Fund	$ 35,000	$ 142,700
Lafferty Property Holdings, LLC	Berlin Township	Services	0		NJ Business Growth Fund	$ 52,250	$ -
McCormick's Bindery Inc. & McCormick Brothers LLC	Pennsauken Township	Manufacturing	0		NJ Business Growth Fund	$ 31,250	$ 126,856
Permalith Plastics, LLC	Pennsauken Township	Manufacturing	0		NJ Business Growth Fund	$ 31,950	$ 144,624
Philadelphia Investment Partners, LLC and MGZ Properties, LLC	Voorhees Township	Services	2		NJ Business Growth Fund	$ 82,500	$ 333,888
RECA Property, LLC & Acer Associates, LLC or Nominee	Berlin Township	Services	2		NJ Business Growth Fund	$ 80,000	$ 323,825
Swedish Auto Properties LLC	Cherry Hill Township	Services	1		NJ Business Growth Fund	$ 36,250	$ 197,731
Waterford Township	Waterford Township	Exempt Public Facility	0		Community Economic Development	$ 50,000	$ 50,000
Personalized Independent Living Opportunities & Training Services, Inc.	Berlin Township	Not-for-Profit	5		Small Business Fund	$ 81,717	$ 82,717
Catapult Learning, LLC	Camden City	Office Facility	7		Economic Recovery Board - Camden	$ 205,125	$ 3,648,381
City of Camden	Camden City	Infrastructure	3		Economic Recovery Board - Camden	$ 1,000,000	$ 1,460,513
Community Loan Fund of New Jersey, Inc.	Camden City	Commercial	1		Economic Recovery Board - Camden	$ 500,000	$ 3,200,000
Cooper's Ferry Development Association, Inc.	Camden City	Infrastructure	250		Economic Recovery Board - Camden	$ 500,000	$ 6,506,534
Coopers Hill Housing Development, LLC	Camden City	Housing	0		Economic Recovery Board - Camden	$ 3,584,260	$ 18,417,260
New Jersey Housing and Mortgage Finance Agency (Power)	Camden City	Housing	40		Economic Recovery Board - Camden	$ 1,500,000	$ 2,975,500
Refat Elsayed	Camden City	Retail	2		Economic Recovery Board - Camden	$ 8,988	$ 18,576
Refat Elsayed	Camden City	Retail	2		Economic Recovery Board - Camden	$ 8,881	$ 18,362
Rowan University	Camden City	Not-for-Profit	40		Economic Recovery Board - Camden	$ 9,000,000	$ 138,006,357
The Cooper Health System	Camden City	Not-for-Profit	12		Economic Recovery Board - Camden	$ 1,000,000	$ 105,700,766
Camden County Improvement Authority (Frm. Pennsauken Mart Property)	Pennsauken Township	Site Remediation	0		Hazardous Site Remdiation - Municipal	$ 250,000	$ 1,235,134
Camden Redevelopment Agency (BDA - Harrison Avenue Landfill)	Camden City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 2,993,388	$ 3,991,684

continued

CAMDEN COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Camden Redevelopment Agency (BDA - Harrison Avenue Landfill)	Camden City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 4,293,712	$ 6,297,945
City of Gloucester (BDA-Former Amspec Chemical)	Gibbsboro Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 89,677	$ 90,177
City of Gloucester (BDA-Gloucester Titanium Site)	Gloucester Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 131,222	$ 131,722
Township of Haddon (BDA - Wide Groundwater)	Haddon Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 149,790	$ 164,456
Township of Haddon (Sulock Property)	Haddon Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 26,918	$ 27,418
Township of Pennsauken (Former Acme Market)	Pennsauken Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 43,736	$ 44,236
Bach Associates, PC	Haddon Heights Borough	Services	0		Main Street Assistance Line	$ 250,000	$ 852,325
Interlock Device of New Jersey LLC	Berlin Township	Services	4		Main Street Assistance Line	$ 100,000	$ 202,325
Camden Academy Charter High School	Camden City	Not-for-Profit	10		Stand Alone Bond	$ 2,467,080	$ 2,600,000
AMSF Holdings, LLC	Pennsauken Township	Construction Trade	4		Statewide Loan Pool	$ 240,000	$ 894,000
BoundEconomic Recovery Board - Camdeny, LLC	Cherry Hill Township	Distribution	35		Statewide Loan Pool	$ 1,120,000	$ 2,808,000
40 projects			**483**			**$ 30,666,894**	**$ 305,206,468**

CAPE MAY COUNTY							
Project	Municipality	Proj. Type	Est New Jobs		Program Type	Financing Amt.	Total Pub/Private
Ralph & Rachelle Di Clemente and Daily Bread LLC d/b/a Bennie's Bread	Ocean City City	Manufacturing	5		NJ Business Growth Fund	$ 290,000	$ 581,735
WSVKT Limited Liability Company	Upper Township	Services	2		NJ Business Growth Fund	$ 30,700	$ 156,093
2 projects			**7**			**$ 320,700**	**$ 737,828**

CUMBERLAND COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
City of Bridgeton (Abbott's Manufacturing)	Bridgeton City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 161,507	$ 162,007
Township of Maurice River (Sapello Foundry Site)	Maurice River Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 99,889	$ 100,389
Seabrook House Inc	Upper Deerfield Township	Not-for-Profit	20		Stand Alone Bond	$ 4,514,304	$ 4,756,030
3 projects			**20**			**$ 4,775,700**	**$ 5,018,426**

ESSEX COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
LOJ Properties LLC	South Orange Village	Commercial	8		NJ Business Growth Fund	$ 87,000	$ 352,000
Stir-Up, L.L.C.	Newark City	Manufacturing	0		NJ Business Growth Fund	$ 125,000	$ 4,200
Shining Schools, Inc.	East Orange City	Not-for-Profit	2		Direct Loan	$ 550,000	$ 2,832,000
Palmer Industries, Inc.	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 182,734	$ 365,968
City of Newark (BDA-Former Duralac Facility)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 255,809	$ 297,237
City of Newark (BDA-Passaic River Waterfront P)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 1,273,475	$ 1,609,031
City of Newark (BDA-Passaic River Waterfront P)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 421,129	$ 562,059
City of Newark (BDA-Passaic River Waterfront P)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 157,856	$ 158,356
City of Newark (Lionetti Oil)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 106,169	$ 106,669
City of Newark (Northern New Jersey Oil)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 218,808	$ 219,308
City of Newark (Scientific Chemical Process)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 375,175	$ 375,675
City of Orange Township (BDA-534 Mitchell Street)	Orange City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 19,032	$ 19,532
City of Orange Township (BDA-540 Mitchell Street)	Orange City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 18,883	$ 19,383
City of Orange Township (BDA-Bravo Grocery)	Orange City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 26,412	$ 26,912
City of Orange Township (BDA-Bravo Parking Lot)	Orange City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 26,412	$ 26,912
City of Orange Township (BDA-Delta Service Station)	Orange City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 42,230	$ 42,730
County of Essex (BDA-Passaic River Waterfront P)	Newark City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 694,825	$ 926,933

continued

ESSEX COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Township of Community Economic Developmentar Grove (Essex Co. Hospital Sewage Trt.)	Community Economic Developmentar Grove Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 27,150	$ 27,650
Fulcrum Facilities Services, LLC	Livingston Township	Services	0		Main Street Assistance Line	$ 125,000	$ -
Fulcrum Facilities Services, LLC	Millburn Township	Services	2		Main Street Assistance Line	$ 250,000	$ 503,000
Ace Alliance, Inc.	Newark City	Not-for-Profit	20		Stand Alone Bond	$ 4,780,933	$ 4,600,000
Kingston Educational Holdings 1, Inc.	Newark City	Not-for-Profit	27		Stand Alone Bond	$ 25,535,000	$ 25,535,000
NCA Facility, Inc.	Newark City	Not-for-Profit	16		Stand Alone Bond	$ 6,675,017	$ 22,143,000
RBH-TRB East Mezz Urban Renewal Entity, LLC and Affiliates	Newark City	Office Facility	34		Stand Alone Bond	$ 22,748,000	$ 142,270,802
24 projects			109			$ 64,722,049	$ 203,024,357

GLOUCESTER COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
JVK Operations Ltd. of NJ	Washington Township	Services	75		Business Employment Incentive Program	$ 225,000	$ 2,671,300
SSM Industries, Inc.	West Deptford Township	Manufacturing	70		Business Employment Incentive Program	$ 609,750	$ 2,759,750
BK Concrete Prep LLC	Westville Borough	Construction Trade	2		NJ Business Growth Fund	$ 52,500	$ 213,000
Premier Real Estate Investments, LLC and South Jersey Spine & Pain Physicians, LLC	Washington Township	Services	6		NJ Business Growth Fund	$ 150,000	$ 605,575
Borough of Glassboro (A to Z Maintenance)	Glassboro Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 8,549	$ 9,049
5 projects			153			$ 1,045,799	$ 6,258,674

HUDSON COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Citibank, N.A. Inc. Citicorp North America, Inc. C Citigroup Technology, Inc. and Citi Group GLobal Markets Inc.	Jersey City	Office Facility	400		Business Employment Incentive Program	$ 12,368,000	$ 26,808,800
Hilliard Farber & Company, Inc	Jersey City	Services	120		Business Employment Incentive Program	$ 5,429,760	$ 9,014,760
Jefferies & Company, Inc.	Jersey City	Commercial	66		Business Employment Incentive Program	$ 2,040,720	$ 4,980,535
Jefferies & Company, Inc.	Jersey City	Commercial	See BEIP	244	Business Retention and Relocation Assistance Grant Program	$ 317,200	$ 317,200
National Financial Services, LLC	Jersey City	Services	240		Business Employment Incentive Program	$ 5,534,400	$ 31,534,400
Precise Corporate Printing, Inc.	Harrison Town	Manufacturing	39		Business Employment Incentive Program	$ 104,471	$ 479,471
Emad Jacob MC, PC and 716 Jacob Properties, Limited Liability Company	Kearny Town	Services	2		NJ Business Growth Fund	$ 79,200	$ 356,000
Ricetz Corporation	Jersey City	Commercial	8		NJ Business Growth Fund	$ 80,000	$ 3,075
Advance Healthcare Services Inc.	Jersey City	Residential Health Care	30		Small Business Fund	$ 125,000	$ 126,625
Sequins Inc. DBA Sequin City	North BEconomic Redevelopment and Growth Programen Township	Manufacturing	3		Direct Loan	$ 225,000	$ 452,550
7777 Realty LLC	North BEconomic Redevelopment and Growth Programen Township	Manufacturing	0		Local Development Financing Fund	$ 1,600,000	$ -

continued

HUDSON COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
7777 Realty LLC	North BEconomic Redevelopment and Growth Programen Township	Manufacturing	40		Stand Alone Bond	$ 6,200,000	$ 10,167,000
Saint Peter's College	Jersey City	Not-for-Profit	35		Stand Alone Bond	$ 24,925,000	$ 39,442,158
QuickChek	Bayonne	Site Remediation	35		Brownfields and Contaminated Site Remediation Program	$ 447,527	$ 1,044,229
Newport Office Center VI	Jersey City	Office Facility	1600		Economic Redevelopment and Growth Program	$ 14,600,000	$ 81,326,054
Daily News	Jersey City	Printing and Publishing	117		Urban Transit Hub Tax Credit Program	$ 41,650,000	$ 100,695,000
16 projects			**2735**	**244**		**$ 115,726,278**	**$ 306,747,857**

HUNTERDON COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Regeneron Pharmaceuticals, Inc.	Bernards Township	Technology	30		Business Employment Incentive Program	$ 345,900	$ 2,364,100
RMF Sales Associates Limited Liability Company Inc.	Flemington Borough	Services	0		NJ Business Growth Fund	$ 54,000	$ 273,175
2 projects			**30**			**$ 399,900**	**$ 2,637,275**

MERCER COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Celsion Corporation	Lawrence Township	Office Facility	35		Business Employment Incentive Program	$ 1,122,275	$ 1,322,275
Church & Dwight Co., Inc.	Ewing Township	Manufacturing	105		Business Employment Incentive Program	$ 2,696,400	$ 5,176,400
Church and Dwight	Ewing Township	Manufacturing	see BEIP		Sales and Use Tax Exemption Program	$ 2,520,000	$ 82,020,000
Mednet Healthcare Technologies, Inc. and affiliate	Ewing Township	Services	60		Business Employment Incentive Program	$ 106,844	$ 816,844
Photocure, Inc.	Princeton Borough	Technology	30		Business Employment Incentive Program	$ 347,850	$ 697,860
Rosetta Marketing Group, LLC	Hamilton Township	Office Facility	64		Business Employment Incentive Program	$ 909,776	$ 2,305,776
Rosetta Marketing Group, LLC	Hamilton Township	Office Facility	see BEIP	165	Business Retention and Relocation Assistance Grant Program	$ 371,250	$ 1,767,250
Woodrose Properties - CWA, L.L.C.	Trenton City	Commercial	24		Community Economic Development	$ 750,000	$ 3,868,070
642 E. State St. Property LLC	Trenton City	Manufacturing	1		Small Business Fund	$ 280,000	$ 353,175
James E. Cunningham	Washington Township	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 7,916	$ 32,162
Church of Our Lady of the Angels	Trenton City	Not-for-Profit	3		Stand Alone Bond	$ 1,750,000	$ 1,909,000
SVS Realty Group Limited Liability Company	Trenton City	Commercial	5		Statewide Loan Pool	$ 180,000	$ 935,000
12 projects			**327**	**165**		**$ 11,042,311**	**$ 101,203,812**

MIDDLESEX COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
NRG Thermal LLC	Plainsboro Township	Commercial	11		ARRA CHP Program	$ 1,925,100	$ 13,111,500
A&P Coat, Apron and Linen Supply Inc.	New Brunswick City	Services	150		Business Employment Incentive Program	$ 480,000	$ 19,250,976
Amneal Pharmaceuticals LLC and Kashiv Pharma, LLC	Piscataway	Office Facility	150		Business Employment Incentive Program	$ 4,638,000	$ 29,638,000
Bracco Diagnostics Inc.	Monroe Township	Manufacturing	75		Business Employment Incentive Program	$ 1,652,138	$ 10,928,308
DGL Group Ltd. or its nominee	Edison Township	Manufacturing	250		Business Employment Incentive Program	$ 1,121,250	$ 11,581,250
Ferraro Foods Inc.	Piscataway	Distribution	50		Business Employment Incentive Program	$ 345,750	$ 5,072,116
Ferraro Foods Inc.	Piscataway	Distribution	see BEIP	251	Business Retention and Relocation Assistance Grant Program	$ 1,129,500	$ 1,129,500

continued

MIDDLESEX COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Focus Camera LLC	North Brunswick Township	Distribution	50		Business Employment Incentive Program	$ 240,000	$ 3,655,000
Maplewood Beverage Packers, LLC	Edison Township	Manufacturing	60		Business Employment Incentive Program	$ 258,316	$ 67,048,316
SYNNEX Corporation	Jamesburg Borough	Distribution	50		Business Employment Incentive Program	$ 142,500	$ 1,842,500
Solar Nation Inc., Solar Nation Development and So Solar Nation New Jersey	Edison Township	Technology	60		Business Employment Incentive Program	$ 1,059,240	$ 1,379,240
Teachers Insurance and Annuity Association of Amer America and Affiliates	Woodbridge Township	Office Facility	200		Business Employment Incentive Program	$ 9,328,000	$ 18,485,200
ThromboGenics, Inc. and Affiliates	Woodbridge Township	Services	60		Business Employment Incentive Program	$ 1,556,445	$ 1,856,445
Vitech Systems Group, Inc.	Woodbridge Township	Services	100		Business Employment Incentive Program	$ 1,352,750	$ 2,122,750
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 220,000	$ 441,500
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 110,000	$ 440,500
R.C.J., Inc. (RCJ, Inc)	South Plainfield Borough	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 110,000	$ 440,500
Borough of Carteret (BDA-Carteret Waterfront Develo)	Carteret Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 4,926,851	$ 6,569,635
Borough of Carteret (Carteret Discount Auto Parts)	Carteret Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 68,542	$ 69,042
Borough of South Plainfield (Former Bus Terminal)	South Plainfield Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 111,609	$ 112,109
City of Perth Amboy (BDA-Frmr. Municipal Complex)	Perth Amboy City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 25,298	$ 25,798
City of Perth Amboy (BDA-Gilland Property)	Perth Amboy City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 128,968	$ 153,608
City of Perth Amboy (DPW and Former Landfill)	Perth Amboy City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 493,340	$ 493,840
Sayreville Economic Redevelopment Agency (BDA-Former National Lead)	Sayreville Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 5,000,000	$ 6,667,167
Township of Woodbridge (222 Pennval Road)	Woodbridge Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 52,626	$ 53,126
Township of Woodbridge (DPW)	Woodbridge Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 32,306	$ 32,806
Township of Woodbridge (Elliot Street Site)	Woodbridge Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 60,973	$ 61,223
Township of Woodbridge (Fifth District Park)	Woodbridge Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 287,087	$ 383,283

continued

MIDDLESEX COUNTY (continued)							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
C.G.T. Construction, Inc. and American Air Systems Group, Inc.	Edison Township	Construction Trade	6		Main Street Assistance Line	$ 250,000	$ 503,075
Packaging and Distribution Resources LLC et al	Sayreville Borough	Distribution	0		Main Street Assistance Line	$ 250,000	$ -
Packaging and Distribution Resources LLC et al	Sayreville Borough	Distribution	5		Main Street Assistance Term	$ 125,000	$ 1,815,575
Puerto Rican Action Board, Inc.	New Brunswick City	Not-for-Profit	0		Main Street Assistance Term	$ 242,182	$ 250,199
Century Packaging, Inc.	East Brunswick Township	Manufacturing	7		Stand Alone Bond	$ 1,620,000	$ 1,900,000
South Brunswick Family YMCA, Inc.	South Brunswick Township	Not-for-Profit	2		Stand Alone Bond	$ 983,882	$ 920,000
Elephant Group, dba Saveology.com	South Plainfield	Commercial		150	Business Retention and Relocation Assistance Grant Program	$ 165,000	$ 415,000
35 companies			**1286**	**401**		**$ 40,492,653**	**$ 208,849,087**

MONMOUTH COUNTY							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Direct Loanect Success Inc.	Wall Township	Services	125		Business Employment Incentive Program	$ 1,834,500	$ 3,784,650
RJ Medical Holdings Limited Liability Company	Keyport Borough	Services	4		NJ Business Growth Fund	$ 157,500	$ 845,013
Wall Associates Limited Liability Company	Manasquan Borough	Services	4		NJ Business Growth Fund	$ 144,500	$ 583,425
City Works West Lake, LLC	Neptune City Borough	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 221,229	$ 885,414
City Works West Lake, LLC	Neptune Township	Site Remediation	0		Hazardous Site Remdiation - Commercial	$ 75,542	$ 302,666
Borough of Keyport (BDA-Aeromarine)	Keyport Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 342,923	$ 343,423
City of Asbury Park (1201,1205,1207 Springwood Ave.)	Asbury Park City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 10,955	$ 11,455
City of Asbury Park (Asbury Park Springwood Ave)	Asbury Park City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 10,500	$ 11,000
Township of Neptune (BDA-Former Chidnese Property)	Neptune Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 43,280	$ 48,060
Township of Neptune (BDA-Former Chidnese Property)	Neptune Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 60,524	$ 61,024
Ilan High School	Ocean Township	Not-for-Profit	15		Stand Alone Bond	$ 2,400,000	$ 2,877,000
Springpoint at the Atrium, Inc.	Red Bank Borough	Exempt Public Facility	4		Stand Alone Bond	$ 20,000,000	$ 20,150,000
Yeshiva Keter Torah	Eatontown Borough	Not-for-Profit	10		Stand Alone Bond	$ 2,400,000	$ 3,200,000
13 projects			**162**			**$ 27,701,453**	**$ 33,103,130**

MORRIS COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
PBF Holding Company, LLC	Parsippany-Troy Hills Township	Office Facility	50		Business Employment Incentive Program	$ 1,423,125	$ 2,323,125
Pfizer Inc.	Madison Borough	Office Facility	225		Business Employment Incentive Program	$ 9,182,250	$ 18,985,250
Vertellus Specialties Inc	Roxbury Township	Manufacturing	13		Business Employment Incentive Program	$ 125,190	$ 365,190
Borough of Madison (Orchard Street Site) (Orchard Street Site)	Madison Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 85,166	$ 85,166
4 projects			**288**			**$ 10,815,731**	**$ 21,758,731**

OCEAN COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Ocean County College	Dover Township	Services	2		ARRA CHP Program	$ 475,200	$ 6,660,850
Church & Dwight Co., Inc	Lakewood Township	Manufacturing	28		Business Employment Incentive Program	$ 719,040	$ 18,319,040
100 Syracuse Court LLC	Lakewood Township	Manufacturing	2		NJ Business Growth Fund	$ 362,500	$ 1,660,888
Dr. Anselm O. Igbanugo Professional Association	Dover Township	Services	8		NJ Business Growth Fund	$ 145,000	$ 600,544
The Tumaliuan Group Limited Liability Company	Lacey Township	Services	2		NJ Business Growth Fund	$ 100,000	$ 548,325
Wall Associates Limited Liability Company	Dover Township	Services	8		NJ Business Growth Fund	$ 313,500	$ 1,263,588
Township of Lakewood (Block 93, Lots 6 & part of 12)	Lakewood Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 37,123	$ 37,623
Bais Rivka Rochel Inc.	Lakewood Township	Not-for-Profit	10		Stand Alone Bond	$ 3,779,932	$ 3,542,000
Congregation Bnos Yaakov, Inc.	Lakewood Township	Not-for-Profit	2		Stand Alone Bond	$ 2,000,000	$ 2,400,000
Congregation Yeshiva Yesodei Torah, Inc., dba Yeshiva Yesodei Hatorah	Lakewood Township	Not-for-Profit	10		Stand Alone Bond	$ 4,220,000	$ 5,553,000
Congregation and Yeshiva Ohr Elchonon, Inc.	Lakewood Township	Not-for-Profit	8		Stand Alone Bond	$ 2,600,000	$ 2,600,000
Yeshiva Toras Aron, Inc.	Lakewood Township	Not-for-Profit	10		Stand Alone Bond	$ 6,500,000	$ 6,548,750
12 projects			**90**			**$ 21,252,295**	**$ 49,734,608**

PASSAIC COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Monroe Realtors Inc.	Paterson City	Services	40		NJ Business Growth Fund	$ 1,000,000	$ 2,026,825
Q.W.L., LLC	Clifton City	Services	6		NJ Business Growth Fund	$ 82,200	$ 339,925
The Learning Center for Exceptional Children, Inc.	Clifton City	Not-for-Profit	36		Direct Loan	$ 1,000,000	$ 6,172,500
Kontos Foods, Inc. and related entities	Paterson City	Manufacturing	20		Stand Alone Bond	$ 8,960,000	$ 11,482,000
Register Lithographers, Ltd.	Clifton City	Manufacturing	10		Statewide Loan Pool	$ 787,500	$ 10,702,000
Medin Corp	Paterson City	Manufacturing		119	Business Retention and Relocation Assistance Grant Program	$ 142,800	$ 1,392,800
6 projects			**112**	**119**		**$ 11,972,500**	**$ 32,116,050**

SALEM COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Anchor Glass Container Corporation	Salem City	Manufacturing	52		Business Employment Incentive Program	$ 453,561	$ 31,332,561
City of Salem (BDA-Tri County Oil)	Salem City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 81,798	$ 82,298
2 projects			**52**			**$ 535,359**	**$ 31,414,859**

continued

SOMERSET COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Archimedes Pharma US Inc.	Bedminster Township	Distribution	75		Business Employment Incentive Program	$ 2,142,000	$ 2,492,000
Futurewei Technologies, Inc.	Bridgewater Township	Manufacturing	90		Business Employment Incentive Program	$ 1,300,050	$ 2,150,050
MX Solar USA, LLC	Franklin Township	Manufacturing	0		Clean Energy Manufacturing Fund	$ 3,000,000	$ -
MX Solar USA, LLC	Franklin Township	Manufacturing	180		Clean Energy Manufacturing Fund	$ 300,000	$ 8,800,000
Borough of Somerville (BDA-Somerville Landfill)	Somerville Borough	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 1,193,833	$ 1,323,140
Saker ShopRites	Somerville Borough	Food products	155		Economic Redevelopment and Growth Program	$ 5,000,000	$ 28,100,000
6 projects			**500**			**$ 12,935,883.00**	**$ 42,865,190.00**

UNION COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Bed Bath & Beyond Inc. and Subsidiaries	Union Township	Office Facility	340		Business Employment Incentive Program	$ 8,541,650	$ 33,541,650
Crane Group International, LLC	Hillside Township	Manufacturing	183		Business Employment Incentive Program	$ 1,007,964	$ 5,257,964
Procura Management Inc.	Cranford Township	Office Facility	41		Business Employment Incentive Program	$ 150,561	$ 270,561
Revolution Foods, Inc.	Elizabeth City	Distribution	75		Business Employment Incentive Program	$ 222,000	$ 3,052,004
The TriZetto Group, Inc.	Union Township	Services	45		Business Employment Incentive Program	$ 793,307	$ 1,393,307
Hexacon Electric Company	Roselle Park Borough	Manufacturing	0		Small Business Fund	$ 70,245	$ 86,190
Rahway Redevelopment Agency (BDA-Hamilton Laundry Site)	Rahway City	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 1,529,037	$ 2,039,215
Township of Cranford (Riverfront Redevelopment Area)	Cranford Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 6,802	$ 7,302
Township of Scotch Plains (Proposed Raritan Road Rec)	Scotch Plains Township	Site Remediation	0		Hazardous Site Remdiation - Commercialardous Site Remdiation - Municipal	$ 24,008	$ 24,508
22 Jackson Drive Limited Liability Company	Cranford Township	Distribution	15		Main Street Assistance Term	$ 966,665	$ 4,309,825
Friends of Central Jersey Arts Charter School, Inc.	Plainfield City	Not-for-Profit	10		Stand Alone Bond	$ 1,705,000	$ 3,428,500
Jersey Gardens Lodging Associates LLP	Elizabeth	Hotel	54		Economic Redevelopment and Growth Program	$ 7,961,200	$ 39,806,000
12 projects			**763**			**$ 22,978,439**	**$ 93,217,026**

WARREN COUNTY

Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
DSM Nutritional Products, Inc.	White Township	Commercial	1		ARRA CHP Program	$ 4,047,120	$ 18,011,667
1 project			**1**			**$ 4,047,120**	**$ 18,011,667**

TO BE DETERMINED - SITE NOT YET SELECTED							
Project	Municipality	Proj. Type	Est New Jobs	Retained Jobs (BRRAG only)	Program Type	Financing Amt.	Total Pub/Private
Mednet Healthcare Technologies Inc.	TBD	Services		66	Business Retention and Relocation Assistance Grant Program	$ 79,200	$ 79,200
Manne Container Services Inc	TBD	Transportation		54	Business Retention and Relocation Assistance Grant Program	$ 59,400	$ 119,400
2 projects				**120**		**$ 138,600**	**$ 198,600**

***Overlapping project costs (for companies receiving a combination of BEIP, Business Retention and Relocation Assistance Grant Program, and Sales and Use Tax Exemption Program awards) have been omitted from each county's public private investment total**

Technology Business Tax Certificate Transfer Program

2011 List of Approved Sellers

Company	County
Immunogenetics, Inc.	Atlantic
HyCrete, Inc.	Bergen
ADMA Biologics, Inc.	Bergen
MDX Medical, Inc. (dba Vitals, Inc.)	Bergen
ADM Tronics Unlimited, Inc.	Bergen
Elite Laboratories, Inc.	Bergen
DVTel, Inc.	Bergen
Semprae Laboratories, Inc.	Bergen
Circulite, Inc.	Bergen
Eagle Pharmaceuticals, Inc.	Bergen
I.D. Systems, Inc.	Bergen
EveresTV, Inc. (f.k.a. Everest Broadband Networks)	Bergen
TimeSight Systems, Inc.	Burlington
Agilence, Inc.	Camden
Edge Therapeutics, Inc.	Essex
Akers Biosciences, Inc. (Akers Laboratories, Inc.)	Gloucester
Niiki Pharma, inc.	Hudson
Antenna Software Inc.	Hudson
Lux Biosciences, Inc.	Hudson
SANpulse Technologies, Inc.	Hudson
Enpirion, Inc.	Hunterdon
Advanced Cerametrics, Inc.	Hunterdon
UDC, Inc.	Mercer
Voxware, Inc.	Mercer
Princeton Optronics, Inc.	Mercer
BioLeap, inc.	Mercer
Ocean Power Technologies, Inc.	Mercer
Onconova Therapeutics, Inc.	Mercer
Advaxis, Inc.	Mercer
Agennis USA Incorporated	Mercer
IntegriChain, Inc.	Mercer
Lightscape Materials, Inc.	Mercer
Orchid Cellmark, Inc.	Mercer
Pharmasset Inc.	Mercer
SightLogix, Inc. (formerly Automated Threat Detection)	Mercer
Soligenix, Inc. (fka DOR Biopharma, Inc.)	Mercer
Alphion Corporation	Mercer
Ophthotech Corporation	Mercer

Company	County
Amicus Therapeutics, Inc.	Middlesex
Blacklight Power, inc.	Middlesex
Cornerstone Pharmaceuticals, Inc.	Middlesex
Palatin Technologies, Inc.	Middlesex
Princeton Lightwave, Inc.	Middlesex
Replication Medical, Inc.	Middlesex
Vaxinnate Corporation	Middlesex
netForensics, Inc.	Middlesex
Skyworks Ventures, Inc.	Middlesex
Rive Technology, Inc.	Middlesex
TyRx Pharma, Inc.	Middlesex
Connotate Technologies, Inc.	Middlesex
Hemispherx Biopharma, Inc.	Middlesex
3DBiotek, LLC	Middlesex
Bluenog Corp.	Middlesex
iBiquity Digital Corporation	Middlesex
Celator Pharmaceuticals, Inc.	Middlesex
Global Bay Mobile Technologies, Inc.	Middlesex
PTC Therapeutics, Inc.	Middlesex
Sunlight Photonics, Inc.	Middlesex
Tobira Therapeutics, Inc.	Monmouth
Log-Net, Inc.	Monmouth
Angel Medical Systems, Inc.	Monmouth
Emisphere Technologies, Inc.	Morris
Electromagnetic Technologies Industries, Inc.	Morris
Unigene Laboratories, Inc.	Morris
Reldata, Inc.	Morris
VectraCor, Inc.	Passaic
PanOptica, Inc.	Somerset
CorMedix, Inc.	Somerset
Drais Pharmaceuticals, inc.	Somerset
Nistica, Inc.	Somerset
Conolog Corporation	Somerset
Genta, Inc.	Union
KIRUSA, Inc.	Union
Svelte Medical Systems, Inc.	Union
Celldex Research Corporation	Warren
75 companies	**$ 60,000,000**

FINANCIAL STATEMENTS

New Jersey Economic Development Authority
Years Ended December 31, 2011 and 2010
With Report of Independent Auditors

New Jersey Economic Development Authority

Financial Statements

Years Ended December 31, 2011 and 2010

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Report of Independent Auditors

Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying basic financial statements of the New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of December 31, 2011 and 2010 and for the years then ended as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended in conformity with US generally accepted accounting principles.

As discussed in Note 2, the Authority adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* as of January 1, 2011.

Accounting principles generally accepted in the United States require that accompanying required supplementary information, such as management's discussion and analysis and the schedule of funding progress of the postemployment healthcare plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst + Young LLP

March 15, 2012

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

Years Ended December 31, 2011 and 2010

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2011 and 2010. Please read it in conjunction with the Authority's financial statements and accompanying notes.

2011 FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased $29.4 million (or 4.5%).
- Current liabilities decreased $2.8 million (or 11.4%).
- Bonds payable-gross decreased $9.4 million (or 15.3%) due to scheduled debt service payments.
- Capital assets-net decreased $8.7 million (or 7.9%) primarily due to the sale of MSNBC production equipment.

2010 FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased $44.9 million (or 6.4%).
- Current liabilities increased $ 1.6 million (or 7.1%).
- Bonds payable-gross decreased $10.0 million (or 14.0%) due to scheduled debt service payments.
- Capital assets-net decreased $3.6 million (or 3.2%) primarily due to the sale of MSNBC production equipment and offset by leasehold improvements at the Waterfront Technology Center at Camden ("WTCC").

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position. The following table summarizes the changes in Net Position for the years ended December 31, 2011, 2010 and 2009:

	2011	2010	2009	Current Year % increase/ (decrease)	Prior Year % increase/ (decrease)
Assets:					
Other assets	**$ 622,346,017**	$ 664,493,212	$ 716,519,427	(6.5)%	(7.3)%
Capital assets, net	**101,549,806**	110,221,663	113,833,398	(7.9)%	(3.2)%
Total assets	**723,895,823**	774,714,875	830,352,825	(6.7)%	(6.7)%
Deferred outflows of resources:					
Accumulated decrease in fair value of hedging derivatives	**2,172,742**	1,433,898	–	51.5%	100.0%
Liabilities:					
Long-term debt	**54,881,569**	71,277,865	82,689,576	(23.0)%	(13.8)%
Other liabilities	**41,076,055**	45,406,406	43,335,850	(9.5)%	4.8%
Total liabilities	**95,957,624**	116,684,271	126,025,426	(17.8)%	(7.4)%
Net position:					
Invested in capital assets, net of related debt	**55,803,672**	53,969,928	52,623,398	3.4%	2.6%
Restricted	**24,609,225**	19,512,748	25,686,302	26.1%	(24.0)%
Unrestricted	**549,697,044**	585,981,826	626,017,699	(6.2)%	(6.4)%
Total net position	**$ 630,109,941**	$ 659,464,502	$ 704,327,399	(4.5)%	(6.4)%

During 2011, the Authority's combined net position decreased $29.4 million (or 4.5%) due to:

$13.4	Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
$16.6	Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$3.1	Million	Municipal Economic Recovery Initiative grant award payments
$5.8	Million	School Loan Program repayments returned to the State
$(0.9)	Million	Business Assistance, Marketing and International Trade transferred from the State
$(8.6)	Million	Other Program Payments and Payments to/from the State

During 2010, the Authority's combined net position decreased $44.9 million (or 6.4%) due to:

$26.6	Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
$5.0	Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$5.9	Million	Municipal Economic Recovery Initiative grant award payments
$5.7	Million	School Loan Program repayments returned to the State
$(2.7)	Million	Business Assistance, Marketing and International Trade transferred from the State
$(8.4)	Million	Clean Energy Solutions Capital Investment transferred from the State
$12.8	Million	Other Program Payments and Payments to/from the State

Operating Activities. The Authority charges financing fees that may include an application fee, commitment fee, closing fee and a document execution fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service-provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds are utilized. The Authority considers all activity, except for the sale of capital assets and interest earned from investments, to be operating activities.

The following table summarizes the changes in operating and nonoperating activities between fiscal year 2011 and 2010:

	2011	2010	2009	Current Year % increase/ (decrease)	Prior Year % increase/ (decrease)
Operating revenues:					
Financing fees	$ **7,077,314**	$ 5,923,767	$ 4,242,026	19.5%	39.6%
Interest income – intergovernmental	**191,477**	310,008	420,572	(38.2)%	(26.3)%
Interest income – notes	**6,845,874**	7,430,780	7,095,531	(7.9)%	4.7%
Lease revenue	**11,736,286**	12,239,351	12,208,242	(4.1)%	0.3%
Other	**16,509,596**	5,883,214	6,931,051	180.6%	(15.1)%
Total operating revenues	**42,360,547**	31,787,120	30,897,422	33.3%	2.9%
Operating expenses:					
Administrative expenses	**20,989,516**	22,726,721	25,677,921	(7.6)%	(11.5)%
Interest expense	**2,219,726**	2,233,997	3,468,690	(0.6)%	(35.6)%
Depreciation	**8,113,426**	8,509,698	8,684,083	(4.7)%	(2.0)%
Recoveries (Loss) provisions – net	**(208,045)**	11,122,800	5,942,290	(101.9)%	87.2%
Other	**6,804,374**	7,002,423	7,967,816	(2.8)%	(12.1)%
Total operating expenses	**37,918,997**	51,595,639	51,740,800	(26.5)%	(0.3)%
Operating income (loss)	**4,441,550**	(19,808,519)	(20,843,378)	(122.4)%	(5.0)%
Nonoperating revenues and (expenses):					
Interest income – investments	**4,644,020**	6,566,194	9,104,441	(29.3)%	(27.9)%
State appropriations and program payments-net	**(45,349,492)**	(31,647,502)	(12,489,446)	43.3%	153.4%
Federal appropriations	**7,293,688**	–	–	100.0%	–
Other (expense) revenue	**(384,327)**	26,930	(2,348,075)	(1,527.1)%	(101.1)%
Total nonoperating, net	**(33,796,111)**	(25,054,378)	(5,733,080)	34.9%	337.0%
Change in net position	**(29,354,561)**	(44,862,897)	(26,576,458)	(34.6)%	68.8%
Beginning net position	**659,464,502**	704,327,399	730,903,857		
Ending net position	$ **630,109,941**	$ 659,464,502	$ 704,327,399		

Operating Revenues

During 2011, the Authority's operating revenues were materially impacted by the following:

- Financing fees increased by $1.2 million, due to expanded program offerings.
- Program services revenue decreased by $1.2 million.
- Agency Fees increased by $1.9 million.
- Grant Revenue increased by $10.2 million, due to receipt of the first tranche of the State Small Business Credit Initiative ("SSBCI").

During 2010, the Authority's operating revenues were materially impacted by the following:

- Financing fees increased by $1.7 million, due to expanded program offerings.
- Program services revenue decreased by $2.6 million, due to the elimination of HDSRF surcharges.
- Loss Recoveries decreased by $0.4 million.
- Grant Revenue increased by $1.2 million.

Operating Expenses

In 2011, total operating expenses decreased $13.7 million compared to 2010 with minimal decreases in salaries and benefits expense and marketing expenses through continued program efficiencies and a decrease in loss provisions of $11.3 million.

In 2010, total operating expenses remained flat, due to a decrease in salaries and benefits expense of $3.0 million, caused in part by a reduction in headcount, and a decrease in marketing expenses of $0.9 million realized through program efficiencies; and offset by an increase in loss provisions of $4.9 million, related to changes in value in certain venture capital funds in which the Authority invests.

Nonoperating Expenses – net

In 2011, nonoperating expenses, net, increased by $8.7 million, due to a reduction in the receipt of State appropriations of $13.6 million; and offset by a reduction in program payments of $7.2 million, resulting from fewer appropriations to administer.

In 2010, nonoperating expenses, net, increased by $19.3 million, due to a reduction in the receipt of State appropriations of $27.4 million, related to the State's suspension of the Regional Greenhouse Gas Initiative ("RGGI"); and offset by a reduction in program payments of $8.3 million, resulting from fewer appropriations to administer.

Allowance for Credit Losses

The Authority has aligned its allowance policy to that practiced in the financial services industry. Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions.

The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2009 through December 31, 2011:

December 31, 2009		
Allowance for loan losses	$ 26,593,381	
Accrued guarantee losses	3,046,935	
Total allowance		$ 29,640,316
2010 Provision for credit losses-net	5,634,863	
2010 Write-offs	(3,196,713)	2,438,150
December 31, 2010		
Allowance for loan losses	28,617,717	
Accrued guarantee losses	3,460,749	
Total allowance		32,078,466
2011 Provision for credit losses-net	(626,041)	
2011 Write-offs	(3,192,944)	(3,818,985)
December 31, 2011		
Allowance for loan losses	25,679,433	
Accrued guarantee losses	2,580,048	
Total allowance		$ 28,259,481

The Authority's write-down and Loan Loss Reserve policies closely align with the reporting requirements of the banking industry. When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a Loss rating to the account. For an account rated as Loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the Loss Allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2011, was $212,569,369, of which $194,442,064 or 91% is for loans and $18,127,305 for issued loan guarantees.

At December 31, 2011 the Authority maintained a Credit Loss Allowance of $28,259,481 or 13.29% of total exposure to cover potential losses in the loan and guaranty portfolio. Total credit losses for the year ended December 31, 2011, were $3,192,944 or 1.50% of the loan and guaranty exposure.

As of December 31, 2010 the Authority maintained a Credit Loss Allowance of $32,078,466 or 13.29% of total exposure to cover potential losses in the loan and guaranty portfolio. Total credit losses for the year ended December 31, 2010, were $3,196,713 or 1.32% of the loan and guaranty exposure.

The 2011 Loss Recoveries – Net, of $(208) thousand, are related to the following detailed information:

$(624,000)	Loan and Guarantee Program activity
$301,000	Real Estate Program activity
$115,000	Authority's share in Venture Capital Funds and Capital Investments

The 2010 Loss Provisions – Net, of $11.1 million, are related to the following detailed information:

$5,614,000	Loan and Guarantee Program activity
$2,288,000	Authority's share in the New Jersey Tech Council Venture Capital Fund
$(334,000)	Authority's share in the Edison Venture Capital Funds
$3,464,000	Authority's share in the Garden State Life Sciences Venture Fund
$27,000	Authority's share in Archive

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property.

The following table summarizes the change in other Capital Assets-Net between fiscal year 2011 and 2010:

	2011	2010	2009	Current Year % increase/ (decrease)	Prior Year % increase/ (decrease)
Land	**$ 23,397,313**	$ 23,435,478	$ 21,253,466	(0.2)%	10.3%
Construction in progress	–	–	285,986	0.0%	(100.0)%
Total nondepreciable capital assets	**23,397,313**	23,435,478	21,539,452		
Building	**97,364,839**	97,364,839	97,364,839	0.0%	0.0%
Leasehold improvements	**36,859,763**	36,859,763	32,732,932	0.0%	12.6%
Equipment	**15,298,322**	17,503,229	22,462,990	(12.6)%	(22.1)%
Total depreciable capital assets	**149,522,924**	151,727,831	152,560,761		
Less accumulated depreciation	**(71,370,431)**	(64,941,646)	(60,266,815)	9.9%	7.8%
Capital assets–net	**$ 101,549,806**	$ 110,221,663	$ 113,833,398	(7.9)%	(3.2)%

The change in Leasehold Improvements resulted from the completion of tenant fit-out of WTCC in 2010 and for the Authority's Tech III and Tech IV buildings in 2009. Additionally, the purchase and sale of production equipment to MSNBC fluctuates each year.

More detailed information about the Authority's capital assets is presented in the Notes to the financial statements.

Capital Debt. At year end, the Authority had $63,386,135 of gross bond and note principal outstanding; a net decrease of 20.7%, due to the paydown of scheduled debt. More detailed information about the Authority's capital debt is presented in the Notes to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2011 and 2010:

	2011	2010	2009	Current Year % increase/ (decrease)	Prior Year % increase/ (decrease)
Bonds payable – gross	**$ 51,800,000**	$ 61,190,000	$ 71,145,000	(15.3)%	(14.0)%
Notes payable	**11,586,135**	18,691,736	19,410,000	(38.0)%	(3.7)%
Total bonds and notes payable	**$ 63,386,135**	$ 79,881,736	$ 90,555,000	(20.7)%	(11.8)%

SIGNIFICANT BUSINESS DEVELOPMENTS

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010 (the "Act"). The Act created, among other actions, the State Small Business Credit Initiative ("SSBCI"), which was funded with $1.5 billion to strengthen state programs that support lending to small businesses and small manufacturers. On September 2, 2011, the New Jersey Department of the Treasury applied to the US Treasury to receive up to a total of $33,760,698 on behalf of the State. NJEDA, as the contracting entity for the State of New Jersey, prepared and will administer New Jersey's allocation of funds. On September 8, 2011 the US Treasury approved New Jersey's SSBCI application and in early October 2011 funded the first tranche of $11,141,031.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31 2011	December 31 2010
Assets		
Current assets:		
Cash and cash equivalents – restricted	$ 79,907,592	$ 137,698,444
Cash and cash equivalents – unrestricted	11,540,288	19,928,769
Investments	89,073,954	41,184,534
Receivables:		
Notes	18,025,109	18,344,669
Accrued interest on notes	483,131	672,916
Accrued interest on investments	1,067,281	1,426,913
Intergovernmental	620,833	831,945
Leases	100,000	100,000
Other receivables	20,627,200	9,015,046
Total receivables	40,923,554	30,391,489
Prepaids and deferred costs	1,107,788	986,234
Total current assets	222,553,176	230,189,470
Noncurrent assets		
Investments – restricted	6,163,017	6,064,904
Investments – unrestricted	231,293,091	246,110,563
Receivables:		
Notes	158,675,989	169,945,736
Notes-restricted	17,740,966	28,790,524
Accrued interest on notes	3,831,486	3,627,230
Accrued interest on notes – restricted	64,902	97,379
Unamortized discount	(25,784)	(27,913)
Total notes receivables	180,287,559	202,432,956
Allowance for doubtful notes and guarantees	(25,679,433)	(28,617,717)
Net notes receivable	154,608,126	173,815,239
Intergovernmental restricted	934,726	1,627,781
Unamortized discount	(22,067)	(213,545)
Net intergovernmental receivables	912,659	1,414,236
Leases – restricted	7,748,102	7,706,869
Unamortized discount	(1,071,124)	(1,039,397)
Net leases receivable	6,676,978	6,667,472
Total receivables	162,197,763	181,896,947
Prepaids and deferred costs	138,970	231,328
Nondepreciable capital assets	23,397,313	23,435,478
Depreciable capital assets, net	78,152,493	86,786,185
Total capital assets, net	101,549,806	110,221,663
Total noncurrent assets	501,342,647	544,525,405
Total assets	723,895,823	774,714,875
Deferred outflows of resources		
Accumulated decrease in the fair value of hedging derivatives	2,171,742	1,433,898

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position (continued)

	December 31 2011	December 31 2010
Liabilities		
Current liabilities:		
Accrued liabilities	$ **7,110,816**	$ 9,794,353
Unearned lease revenues	**1,228,423**	1,369,896
Deposits	**4,267,100**	3,464,408
Bonds payable	**8,510,000**	7,890,000
Notes payable	**128,685**	1,012,735
Accrued interest payable	**505,384**	1,005,750
Total current liabilities	**21,750,408**	24,537,142
Noncurrent liabilities		
Bonds payable – net	**43,424,119**	53,598,864
Notes payable	**11,457,450**	17,679,001
Unearned lease revenues	**14,226,947**	15,280,794
Accrued guarantee losses	**2,580,047**	3,460,749
Derivative instrument – interest rate swap	**2,171,742**	1,433,898
Other	**346,911**	693,823
Total noncurrent liabilities	**74,207,216**	92,147,129
Total liabilities	**95,957,624**	116,684,271
Net position		
Invested in capital assets, net of related debt	**55,803,672**	53,969,928
Restricted	**24,609,225**	19,512,748
Unrestricted	**549,697,044**	585,981,826
Total net position	$ **630,109,941**	$ 659,464,502

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Revenues, Expenses and Changes in Net Position

	Years Ended December 31 2011	2010
Operating revenues		
Financing fees	**$ 7,077,314**	$ 5,923,767
Interest income – intergovernmental obligations	**191,477**	310,008
Interest income – notes	**6,845,874**	7,430,780
Total interest income	**7,037,351**	7,740,788
Financing lease revenue	**109,505**	102,637
Operating lease revenue	**11,626,781**	12,136,714
Agency fees	**3,158,484**	1,261,242
Program services	**815,679**	2,044,477
Real estate development	**361,814**	595,522
Grant revenue	**11,366,430**	1,188,517
Other	**807,189**	793,456
Total other revenues	**28,245,882**	18,122,565
Total operating revenue	**42,360,547**	31,787,120
Operating expenses		
Salaries and benefits	**17,823,559**	18,773,432
General and administrative	**3,165,957**	3,953,289
Interest	**2,219,726**	2,233,997
Program costs	**6,804,374**	7,002,423
Depreciation	**8,113,426**	8,509,698
(Recoveries) loss provisions-net	**(208,045)**	11,122,800
Total operating expenses	**37,918,997**	51,595,639
Operating income (loss)	**4,441,550**	(19,808,519)
Nonoperating revenues and expenses		
Interest income – investments	**4,644,020**	6,566,194
Unrealized gain (loss) in investment securities	**(256,254)**	26,930
Loss on sale of assets – net	**(128,073)**	–
State appropriations – net	**30,811,634**	51,754,616
Federal appropriations	**7,293,688**	–
Program payments	**(76,161,126)**	(83,402,118)
Nonoperating expenses – net	**(33,796,111)**	(25,054,378)
Change in net position	**(29,354,561)**	(44,862,897)
Net position – beginning of year	**659,464,502**	704,327,399
Net position – end of year	**$ 630,109,941**	$ 659,464,502

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows

	Years Ended December 31 2011	2010
Cash flows from operating activities		
Financing fees	$ 6,343,563	$ 5,242,578
Interest from notes	8,196,140	8,234,154
Lease rents	10,702,023	10,933,487
Agency fees	2,970,984	1,201,242
Program services	1,343,440	2,736,078
Grants	12,554,947	–
Distributions	–	153,054
Real estate development	251,015	592,729
General and administrative expenses paid	(20,978,785)	(23,116,262)
Program costs paid	(6,285,800)	(6,394,680)
Collection of notes receivable	31,324,927	32,445,815
Loan disbursements	(10,816,588)	(26,803,979)
Deposits received	3,249,197	4,932,049
Deposits released	(2,538,487)	(5,800,073)
Net cash provided by operating activities	36,316,576	4,356,192
Cash flows from capital and related financing activities		
Payment of bonds and notes payable	(8,905,601)	(2,398,264)
Interest paid on bonds and notes payable	(2,127,164)	(1,608,333)
Issuance and servicing costs paid	–	(272,353)
Purchase of capital assets	(709,699)	(5,641,709)
Sale of assets	530,765	1,124,894
Net cash used in capital and related financing activities	(11,211,699)	(8,795,765)
Cash flows from noncapital financing activities		
Program funding received	904,167	2,209,715
Deposits received – net	(2,054)	(2,059)
Redemption and refunding of bonds payable	(8,490,000)	(9,115,000)
Interest paid on revenue bonds	(2,256,609)	(1,926,354)
Obligations paid	(346,911)	(346,911)
Issuance and servicing costs paid	(556,055)	(546,418)
Appropriations received	189,367,715	207,841,694
Payments to State of New Jersey	(6,065,844)	(5,738,949)
Program payments	(235,769,696)	(231,113,049)
Net cash used in noncapital financing activities	(63,215,287)	(38,737,331)
Cash flows from investing activities		
Interest from investments	5,003,651	7,356,138
Capital investments	(358,185)	(1,143,901)
Investments:		
Purchases	(93,064,615)	(58,090,426)
Redemptions	60,350,226	69,684,363
Net cash (used in) provided by investing activities	(28,068,923)	17,806,174
Net decrease in cash and cash equivalents	(66,179,333)	(25,370,730)
Cash and cash equivalents – beginning of year	157,627,213	182,997,943
Cash and cash equivalents – end of year	$ 91,447,880	$ 157,627,213

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows (continued)

	Years Ended December 31 2011	2010
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$ **4,441,550**	$ (19,808,519)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
(Recoveries) loss provisions -net	**(208,045)**	11,115,694
Depreciation	**8,113,426**	8,509,698
Amortization of discounts, premiums, deferred loss	**(159,750)**	(412,644)
Cash provided by nonoperating activities	**5,839,828**	5,193,457
Change in assets and liabilities:		
Notes receivable	**20,348,697**	5,641,603
Accrued interest receivable-notes	**10,965**	(470,658)
Lease payments receivable	**(41,233)**	100,000
Other receivables	**888,270**	(1,620,061)
Prepaids and deferred costs	**(94,277)**	(558,856)
Capital investments	**(468,675)**	(134,487)
Notes payable	**(900,000)**	(840,000)
Accrued liabilities	**(402,779)**	166,799
Deferred lease revenues	**(1,195,320)**	(1,425,692)
Accrued interest payable	**(665,111)**	(26,506)
Deposits	**809,030**	(1,073,636)
Net cash provided by operating activities	$ **36,316,576**	$ 4,356,192
Noncash investing activities		
Unrealized (loss) gain in investment securities	$ **(256,254)**	$ 26,930

See accompanying notes.

Note 1: Nature of the Authority

The New Jersey Economic Development Authority ("Authority") is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey ("State"). The Authority was established by Chapter 80, P.L. 1974 ("Act") on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax ratables in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner.

The Authority primarily offers the following products and services:

(a) Bond Financing

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

(b) Loans/Guarantees/Investments and Tax Incentives

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt, and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority also administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital investment in urban areas, and

Note 1: Nature of the Authority (continued)

reimbursement grants based on incremental revenues generated by redevelopment projects. Other state mandated programs include loans/grants to support hazardous discharge site remediation and petroleum underground storage tank remediation.

(c) Real Estate Development

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

Component Units

Pursuant to Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements include the accounts of the Authority and the Camden County Urban Renewal Limited Partnership ("CCURLP"), a blended component unit. CCURLP is a real estate joint venture which provides services for the exclusive benefit of the Authority. All intercompany transactions and balances are eliminated.

The Authority's financial statements do not include the accounts of the New Jersey Community Development Entity ("NJCDE"), a component unit. NJCDE is a separate legal entity whose primary mission is to provide investment capital for low-income communities, on behalf of the Authority, through the allocation of federal New Markets Tax Credits. The Authority does not deem the operations of the NJCDE to be significant to the operations of the Authority. As of December 31, 2011 and 2010, total assets were $3,501,141 and $3,433,744, respectively.

Related Party Transactions

The Authority has contracted with several other state entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have

Note 1: Nature of the Authority (continued)

not been included in the Authority's statements of net position. The cash balances total $73,824,686 and $45,793,695 at December 31, 2011 and 2010, respectively. The following is a summary of the programs that the Authority manages on behalf of other state entities:

Department/Board	Program	2011	2010
Treasury	Local Development Financing Fund	$ 26,530,467	$ 25,223,760
Treasury	Invest New Jersey	–	29,343
Board of Public Utilities	BPU Clean Energy Program	47,294,219	20,540,592

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB"). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed to the extent that those standards do not conflict with or contradict guidance of the GASB. The Authority has elected not to follow subsequent private-sector guidance.

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when earned. Grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income on intergovernmental obligations and lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

Note 2: Summary of Significant Accounting Policies (continued)

When available, it is the Authority's policy to first use restricted resources for completion of specific projects.

(c) Cash Equivalents

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund ("NJCMF"). The NJCMF is managed by the State's Division of Investment under the Department of the Treasury. All investments must fall within the guidelines set forth by the Regulations of the State Investment Council. The Division of Investment is permitted to invest in a variety of securities to include obligations of the U.S. Government and certain of its agencies, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances and loan participation notes. Investment guidelines provide that all investments in the NJCMF should mature or are to be redeemed within one year, except that up to 25% of the NJCMF may be invested in eligible securities which mature within 25 months; provided, however, that the average maturity of all investments in the NJCMF shall not exceed one year. Cash equivalents are stated at fair value.

(d) Investments

All investments, except for investment agreements, are stated at fair value. The Authority also invests in various types of joint ventures and uses the cost method to record such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis.

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

(e) Amortization of Discounts and Premiums

The Authority uses the bonds outstanding method as it relates to the discounting of bonds.

Note 2: Summary of Significant Accounting Policies (continued)

(f) Guarantees Receivable

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (see Note 10).

(g) Allowance for Doubtful Notes and Accrued Guarantee Losses

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

(h) Operating and Non-Operating Revenues and Expenses

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State appropriations and program payments.

(i) Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

(j) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2: Summary of Significant Accounting Policies (continued)

(k) Capitalization Policy

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings, and procurement of certain production equipment intended for sale or lease to its clients.

(l) Depreciation Policy

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets:

Building	20 years
Building improvements	20 years
Leasehold improvements	Term of the lease
Tenant fit-out	Term of the lease
Production equipment	4 to 15 years
Vehicles	Expensed
Furniture and equipment	Expensed

(m) Recent Accounting Standards

In 2011, the Authority adopted GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standards Board ("FASB") and AICPA Pronouncements ("GASB No. 62"). This Standard

Note 2: Summary of Significant Accounting Policies (continued)

improves financial reporting by incorporating into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and the American Institute of Certified Public Accountants ("AICPA") pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements. GASB No. 62 superseded Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. The adoption of this new standard did not have a significant impact on the Authority.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* ("GASB No. 63"). The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. Amounts that are required to be reported as deferred outflows should be reported in a statement of financial position in a separate section following assets. Similarly, amounts to be reported as deferred inflows of resources should be reported in a separate section following liabilities. The statement of net position should report the residual amount as net position, rather than net assets. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011; however the Authority elected to early-adopt this Statement in the year ended December 31, 2011.

The adoption of this statement resulted in a change in the presentation of the Balance Sheets to what is now referred to as the Statements of Net Position and the term "net assets" is changed to "net position" throughout the financial statements.

Note 3: Deposits and Investments

(a) Cash and Cash Equivalents

Operating cash is held in the form of Negotiable Order of Withdrawal ("NOW") accounts, money market accounts, and certificates of deposit. At December 31, 2011, the Authority's bank balance was $48,067,371. Of the bank balance, $1,250,000 was insured with Federal Deposit Insurance.

Note 3: Deposits and Investments (continued)

Pursuant to GASB Statement No. 40 "Deposit and Investment Risk Disclosures" ("GASB 40"), the Authority's NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's (NJEDA) name. At December 31, 2011 and 2010, all of the Authority's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

Cash deposits at December 31, 2011 and 2010 were as follows:

Deposit Type	2011	2010
NOW Accounts	**$ 23,520,732**	$ 22,253,579
Money Market Accounts	**10,139,803**	10,114,557
Certificates of Deposit	**6,163,017**	6,064,904
Total deposits	**$ 39,823,552**	$ 38,433,040

(b) Investments

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2011 the Authority's total investments, excluding capital investments, amounted to $293,813,207. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution, for the Authority, per a schedule of permitted investments. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least AA-/Aa3 by Standard & Poors or Moody's, and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving

Note 3: Deposits and Investments (continued)

superior yields, and providing consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) NJCMF; (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maintain adequate liquidity, significant Authority funds are invested in the NJCMF, which typically earns returns that mirror short term interest rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2011 and 2010 the Authority's balance in the NJCMF is $46,931,353 and $114,268,639, respectively.

(c) Special Purpose Investments

Pursuant to the Authority's mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the following:

The Authority is the managing member of the Technology Centre of New Jersey, L.L.C., a real estate joint venture formed in 1999 to spur the growth of high tech industries in the State. The Centre is situated on a 50 acre site and comprised of infrastructure improvements and buildings. As the managing member, the Authority earns an administrative fee based on 5% of gross rents received from the operation of the Centre. At December 31, 2011 and 2010, the value of the Authority's investment in the Centre is $14,379,488 and $14,508,736, respectively. On behalf of the venture, the Authority prepares an annual report, a copy of which may be obtained by contacting the Authority.

Note 3: Deposits and Investments (continued)

The Authority is also a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2011 and 2010, the aggregate value of the Authority's investment in these funds is $13,251,455 and $12,288,026, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority.

At December 31, 2011 and 2010, the Authority held other equity investments of $250,000 and $372,255, respectively. The investments are held in the form of stock. Value is based on analysis of companies' prospects in conjunction with valuations of comparable companies.

Custodial Credit Risk

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA), and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2011, $292,486,102 in NJEDA investments, comprised of $75,435,370 in U.S. Treasuries, $162,749,426 in U.S. Agencies, $40,149,011 in Corporate bonds, $9,999,360 in Commercial paper, and $4,152,935 in Municipal bonds were not registered in the name of the Authority and were held by the counterparty.

Concentration of Credit Risk

The Authority limits investments in certain issuers. No more than 5% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 30% in individual U.S. Government Agencies. At December 31, 2011 more than 5 percent of the Authority's investments are in: Federal Farm Credit Bank ("FFCB"), Federal Home Loan Mortgage Corp ("FHLMC"), and Federal National Mortgage Association ("FNMA"). These investments are 6.70% (25,321,475), 9.87% ($37,309,060), and 21.81% ($82,478,704), respectively, of the

Note 3: Deposits and Investments (continued)

Authority's total investments. These three investments are included in the U.S. Government Agency category of investments. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

Credit Risk

The Authority does not have an investment policy regarding the management of Credit Risk, as outlined above. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. All investments in mutual bond funds and U.S. Agencies are rated Aaa by Moody's and AA+ by Standard & Poors ("S&P"). Corporate bonds were rated AAA ($7,287,611), AA/AA+/AA- ($29,669,502), and A+ (3,191,898) by S&P. Commercial paper is rated A-1+ by S&P. Municipal bonds are rated AA or AAA by S&P. The NJCMF is not rated.

Interest Rate Risk

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

Note 3: Deposits and Investments (continued)

As of December 31, 2011 and 2010, the Authority had the following investments and maturities:

	December 31, 2011			
Investment Type	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1-5 Years**	**Fair Value as of December 31, 2010**
Debt Securities:				
U.S. Treasuries	**$ 75,435,370**	$ 30,270,545	$ 45,164,825	$ 61,733,977
U.S. Agencies	**162,749,426**	35,507,191	127,242,235	148,425,351
Corporate Bonds	**40,149,011**	13,296,858	26,852,153	45,988,940
Commercial Paper	**9,999,360**	9,999,360	–	–
Municipal Bonds	**4,152,935**	–	4,152,935	3,977,812
Mutual Bond Funds	**10,855,992**	10,855,992	–	10,990,438
Certificates of Deposit	**6,163,017**	–	6,163,017	6,064,904
NJ Cash Management Fund	**46,931,353**	46,931,353	–	114,268,639
Subtotal, total debt securities	**356,436,464**	146,861,299	209,575,165	391,450,061
Special purpose investments:				
Investment in Technology Centre Joint Venture	**14,379,488**	–	–	14,508,736
Venture Fund Investments	**13,251,455**	–	–	12,288,026
Other Equity Investments	**250,000**	–	–	372,255
Subtotal	**384,317,407**	–	–	418,619,078
Less amounts reported as cash equivalents	**(57,787,345)**	–	–	(125,259,077)
Total investments	**$ 326,530,062**	$ –	$ –	$ 293,360,001

Note 4: Notes Receivable

Notes receivable consist of the following:

	December 31, 2011	December 31, 2010
Economic Development Fund ("EDF") loan program; interest ranging up to 6.27%; maximum term 10 years	**$ 38,664,995**	$ 40,681,830
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 7.25%; maximum term of 9 years	**125,372,879**	134,698,926
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging up to 5.5%; maximum term of 7 years	**4,878,044**	5,154,094
Public School Facilities ("PSF") loan program; interest ranging from 1.5% to 5.288%; maximum term of 2 years	**22,295,032**	33,149,047
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 3%; maximum term of 19 years	**3,231,114**	3,397,032
	$ 194,442,064	$ 217,080,929

Aggregate Notes Receivable activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures-Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	$ 175,380,756	$ 10,495,964	$ (18,748,619)	$ (3,090,227)	$ 164,037,874	$12,166,779
HDSR	5,154,094	320,625	(656,376)	59,701	4,878,044	1,125,223
PSF	33,149,047	–	(10,854,015)	–	22,295,032	11,047,030
MERI	3,397,032	–	(165,918)	–	3,231,114	143,326
	$ 217,080,929	$ 10,816,589	$ (30,424,928)	$ (3,030,526)	$ 194,442,064	$24,482,358

Of the amount's due within one year, as noted above, $7,547,861 related to the Public School Facilities Program ("PSF") is categorized as restricted since it cannot be used to pay other current liabilities.

Note 5: Intergovernmental Receivable

The Authority has an agreement with the Port Authority of New York New Jersey ("Port Authority") relating to the issuance of Bonds. Pursuant to the terms of the agreement, the debt service on these bonds is payable solely from scheduled amounts receivable.

The Series 1996 Port Authority bonds are secured solely by loan payments originally scheduled to be made to the Port Authority by various utilities authorities. The Port Authority has assigned the right to receive such loan payments to the Authority.

At December 31, 2011 and 2010, Intergovernmental Receivable is comprised of the following:

	2011	**2010**
NJ Port Authority District Utilities Authorities	**$ 1,555,559**	$ 2,459,726
Unamortized discount	**(22,067)**	(213,545)
Total Net Intergovernmental Receivable	**$ 1,533,492**	$ 2,246,181

Aggregate gross receipts from the intergovernmental receivable due through 2015 is as follows:

2012	$ 620,833
2013	693,057
2014	120,833
2015	120,836
	$ 1,555,559

Note 5: Intergovernmental Receivables (continued)

Intergovernmental Receivable activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross receivable	$ 2,459,726	$ (904,167)	$ 1,555,559	$ 620,833
Discount	(213,545)	191,47	(22,067)	
Net receivable	$ 2,246,181	$ (712,689)	$ 1,533,492	

Note 6: Leases

(a) Leases Receivable

The Authority has a financing lease relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing lease provides for basic rental payments, by the tenant to the Authority, in an amount at least equal to the amount of debt service on the Bonds and Notes. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The outstanding lease is as follows:

Lease Description	2011	2010
NY Daily News, through 1/23/21	**$ 7,848,102**	$ 7,806,869
Unamortized discount	**(1,071,124)**	(1,039,397)
Aggregate lease payments receivable – net	**$ 6,776,978**	$ 6,767,472

Note 6: Leases (continued)

Aggregate gross lease receipts due through 2016 and thereafter are as follows:

2012	$ 100,000
2013	100,000
2014	100,000
2015	100,000
2016	100,000
2017-2021	7,348,102
	$ 7,848,102

Lease payments receivable activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross receivable	$ 7,806,869	$ 41,233	$ 7,848,102	$ 100,000
Discount	(1,039,397)	(31,727)	(1,071,124)	
Net receivable	$ 6,767,472	$ 9,506	$ 6,776,978	

Note 6: Leases (continued)

(b) Operating Leases

(i) Authority as Lessor

At December 31, 2011, capital assets with a gross carrying value of $158,564,839 and accumulated depreciation of $65,631,572 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

2012	$ 9,235,291
2013	7,509,950
2014	7,503,576
2015	7,501,379
2016	6,959,285
2017-2021	12,344,969
2022-2026	4,742,315
	$ 55,796,765

Note 6: Leases (continued)

(ii) Authority as Lessee

The Authority leases commercial property, buildings, and office space. The leased premises are either sublet to commercial enterprises or utilized by Authority staff. Aggregate rental expense for the current year on commercial property amounted to $737,788; and for property used by the Authority, rental expense amounted to $188,994. Aggregate future lease obligations are as follows:

2012	$ 892,611
2013	898,522
2014	902,858
2015	940,072
2016	744,338
2017-2021	2,512,674
2022-2026	2,007,436
2027-2031	1,262,000
2032-2036	1,370,720
2037-2041	646,300
2042-2046	685,080
2047-2051	743,250
2052-2056	445,950
	$ 14,051,811

Note 7: Capital Assets

Capital asset activity for the years ended December 31, 2011 and 2010 was as follows:

	December 31, 2010	Additions	Reductions	Adjustments to Reserve	December 31, 2011
Capital assets not being depreciated:					
Land	$ 23,435,478	$ 348,799	$ (386,964)	$ –	**$ 23,397,313**
Capital assets being depreciated:					
Buildings	97,364,839	–	–	–	**97,364,839**
Leasehold improvements	36,859,763	–	–	–	**36,859,763**
Production equipment	17,503,229	–	(2,246,189)	41,282	**15,298,322**
Capital assets – gross	175,163,309	348,799	(2,633,153)	41,282	**172,920,237**
Less: accumulated depreciation	64,941,646	8,113,426	(1,684,641)		**71,370,431**
Capital assets – net	$ 110,221,663	$ (7,764,627)	$ (948,512)	$ 41,282	**$ 101,549,806**

	December 31, 2009	Additions	Reductions	Adjustments to Reserve	December 31, 2010
Capital assets not being depreciated:					
Land	$ 21,253,466	$ 2,182,012	$ –	$ –	$ 23,435,478
Construction in progress	285,986	3,840,845	(4,126,831)	–	–
Capital assets being depreciated:					
Buildings	97,364,839	–	–	–	97,364,839
Leasehold improvements	32,732,932	4,126,831	–	–	36,859,763
Production equipment	22,462,990	–	(5,113,156)	153,395	17,503,229
Capital assets – gross	174,100,213	10,149,688	(9,239,987)	153,395	175,163,309
Less: accumulated depreciation	60,266,815	8,509,698	(3,834,867)	–	64,941,646
Capital assets – net	$ 113,833,398	$ 1,639,990	$ (5,405,120)	$ 153,395	$ 110,221,663

Note 7: Capital Assets (continued)

In 2011, as a result of condemnation for State Department of Transportation improvement projects, the Authority sold a parcel of land with a book value of $138,573 to the State of New Jersey, known as the Technology Centre Expansion site, located on U.S. Highway Route 1 in North Brunswick, New Jersey. The Authority sold approximately one acre of land for the total sum of $10,500.

In 2011, the Authority wrote down a parcel of land at the corner of Center Square Road in Logan Township, New Jersey, to coincide with an appraisal of $180,000 prepared on the Authority's behalf. The Authority obtained title to the land several years earlier as collateral on a previous financing, and intends to market the property for sale.

Note 8: Bonds Payable

The bonds reported in the following table have been issued in order to fund commercial loans, loans to school districts, commercial real estate development and capital construction. The bonds are secured by lease rental payments, loan repayments and the underlying assets pledged pursuant to the bond resolutions. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The Series 1996 Port Authority bonds are secured solely by loan payments originally scheduled to be made to the Port Authority by various utilities authorities. The Port Authority has assigned the right to receive such loan payments to the Authority.

Note 8: Bonds Payable (continued)

The outstanding issues are as follows:

	December 31, 2011	December 31, 2010
$46,815,000 NJEDA Revenue Bonds (Public Schools Small Project Loan Program), 2004 Series, interest ranging from 3% to 5%; due 8/15/12 through 8/15/13. Series 1993 was refunded on 3/15/04.	**$ 9,205,000**	$ 13,535,000
$43,000,000 Variable Rate Lease Revenue Bonds, 2003 Series A and B, (Camden Center Urban Renewal Limited Partnership Project); adjustable rate with maximum of 12% per annum, due annually through 3/15/18	**35,060,000**	35,960,000
$167,500,000 NJEDA Taxable Economic Development Bonds MSNBC/CNBC Project, 1997 Series A and B, adjustable rate, with maximum of 15% annually, due through 10/1/21	**5,100,000**	7,600,000
$18,355,000 NJEDA Taxable Revenue Bonds, North Jersey Port District Utilities Authorities Loan Securitization Program, Series 1996, interest rate of 7.25%; due 2/15/12	**2,435,000**	4,095,000
Subtotal	**51,800,000**	61,190,000
Unamortized premium	**134,119**	298,864
	$ 51,934,119	$ 61,488,864

Note 8: Bonds Payable (continued)

At December 31, 2011, aggregate debt service requirements of bonds payable through 2016 and thereafter are as follows:

	Principal	Interest	Total
2012	$ 8,510,000	$ 1,922,069	$ 10,432,069
2013	6,025,000	1,575,705	7,600,705
2014	1,490,000	1,289,085	2,779,085
2015	1,570,000	1,230,975	2,800,975
2016	1,715,000	1,169,745	2,884,745
2017-2021	32,490,000	2,164,898	34,654,898
	$ 51,800,000	$ 9,352,477	$ 61,152,477

Bonds payable activity for the years ended December 31, 2011 and 2010 was as follows:

	December 31, 2010	Additions	Reductions	December 31, 2011	Amounts Due Within One Year
Bonds payable – gross	$ 61,190,000	$ –	$ (9,390,000)	**$ 51,800,000**	$ 8,510,000
Unamortized premium	298,864	–	(164,745)	**134,119**	
Total bonds payable – net	$ 61,488,864	$ –	$ (9,554,745)	**$ 51,934,119**	

	December 31, 2009	Additions	Reductions	December 31, 2010	Amounts Due Within One Year
Bonds payable – gross	$ 71,145,000	$ –	$ (9,955,000)	$ 61,190,000	$ 7,890,000
Unamortized premium	539,576	–	(240,712)	298,864	
Total bonds payable – net	$ 71,684,576	$ –	$ (10,195,712)	$ 61,488,864	

Note 8: Bonds Payable (continued)

Pursuant to GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations (GASBI-2),* there is no requirement to record conduit debt that is simultaneously recorded by the entity that is responsible for its payment. The State of New Jersey records this debt on its financial statements. It is the Authority's opinion that by not reporting the State-backed conduit debt and Agency - type transactions on its financial statements a more accurate assessment of its financial position and operations exists.

Swap Payments and Associated Debt

Over the remaining life of the Authority's interest rate swap, which expires in 2015, the Authority has debt service requirements on its debt and net swap payments as shown in the table below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of the interest rate swap as of December 31, 2011 will not change. As these rates vary, interest rates on the variable rate bonds and net receipts/payments on the interest rate swap will vary. See Note 12 for information on derivative instruments.

Year	Principal	Interest	Net Swap payment	Total
2012	$ 965,000	$ 95,774	$ 872,615	$ 1,933,389
2013	1,330,000	93,046	848,817	2,271,863
2014	1,490,000	89,359	816,681	2,396,040
2015	–	28,382	259,906	288,288
	$ 3,785,000	$ 306,561	$ 2,798,019	$ 6,889,580

Note 9: Notes Payable

Generally, Notes Payable are special obligations of the Authority payable solely from loan payments, lease rental payments and other revenues, funds and other assets pledged under the notes and do not constitute obligations against the general credit of the Authority. Note proceeds are used to fund specific programs and projects and are not commingled with other Authority funds.

Note 9: Notes Payable (continued)

The outstanding notes are as follows:

	December 31, 2011	December 31, 2010
Community Development Investments, LLC; interest at 5%; principal & interest due monthly through 4/12/14 with final payment due at maturity on 5/12/14	**$ 2,000,000**	$ 2,000,000
City of Camden, NJ; interest at 6%; principal & interest due monthly through maturity on 2/5/16	**3,586,135**	3,731,736
FirstEnergy Corp./JCP&L; interest at 3%; interest only due monthly through 11/12/20; principal due at maturity on 11/12/20	**1,000,000**	1,000,000
Public Service New Millennium Economic Development Fund, LLC; interest at 2%; interest only due monthly through 11/7/20; principal due at maturity on 11/7/20	**5,000,000**	5,000,000
Waterfront Technology Center Construction Loan; variable interest; principal and interest due monthly over 60 month period, through maturity on 1/31/12	**–**	6,960,000
	$ 11,586,135	$ 18,691,736

At December 31, 2011, aggregate debt service requirements of notes payable through 2016 and thereafter are as follows:

	Principal	Interest	Total
2012	$ 128,685	$ 528,174	$ 656,859
2013	136,300	432,610	568,910
2014	2,144,591	376,997	2,521,588
2015	152,591	311,422	464,013
2016	3,023,968	144,316	3,168,284
2017-2020	6,000,000	502,722	6,502,722
Total	$ 11,586,135	$ 2,296,241	$ 13,882,376

Note 9: Notes Payable (continued)

Notes payable activity for the years ended December 31, 2011 and 2010 was as follows:

December 31, 2010	Additions	Reductions	December 31, 2011	Amounts Due Within One Year
$ 18,691,736	$ –	$ (7,105,601)	$ 11,586,135	$ 128,685

December 31, 2009	Additions	Reductions	December 31, 2010	Amounts Due Within One Year
$ 19,410,000	$ –	$ (718,264)	$ 18,691,736	$ 1,012,735

Note 10: Commitments and Contingencies

(a) Loan and Bond Guarantee Programs

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

(1) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2011, Debt was $8,594,176 and Worth was $85,240,380, with a ratio of 0.10 to 1.

Note 10: Commitments and Contingencies (continued)

(2) New Jersey Business Growth Fund

The Authority guarantees between 25% and 50% of specific, low-interest loans to New Jersey companies, made by one of its preferred lenders, with a maximum aggregate exposure to the Authority not to exceed $10 million and, at no time will the Authority pay more than $10 million, net, of guarantee demands. At December 31, 2011, aggregate exposure and related worth within the Business Growth Fund account are both $9,533,128.

(b) Loan Program Commitments and Project Financings

At December 31, 2011 the Authority has $21,609,916 of loan commitments not yet closed or disbursed and $88,718,269 of project financing commitments.

(c) New Markets Tax Credit Program

On December 28, 2005, the Authority loaned $31,000,000 to a limited liability company ("company"), to facilitate their investment in a certified community development entity ("entity") whose primary mission is to provide loan capital for commercial projects in low-income areas throughout New Jersey. The company also received an equity investment from a private corporation ("corporation"). The company then invested the combined proceeds in the entity, which was awarded an allocation in Federal tax credits under the New Markets Tax Credit Program.

During 2007, the Authority made two additional New Markets commitments. On September 24, 2007 the Authority facilitated a transaction in which $3,500,000 in credits were allocated (no Authority funds were utilized). On September 26, 2007, the Authority loaned $20,296,000 to another company with terms similar to the first transaction.

During 2008, the Authority closed three additional New Markets commitments. A total of $37,000,000 in credits were allocated (no Authority funds were utilized).

Note 10: Commitments and Contingencies (continued)

In 2009, one New Markets commitment was closed. A total of $12,419,151 in credits were allocated (no Authority funds were utilized).

As part of the seven agreements, the corporation will claim the Federal tax credits in exchange for their investment. Claiming these credits carries the risk of recapture, whereby an event occurs that would negate the credit taken, causing it to be returned with interest. Based on the agreements between the Authority and the respective companies, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2011, the aggregate exposure to the Authority for all of the seven transactions described above is $58,116,382. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

Note 11: State Appropriations and Program Payments

The Authority receives appropriations from the State of New Jersey, as part of the State's annual budget, for purposes of administering certain grant programs enacted by State statute. The Authority also collects loan repayments on behalf of the State for the Public School Facilities Program (See Note 4), which are remitted to the State, semiannually. The Authority recognizes the disbursement of these funds to both grantees and the State as program payments. For the year ended December 31, 2011 state appropriations and program payments were $38,105,322 and $76,161,126, respectively.

Note 12: Derivative Instrument

In connection with its issuance of $43,000,000 Variable Rate Revenue Refunding Bonds, 2002 Series A and B issues, on April 27, 2010, the Authority entered into a fixed interest rate swap agreement (swap) with TD Bank, N.A. ("TD"), for which the fair value as of December 31, 2011 and 2010 was ($2,171,742) and ($1,433,898), respectively. For accounting and financial reporting purposes, the swap is considered a hedging derivative instrument and reported as debt and as a deferred outflow on the statement of net position.

Note 12: Derivative Instrument (continued)

Objective and Terms of Hedging Derivative Instrument

The swap is a pay-fixed interest rate swap. The objective is to hedge against changes in cash flows of the 2002 Series A and B CCURLP bonds by limiting interest rate risk. The notional amount of the swap is currently $34,975,000 which was effective as of May 1, 2010 and is due to expire on May 1, 2015. The terms call for the Authority to pay a fixed rate of 2.65% on the Series A bonds (notional amount $14,975,000) and 2.80% on the Series B bonds (notional amount $20,000,000), while receiving a rate based on the one month LIBOR rate. The swap provider is currently rated AA- by Standard & Poor's.

Credit Risk

The Authority is exposed to credit risk to the extent hedging instruments are in asset positions. As of December 31, 2011 and 2010, the Authority was not exposed to credit risk, as the swap had a negative fair value. Should interest rates change and the fair value of the swap become positive, however, the Authority would be exposed to credit risk in the amount of the swap's fair value. The Authority has no policy in place in order to limit such risk. No counterparty collateral is being held. There are no netting arrangements.

Rollover Risk

The swap agreement is due to expire on May 1, 2015, while the bonds are due to mature in March 2018. Presently, no arrangement has been made to renew the swap or provide for a similar instrument. If the swap is not renewed the Authority would be exposed to interest rate risk on its variable rate bonds. This could unfavorably impact cash flows.

Note 13: Litigation

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

Note 14: Employee Benefits

(a) Public Employees Retirement System of New Jersey ("PERS")

The Authority's employees participate in the PERS, a cost sharing multiple-employer defined benefit plan administered by the State. The Authority's contribution is based upon an actuarial computation performed by the PERS. Pursuant to the Pension Security Legislation Act of 1997, the issuance of bonds permitted the pension benefit obligation to be fully funded from 1998 to 2004. Beginning in 2005, the Authority was assessed a portion of its normal contribution, which increased each year until 2009, when 100% of the normal contribution was assessed, and for each year thereafter. For the years ending December 31, 2011, 2010 and 2009, the Authority was assessed $1,292,500, $1,029,900 and $743,700, respectively. Employees of the Authority are required to participate in the PERS and contribute 6.5% of their annual compensation. The payroll for employees covered by PERS for the years ending December 31, 2011, 2010 and 2009 was $12,062,333, $13,183,135 and $13,769,583, respectively.

The general formula for annual retirement benefits is the final average salary divided by 55, times the employee's years of service. Pension benefits fully vest upon reaching 10 years of credited service. Members are eligible for retirement at age 60 with no minimum years of service required. Members who have 25 years or more of credited service may select early retirement without penalty at or after age 55 and receive full retirement benefits. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

(b) Postemployment Health Care and Insurance Benefits

The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Bureau, to its retirees having 25 years or more of service in the PERS and are at least 47 years of age or to employees approved

Note 14: Employee Benefits (continued)

for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to the retiree. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

Since the Authority is a participating employer in the State Health Benefits Bureau, the Authority does not issue a separate stand-alone financial report regarding other postemployment benefits. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority obtained an actuarially determined calculation for this obligation, and has established and funded an irrevocable trust for the payments required by this obligation.

The Authority's annual other postemployment benefits ("OPEB") cost for the plan is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. This represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, and to amortize any unfunded actuarial accrued liability ("UAAL") or excess over a period not to exceed 30 years. The Authority elected to amortize the UAAL over one year in 2006. The Authority's annual OPEB cost for the years ended December 31, 2011 and 2010, and the related information for the Plan are as follows (dollar amounts in thousands):

Note 14: Employee Benefits (continued)

	2011	2010
Annual required contribution (ARC)	$ 806	$ 768
Contributions made	806	768
(Increase) in net OPEB obligation	–	–
Net OPEB Obligation – beginning of year	–	–
Net OPEB Obligation – end of year	$ –	$ –

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal years 2011, 2010 and 2009 are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2011	$ 806	100.0%	$ –
December 31, 2010	768	100.0%	–
December 31, 2009	3,666	100.0%	–

As of December 31, 2009, the actuarial accrued liability for benefits was $16,298,519, none of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $10,524,909, and the ratio of unfunded actuarial accrued liability to the covered payroll was 0%.

To fund its OPEB obligation, the Authority has set aside monies (plan assets) in a bank account administered by a Trustee. As of December 31, 2011, the balance was $18,373,620 and interest earnings on the account were $293,858 in 2011. The plan assets are reported at fair value.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of future events, such as employment, mortality, and healthcare costs. Amounts determined regarding the funded status of the plan and the annual required contributions of the

Note 14: Employee Benefits (continued)

Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made regarding the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2009 actuarial valuation the projected unit credit actuarial cost method was used. In this method benefits are attributed from date of hire to the date of decrement. In the actuarial assumptions the investment return on plan assets was projected at an annual rate of 4%. The healthcare cost trend assumed in the actuarial valuation includes an initial annual healthcare cost trend rate of 9% annually, decreasing by 1% per year to an ultimate rate of 5% effective 2013 and thereafter. Both rates include a 4% inflation assumption.

Note 15: Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded current liabilities in the amount of $674,793 and $774,012 as of December 31, 2011 and 2010, respectively. The liability as of those dates is the value of employee accrued vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or $15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

Note 16: Net Position

The Authority's Net Position is categorized as follows:

- Invested in capital assets, net of related debt
- Restricted
- Unrestricted

Invested in Capital Assets, Net of Related Debt includes capital assets net of accumulated depreciation used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net assets include net assets that have been restricted in use in accordance with State law, such as the Public School Facilities loan program, noted in Note 4, as well as Federal grant proceeds intended for specific projects. Unrestricted net assets include all net assets not included above.

Required Supplementary Information

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Schedule of Funding Progress of the Postemployment Healthcare Plan

The funding status of the postemployment health care plan as of December 31, 2011 (based on January 1, 2009 valuation date), and the preceding actuarial valuation date of January 1, 2006, are as follows:

	2009	2006
Actuarial accrued liability (AAL)	$ 16,298,519	$ 12,656,316
Actuarial value of plan assets	17,101,900	–
Unfunded actuarial accrued (asset)/liability (UAAL)	$ (803,381)	$ 12,656,316
Funded ratio (actuarial value of plan assets/AAL)	104.9%	0%
Covered payroll (active plan members)	$ 11,507,298	$ 8,596,556
UAAL as a percentage of covered payroll	0%	147.2%

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: SPCI Realty, LLC P37387

PROJECT USER(S): Superior Powder Coating, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 600 Progress Street Elizabeth City (T/UA) Union

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

SPCI Realty, LLC (SPCI) is the real estate holding company for Superior Powder Coating, Inc. (Superior). Superior, formed in 1989, is a privately held contract metal finisher, specializing in high volume powder coating and electro-coating of metal. The applicant operates a ISO 9000:2000 certified plant, capable of processing well over 120,000 parts per day. Superior is one of the largest electro-coating OEM contract finishing companies on the Eastern Seaboard. The applicant and its affiliates are currently owned by Peter G. Markey and Charles Briggs. Within the next few months Mr. Markey will be buying out Mr. Briggs interest.

SPCI and Superior have a satisfactory borrowing history with the Authority, dating back to 1999. In 1999, the Authority provided Superior a 30% guarantee of a $1,450,000 tax-exempt bond (P10670), bought by Summit Bank, to acquire and renovate a 112,500 s.f. manufacturing facility on 3.5 acres. The applicant had been leasing the property since 1993. In December 2005, the Authority approved for SPCI a $750,000 LDFF loan (P16626) and a $3,483,500 tax-exempt bond (P16631) to refinance existing debt and complete additional renovations at the project property. The 2005 Bond was purchased by Capital One Bank, with a 20 year term at a fixed interest rate of 4.27% for the first 10 years. In March 2009, the Authority approved for Superior a $250,000 SLP participation (P25653) to support Capital One Bank's $500,000 equipment loan. Currently outstanding on the LDFF loan is $583,000 (P16626) and $104,000 (P25653) on the participation. EDA staff is currently considering approving via delegated authority consolidating the LDFF loan and the participation balance, and providing an additional $83,000 in working capital into a $750,000 direct loan (P37366), with a 5 year term, 3% interest rate.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to purchase manufacturing equipment and pay issuance costs.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $765,000 Tax-Exempt Bond (part of a bond issue not to exceed $3,500,000 with P37367)

TERMS OF BOND: 20 years; variable interest rate based on the tax-exempt equivalent of one (1) month LIBOR plus 275 basis points. On the closing date the applicant will enter into a 5 year swap with a fixed rate of 3.32%, or a 10 year swap with a fixed rate of 3.97% as of March 30, 2012. The bank will have a call option on every 5th anniversary or 10th anniversary corresponding to the length of the swap.

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$750,000
Closing Costs	$15,000

TOTAL COSTS $765,000 *

JOBS: At Application 104 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING: 04/10/12 (Published 03/27/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** M. Krug

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: SPCI Realty, LLC P37367

PROJECT USER(S): Superior Powder Coating, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 600 Progress Street Elizabeth City (T/UA) Union

GOVERNOR'S INITIATIVES: (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:

SPCI Realty, LLC (SPCI) is the real estate holding company for Superior Powder Coating, Inc. (Superior). Superior, formed in 1989, is a privately held contract metal finisher, specializing in high volume powder coating and electro-coating of metal. The applicant operates a ISO 9000:2000 certified plant, capable of processing well over 120,000 parts per day. Superior is one of the largest electro-coating OEM contract finishing companies on the Eastern Seaboard. The applicant and its affiliates are currently owned by Peter G. Markey and Charles Briggs. Within the next few months Mr. Markey will be buying out Mr. Briggs interest.

SPCI and Superior have a satisfactory borrowing history with the Authority, dating back to 1999. In 1999, the Authority provided Superior a 30% guarantee of a $1,450,000 tax-exempt bond (P10670), bought by Summit Bank, to acquire and renovate a 112,500 s.f. manufacturing facility on 3.5 acres. The applicant had been leasing the property since 1993. In December 2005, the Authority approved for SPCI a $750,000 LDFF loan (P16626) and a $3,483,500 tax-exempt bond (P16631) to refinance existing debt and complete additional renovations at the project property. The 2005 Bond was purchased by Capital One Bank, with a 20 year term at a fixed interest rate of 4.27% for the first 10 years, with a rate reset to be based on 10 year Treasuries plus 200 basis points. In March 2009, the Authority approved for Superior a $250,000 SLP participation (P25653) to support Capital One Bank's $500,000 equipment loan. Current outstanding on the LDFF loan is $583,000 (P16626) and $104,000 (P25653) on the participation. EDA staff is currently considering approving via delegated authority consolidating the LDFF loan and the participation balance, and providing an additional $83,000 in working capital into a $750,000 direct loan (P37366), with a 5 year term, 3% interest rate.

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the $2,670,000 outstanding balance of the 2005 Bonds (P16631) and pay issuance costs. In addition, the applicant will benefit from an interest rate reduction from 4.27% to 3.84%.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $2,735,000 Tax-Exempt Bond (part of a bond issue not to exceed $3,500,000 with P37387)

TERMS OF BOND: 20 years; variable interest rate based on the tax-exempt equivalent of one (1) month LIBOR plus 275 basis points. On the closing date the applicant will enter into a 5 year swap with a fixed rate of 3.32%, or a 10 year swap with a fixed rate of 3.97% as of March 30, 2012. The bank will have a call option on every 5th anniversary or 10th anniversary corresponding to the length of the swap.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	$2,670,000
Closing Costs	$53,000
Accounting fees	$12,000
TOTAL COSTS	$2,735,000 *

PUBLIC HEARING: 04/10/12 (Published 03/27/12) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: D. Johnson **APPROVAL OFFICER:** M. Krug

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Young Men`s Christian Association of Hunterdon Cou P37343

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Single County - Multi City ( ) Hunterdon

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

The Young Men's Christian Association of Hunterdon County ("Hunterdon County YMCA" or "YMCA") was first incorporated in 1921. Led by CEO and President Bruce Black, the Hunterdon County YMCA operates two primary facilities, the Round Valley Branch in Clinton Township and the Deer Path Branch in Readington Township. Programming includes health and wellness programs as well as full-day childcare and senior care. The Hunterdon County YMCA has over 9,000 members and serves nearly 20,000 individuals.

The Hunterdon County YMCA currently leases the facility used for the Round Valley Branch in Clinton Township, however management has been searching for a suitable property to purchase to provide greater financial and operational control. The applicant is seeking tax-exempt financing to purchase a nearby property in Clinton Township containing four buildings that total roughly 37,500 sq ft. The new facility will be host to all of the operations currently held at the Round Valley Branch including a wellness center, childcare center, and administrative offices. Additionally, this transaction will involve refinancing the YMCA's outstanding debt on the Deer Path Branch.

The applicant is a 501(c)(3), not-for-profit entity, for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance its existing mortgage on the facility in Readington Township as well as to purchase 8.2 acres of land with four existing buildings totaling nearly 37,500 sq ft located in Clinton Township.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: $4,400,000 (Tax-Exempt)

TERMS OF BOND: 25 Years; Variable interest rate of the tax-exempt equivalent of one-month LIBOR plus 2.50%. On the closing date, the borrower may enter into a fixed interest rate swap agreement for 10 years. As of 3/19/2012 the indicative rate was 3.68%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$2,000,000
Refinancing	$1,865,000
Envirn Investigation & Remediation Costs	$200,000
Engineering & architectural fees	$150,000
Finance fees	$100,000
Legal fees	$85,000

TOTAL COSTS	$4,400,000

JOBS: At Application 380 Within 2 years 4 Maintained 0 Construction 0

PUBLIC HEARING: 04/10/12 (Published 03/26/12) **BOND COUNSEL:** McManimon & Scotland

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Youth Consultation Service, Inc. P37335

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Locations in New Jersey Statewide (N) Multi Count

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Youth Consultation Service, Inc., a not-for-profit corporation whose origin dates back to 1918, is one of the leading nonprofit human services organizations serving New Jersey. The agency cares for the welfare of at-risk and special needs children and their families. It is fully accredited and has served the community for more than 90 years. Richard Mingoia is serving as its President and CEO.

Youth Consultation Service cares for approximately 1,500 children by providing residential care, in-community services or in-home services. Its trained staff offers special education and therapeutic services to children and youth from infant to 25 years with mental, intellectual, and developmental challenges and disabilities.

The Applicant has closed five prior tax-exempt bond issues, including refunding bonds and participations in composite/pooled issues, through the EDA from 1991 to 2002. The most recent issues (P09939 & P09942 in 1998, and P13854 in 2002) have a total outstanding balance of approximately $2,965,000, and are in compliance. This project summary will refinance existing conventional bank loans with a tax-exempt bond. Contemporaneously under a separate project summary, the Applicant is seeking to refund the above prior bonds' outstanding balances.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the refinancing of Youth Consultation Service, Inc.'s conventional bank loans totaling $9,920,000, plus pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Capital One Public Funding, LLC (Direct Purchaser)

AMOUNT OF BOND: Up to $9,920,000 (part of a bond issue not to exceed $12,885,000, in one or two series, with P37336)

TERMS OF BOND: Up to 20 year terms, in one or two series, with a call option(s) in Year 10, floating rate(s) at the tax-exempt equivalents of one-month LIBOR (0.24% as of March 22, 2012) plus 130-153 bps; Borrower will enter into one or more swap agreements to fixed rate(s) (as of March 22, 2012, indicative rate for a 10-year tax-exempt swap is 3.14%; 7-year fixed tax-exempt swap is 2.34%).

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$9,920,000
Finance fees	$141,000
Other/Contingency	$75,000

Legal fees	$40,000
TOTAL COSTS	$10,176,000

JOBS: At Application 575 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING: 04/10/12 (Published 03/23/12) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** D. Sucsuz

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Youth Consultation Service, Inc. P37336

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Locations in New Jersey Statewide (N) Multi Count

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

Youth Consultation Service, Inc., a not-for-profit corporation whose origin dates back to 1918, is one of the leading nonprofit human services organizations serving New Jersey. The agency cares for the welfare of at-risk and special needs children and their families. It is fully accredited and has served the community for more than 90 years. Richard Mingoia is serving as its President and CEO.

Youth Consultation Service cares for approximately 1,500 children by providing residential care, in-community services or in-home services. Its trained staff offers special education and therapeutic services to children and youth from infant to 25 years with mental, intellectual, and developmental challenges and disabilities.

The Applicant has closed five prior tax-exempt bond issues, including refunding bonds and participations in composite/pooled issues, through the EDA from 1991 to 2002. The most recent issues (P09939 & P09942 in 1998, and P13854 in 2002) have approximately $2,965,000 of total outstanding balance and are in compliance. This project summary will refund these outstanding tax-exempt bonds. Contemporaneously under a separate project summary, the Applicant is seeking to refinance existing conventional bank loans with a tax-exempt bond.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

REFUNDING REQUEST:

Authority assistance will enable the refunding of Youth Consultation Service, Inc.'s tax-exempt debt totaling $2,965,000, plus pay the cost of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Capital One Public Funding, LLC (Direct Purchaser)

AMOUNT OF BOND: Up to $2,965,000 (part of a bond issue not to exceed $12,885,000, in one or two series, with P37335)

TERMS OF BOND: Up to 20 year terms, in one or two series, with a call option(s) in Year 10, floating rate(s) at the tax-exempt equivalents of one-month LIBOR (0.24% as of March 22, 2012) plus 130-153 bps; Borrower will enter into one or more swap agreements to fixed rate(s) (as of March 22, 2012, indicative rate for a 10-year tax-exempt swap is 3.14%; 7-year fixed tax-exempt swap is 2.34%).

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	$2,965,000
Other/Contingency	$65,000
Legal fees	$40,000

Finance fees	$19,000
TOTAL COSTS	$3,089,000

PUBLIC HEARING: 04/10/12 (Published 03/23/12) **BOND COUNSEL:** McCarter & English, LLP
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** D. Sucsuz

PRELIMINARY RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Port Authority of New York & New Jersey P37352

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Various Statewide (N) Multi Count

GOVERNOR'S INITIATIVES: ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:

The Port Authority of New York & New Jersey was established in 1921 between the States to form an interstate agency to develop and modernize the entire port district in order to improve commerce and trade. The PANYNJ originates, builds, operates and maintains infrastructure critical to the New York/New Jersey region's trade and transportation network. These facilities include America's busiest airport system, marine terminals and ports, the PATH rail transit system, six tunnels and bridges between New York and New Jersey, the Port Authority Bus Terminal in Manhattan, and the World Trade Center.

The PANYNJ will be soliciting proposals for a public private partnership with a developer to design, build, finance and maintain a replacement for the Goethals Bridge. The Goethals Bridge opened in 1928 as a key link in the southern corridor that connects I-278, Route 1/9 and the NJ Turnpike in Union County to the Staten Island Expressway and West Shore Expressway. Construction duration is estimated at approximately five years. The developer will finance the construction of the replacement bridge and subsequent demolition of the existing bridge with a mix of developer equity, private capital, private activity bonds and federal loans.

This project qualifies as an Exempt Public Facility under Sections 142(a)(15) and 142(m), Qualified Highway or Surface Freight Transfer Facilities, of the Internal Revenue Service Code of 1986, as amended and therefore is not subject to the $20,000,000 capital expenditure limitation under Section 144 of the Code.

APPROVAL REQUEST:

The Authority has been requested to serve as the conduit issuer of tax-exempt bonds to finance a portion of the Goethals Bridge replacement project by the ultimate applicant, a developer, to be selected by the PANYNJ pursuant to its solicitation of proposals. The application and applicant information will be updated upon selection of a developer, prior to final approval of the bond financing.

The preliminary approval of the project by the Board on April 10, 2012 will be part of an application to be submitted by the PANYNJ to the U.S. Secretary of Transportation for a federal allocation of exempt facility bonds, outside of the State's volume cap and in accordance with Section 142(a) of the Internal Revenue Code.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of roads, utilities, etc.	$873,888,000
Interest during construction	$315,000,000
Land	$205,433,000

Other/Contingency	$55,000,000
Engineering & architectural fees	$54,090,000
Development Cost	$51,589,000
TOTAL COSTS	1,555,000,000

JOBS: At Application 137 Within 2 years 0 Maintained 0 Construction 2,392

PUBLIC HEARING:

BOND COUNSEL: McManimon & Scotland

DEVELOPMENT OFFICER: L. Wallick

APPROVAL OFFICER: T. Wells

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

SALES AND USE TAX EXEMPTION

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Diversified Information Technologies, Inc. P37297

PROJECT LOCATION: 1600 Malone Street Millville City (T/UA) Cumberland County

GOVERNOR'S INITIATIVES:

(X) Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Diversified Information Technologies, Inc., founded in 1982, is headquartered in Scranton, PA. Diversified Information manages the complete document and information lifecycle and includes integrated records management solutions for both physical and electronic records storage, document imaging, workflow automation, information management consulting, electronic mailroom processing, and printing, mailing and electronic presentment solutions. Diversified Information serves approximately 650 customers in the healthcare, insurance, pharmaceutical, energy, financial and government industries in 30 U.S. and 5 international locations with approx. 700 employees. The applicant is economically viable.

In September 2010, Diversified Information acquired the assets of Commercial Data Processing located in Fairfield, NJ, which has operated in the state of NJ since 1998, with approximately 30 employees. In addition, Diversified Information purchased the assets of a major state-of-the-art print communication center, which has operated in Millville, NJ since 1992, with approximately 70 employees.

MATERIAL FACTOR:

Diversified Information Technologies, Inc. is evaluating the consolidation of the two newly acquired businesses into one location in New Jersey or in North Carolina. The company is seeking a BEIP grant to create 100 new jobs in New Jersey as well as a BRRAG for the retention of 100 employees. Management has indicated that the grants will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 80%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Diversified Information Technologies, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 760,000
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 100

ELIGIBLE BEIP JOBS: **Year 1** 40 **Year 2** 60 **Base Years Total =** 100

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $7,600

ANTICIPATED AVERAGE WAGES: $45,000

ESTIMATED PROJECT COSTS: $950,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $950,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $665,000

PROJECT IS: (X) Expansion (X) Relocation Fairfield, NJ

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: Pennsylvania

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** T. Wells

Applicant : Diversified Information Technologies, Inc. Project # : P37297

FORMULA EVALUATION

Criteria		Score
1. Location:	Millville City	N/A
2. Job Creation	100	2
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	100	1
4. Industry:	communications	0
Designated : _____ Non-Designated : X		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$950,000	1
7. Average Wage:	$ 45,000	2
	TOTAL:	8

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	20%
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	10%
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is working cooperatively with a public or non-profit university on research and development	10%	
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	

Total Bonus Points: 50 %

Total Score :

Total Score per formula:	8 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	50 %
Total Score (not to exceed 80 %):	80 %

(beip_eval1.frx)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Diversified Information Technologies, Inc. P37298

COMPANY ADDRESS: 1600 Malone Street, Millville, Cumberland County
264 Passaic Avenue, Fairfield, Essex County

PROJECT LOCATION: 1600 Malone Street, Millville, Cumberland County

GOVERNOR'S INITIATIVES:
(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core

APPLICANT BACKGROUND:
Diversified Information Technologies, Inc., founded in 1982, is headquartered in Scranton, PA. Diversified Information manages the complete document and information lifecycle and includes integrated records management solutions for both physical and electronic records storage, document imaging, workflow automation, information management consulting, electronic mailroom processing, and printing, mailing and electronic presentment solutions. Diversified Information serves approximately 650 customers in the healthcare, insurance, pharmaceutical, energy, financial and government industries in 30 U.S. and 5 international locations with approx. 700 employees.

In September 2010, Diversified Information acquired the assets of Commercial Data Processing located in Fairfield, NJ, which has operated in the state of NJ since 1998, with approximately 30 employees. In addition, Diversified Information purchased the assets of a major state-of-the-art print communication center, which has operated in Millville, NJ since 1992, with approximately 70 employees.

MATERIAL FACTOR/NET BENEFIT:
Diversified Information Technologies, Inc. is evaluating the consolidation of the two newly acquired businesses into one location in New Jersey or in North Carolina. The company is seeking a BRRAG to retain 100 employees in New Jersey, as well as a BEIP grant to create an additional 100 employees. Management has indicated that the grants will be a material factor in the company's decision to go forward with the project. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The applicant has demonstrated that the grant of these tax credits will result in a net benefit to the State of $8.8 million.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 year
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Diversified Information Technologies, Inc. to encourage the company to remain in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.

3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before December 31, 2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before December 31, 2012.

END OF APPLICANT'S FISCAL YEAR:		December 31
CAPITAL INVESTMENT MUST BE MADE BY:		December 31, 2012
SUBMISSION DATE OF CPA CERTIFICATION:		March 31, 2013
TOTAL ESTIMATED GRANT AWARD OVER TERM:	$	225,000
APPLICANT TAX PERIOD 1 APPROVAL (2013):	$	225,000
ELIGIBLE BRRAG JOBS:		100
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$	1,500
BONUS AWARD PER EMPLOYEE:	$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	$	2,250
ANTICIPATED AVERAGE WAGES:	$	45,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	$	4,500,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	$	570,000
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$	950,000
OPERATED IN NEW JERSEY SINCE:		1992

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION/RENOVATION: (X) Yes ( ) No

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Maximum Quality Foods, Inc. P37288

PROJECT LOCATION: 3351 Tremley Point Road Linden City (T) Union County

GOVERNOR'S INITIATIVES:

( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Maximum Quality Foods, Inc. (Maximum), formed in 1989 as a Subchapter S Corporation, is a wholesaler - distributor of food, paper products and fresh poultry to casual theme and fast food restaurants, bars and taverns. The applicant's primary customers are located within 100 miles of Linden, with a majority in Manhattan and Long Island. The sole shareholder and founder of the applicant is Gary Roccaro. Mr. Roccaro is also the President and managing partner of Tasty Poultry, a reseller of fresh poultry, shipping to restaurants and other restaurant facilities, similar to Maximum. The applicant is economically viable.

MATERIAL FACTOR:

Maximum is seeking a BEIP grant to create 40 jobs to support its growth. In addition, the applicant will be seeking a BRRAG (P37290) at the April 2012 Board meeting to retain 156 jobs in Linden. Under consideration is leasing an additional 22,500 s. f. next door to its current facility, increasing its total space to 86,970 s. f., or moving the entire operation to a 103,000 s. f. facility in the Brooklyn Navy Yard. The applicant's Linden lease will expire in September 2012. Should Maximum remain in Linden, it is anticipated the additional space will be available for occupancy in the fourth quarter of 2012. Maximum is estimating project costs to be $1,682,000. Management has indicated that a favorable decision by the Authority to award the BEIP grant and the BRRAG is a material factor in the company's decision to move to New Jersey. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 50%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Maximum Quality Foods, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 96,000
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 156

ELIGIBLE BEIP JOBS: **Year 1** 30 **Year 2** 10 **Base Years Total =** 40

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $2,400

ANTICIPATED AVERAGE WAGES: $29,000

ESTIMATED PROJECT COSTS: $1,682,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $192,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $192,000

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** M. Krug

Applicant : Maximum Quality Foods, Inc. Project # : P37288

FORMULA EVALUATION

Criteria		Score
1. Location:	Linden City	N/A
2. Job Creation	40	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	165	1
4. Industry:	wholesale	0
Designated : _____ Non-Designated : X		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$1,682,000	1
7. Average Wage:	$ 29,000	1
	TOTAL:	6

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is working cooperatively with a public or non-profit university on research and development	10%	
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	

Total Bonus Points: 20 %

Total Score :

Total Score per formula:	6 = 25 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	50 %

(beip_eval1.frx)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Maximum Quality Foods, Inc. P37290

COMPANY ADDRESS 3351 Tremley Point Road, Linden Union County

PROJECT LOCATION: 3351 Tremley Point Road, Linden Union County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core

APPLICANT BACKGROUND:
Maximum Quality Foods, Inc. (Maximum), formed in 1989 as a Subchapter S Corporation, is a wholesaler - distributor of food, paper products and fresh poultry to casual theme and fast food restaurants, bars and taverns. The applicant's primary customers are located within 100 miles of Linden, with a majority in Manhattan and Long Island. The sole shareholder and founder of the applicant is Gary Roccaro. Mr. Roccaro is also the President and managing partner of Tasty Poultry, a reseller of fresh poultry, shipping to restaurants and other restaurant facilities, similar to Maximum. The applicant is economically viable.

MATERIAL FACTOR/NET BENEFIT:
Maximum is seeking a BRRAG to retain 156 jobs in Linden. In addition, the applicant will be seeking a BEIP grant (P37288) at the April 2012 Board meeting to create 40 jobs to support its growth. Under consideration is leasing an additional 22,500 s. f. next door to its current facility, increasing its total space to 86,970 s. f., or moving the entire operation to a 103,000 s. f. facility in the Brooklyn Navy Yard. The applicant's Linden lease will expire in September 2012. Should Maximum remain in Linden, it is anticipated the additional space will be available for occupancy in the fourth quarter of 2012. Maximum is estimating project costs to be $1,682,000. The applicant has demonstrated the grant of these tax credits will result in a net benefit to the State of $7.6 million. Management has indicated that a favorable decision by the Authority to award the BEIP grant and the BRRAG is a material factor in the company's decision to move to New Jersey. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

TAX CREDIT TERM: 1 year
COMMITMENT DURATION: 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to Maximum Quality Foods, Inc. to encourage the company to remain in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount and the term that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before November 30, 2012 in order to remain eligible for the bonus award.

4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before November 30, 2012.

END OF APPLICANT'S FISCAL YEAR:	December 31	
CAPITAL INVESTMENT MUST BE MADE BY:	November 30, 2012	
SUBMISSION DATE OF CPA CERTIFICATION:	February 28, 2013	
TOTAL ESTIMATED GRANT AWARD OVER TERM:	$	351,000
APPLICANT TAX PERIOD 1 APPROVAL (2013):	$	351,000
ELIGIBLE BRRAG JOBS:		156
YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:	$	1,500
BONUS AWARD PER EMPLOYEE:	$	750
TOTAL YEARLY TAX CREDITS INCLUDING BONUS:	$	2,250
ANTICIPATED AVERAGE WAGES:	$	29,000
ESTIMATED TOTAL GROSS ANNUAL PAYROLL:	$	4,524,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:	$	449,280
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$	1,682,000
OPERATED IN NEW JERSEY SINCE:		1989

PROJECT IS: (X) Expansion ( ) Relocation

CONSTRUCTION/RENOVATION: (X) Yes ( ) No

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** M.Krug

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Metropolitan Vacuum Cleaner Co., Inc. P37351

PROJECT LOCATION: 5 Raritan Road Oakland Borough (N) Bergen County

GOVERNOR'S INITIATIVES:

( ) Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Metropolitan Vacuum Cleaner Co., Inc. was originally founded in 1939 as a retailer of vacuum cleaners in the Bronx, New York. Today, it is a family-owned, Suffern, New York-based manufacturer of vacuum cleaners. The Applicant is economically viable.

Metropolitan Vacuum manufactures industrial vacuum cleaners, floor care products, pet grooming/drying products, car and bike care/drying tools, computer micro cleaning tools, tire pressure inflators/deflators, and offers and markets vacuum cleaner replacement parts and accessories. It offers its products, mostly made or assembled in their Suffern, New York manufacturing facility, through a network of dealers in the United States and internationally.

With 60 full-time employees, the company currently operates from a 32,000 sf building in Suffern, New York. Metropolitan Vacuum has outgrown that facility and is planning an expansion. In order to accomplish its growth and expansion plans, it needs to increase its work space, machine portfolio and workforce. Relocating to a larger space will enable expansion and provide efficiencies along with extra room for longer-term future growth. The Applicant's current expansion plan calls for the addition of 15 new positions to its staff of 60 in the next two years. It is considering moving its entire Suffern, New York operations to a new, larger facility in either Hillburn, New York, or Oakland, New Jersey.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support creating 75 jobs in New Jersey. The company has submitted a cost benefit analysis comparing the cost of similar facilities in New Jersey and New York. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 50%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Metropolitan Vacuum Cleaner Co., Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 280,313
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: **Year 1** 65 **Year 2** 10 **Base Years Total =** 75

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $3,737

ANTICIPATED AVERAGE WAGES: $40,000

ESTIMATED PROJECT COSTS: $3,970,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $560,625

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $560,625

PROJECT IS: (X) Expansion (X) Relocation Suffern, NY

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** D. Sucsuz

Applicant : Metropolitan Vacuum Cleaner Co., Inc. Project # : P37351

FORMULA EVALUATION

Criteria		Score
1. Location:	**Oakland Borough**	N/A
2. Job Creation	75	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:	**other manufacturing**	0
Designated : _____ Non-Designated : X		
5. Leverage:	**3 to 1 and up**	2
6. Capital Investment:	**$3,970,000**	2
7. Average Wage:	**$ 40,000**	2
	TOTAL:	7

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	20%
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is working cooperatively with a public or non-profit university on research and development	10%	
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	**7 = 25 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**20 %**
Total Score (not to exceed 80 %):	**50 %**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Torrent Pharma, Inc. P37326

PROJECT LOCATION: To Be Determined Locations Unknown (N) Unknown County

GOVERNOR'S INITIATIVES:

( ) Urban (X) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Torrent Pharma, Inc. (TUSA), formed in 2004, and headquartered in Kalamazoo, Michigan, is a wholly owned subsidiary of Torrent Pharmaceuticals, Limited (TPL), with its global headquarters in Gupart, India. TPL is a publicly owned, generic pharmaceutical manufacturer with all production in India. The parent company is listed on the Bombay Stock Exchange and the National Stock Exchange. TUSA has received U.S. FDA approval for 26 Abbreviated New Drug Applications (ANDA), and 9 additional drugs that are tentatively approved, subject to patent expiration. In addition, the applicant has an additional 29 ANDA's under current FDA review. The primary U.S. markets for TUSA are antidepressants, cardiovascular and diabetic tablets. Distribution is through a third-party distribution center in Columbus, Ohio with CVS, Walgreen, Rite Aid, Wal-Mart, Costco and Target among its customers. The applicant is economically viable.

MATERIAL FACTOR:

TUSA is considering moving its U.S. corporate offices from Kalamazoo, Michigan to Somerset County, and is seeking a BEIP grant to support creating 30 new jobs to staff the headquarters. The 23 Kalamazoo jobs will be relocated to a new US corporate headquarters, with 7 new jobs created to support the growth. The employees will be responsible for managing the FDA drug approval process for new products, supply chain logistics, sales and finance. Also under consideration is remaining in Kalamazoo, or moving to a city that is located near a pharmaceutical industry cluster, such as Somerset County, San Francisco or Boston. Project costs are estimated to be $637,000. Should the applicant choose a site in a smart growth area the estimated award could increase to 80%, with a value of $547,800. Management has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor to move the U.S. corporate office to NJ. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

APPROVAL REQUEST:

PERCENTAGE: 35%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Torrent Pharma, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 239,662
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 1

ELIGIBLE BEIP JOBS: **Year 1** 25 **Year 2** 5 **Base Years Total =** 30

ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM: $7,988

ANTICIPATED AVERAGE WAGES: $75,000

ESTIMATED PROJECT COSTS: $637,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $684,750

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $787,462

PROJECT IS: (X) Expansion (X) Relocation Kalamazoo, Michigan

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: Michigan

APPLICANT OWNERSHIP:( ) Domestic (X) Foreign India

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** M. Krug

Applicant : Torrent Pharma, Inc. Project # : P37326

FORMULA EVALUATION

Criteria		Score
1. Location:	Locations Unknown	N/A
2. Job Creation	30	1
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	0	0
4. Industry:	Pharmaceuticals	2
Designated : X Non-Designated : _____		
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	$637,000	1
7. Average Wage:	$ 75,000	3
	TOTAL:	9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan or, existing building(s) that have been 100% vacant for 12 months.	20%	_____
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs, or, existing building(s) that have been 100% vacant for 12 months.	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	_____
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	_____
Located in an area designated by the locality as an "area in need of redevelopment"	10%	_____
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	_____
Company is working cooperatively with a public or non-profit university on research and development	10%	_____
Project is located within Federally-owned land approved from closure under a Federal Base Realignment And Closing Commission or military installations allowing private business activity.	15%	_____

Total Bonus Points: 0 %

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	35 %

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: April 10, 2012

RE: **Mt. Laurel Development, LLC**
Economic Redevelopment and Growth Grant Program

Request

The Members are asked to approve the application of Mt. Laurel Development, LLC (the "Applicant") for reimbursement of certain taxes for a Mount Laurel, Burlington County project under a "state incentive grant" by the EDA pursuant to the Economic Redevelopment and Growth Grant ("ERG") program set forth in N.J.S.A. 52:27D-489c ("Act").

The total project costs are estimated to be $56,662,392. The total qualified costs under the ERG Act are **$53,960,197.** The recommended reimbursement is **20%** of the eligible costs, not to exceed **$10,792,039**.

Project Description

The Applicant owns a vacant 40 acre site at the intersection of Church and Fellowship Roads in Mount Laurel that is included in the Fellowship Area Redevelopment Plan. The Applicant is undertaking the redevelopment of this site into a 203,320 square foot mixed use development, which will include a 102,442 square foot Lifetime Fitness health and fitness facility ("LTF"), a 4,145 square foot bank pad and a 6,000 square foot retail pad (the "Bank and Retail") as well as the site preparation for a 90,733 square foot store pad for a national retailer (the "Large Retailer", collectively, with LTF and Bank and Retail components, the "Project"). The Project also includes land contribution for affordable housing as required by the town, located nearby the Project site. The Applicant's scope of work will include demolition of existing vacant structures, off-site transportation improvements, on-site infrastructure improvements, site preparation and new construction. The Bank and Retail parcels will be available for lease and the LTF parcel will be sold to the operator at the completion of construction. Once the site preparation is completed on the Large Retailer site, the Applicant will sell the undeveloped property to the retailer who will then complete vertical improvements.

The Applicant is currently finalizing negotiations on an LOI with Lifetime Fitness for the purchase

of the LTF component. In addition, the Applicant has an LOI with a national retailer for the purchase of the Large Retailer parcel. They have not yet secured tenants for the Bank and Retail parcels. The Applicant currently owns the land for the Project site subject to a mortgage given to Susquehanna Bank (the "Mortgage"). Although the Applicant has defaulted on the Mortgage, Susquehanna Bank agreed to a Temporary Forbearance Agreement in January 2012, which, among other provisions, provides for a significantly reduced payment to satisfy all obligations of the Mortgage.

In March 2012, the Applicant received Phase I – Preliminary Site Plan Approval for the LTF component of the Project. The Applicant has submitted an application for consideration in April of the final site plan approval for LTF, and expects site plan approval of the Large Retailer parcel in June and approval of the Bank and Retail parcel shortly thereafter. Further, all proposed uses for the Project appear to be acceptable under the Fellowship Area Redevelopment Plan adopted in August 2011. The Applicant intends to encourage and support green development and operating principles. In addition, the Project will promote smart growth principles on the underutilized property.

Project Ownership

The two 50% members of Mt. Laurel Development LLC are Mt. Laurel ARC LLC ("ARC") and Mt. Laurel – CG LLC ("Develcom"). The members of ARC are Robert Ambrosi, Marc Perel and other Ambrosi family members and family trusts. Robert Ambrosi and Marc Perel are principals of ARC Properties, Inc., a real estate firm based in Clifton, New Jersey that acquires, develops and manages real estate throughout the United States, with a concentration of properties in the New York, Philadelphia and Washington, DC metropolitan areas. Over the past 27 years, ARC Properties, Inc. and its affiliates have been responsible for the acquisition and development of more than 200 properties with an aggregate value in excess of $2 billion.

Develcom is wholly owned by Charles Gallub who is a principal of Develcom Funding LLC, which operates various real estate development affiliates and is located in Bellmawr, New Jersey. Gallub has been responsible for the acquisition and development of approximately 19 properties since 2003 primarily in Pennsylvania and New Jersey, representing more than $100 million of investment.

ARC and Develcom have partnered on the acquisition and development of 3 other properties in Willow Grove, PA and Allentown, PA. Develcom primarily acts as the local operating partner and handles project management and the entitlement process as well as building local relationships. ARC primarily acts as a financing partner, providing back-office and financing assistance.

Project Uses

Uses	*Total Project Costs*	*ERG Eligible Project Costs*
Acquisition & Land	$ 13,050,000	$ 13,050,000
Hard Costs	35,707,392	35,707,392
Development Fee	2,000,000	0
Financing and Other Costs	3,590,000	2,887,805
Professional Services	2,315,000	2,315,000
TOTAL USES	**$ 56,662,392**	**$ 53,960,197**

The ERG eligible project costs above exclude developer fees as well as ineligible soft costs. The acquisition and land costs include the Mortgage buyout amount negotiated in conjunction with the Temporary Forbearance Agreement with Susquehanna Bank.

Project Sources

The Applicant will be utilizing the following sources to complete the project:

Sources	*Amount*
Debt (related party)	$ 2,000,000
Proceeds from Sale of LTF	33,812,392
Proceeds from Sale of Large Retailer	10,450,000
*Deferred Developer Fee	$ 2,000,000
*Developer Equity	8,400,000
Total Equity	10,400,000
TOTAL SOURCES	**$ 56,662,392**

ARC Property Trust, Inc., which is a REIT that is controlled by owners of the Project, is providing a permanent loan of $2 million. The Applicant is under LOI's with the buyers of the LTF and the Large Retailer parcels. The project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis which will be discussed below. These returns are calculated with and without the ERG cash flow. The Applicant has satisfied the 20% equity participation requirement of $10,792,039 through the following components:

*Deferred Developer Fee	2,000,000
*Developer Equity	8,400,000
Land Equity	4,600,000
TOTAL EQUITY PARTICIPATION	**$ 15,000,000**

Land equity of $4.6 million represents the excess of the appraised value of the land over the amount to be repaid to the bank on the existing mortgage.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 10 years. The analysis characterized the related party debt as equity since this financing component is intended to be funded by a related party controlled by the Applicant. Deferred developer fees and contributed equity were also included as equity in the analysis. Land equity of $4.6 million was not included in equity in the IRR calculation in the gap analysis.

With ERG	**Without ERG**
Equity IRR 2.18% (Market Range = 15-20%)	Equity IRR -12.57% (Market Range = 15-20%)

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 2.18%, both of which are significantly below the market range provided by the EDA's contracted consultant Jones Lang LaSalle.** The developer is incentivized to complete this Project at such low returns because completion of this Project will allow the Applicant to pay off the existing Mortgage debt of $16.2 million (which includes interest and late charges) for $9.5 million, which is the amount negotiated with the bank in the Temporary Forbearance Agreement. In addition, the existing Mortgage includes personal guarantees from the individual owners of the Applicant, which will be extinguished upon payment of the negotiated buyout.

Net Positive Benefit Analysis

The Authority has conducted the required Net Benefit Analysis and has found that the present value of the Net Positive Benefits to the State at a 6% discount rate over a 20 year period is $17.3 million. The Net Positive Benefit calculation included taxes for only the LTF and Bank and Retail components of the Project. Taxes from the Large Retailer component were not included in the Net Positive Benefit Analysis. The following taxes for the LTF and Bank and Retail components were included in the Net Positive Benefit calculation:

1] 66% of the incremental annual corporate business tax;
2] 66% of the incremental gross income tax;
3] 100% of the incremental one-time tax generated from the Project's construction;
4] 100% of the incremental indirect tax revenues from spending and earnings;
5] 0% of the sales tax generated by the retail portion of the Project

Sales taxes are excluded from the calculation as the project is not deemed a destination and therefore it is assumed that there will be no additional new sales tax benefits to the State.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive grant agreement to the viability of the redevelopment project. The likelihood that the project shall, upon completion, be capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for project costs incurred as provided in the redevelopment incentive grant agreement.

The Project appears to be economically feasible based on the financial strength and prior experience and track record of the Applicant and the expected operators that will occupy the Project space. The Project is owned by affiliates of ARC Proprties, Inc. and Develcom Funding LLC, which both have significant experience with projects similar in scope to the Project.

LTF is a New York Stock Exchange traded company started in 1992 and headquartered in Chanhassen, Minnesota. LTF has a $1.7 billion market capitalization and has significant experience and resources to ensure the long-term success of the project. LTF operates 93 large sports, professional fitness, family recreation and spa destinations in 21 states including New

Jersey. LTF has provided a description of its site selection process and feasibility analysis indicating that the demographics of the Project area and highway access of the Project site are the primary considerations to the company it determining new store locations. They have concluded that the Project site is similar to other similar markets in which they have been successful. The Applicant intends to sell the Large Retailer parcel to a national retailer with similar experience and success and expertise in selecting store locations.

The Project has an anticipated IRR of -12.57% without the ERG and 2.18% with the ERG. As further explained previously, the ERG incentive grant is needed for the viability of the project. Based on the expected generation of $18 million of incremental direct annual gross income, sales and other eligible taxes, there appears to be adequate funds to support the reimbursement of taxes paid to the Project as outlined in the analysis.

The degree to which the redevelopment project within a municipality which exhibits economic and social distress, will advance State, regional and local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The redevelopment of the vacant site and the subsequent establishment of new business opportunities will benefit Mount Laurel Township and neighboring municipalities in Burlington County. Burlington County had a high unemployment rate of 8.6% as of December 2011, with 5.2% of its residents living below the federal poverty line. By creating 93 new permanent jobs, as well as immediate job creation in the construction industry, this project will provide more than $6.8 million annually in employee compensation

The Project is located within the Metropolitan Planning Area (PA-1), which is a smart growth area as defined in the New Jersey State Development and Redevelopment Plan. The State has recognized that PA-1 is where much of the State's future redevelopment is to be planned and encouraged. The Project is located in the Delaware Valley Regional Planning Commission (DVRPC) Region and fulfills the goals of the DVRPC's regional plan. The Project is consistent with the Mount Laurel Township Master Plan, which was adopted on April 20, 2006. In conjunction with the designation of the Project area as a redevelopment area as detailed in the Fellowship Area Redevelopment Plan, adopted in August 2011, the town determined that the uses as outlined in the Project description are consistent with State, regional and local development and planning strategies.

The Project is projected to create approximately 93 new, full-time, permanent jobs, providing more than $6.8 million each year in employee wage compensation. Immediate job creation is also an important benefit of this project. During the construction phase, the redevelopment of this site will create 231 temporary construction jobs. The significant job creation associated with this project will provide important employment opportunities for Mount Laurel Township, and the project will generate considerable net tax revenue for the Township, County, and local and regional school districts on an annual basis.

Recommendation

Authority staff has reviewed the Mt. Laurel Development LLC application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and has notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the Incentive Grant Agreement and the reimbursement of any taxes is contingent upon Mt. Laurel Development LLC meeting the following conditions regarding the Project:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent certificate of occupancy;
2. Submission of a detailed list of all eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: $53,960,197

Eligible Taxes for Reimbursement: Sales and other eligible taxes not to exceed $10,932,478 over 20 years.

Recommended Grant: 20% of actual costs, not to exceed **$10,792,039 to be paid over a maximum period of 20 years.**

Caren S. Franzini

Prepared by: Christine Caruso

NJEDA Simplified Speculative Building Model (Annotated)

Job Type Number	28		28		42			
Job Type Description	28. Retail trade		28. Retail trade		42. Federal Reserve banks, credit intermediation and related services			Project Composite
Sq. footage	102,442		6,000		4,145			112,587
Average Density								
Implied DirectJobs	196	Total Jobs/RIMSII-5	5	Total Jobs/RIMSII-5	-	Total Jobs/RIMSII-5		201
Direct Effect Employment Multiplier	1.32x	RIMSII-5	1.32x	RIMSII-5	3.21x	RIMSII-5		1.39x
Total Jobs	259	RIMSII-4*direct Output	6	RIMSII-4*direct Output	-	RIMSII-4*direct Output		266
Indirect Jobs	63	Total-Direct	2	Total-Direct	-	Total-Direct		65
Final Demand Employment Multiplier	10.59x	RIMSII-4	10.59x	RIMSII-4	4.44x	RIMSII-4		10.37x
Direct Output	$24,485,758	known/RIMSII-2	$598,479	known/RIMSII-2	$0	known/RIMSII-2		$25,084,237.2
Final Demand Output Multiplier	1.57x	RIMSII-3	1.57x	RIMSII-3	1.78x	RIMSII-3		1.58x
Total Output	$38,525,891	RIMSII-3*Direct Output	$941,648	RIMSII-3*Direct Output	$0	RIMSII-3*Direct Output		$39,467,538.8
Spillover	$14,040,134	Total-Direct	$343,168	Total-Direct	$0	Total-Direct		$14,383,301.6
Final Demand Earnings Multiplier	0.33x	RIMSII-2	0.33x	RIMSII-2	0.23x	RIMSII-2		0.32x
Total Earnings	$8,016,637	known*RIMSII-1	$195,942.2	known*RIMSII-1	$0.0	known*RIMSII-1		$8,212,579.3
Direct Effect Earnings Multiplier	1.44x	RIMSII-1	1.44x	RIMSII-1	2.49x	RIMSII-1		1.48x
Direct Earnings	$5,579,508	Known	$136,374	Known	$0	Known		$5,715,882.0
Indirect Earnings	$2,437,129	Total-Direct	$59,568	Total-Direct	$0	Total-Direct		$2,496,697.3

NJEDA Economic Impact Model

NJEDA Economic Impact Model		
County Number	3	
Address	Chrurch & Fellowship Rd.	
County	Burlington	
Ongoing Jobs(Direct)	93	
One Time Jobs(Direct)	252	
State & Local Direct Ongoing	**Consumer Goods**	Select Industry Sector
Sales Tax	$0	@7%
Corporate Income Tax (CBT)	$49,649	@9%
Gross Income Tax	$152,424	@4%
Misc. State Tax Revenue	$0	Input
Property Tax (Default to Total Const Value*3%)	$856,407	@4%
Direct Ongoing Annual Taxes	$1,058,480	a
State Indirect Ongoing		
Annual Corp Spending	$25,084,237	Direct Output Composite
Final Demand Output Multiplier	1.58x	Direct Output Composite Multiplier
Indirect Annual Spending	$14,574,650.93	Direct Output Composite*(Direct Mult.-1)
At 3.5 % Tax Rate	$510,113	b
Annual Payroll	$5,715,883	Direct Earnings Composite
Indirect Effect Earnings Multiplier	1.48x	Direct Earnings Composite Multiplier
Indirect Earnings	$2,717,991.50	Direct Earnings Composite*(Indirect Mult.-1)
At 4% Tax Rate	$108,720	c
Indirect Ongoing Annual Taxes	$510,113	b
Total State Ongoing Net Benefits		
Annual Net Benefit	$1,677,312	a+b+c
Cumulative Net Benefit (20yrs w/ 3% yearly inflation)	$45,070,010	
Present Value @6%	$24,424,238	d
One Time		
Construction Value	$33,776,100	Input
Direct One Time Taxes on Spending	$600,598	Count to total only if project is NOT in a UEZ zone.
Direct Construction Multiplier	1.75x	
Indirect One Time Spending	$25,176,705	
Spending Tax Rate	7.0%	
Ind One Time Taxes on Spending	$2,362,967	
Assumed Portion of Const. on Labor	50%	Input
Dir One Time Earnings	$16,888,050	
Earnings Tax Rate	5%	Input
Dir One Time Taxes on Earning	$844,403	
Direct Effect Earnings Multiplier	1.60x	
Indirect One Time Earnings (50% of Construction)	$10,144,652	
Earnings Tax Rate	5%	Input
Ind One Time Taxes on Earnings	$507,233	
Total One Time Tax Benefits	$3,714,602	e
Total State Benefits		
Total One Time Tax Benefits	$3,714,602	e
Total State Ongoing Benefits (PV @ 6%)	$24,424,238	d
Total Benefits	$28,138,840	d+e
Implied Maximum Loan at 110% Coverage Ratio Before Adjustments	$25,580,764	

URBAN TRANSIT HUB TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: April 10, 2012

SUBJECT: **36-54 Rector Street LLC**
Urban Transit Hub Tax Credit Program ("UTHTC")

Request

Modify the existing approval of the UTHTC to increase the award amount over ten years from $13,377,967 to $20,666,625. This modification is requested by the Applicant to increase the UTHTC award amount from 20% to 35% of eligible costs for a residential project as allowed by the 2011 amendment to the UTHTC program due to: (1) the applicant's re-allocation of the scope and costs of the project relative to the previously approved application, (2) revised projected net operating income and debt financing anticipated to be available resulting in below market returns to the Applicant.

Background

In February 2010, the Members approved the issuance of $13.4 million of UTHTC's to 36-54 Rector Street LLC ("Applicant" or "Developer") for a mixed use project consisting of 152 for sale housing units, 6,000 square feet of retail and 154 parking spaces located within one block of the NJ Transit Light Rail stop at the New Jersey Performing Arts Center station.

Due to changes in market economics which essentially rendered for sale housing infeasible (supported by the complete void in new construction of projects of this magnitude in downtown Newark over the past few years principally due to inability to finance as well as sufficient demand) resulting in the dramatic change from for sale to rental units. Mainly due to the modification in the type of housing, the City and the Developer are amending the redevelopment agreement (which also includes the increase in units by 17 to 169, a reduction in parking spaces by 37 and increasing the retail component to 7,648 square feet in comparison to the original design) all of which reflect prevalent market economics in the immediate neighborhood. It is noted that the residential condominium units were re-configured as 17 three bedroom units were eliminated and split among the smaller bedroom configuration to meet the demands of the rental market. The initial scope of the project was impacted by economic conditions and adversely impacted the project's ability to obtain financing commitment and as a result the Applicant has not been able to meet the milestones under the time line as required by the EDA approval.

The Applicant has requested the additional tax credits for this project which will now consist of 169 market rate rental apartments (19 studios averaging 542 square feet at $1,350 per month, 93 one bedroom units averaging 655 square feet at $1,650 per month and 57 two bedroom units averaging 960 square feet at $1,895 per month), 7,648 square feet of retail (with monthly rent at $24 per square foot) and 117 parking units (at $150 per spot per month). The figures above are consistent with those contained in the market study dated October 5, 2011 from Value Research Group, LLC.

Since the previous application was approved on February 9, 2010, the Applicant has modified the scope of the project to reflect changes in market and financing conditions. The current application reflects a total of $63.9 million of investments compared to the $71.6 million in the prior approved budget. The project costs reduction of $7.7 million is comprised mainly due to a $2.5 million reduction in the purchase price from the City of Newark, $3.3 million less in marketing, advertising and other costs associated with condominium sales, $1.3 million less in building costs allied with the parking spaces, a $450,000 decrease in the developer fee and $200,000 in savings related to the historical building compliance work. Consistent with the prior application, the predominate use in this application is residential thereby making the Project eligible, under the residential portion of the UTHTC program, for credits to be issued for up to 35% of eligible costs.

The proposed project is owned by Boraie Development LLC which is also the owner of a project under a similar name (located at Somerset Street in New Brunswick) which was modified and approved by the Members of the Authority in March of 2012 for a $23.8 million UTHTC for a residential project. A third project called 360-394 Springfield Avenue owned by Boraie was approved in January of 2011 for a $1.2 million ERG, however this project has decided to discontinue assistance from our Agency.

Project Uses and Sources

The Applicant proposes the following uses for the Project:

Uses	*Total Project Costs*	*HUB Eligible Amount**
Acquisition of Land and Building	$ 250,000	$ 0
Construction of Building & Site Improvements	$ 50,440,000	$ 50,440,000
Professional Services	$ 3,850,000	$ 3,850,000
Construction Interest	$ 2,750,000	$ 2,750,000
Financing Costs	$ 3,607,500	$ 2,007,500
Development Fee	$ 3,000,000	$ 0
TOTAL USES	**$ 63,897,500**	**$ 59,047,500**

* HUB eligible costs exclude $4.9 million associated with land cost, developer fees and project expenses which do not fit within the guidelines definition of eligible hard or soft costs. Note that the actual land cost is $2.75 million. However, the Developer's cost is only $250,000 as the City of Newark is providing a $1.2 million forgivable mortgage and a $1.3 million credit for demolition and environmental clean up costs.

Sources (Permanent)	*Total Project Costs*
Debt	$ 37,000,000
Loan proceeds from sale of UTHTC	$ 12,399,975
RAB proceeds	$ 4,875,000
Equity (includes developer fee)	$ 9,622,525
Total	**$ 63,897,500**

The sources and uses above reflect the HUB tax credits received prior to completion of the Project. The provider of the financing has not yet been identified at this time. The Applicant has provided a letter of interest from the AFL-CIO for up to $37 million in financing for the project. The AFL-CIO is exploring a significant guarantee of their financing from Ginnie Mae/HUD (which would afford them the ability to

offer more favorable terms of 40 year amortization at 5% fixed). Additionally, the Applicant anticipates an approval for approximately $12.4 million in proceeds via the sale of UTHTC to an investor in this Project (which are to be received upon issuance of the certificate of occupancy). The $12.4 million figure is calculated by taking the $20.7 million tax credit award purchased by the investor at .75 cents on the dollar. The investor then discounts the $15.5 million result by 20% which equates to a $12.4 million loan (which is then repaid as the credits are earned over the ten year period). As such, staff is recommending the UTHTC award up to $20.7 million, which represents the additional funding gap in the Project. The Project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, which will be discussed below. These returns are calculated with and without the HUB cash flow to compare the returns relative to market conditions.

The following chart displays the changes in the project costs and the amount of the UTHTC award (note that in the prior board action the maximum award was 20% of eligible costs and this has since been increased to 35% of eligible costs):

	February 2010 Board Action	Revised Award
Total Project Costs	$71,589,834	$63,897,500
Eligible Project Costs	$66,889,834	$59,047,500
Maximum HUB Award	$13,377,967	$20,666,625

The difference in the project costs above as well as the maximum HUB credits is $7.7 million and based on the total eligible costs of the Project, the maximum award is $20.7 million (as the percentage of credits to eligible costs rises from 20 to 35%) based on the project changes discussed previously.

Gap Analysis

EDA staff has reviewed the application to determine if there is a project financing gap. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the HUB. Projected rents provided by the Applicant appear consistent with information provided by an independent market analysis. The Developer has completed several similar projects in New Jersey and represented that financial modeling assumptions used in the proposed Project are based on their actual experiences coupled with current economic conditions as supported by the market study. The projected income and expenses combined with the anticipated appraised asset value relative to cost are such that a maximum of $37 million in debt will be able to be borrowed by this Project. This debt combined with the $4.875 million in RAB proceeds and the $9.6 million in equity results in a $12.4 million gap in sources that is anticipated to be met via the net sale proceeds obtained from monetizing the $20.7 million UTHTC (this ratio is consistent with those received by other applicants in this program). The returns stated below are based upon the Project achieving $37 million in debt and $12.4 million in UTHTC net proceeds (also for reference is the return as reported in the original approval).

With HUB	**Without HUB**
Equity IRR 7.97% (Market Range = 15-20%)	Equity IRR -3.33% (Market Range = 15-20%)

Utilizing the ARGUS based software the Equity IRR without the HUB incentive is a negative 3.33%. With the HUB incentive the Equity IRR is 7.97%. Both of these returns are well below the 15 to 20% market range provided by the EDA's contracted consultant Jones Lang Lasalle. Based

upon the return on investment, the project would not be otherwise completed without the benefit of the HUB incentive.

To date, $241,294,548 in tax credits has been approved under the UTHTC program for qualified residential projects and $696,484,642 for commercial projects for a total of $937,779,212. After approval of this Project for consideration by the Board today, the total tax credits approved under the UTHTC program will be $248,583,206 for qualified residential projects and $945,067,870 for all projects.

Recommendation:
Staff has reviewed the application for the Project and related documentation and recommends approval of the award of UTHTC of 35% of the eligible costs, not to exceed $20,666,625 or $2,066,663 annually for ten years. Prior to disbursement of any tax credits, EDA staff will ensure the Applicant provides all documentation as required under the UTHTC Act and Rules. Conditions of this approval to be met no later than July 31, 2012 include:

- A copy of the amended redevelopment agreement,
- Satisfactory evidence of financing for the Project,
- A copy of the amended site plan approval for the Project.

Prepared by: Michael A. Conte

GROW NEW JERSEY ASSISTANCE PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Ascena Retail Group Inc. and Dress Barn Inc.

PROJECT LOCATION: 933 MacArthur Blvd Mahwah Township Bergen County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core

APPLICANT BACKGROUND:
Dress Barn Inc. is an American retailer of women's clothing with its first store opening in Stamford, Connecticut in 1962. In January 2011, to move away from the direct association with the Dress Barn brand and reflect the company's broader holdings, the company was reorganized as Ascena Retail Group Inc. In addition to Dress Barn, Ascena owns the Maurices and Justice brands and the company operates over 2,500 stores throughout the United States, Canada, and Puerto Rico. The company is currently headquartered in Suffern, New York and trades on the NASDAQ under the symbol ASNA. The applicant has demonstrated the financial ability to undertake the proposed project.

MATERIAL FACTOR/NET BENEFIT:
The company's management is considering plans to move its existing combined corporate headquarters from its current location in Suffern, New York. Under consideration are locations in Mahwah, New Jersey and Pearl River, New York. If the New Jersey site is selected it will result in 405 new full-time jobs in the State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Ascena Retail Group and Dress Barn has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $118.9 million over the 15 years that the company would be committed to keep the jobs here.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Ascena Retail Group Inc. and Dress Barn Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than $20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

Grant Calculation

BASE GRANT PER EMPLOYEE:			$5,000	
BONUS INCREASES: ($1,000 per item with a max of $3,000)				
INDUSTRY:		$1,000		
PUBLIC TRANSIT:		$1,000		
HIGH SALARIES:		$1,000		
AFFECTED SITE:		0		
BONUS PER EMPLOYEE:			$3,000	
TOTAL GRANT PER EMPLOYEE:			$8,000	
ELIGIBLE JOBS:				
New Jobs:	405			
Retained Jobs:	0			
Total:	405			
ANNUAL CREDIT AMOUNT ($4,000,000 max):				$3,240,000

TOTAL AMOUNT OF AWARD:	$ 32,400,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 38,475,000
QUALIFIED INCENTIVE AREA:	PA-1
AVERAGE WAGES:	$ 95,405
NJ EMPLOYMENT AT APPLICATION:	0

PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Lockheed Martin Corporation

PROJECT LOCATION: 199 Borton Landing Road Moorestown Township Burlington County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core

APPLICANT BACKGROUND:
Lockheed Martin Corporation, which is headquartered in Bethesda, Maryland, is a global security and aerospace company that employs roughly 123,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. As a global security, aerospace, and information technology company, the majority of Lockheed Martin's business is with the U.S. Department of Defense and the U.S. federal government agencies. In fact, Lockheed Martin is the largest provider of IT services, systems integration, and training to the U.S. Government. The remaining portion of Lockheed Martin's business is comprised of international government and some commercial sales of the company's products, services and platforms.

The company's Mission Systems and Sensors (MS2) division operates a facility in Moorestown, New Jersey. MS2 and its predecessor companies have built a substantial business as the developers and producers of the Aegis Combat system for the U.S. Navy's most advanced, front-line cruisers and destroyers. The applicant has demonstrated the financial ability to undertake the proposed project.

MATERIAL FACTOR/NET BENEFIT:
Recent U.S. Defense Department directives call for an increased use of competitive bidding to reduce costs. As a result, Lockheed Martin has been asked to respond to a request for proposals (RFP) in order to continue in its role supporting Aegis Combat systems for the U.S. Navy. The Aegis contract serves as the foundation for the company's business unit in Moorestown, driving computer program development, manufacturing, production, system testing, training, and support activities. The competition is for a ten year contract and management estimates that a failure to win the RFP process would result in the loss of 1,000 jobs in New Jersey. Should it win the contract, Lockheed would invest over $40 million in its Moorestown facility to make modifications and infrastructure improvements as well as to purchase new machinery and equipment. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

As part of the Grow New Jersey legislation, a business that is required to respond to a request for proposals and to fulfill a contract with the federal government is not required to demonstrate that the award of tax credits will be a material factor in the company's decision to remain in the State provided that the economic benefit of the retained jobs servicing the contract will result in a net benefit to the State. The applicant has demonstrated that the retention of the jobs at risk will result in a net benefit to the State of $266.2 million over the 15 years the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:
An applicant that is required to respond to a request for proposals and to fulfill a contract with the federal government is permitted to count as "retained jobs" any jobs that are at risk of being eliminated. Based on the information contained in the application and the certification thereof, staff has concluded that the jobs listed in the application are at risk.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being eliminated; 2) approve the proposed Grow New Jersey grant to encourage Lockheed Martin Corporation to maintain employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant will make an eligible capital investment of no less than $20 million after Board approval, but no later than July 28, 2017.
2. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
3. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
4. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
5. In order to remain eligible for the credits, the applicant must be required to fulfill the contract with the federal government.

Grant Calculation

BASE GRANT PER EMPLOYEE:			$5,000	
BONUS INCREASES: ($1,000 per item with a max of $3,000)				
INDUSTRY:		$1,000		
PUBLIC TRANSIT:		0		
HIGH SALARIES:		$1,000		
AFFECTED SITE:		0		
BONUS PER EMPLOYEE:			$2,000	
TOTAL GRANT PER EMPLOYEE:			$7,000	
ELIGIBLE JOBS:				
New Jobs:	0			
Retained Jobs:	1,000			
Total:	1,000			
ANNUAL CREDIT AMOUNT ($4,000,000 max):				$4,000,000

TOTAL AMOUNT OF AWARD:	$ 40,000,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 40,000,000
QUALIFIED INCENTIVE AREA:	PA-2
AVERAGE WAGES:	$ 98,000
NJ EMPLOYMENT AT APPLICATION:	5,536

PROJECT IS: (X) Expansion ( ) Relocation
CONSTRUCTION: (X) Yes ( ) No
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER**: K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Royal Wine Corporation, Kenover Marketing Corporation, and affiliates

PROJECT LOCATION:	New Hook Road	Bayonne City	Hudson County
	63 Lefante Way	Bayonne City	Hudson County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core

APPLICANT BACKGROUND:
Royal Wine Corporation is a leader in the kosher wine and beverage industry. For over 50 years, Royal Wine Corporation has been owned and operated by the Herzog family whose wine making roots date back eight generations to 19th century Czechoslovakia. All Royal products are certified kosher and are therefore prepared in adherence to the highest standards of cleanliness and purity, requiring meticulous care and pristine winemaking conditions. Kenover Marketing Corporation is an affiliated company that distributes food products to specialty and retail stores located primarily in the New York metropolitan area. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
The objective of the proposed project in New Jersey is to combine the operations of Royal Wine Corporation and Kenover Marketing into one campus. The new complex would consist of the facility currently owned and operated by Royal Wine in Bayonne as well as the construction of a new 210,000 sq ft warehouse and distribution facility on neighboring land to replace Kenover's current operations in Brooklyn. Should the project prove not to be economically feasible in Bayonne, the applicant would pursue the project in Ulster County, New York. If the New Jersey location is selected, it will mean the retention of 184 eligible employees as well as the creation of 143 new jobs in the State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result the management of Royal Wine and Kenover Marketing has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $93.7 million over the 15 years that the company would be committed to keep the jobs here.

FINDING OF JOBS AT RISK:
The applicant has certified that the 184 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

APPROVAL REQUEST:
The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey; 2) approve the proposed Grow New Jersey grant to encourage Royal Wine Corporation, Kenover Marketing, and affiliates to expand in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than $20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Upon approval of its Grow New Jersey application, the applicant is required to repay the benefits received under a prior BEIP approval totaling $638,702.52.

Grant Calculation

BASE GRANT PER EMPLOYEE:			$5,000	
BONUS INCREASES: ($1,000 per item with a max of $3,000)				
INDUSTRY:		$1,000		
PUBLIC TRANSIT:		$1,000		
HIGH SALARIES:		0		
AFFECTED SITE:		0		
BONUS PER EMPLOYEE:			$2,000	
TOTAL GRANT PER EMPLOYEE:			$7,000	
ELIGIBLE JOBS:				
New Jobs:	143			
Retained Jobs:	184			
Total:	327			
ANNUAL CREDIT AMOUNT ($4,000,000 max):				$2,289,000

TOTAL AMOUNT OF AWARD:	$ 22,890,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 33,750,000
QUALIFIED INCENTIVE AREA:	PA-1
AVERAGE WAGES:	$ 50,278
NJ EMPLOYMENT AT APPLICATION:	184

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM

APPLICANT: Teva Pharmaceuticals USA, Inc.

PROJECT LOCATION: 180 Park Avenue Florham Park Borough Morris County

GOVERNOR'S INITIATIVES:
( ) NJ Urban Fund (X) Edison Innovation Fund ( ) Core

APPLICANT BACKGROUND:
Teva Pharmaceuticals USA, Inc. is part of a global pharmaceutical group that develops, produces, and markets generic drugs in all major therapeutic categories. It is a wholly owned subsidiary of Teva Pharmaceutical Industries, Ltd., a leader in generic pharmaceuticals, and among the top fifteen pharmaceutical companies in the world. The group has operations in approximately 60 countries, ranging from North and Latin America to Europe and Asia. It markets products in a wide range of therapeutic areas including cardiovascular, anti-infective, CNS, anti-inflammatory, oncolytic, anti-diabetic, analgesic, dermatology, respiratory, and women's health. The applicant has demonstrated the financial ability to undertake the proposed project.

MATERIAL FACTOR/NET BENEFIT:
Teva is currently in the process of examining location options for a new 140,000 square foot state of the art research and development facility. The project would mean a consolidation of a portion of the company's operations currently located in New Jersey, New York, and California. The company is considering locating the project in either Morris County, New Jersey or Bucks County, Pennsylvania. If Morris County is selected, the project would create 215 new jobs in a desired industry in the Garden State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and as a result Teva's management has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification that states that the application has been reviewed and the information submitted and representations contained therein are accurate. It is estimated that the project would have a net benefit to the State of $62.7 million over the 15 years that the company would be committed to keep the jobs here.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Teva Pharmaceuticals to expand in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

CONDITIONS OF APPROVAL:
1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than $20 million after board approval, but no later than July 28, 2017.
3. No employees that are subject to a BEIP, BRRAG, or Urban Transit Hub are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, or Urban Transit Hub is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

Grant Calculation

BASE GRANT PER EMPLOYEE:		$5,000	
BONUS INCREASES: ($1,000 per item with a max of $3,000)			
INDUSTRY:	$1,000		
PUBLIC TRANSIT:	0		
HIGH SALARIES:	$1,000		
AFFECTED SITE:	0		
BONUS PER EMPLOYEE:		$2,000	
TOTAL GRANT PER EMPLOYEE:		$7,000	
ELIGIBLE JOBS:			
New Jobs:	215		
Retained Jobs:	0		
Total:	215		
ANNUAL CREDIT AMOUNT ($4,000,000 max):			$1,505,000

TOTAL AMOUNT OF AWARD:	$ 15,050,000
TERM:	10 years
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 73,138,931
QUALIFIED INCENTIVE AREA:	PA-1
AVERAGE WAGES:	$ 110,000
NJ EMPLOYMENT AT APPLICATION:	261

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** K. McCullough

CLEAN ENERGY SOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: EDA-BPU ARRA MOU Amendment

DATE: April 10, 2012

The Members of the Board are requested to review and approve the American Recovery and Reinvestment Act "ARRA" Memorandum of Understanding (MOU) amendment between the Board of Public Utilities (BPU) and the New Jersey Economic Development Authority (EDA) concerning the transfer of approximately $3 million in unspent State Energy Plan ("SEP") funds for the development of a new ARRA Revolving Loan Fund ("ARRA RLF") Program for future energy efficiency and renewable energy projects in State-owned facilities.

Background:

As the Members may recall, in 2010, BPU and the EDA entered into a Memorandum of Understanding on for purposes of implementing the EDA ARRA Program, a $18 million grant program for CHP projects which was approved as part of the United States Department of Energy ("USDOE") Grant to the State of New Jersey under the American Recovery and Reinvestment Act of 2009.

Recently it was brought to EDA's attention by BPU that there remains additional unspent State Energy Plan ("SEP") funds for the State of NJ from the USDOE Grant Agreement issued pursuant to the ARRA, which must be expended prior to April 30, 2012 or be lost to the State. Per guidance from the USDOE, the BPU has asked EDA, because of our experience with ARRA funds under the previous program, to be designated as a third party administrator of a revolving loan fund in order to transfer the fund balance to the EDA by the expenditure deadline. The existing ARRA MOU is being utilized to effectuate this transfer. Accordingly, the BPU and the EDA will work to establish the ARRA Revolving Loan Fund ("ARRA RLF") Program for the purpose of utilizing unexpended SEP funds for future energy efficiency and renewable energy projects in State-owned facilities. Specific program details will be developed by staff in the next few months with a final program description to be brought to both Boards for approval. (See Appendix A for the MOU Amendment).

Recommendation:

The Members of the Board are requested to approve and authorize the execution of the attached MOU amendment between the Board of Public Utilities (BPU) and the Authority's Chief Executive Officer, subject to the review and approval of the Office of the Attorney General, concerning the transfer of approximately $3 million in State Energy Plan funds for the development of a new ARRA RLF program.

Attachment

Caren S. Franzini

Prepared by: Sandy Zeglarski

APPENDIX A

--EDA-BPU ARRA MOU AMENDMENT--

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

BETWEEN

THE NEW JERSEY BOARD OF PUBLIC UTILITIES

AND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Second Amendment to Memorandum of Understanding (**"Second** Amendment**"**), made as of the Effective Date set forth below, by and between the NEW JERSEY BOARD OF PUBLIC UTILITIES ("BPU" or "Board") through its State Energy Office ("SEO") an instrumentality of the State of New Jersey ("State"), with a place of business at 44 S. Clinton Ave., Trenton, New Jersey 08625 and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("EDA"), an instrumentality of the State, with a place of business at, 36 West State Street, P.O. Box 990, Trenton, New Jersey, 08625 (collectively, the "Parties").

WHEREAS, the Parties entered into a Memorandum of Understanding, dated as of February 2, 2010, ("ARRA-MOU") for purposes of implementing the EDA ARRA Program, a $15 million grant program which was approved as part of the United States Department of Energy ("USDOE") Grant to the State of New Jersey under American Recovery and Reinvestment Act of 2009, Public Law 111-5 ("ARRA") and which was described in Attachment 3 appended to the ARRA-MOU and made a part thereof; and

WHEREAS, the ARRA-MOU was amended on September 13, 2010 to include revised attachments and increase the $15 million grant to $18 million; and

WHEREAS, there remains additional unspent State Energy Plan ("SEP") funds from USDOE Grant Agreement issued pursuant to the ARRA, which must be expended prior to April 30, 2012 or be lost to the State; and

WHEREAS, the unspent ARRA funds will be captured in a revolving loan fund established within the EE through SEO market title; and

WHEREAS, the Parties have determined to establish the ARRA Revolving Loan Fund Program ("ARRA RLF") for the purpose of utilizing unexpended SEP funds for future energy efficiency and renewable energy projects in State-owned facilities and

WHERAS, the BPU, as Prime Recipient of New Jersey's ARRA SEP funds, agrees to obtain USDOE approval and any necessary State approval for the creation and implementation of the ARRA RLF Program; and

WHEREAS, the Parties agree that the BPU, working through the State Energy Office ("SEO") and in conjunction with the State Energy Savings Initiative Oversight Committee, will be responsible for technical review of the proposed projects to determine which State-owned

facilities are eligible to fund; and that during construction, the SEO shall be responsible for monitoring the expenditure of these funds for compliance with State and Federal requirements, including, but not limited to the Davis Bacon Act, Buy American requirements, NEPA, Jobs Reporting requirements and SHPO review, and shall file all required reports; and

WHEREAS, the Parties agree that the EDA will administer the ARRA RLF Program and, as such, shall be responsible for, among other things, performing an underwriting analysis of the projects identified by SEO as technically eligible, and approving loans upon such terms and conditions as EDA deem to be reasonable, but will not be responsible for any monitoring or reporting associated with the federal funds; and

WHEREAS, the Parties agree to collaborate in defining the details of the ARRA RLF at a later time, including the transfer of the above-referenced ARRA funds to EDA for administration of the ARRA RLF Program and the fees payable to the EDA for its services rendered in connection with the Program; and

WHEREAS, it is anticipated that initially, the ARRA RLF will be funded with approximately $3 million in ARRA SEP funds; and

WHEREAS, the Parties agree that the use of these funds will be in compliance with all Federal requirements associated with the ARRA grants, and future projects funded with these grant funds shall be in compliance with the Federal flow-down requirements; and

WHEREAS, the ARRA-MOU provides that the Parties may modify or amend the ARRA-MOU by a writing signed by both of the Parties; and

WHEREAS, the Parties desire to amend the ARRA-MOU in order to make certain changes thereto, including but not limited to the addition of the ARRA RLF Program.

NOW THEREFORE, in consideration of the promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the ARRA-MOU as follows:

1) The Whereas clauses recited hereinabove are incorporated as if fully set forth in the body of this Second Amendment.

2) Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the ARRA-MOU.

3) This Second Amendment may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

4) This Second Amendment shall be effective as of the date of final execution by the Parties (the "Effective Date").

5) Except as otherwise modified hereinabove, the terms and conditions of the ARRA-MOU shall remain in full force and effect.

IN WITNESS HEREOF, the Parties have executed this Amendment:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Dated: _____

NEW JERSEY BOARD OF PUBLIC UTILITIES

By: _____

Dated: _____

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: New Product Approval – Large Scale CHP-Fuel Cells Program

DATE: April 10, 2012

Request:

The Board is requested to review the proposed Large Scale Combined Heat and Power-Fuel Cells (LSCHP-FC) Program that advances the goals of the New Jersey Energy Master Plan to develop 1,500 MW of Combined Heat and Power generation over the next ten years. This new program will be funded by the New Jersey Board of Public Utilities Clean Energy Program Funds and will be administered by the New Jersey Economic Development Authority (EDA).

Background:

The New Jersey Board of Public Utilities Office of Clean Energy and the New Jersey Economic Development Authority have been administering various New Jersey Clean Energy Programs ("CEP") which are designed to promote the development and installation of renewable energy, energy efficiency, and alternative energy projects statewide. Since 2003, seven interagency MOUs have been developed to memorialize the role of EDA in supporting numerous BPU-funded programs. The latest MOU amendment, approved by the EDA Board on February 14, 2012, allows for $55 million in new Clean Energy Program funds for the development of a new Large Scale CHP-Fuel Cells Program.

Two public working group sessions were held in January 2012 to discuss and define the program definition. The feedback received from these working group sessions was taken into consideration with the development of this new Large Scale CHP-Fuel Cells Program.

Program Description:

The detailed product definition and key program requirements for the proposed LSCHP-FC Program are provided in the program competitive Solicitation. Principal program parameters are provided in Appendix A.

To allow for EDA's role in administering this new LSCHP-FC program, an amendment was made to the existing Memorandum of Understanding between the BPU and the EDA that was approved by BPU at their Dec 14, 2011 Board and approved at EDA's February 14, 2012 Board and fully executed on March 1, 2012.

The LSCHP-FC Program is a grant program for fixed asset improvements that is open to commercial, industrial and institutional (including government and 501 c 3 corporations) entities that are installing in excess of 1 MW of combined heat and power or fuel cell generation. It is anticipated that there will be two Solicitation rounds. The first Solicitation to be made available in spring 2012, will be in the amount of $20,000,000 with up to fifteen percent (15%) of the funding or up to $3,000,000 set aside for the funding of Fuel Cell (FC) projects. If there are no Fuel Cell applications or less than the $3,000,000 set aside in response to this Solicitation, the BPU and EDA will award CHP projects the remaining allocation of this set aside. An Evaluation Committee, expected to be comprised of EDA, BPU and DEP representatives with subject matter expertise, will review and rank Applicant projects based upon meeting specified scoring criteria. Those projects receiving the highest scores will be recommended by the Evaluation Committee for funding. BPU Board approval is required for all awards. Projects not funded under the first Solicitation will be permitted to resubmit their application in future solicitations. Any remaining funds from this Solicitation shall be made available in subsequent solicitations. The grant award will be a function of the system size and amount of electricity that the CHP-Fuel Cells project generates. Total project funding cannot exceed $3,000,000 per project with maximum percent of project cost capped at 30% for CHP and 45% for Fuel Cell Projects. It is anticipated that another solicitation round will be made available in late 2012 in the approximate amount of $35 million.

Recommendation:

Staff recommends the Board approve the Large Scale CHP-Fuel Cells Program as described herein, subject to review by the Office of the Attorney General.

Caren S. Franzini

Prepared by: Sandy Zeglarski

APPENDIX A
LARGE SCALE CHP-FUEL CELLS PROGRAM OUTLINE

Product Concept: **Large Scale CHP-Fuel Cells Grant**

Product Description: Grant to support the construction of commercial, institutional, and industrial entity Combined Heat and Power and Fuel Cell projects in New Jersey in alignment with the goals of the Energy Master Plan.

Funding Source/Amount: $55 Million (CEP Funds)
1st Solicitation Round – April 25, 2012 – June 25, 2012 ($20MM);
2nd Solicitation Round – late 2012 ($35MM)

Approval Authority: NJBPU Board

Funding Use: Project –specific, fixed asset purchases. New installations are eligible; expansions of an existing facility with new equipment are also eligible. Equipment must be commercially available and permanently installed. Funds may not be used to cover administrative costs.

Eligibility: NJ-based Commercial, Institutional or Industrial entity (including public and non-profits)

- CHP or Fuel Cell systems greater than 1 MW
- CHP systems with waste heat utilization must achieve annual system efficiency of at least 65% and fuel cells without heat recovery must achieve annual system efficiency of at least 45%.
- CHP/Fuel Cell system warranty must be all-inclusive for at least five years.
- Businesses should create or maintain jobs in New Jersey
- Minimum 3 years in business (Operating entity) (TBD)

Maximum/Limits: Grant will be a function of the system size and amount of electricity that the CHP-Fuel Cells project generates

- Total project funding cannot exceed $3MM per project Maximum % of project cost – 30% CHP, 45% Fuel Cell Projects
- Total state and/or federal funding may not exceed 50% of the total project cost

CHP Incentives:

Tiered CHP incentive structure as follows:

- CHP greater than 1MW to less than or equal to 3 MW -- $0.55 per Watt / $550/kW for first 3 kW
- CHP greater than 3 MW -- $0.35 per Watt / $350/kW above 3 kW

Fuel Cell Incentives:

Fuel Cell Incentives as follows:

- FC greater than 1 MW <u>with</u> waste heat utilization $2.00 per Watt
- FC greater than 1 MW <u>without</u> waste heat utilization $1.50 per Watt

Terms/Conditions:

- Applicant must provide evidence of source of funds needed to complete project
- Applicants must obtain any required permits and comply with applicable Federal, State and Municipal Laws, Codes and Regulations for work performed under this award
- Prevailing Wage Applies
- Applicant must agree to an inspection and monitoring by the BPU, a BPU/EDA representative, or a BPU/EDA-designated contractor.
- Installation must comply with the host utility's Interconnection Requirements. Applicants must not have any unresolved environmental violations, past due unresolved Federal financial obligations, past due unresolved financial obligations to the State of New Jersey, and must be current in all payment of all state and local taxes at time of application submittal and through the entire duration of project funding received by Applicant.
- The BPU reserves the right to modify or withdraw this program. Program procedures and incentive levels are subject to change or cancellation without notice. Approved projects will be honored under the terms stated in the commitment letter.

EDA Fees:

No customer administrative fees other than a fee payable to the NJ Division of Taxation for processing of a Tax Clearance Certificate ($75 for standard processing; $200 for expedited).

EDA administrative fees:

- EDA receives one-time administrative fee of $550,000 for services rendered in connection with the CHP Program. (MOU Amendment outlines program funds, admin fees)

Review & Award Process: Competitive Solicitation Review Process (those ineligible due to incomplete application submissions, may reapply to subsequent solicitations)

Disbursements: Payments will be based on meeting mutually agreed upon milestones. There will be three main disbursements:

1) At time company makes non-refundable deposit on equipment (up to 30% of amount awarded)
2) Upon equipment delivery (up to 70% of amount awarded, but not to exceed 90% of total amount awarded when combined with the prior disbursement)
3) Upon system installation (remainder awarded)

Reporting Requirements: All projects awarded funding will be required to meet reporting requirements as detailed within the Solicitation.

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

SUBJECT: Sequins Inc. DBA Sequin City
$221,250 Direct Loan

Request:

1) Consent to twelve (12) month principal moratorium [4/1/2012 to 3/1/13] to provide short term cash flow relief to borrower.
2) Extend the loan amortization from fifteen (15) years to twenty (20) years to support working capital needs in the longer term. Approval of this request will be subject to additional financial requirements.

Background:

Sequins Inc. DBA Sequin City ("Sequins") is a manufacturer of embroidered sequined fabrics supplied to the fashion district in NYC, Broadway costume designers, and major American theme parks including Disneyland & Disney World.

The company had been operating out of a 5,000 square foot leased facility in West New York for nine years when the landlord decided to demolish the building and develop a strip mall. The principal had limited time to move and found a 14,000 square foot manufacturing plant in North Bergen that was being sold along with several high quality sequin manufacturing machines and inventory.

On April 12, 2011, the Members approved a $225,000 direct term loan in conjunction with a $187,000 SBA 504 loan (provided through NJ Business Finance Corporation) to acquire the property. Unfortunately due to time needed to resolve loan documentation issues with the SBA, closing was delayed about 3 months until late October.

During this time the company expended cash reserves to cover increased rent, loan fees and fund the business. However, the cash reserves were insufficient to cover costs and resulted in the company extending its payables to vendors and other obligations.

To provide cash flow relief needed to meet outstanding obligations, staff is recommending twelve (12) months principal moratorium. In addition, staff is recommending the amortization also be extended from fifteen to twenty years to reduce debt service requirements. The savings will provide the company

an opportunity to improve cash flow and to rebuild cash reserves expended during the delay. In addition the amortization will be the same as the SBA financing. To provide Mr. Hill with financial and management tools, staff has reached out to UCEDC's mentoring program to assist with this technical assistance.

Recommendation:

Consent to a twelve month principal moratorium and extension of the amortization of the loan from fifteen years to twenty years is recommended. Approval will provide debt service relief and support the working capital needs of this manufacturing company.

Approval will be subject to the following:

For the 12 month principal moratorium - Borrower's obtaining technical assistance and agreement to submit interim income statements beginning June 30

For the extension of amortization period - receipt and review of 2011 company and personal financial information

Prepared by: Tejinder Gill

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

SUBJECT: **Woodrose Properties Golden Swan, LLC**
P21755

Request:

The purpose of this memo is to request that the Members of the Board modify a $750,000 direct loan under the Fund for Community Economic Development program. This modification will (1) extend the commitment expiration date of the direct loan from December 27, 2011 to June 29, 2012, and (2) add the Northeast Regional Council of Carpenters as a co-borrower.

Background:

On January 12, 2010, the Members of the Board approved a $750,000 direct loan to Woodrose Properties Golden Swan, LLC ("Woodrose" or the "Company"). This project involved the redevelopment of a dilapidated and long time vacant building in the City of Trenton into a mixed-use facility. Providing a corporate guarantee on the loan is the NJ Regional Council of Carpenters. Note that in April 2011 the NJ Regional Council of Carpenters formally changed its name to the Northeast Regional Council of Carpenters ("NRCC").

Approval of this modification is requested. All other items as stated in the original approval will remain the same.

Prepared by: David A. Lawyer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 10, 2012

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

On September 11, 2001, and as amended on September 16, 2003, the Members of the Authority approved a delegation of authority to the Chief Executive Officer and staff to approve certain BEIP modifications.

Attached is a list of the BEIP modifications that were approved in the 1st quarter ending March 31, 2012.

Prepared by: C. Craddock

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING MARCH 2012

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Name	Action	Modification
AIG SunAmerica Asset Management Corp.	Reduction of NEC & Grant Award Percentage	Decrease in the grant award percentage from 75% to 65% due to a reduction of jobs created. The decline in business was due to the downturn in the economy.
CommVault Systems, Inc.	Name Change	Name Change from CommVault Systems, Inc. to CommVault Americas, Inc.
KPMG LLP	Reduction of NEC & Grant Award Percentage	Decrease in the grant award percentage from 65% to 60% due to a reduction of jobs created. The decline in business was due to the downturn in the economy and the company over-estimating the number of jobs they were to create at the project site at the end of the base years.
Vonage Holdings Corporation and Affiliates	Name Change of Grantees	Name Change from Vonage Marketing, Inc to Vonage Marketing, LLC. and Vonage Network, Inc. to Vonage Network, LLC.

UEZ Energy Sales Tax Exemption for Manufacturers

General Mills Operations, LLC	Salem Annual Extension	Extension to December 31, 2012

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: April 10, 2012

SUBJECT: Delegated Authority Approvals for 1st Quarter 2012.
For Informational Purposes Only

Name	EDA Exposure	Action
APCO Petroleum Corp.	$ 921,639	Extend the maturity of the Main Street participation loan 32 months to February 2017 and consent to the Bank's release of $250,000 in cash and residential property taken as abundance of caution in exchange for a pari passu position on remaining collateral (11 gas stations) that adequately secures the loan. This represents a significant improvement in collateral as previously EDA was subordinate to $9.3 million in bank debt.
Time Sight Systems, Inc.	$ 785,896	Restructure principal payments on the Edison Innovation Fund loan from monthly to annual payments based on an increasing percentage of revenue and extend the maturity date by 2 years to November 2016. EDA obtained additional warrants as required per policy.
Singh Gas	$ 467,346	Extend the HSDRF loan maturity 2 years to January 2014, with an initial 6 months interest only period, to allow time for receipt of insurance proceeds and permit borrower to repay the outstanding balance.
John's Uptown Mobile, LLC	$ 76,285	Extend the defaulted UST loan to August 2015 to allow the Borrower additional time to repay the loan in full.
Borough of Woodbine	$ 50,000	Extend the CED loan maturity for 2 years to January 2014 to allow the redeveloper to secure permits for closure and capping of the landfill which is required in advance of construction of a bio-fuels facility on the project site.

Prepared by: Daniel Weick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: April 10, 2012

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in March 2012:

New Jersey Business Growth Fund:

1) Robert Bifani, LLC (P37311, located in Howell Township, Monmouth County, is the real estate holding company formed to take ownership of the project property. The operating company, Mid-State Heating and Cooling Inc. is owned by Robert J. Bifani, and operates as a heating and air conditioning contractor. Services offered include maintenance, repair and installation of heating and air conditioning units/systems for residential and commercial clients. PNC Bank approved a $690,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed $172,500. Proceeds will be used to purchase commercial real estate. Currently, the company has 29 employees and plans to create five additional jobs within the next two years.

2) Incineration Recycling Services, Inc. (P37372), located in Camden City, Camden County, was formed in 1960 as a privately owned, nationally recognized recycler of materials relating to all aspects of industry, including the core business of industrial packaging. This includes but is not limited to, 5-110 gallon drums and pails and intermediate bulk containers ranging from 150-500 gallon. They process any recyclable product, including neutralization and shredding, neutralizing and crushing, and neutralization and incineration. PNC Bank approved a $110,000 bank loan with a five-year, 25% guarantee of principal outstanding, not to exceed $27,500. Proceeds will be used to purchase equipment. The company currently has fifteen employees and plans to create one new position over the next two years.

NJ Main Street Program:

1) J.L. Dobbs, Inc. (P37328 & P37331), West Deptford Township, Gloucester County, was formed in 1986 as a rental service for cranes and operators and also provides storage and trucking services. Roma Bank approved a $2,000,000 loan contingent upon a 50% EDA guarantee, not to exceed $1,000,000, and a $200,000 working capital line of credit contingent upon a 50% EDA guarantee. Currently, the company has fourteen employees and plans to create one new position over the next two years.

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2) Montville Petroleum Inc. (P37346), located in Upper Saddle River Borough, Bergen County, was founded in 2006 as an Exxon gas station. Operations include a convenience store branded as Tiger Mart, which has an ATM and sells lottery tickets. TD Bank approved a $2,323,000 term loan with a 22.2%, $516,000 Authority participation and a five-year, 25% guarantee of principal outstanding, not to exceed $451,750. The company currently has five employees and plans to create two jobs over the next two years.

3) Northview, Inc. (P37347), located in Paramus Borough, Bergen County, was formed in 1976 as an Exxon-Mobil gas station. Operations include a Discount Tire location. TD Bank approved a $1,385,127 term loan with a 22.3%, $308,806 Authority participation and a five-year, 25% guarantee of principal outstanding, not to exceed $269,080. Currently, the company has eight employees and plans to create one additional job within the next two years.

4) Wayne Minimart, Inc. (P37325), Wayne Township, Passaic County, was formed in 2009 as an Exxon gas station and On The Run convenience store. TD Bank approved a $1,334,000 mortgage, with a $236,000 (17.69%) Authority participation. The company currently has six employees and plans to create two new positions within the next two years.

Premier Lender Program:

1) 1595 MacArthur Blvd, LLC (P37312), located in Mahwah Township, Bergen County, is a newly formed real estate holding company that was formed to purchase the project property. The operating company, Dimensional Communications, Inc. was established in 1963 as a designer and manufacturer of integrated structures for trade show booths, museum exhibit design, multimedia design, and interiors. M&T Bank approved an $8,310,000 bank loan with a $1,250,000 (15%) Authority participation. Proceeds will be used to purchase commercial property and equipment, to renovate the property, and engineering and architectural fees. The company currently has 72 employees and plans to create 30 new positions over the next two years.

Prepared by: D. Lawyer
DL/gvr

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Acquisition and Rehabilitation of Five State Police Barracks
Budget Revision

DATE: April 10, 2012

The Members are asked to approve an increase in the budget from $8.660 million to $8.835 million for the State Police Barracks Acquisition and Rehabilitation project. The increase is primarily attributable to the inclusion of $205,000 in funding provided by Treasury's Division of Property Management and Construction (DPMC) for the project's initial Pre-Acquisition Services. Treasury has confirmed that the Authority may apply these funds toward project costs rather than reimbursing DPMC as allowed under the Authority's May 2009 reimbursement resolution.

Background

In January 2009, the Members approved a Memorandum of Understanding between the Authority and DPMC and a budget, in the amount of $155,000, for Pre-Acquisition Services related to the acquisition and rehabilitation of six State Police Barracks.[1] After the Members approved the MOU and the budget, DPMC provided the Deposit, $155,000 to fund the services as required by the MOU. The MOU approved by the Members provided, "In the event EDA anticipates expending or incurring Pre-Acquisition Services expenses that will exceed the balance of the Deposit, EDA may submit a supplemental requisition request to DPMC, with appropriate documentation, which shall be paid by DPMC to" the Authority within 30 days.

Subsequently, in May 2009, the Members approved a resolution declaring the Authority's intent to issue bonds to fund the project and reimburse costs incurred prior to the issuance of the bonds with bond proceeds.

In March 2011, the Managing Director of Finance and Development (Real Estate) requested that DPMC fund an additional $50,000 for the property acquisition surveys and environmental due

[1] The initial feasibility study included six barracks. DPMC removed one barrack from the study. In October 2009, the Members approved the acquisition of five barracks.

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diligence to acquire the properties. In April 2011, DPMC funded the additional amount and the Authority provided the services required to purchase the barracks.

The Pre-Acquisition Services activities paid/accrued under the MOU are summarized below:

Description	Amount
Title	$717.00
Architectural and Engineering Feasibility	$161,967.64
Construction Management Feasibility	$30,000.00
Procurement Administrative Costs	$1,427.34
Total Uses	**$194,111.98**

The current balance of DPMC funds held by the Authority is $10,888.02 ($205,000 minus $194,111.98). In March 2012, DPMC agreed to permit the Authority to use the remaining balance for the barracks rehabilitation; DPMC's approval is required for this use because the MOU provides that "In the event that Pre-Acquisition Services expenses actually expended or incurred in connection with Pre-Acquisition Services are less than the estimated expenses, the balance" of the funds would be refunded to DPMC.

In October 2009, the Members approved the purchase of the barracks and in June 2011, the Members approved the Lease, the Agreement to Purchase the Property, the project budget, and the issuance of bonds for the acquisition and the rehabilitation of the barracks. The budget the Members approved in 2011 included the Pre-Acquisition Service uses but the budget did not include the $205,000 provided by DPMC as a source of funds. The June 2011 budget included funds that would allow the Authority to reimburse DPMC for the Pre-Acquisition Services provided under the MOU from bond resources, consistent with the May 2009 reimbursement resolution.

Authority and DPMC staffs have consulted and agree that under the MOU it was never the parties' intention to repay DPMC from bond proceeds, the Deposit, or any additional funds remaining from the Pre-Acquisition Services. Accordingly, DPMC has agreed that the Authority may include the $205,000 as a source of funds.

Attached as Exhibit A is the revised budget, which shows the differences between the June 2011 approved budget and the proposed budget. The budget reflects the following:

- The reduction of available bond sources from $8.660 million to $8.630 million (the bond sale produced $30,000 less than anticipated).
- The reduction of budget line items to reflect the loss of $30,000 in bond proceeds.
- The inclusion of the Deposit and additional funds ($205,000) provided by DPMC as an additional source of funds.
- Adjustments to budget line items to reflect the line item being fully expended with funds in surplus or in need of funds. The rehabilitation cost has been increased to reflect current construction estimates. Any budget line surplus is moved to the contingency and

any funding deficiency in a budget line item is taken from the contingency.

- Added as a source is interest earned to date in the trustee held construction bond account (this will continue to increase as interest is earned). These funds will be made available as additional contingency to the project as needed.

With these budget adjustments, the project uses increase to $8.835 million from $8.660 million and the total available sources are increased to $8.837 million from $8.660 million.

Recommendation
I ask that the Members approve the revised project budget as attached to this memo.

Caren S. Franzini
Chief Executive Officer

Prepared by: Juan Burgos

EXHIBIT A: Revised Budget for the Acquisition and Rehabilitation of Five State Police Barracks

		Enter Date: 6/14/2011	3/12/2012		
	Uses of Funds	**Board Approved Budget**	**Total Budget Adjustments**	**Adjusted Budget**	**Budget Variance**
1.00	**Acquisition**				
1.01	Barracks	$5,600,000	$0	$5,600,000	$0
1.02	Closing Costs	$56,000	[illegible]	$8,130	$47,870
1.03	Real Estate Taxes and Related Fees	$55,000	[illegible]	$49,297	$5,703
	Subtotal Acquisition	**$5,711,000**	[illegible]	**$5,657,427**	**$53,573**
2.00	**Improvements**				
2.01	Rehabilitation	$1,399,000	$401,000	$1,800,000	[illegible]
2.02	Construction Management (CM) Fee	$29,000	$11,500	$40,500	[illegible]
2.03	Permits and Related Fees	$38,095	$0	$38,095	$0
2.04	DL&W Worker Training Fee	$7,000	$140	$7,140	[illegible]
	Subtotal Improvements	**$1,473,095**	**$412,640**	**$1,885,735**	[illegible]
3.00	**Professional Services**				
3.01	Architect and Engineer (A / E) Design & Construction	$292,000	$0	$292,000	$0
3.02	A / E Feasibility & Acquisition Due Diligence	$162,000	[illegible]	$161,968	$32
3.03	CM Preconstruction Services (Feasibility & Design)	$55,000	$0	$55,000	$0
	Subtotal Professional Services	**$509,000**	[illegible]	**$508,968**	**$32**
4.00	**Finance and Administration**				
4.01	Bond Fees	$43,000.00	$73,150	$116,150	[illegible]
4.02	Insurance (Builder's Risk / Liability / PLL)	$150,000	[illegible]	$82,862	$67,138
4.03	Legal	$60,000	[illegible]	$0	$60,000
4.04	Procurement Administrative Costs	$1,427	$0	$1,427	$0
	Subtotal Finance and Administration	**$254,427**	[illegible]	**$200,439**	**$53,988**
5.00	**Contingency**				
5.01	Project Contingency	$362,478	[illegible]	$232,431	$130,046
	Subtotal Contingency	**$362,478**	[illegible]	**$232,431**	**$130,046**
6.00	**Administrative Fee**				
6.01	Rehabilitation Services Fee	$350,000.00	$0.00	$350,000.00	$0.00
	Subtotal Administrative Fee	**$350,000.00**	**$0.00**	**$350,000.00**	**$0.00**

		6/14/2011	3/12/2012		
	Uses	**Board Approved Budget**	**Total Budget Adjustments**	**Adjusted Budget**	**Budget Variance**
	Summary of Uses				
1.00	Acquisition	$5,711,000	[illegible]	$5,657,427	$53,573
2.00	Improvements	$1,473,095	$412,640	$1,885,735	[illegible]
3.00	Professional Services	$509,000	[illegible]	$508,968	$32
4.00	Finance and Administration	$254,427	[illegible]	$200,439	$53,988
5.00	Contingency	$362,478	[illegible]	$232,431	$130,046
6.00	Administrative Fee	$350,000	$0	$350,000	$0
	Total Uses	**$8,660,000**	**$175,000**	**$8,835,000**	[illegible]

		6/14/2011	3/12/2012		
	Sources	**Board Approved Budget**	**Total Budget Adjustments**	**Adjusted Budget**	**Budget Variance**
7.00	**Sources of Funds**				
7.01	Bond Proceeds	$8,660,000	[illegible]	$8,830,000	$30,000
7.02	Bond Interest	$0	$1,648	$1,648	[illegible]
7.03	DPMC Pre-Acquisition Services Deposit	$0	$205,000	$205,000	[illegible]
	Total Sources	**$8,660,000**	**$176,648**	**$8,836,648**	**($176,648)**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Higher Education Public Private Partnership Program
The College of New Jersey
"Campus Town" Development

DATE: April 10, 2012

Summary

The Members are asked to approve The College of New Jersey's ("Applicant") application to develop 137 apartments and 78,000± SF of ground floor commercial retail (the "Project" or "Development") on approximately 12.5± acres of land on the Applicant's campus under the Higher Education Private Public Partnership Program (the "Program") established by P.L. 2009, c. 90 (the "Act"). In December 2011, the State House Commission approved the transfer of 11 parcels (6.5± acres) to the Applicant for this Development, and the remaining 18 parcels (6± acres) are owned by the Applicant. The project's total development cost will be approximately $56.371 million. Under the Act, the "Authority shall review all completed applications" and "[n]o project shall be undertaken until final approval has been granted by the [A]uthority." Staff performed a substantive review of the Applicant's application and supporting documentation in accordance with the Act and pursuant to the Authority's Higher Education Institution Public-Private Partnership Program Guidelines (the "Guidelines") and recommends approval of the Applicant's Project. The Authority's approval will be subject to the Applicant submitting additional items that are outlined below.

Background

The Authority's Scope of Review

Under the Program, the Authority must review and approve an application, which, in order to be complete, must contain the following items:

1. a full narrative description of the project;
2. a public-private partnership agreement between the State or county college and the private developer;
3. a land lease or land agreement;
4. financial information including the estimated costs and financial documentation for the project;
5. a detailed project schedule (i.e. timetable) for completion of the project extending no more than five years after consideration and approval;
6. DPMC classification information for the required contractors and/or subcontractors;
7. evidence of arrangements for entering into project labor agreements and paying prevailing wages for development and long range maintenance plan contracts of the project; and
8. evidence of arrangements for issuance of the required bonds.

The financial documentation shall include a long-range maintenance plan that will "specify the expenditures that qualify as an appropriate investment in maintenance." In addition, the Authority may impose "other requirements that the [A]uthority deems appropriate or necessary."

Within the Act's deadline of February 1, 2012, the Applicant submitted a complete application for the Project with adequate exhibits and supporting documentation which included an adequate form of the Ground Lease which serves as the partnership agreement for this Project. As required by the Act, Real Estate Division Staff deemed the application complete on February 2nd.

The Act requires that any project undertaken through the Program must be financed in whole by the private entity. Staff has reviewed the project documents to confirm that the private partner assumes full financial responsibility for the construction of the Project and that the Applicant has no financial responsibility for the construction of the Project. The Act also requires that the State or institution of higher education must retain full ownership of the land upon which any project undertaken through the Program. Staff has reviewed the Project documents to confirm that the Applicant will retain full ownership of the land where the Project will be developed.

Project Description

In September 2010, The Applicant issued a request for qualifications and proposals to select a private partner to design, develop, construct, manage, and operate a Campus Town Center on its campus. Four parties responded to the RFP, and a result of the process, the Applicant selected the PRC Group of Companies ("PRC Group" or "Group"), through a single purpose entity – PRC Campus Centers, LLC ("Project Owner"), to own, design, develop, construct, manage and operate the Development. On January 24, 2012, the Applicant's Board of Trustees ("Trustees")

approved the partnership document, the Ground Lease ("Lease"), between the Applicant and the Project Owner.

The 12.5± acres proposed for the Development are immediately south of the Applicant's main campus entrance off of Route 31 (Pennington Road). The lot is bound by Pennington Road to the West, Metzger Drive to the East, and a single residential home to the South.

The Proposed development will include the following apartments and possible initial retail components:

Apartments	Units	Avg Unit SF	Beds	Ann. Unit Rent
Eff. & 1 Bedroom	23	412	23	$11,900
2 Bedroom	33	720	66	$21,800
3 Bedroom	3	1024	9	$31,500
4 Bedroom	78	1242	312	$39,600
	137		**410**	

Proposed Retail	SF	Rent	Ann. Rent
Health Food / Vitamins	2,218	$21 SF NNN	$46,578
Florist	1,067	$20 SF NNN	$21,340
Restaurant	2,814	$21 SF NNN	$59,094
Hair / Spa	1,552	$21 SF NNN	$32,592
Hoagies / Subs	1,232	$22 SF NNN	$27,104
Art / Framing	986	$20 SF NNN	$19,720
Optical	1,067	$20 SF NNN	$21,340
Print / Copy	2,814	$19 SF NNN	$53,466
Sushi	1,552	$22 SF NNN	$34,144
Fitness Center	11,000	$17 SF NNN	$187,000
Ice Cream / Yogurt	1,552	$22 SF NNN	$34,144
Sporting Goods	1,552	$19 SF NNN	$29,488
Brew Pub	11,092	$25 SF NNN	$277,300
Cell Phone	1,552	$22 SF NNN	$34,144
Pharmacy	14,207	$22 SF NNN	$312,554
Bookstore	14,500	$20 SF NNN	$290,000
Bank	3,000	$22 SF NNN	$66,000
TBD	4,243	$21 SF NNN	$89,103
	78,000		**$1,635,111.00**

The Project will include seven to ten buildings and two main parking areas. Six of the buildings will be mixed use (two to three residential floors over ground floor retail). These buildings will create the "town center." Two of the buildings may have an exclusive retail use (currently proposed as a bank and maintenance facility). Parking, approximately 499 spaces, will be

included at both ends of the Project with two additional lots near the proposed bank and maintenance building. A bell tower, incorporated into the building that will include the college bookstore, will serve as a focal point for the Project, as a "marker" for the Development from Route 31, and as a plaza for open air seating and events. The Project will also include direct access to Pennington Road with a traffic signal. The Project Owner estimates that the Development will create 325 construction jobs and 150 permanent jobs (residential and commercial combined).

In accordance with the Guidelines, staff reviewed the Applicant's description of the Project and its design. The Development's design and planning incorporates current smart growth (e.g., town center with a pedestrian friendly streetscape) and green building (i.e., LEED Silver standard incorporated into the design) principles. Staff concludes that the Applicant has proposed a feasible project plan and design.

Summary of the Partnership Document
Each party's role, responsibilities and benefits in the transaction are summarized below:

- **Applicant**. The Applicant will lease approximately 12.5± acres to the Project Owner for the Development. The Lease will have a term of 50 years, starting on the "date of the Lease," and terminating on the 50th anniversary of the initial final or temporary certificate of occupancy for the residential or retail component, whichever occurs first. The Applicant owns 6± acres, and according to the terms of the State House Commission approval provided in December 2011, it will receive title to 6.5± acres from the State. The Applicant will receive rent as follows:

    - **Basic Rent**. Commencing on the first day of the twenty-fifth calendar month after receipt of the Initial Certificate of Occupancy or the Outside Completion Date (5 years from Authority's approval), Applicant will receive $400,000 annually, payable in monthly installments ($33,333.33 per month) in advance.

    - **Supplemental Rent**. In addition to Basic Rent, the Applicant shall receive the greater of $25,000 annually, increasing by $25,000 each subsequent year ("Applicable Minimum Amount"), or "Percentage Rent" of the "Tenant's Gross Rental Receipts" (excluding the bookstore) based on the following percentage schedule:

Lease Year	Applicable %
Years 1 through 7	0%
Years 8 through 14	1%
Years 15 through 24	2%
Years 25 to end of Lease	3%

The Applicant will be responsible for the following items during the Lease term:

1. *Access and Infrastructure Improvement Rights.* The Applicant reserves access right to the leased premises for maintenance, repairs, and installation of infrastructure improvements to benefit the Applicant's campus.
2. *Marketing.* The Applicant will assist the Project Owner in marketing the Project so long as the marketing is in "accordance with legal restrictions and the [Applicant's] policies and . . . do[es] not negatively impact the [Applicant's] credit or student housing program."
3. *Financial Aid Used for Rent.* If directed by the student, and to the extent permitted by law, the Applicant "will use commercially reasonable efforts to direct financial aid funds of such student that are in the [Applicant's] control to the [Project Owner] for the purpose of making rental payments." When financial aid is granted, and directed by the student, the Applicant and Project Owner will cooperate to establish a schedule for the rental payments.
4. *Sidewalk Clearance.* For sidewalks outside but adjoining the lease premises, the Applicant, in accordance with its campus wide protocol for sidewalk maintenance, will clear the sidewalks of snow, ice, dirt and rubbish.
5. *Non-Exclusive Easement.* The Applicant will grant the Project Owner a "non-exclusive easement" through and under the Applicant's campus for vehicle and pedestrian traffic to the Development. The Applicant also grants the Project Owner a non-exclusive easement to clear sidewalks adjoining but outside the leased premises of snow, ice, dirt and rubbish more frequently than the Applicant's maintenance program.
6. *Consent to Changes or Alterations of the Final Plans.* Provide consent (not to be unreasonably withheld) for changes or alterations of the Project's final plans, subject to the conditions included in the Lease.
7. *Right of Entry.* The Applicant retains the right of entry onto the leased premises, with reasonable notice, for the purpose of inspection and to perform any repairs or perform work due to the Project Owner's default under the Lease.
8. *Applicant's Representative.* The Applicant will appoint a representative to represent the Applicant's interest during the Project's construction.
9. *Transfers.* As between the Applicant and the Project Owner, the Applicant reserves the right to "at any time and from time to time, sell, assign, mortgage, encumber or otherwise transfer all or any part of its right, title, and interest with respect to the [leased] Premise, including its fee interest in the Land."
10. *Environmental Remediation.* For hazardous materials "on or under the land" on the commencement day of the Lease, the Applicant will reimburse the Project Owner up to $500,000 for the removal of such hazardous materials. The reimbursement will occur from the following sources: (a) an escrow established between the Applicant and the Project Owner in the amount of $100,000; (b) any insurance recovery the Applicant receives from its

environmental insurer: and/or (c) a 100% credit for any rents due Applicant until the Project Owner is paid in full.

11. *Disposition.* Without additional compensation to the Project Owner, at the end of the term, the Applicant shall be entitled to receive all the tenant improvements, which shall also include "fixtures and equipment that are necessary for the operation of the building systems or common areas" of the leased premises.

During the term of the Lease, the Applicant will not have an obligation to:

- Provide residential life or student programming for the students living in the Development;
- Take any recourse for nonpayment of rent against any student living in the Development;
- Restrict any of the Applicant's on-campus development based on the Project's performance (excluding the bookstore, which is included in the Development);
- Alter its existing rental rates to support the Project's "performance/feasibility"; or
- Maintain the Applicant's current or historic rent levels or growth rates in the Applicant's student housing.

- **Project Owner.** Under the Lease, the Project's Owner's responsibilities include:

1. *Special Purpose Entity.* The Project Owner will be a special purpose entity (either a limited liability company or corporation), with the sole purpose of developing, constructing, owning, operating and maintaining the Project, without the ability to engage in any other business activity, acquire or own any other assets, and/or own subsidiary or make any investments in any other entity or person.
2. *Rent and Additional Impositions.* The Project Owner will pay Base and Supplemental Rent, and additional impositions (e.g., real taxes) as required by the Lease.
3. *Construction of Improvements.* The Project Owner will be responsible for constructing the improvements as required by the Lease.
4. *Construction Schedule.* The Project must complete construction of the Development according to the schedule attached to the Lease, or at the latest, within 5 years of the Authority's approval.
5. *Construction Completion Guaranty and Letter of Credit.* The Project Owner may provide the following security for the construction of the Project: a. personal guaranty of the Project's Owner's sole owner, Robert M. Kaye, in the amount of $1 million, and b. irrevocable letter of credit in the amount of

$1 million. The letter credit may only be drawn upon by the Applicant if there is a default under Mr. Kaye's personal guarantee. The funds may be used to restore the leased premises to its original condition in the event the Project is started but not completed. The Project Owner will provide bonding required by the Act and any funding source.

6. *Green Building*. The Lease requires that the Project will be designed and constructed "in such a manner so that, if an application were made to the LEED green building certification program . . . sufficient points associated with design and construction [along] with additional points associated with the LEED standards governing all other aspects of the Project [, the Development] would have accumulated enough [points to receive] LEED silver certification."
7. *Rental of Residential Units*. For the first seven years of the Lease, the Project Owner must rent the residential units to students, faculty, staff, emeriti faculty, and retired staff of the Applicant ("College Affiliated Occupants"). In the event the Project Owner cannot maintain occupancy levels by renting to College Affiliated Occupants, on the eighth anniversary of the Lease Commencement Date, the Project Owner may rent to persons other than College Affiliated Occupants so long as: a. the Project Owner notifies the Applicant by August 20th of each academic year; b. the non-college Affiliated Occupants meet the selection criteria outlined in the Lease; c. the Applicant can review the proposed non-college Affiliated Occupant's application to ensure that the proposed tenant meets the standard of the Lease; d. the rent for the non-College Affiliated units are comparable to rents in the surrounding Ewing Township/Applicant's area; and e. the non-College Affiliated Occupants are segregated from College Affiliated Occupants (i.e., separate buildings or floors, separate laundry facilities).
8. *Rental of Non-Residential Space*. The Project Owner may rent the non-residential space for any use that is not a disallowed use under the Lease (the Lease includes 40 excluded uses).
9. *Repair and Maintenance of Leased Premises and Improvements*. The Project Owner will be responsible for maintaining the leased premises and the leasehold improvements.
10. *Security*. In coordination with the Applicant, the Project Owner will provide security on the leased premises.
11. *Financing*. The Project Owner will obtain estimated financing as follows:
    a. $8.506 million in equity
    b. $47.865 million construction/permanent loan (4.25% interest, 15 year term, 30 year amortization).

Partner's Experience and Qualifications
The Guidelines call for an assessment of the experience and qualifications of the development partner.

The PRC Group of Companies
Established by Robert M. Kaye, the PRC Group of Companies (the "PRC Group" or "Group") has extensive experience in commercial and residential development, construction and management.

In business for more than 50 years, the following chart summarizes some of PRC's projects:

Units	Role	Units	TDC
Apartments	Own & Manage	1,949 Units	$101,150,000
Condos & Townhomes	Joint Venture; Manage	318 Units	$50,005,000
Apartments	Construction Only	48 Units	$19,440,000
Office Buildings	Own & Manage	339,200 SF	$34,270,000
Office Warehouse	Own & Manage	84,000 SF	$6,700,000
Commercial	Own & Manage	4,200 SF	$840,000
			$212,405,000

The Group provides full real estate services; it can own, develop, construct and manage the real estate projects that the Group undertakes. In this instance, the PRC Group will create a single purpose entity to own the leasehold improvements and it will provide management services to the Development. In addition, if PRC Construction Co., Inc. receives the required state certifications, the Group may also construct the Project. In the alternative, the Project Owner may engage a qualified independent general contractor to construct the leasehold improvements. The Project Owner has interviewed six general contractor candidates and has reduced the possible selection to two finalists.

Hillier Architectural Group and Feinberg & Associates, P.C.
These two firms have extensive experience in commercial, residential and institutional design for a variety of clients. In addition, Feinberg & Associates has provided services in planning and designing two "town centers" – Washington Town Center, Robbinsville (550 residential units over 100,000 SF of retail and office space); Livingston Towne Center, Livingston (24 condominiums, 156 space garage, 25,000 SF retail).

Maser Consulting P.A.
With extensive experience in site planning, infrastructure and right of way design/engineering, Maser Consulting is providing the required engineering services for the site and required right of way design improvements on Route 31.

Fameco Real Estate, LP
A licensed real estate broker in New Jersey, the firm has experience in retail leasing, marketing and management. The firm has extensive relationships for the type of retail uses targeted for the

Development. Fameco will provide real estate marketing and brokerage leasing services to the Project.

The Capstone Companies, LLC
This firm has extensive student housing experience and it develops, owns and manages student housing for its own account.[1] The PRC Group has engaged Capstone to provide advice regarding the student housing market and the design and amenities needed in student housing facilities.

Staff concludes that the Project's development team has sufficient experience to own, develop, construct, operate and maintain the Development.

Project Financing and Feasibility
The project's development budget, construction costs and developer's compensation are within the existing market conditions (taking into account prevailing wage) to develop a mixed use project of this type. The following chart summarizes the project's uses and sources:

Uses	% Project	Amount
Acquisition	0.67%	$378,500
Improvements	86.75%	$48,900,218
Professional Services	2.55%	$1,437,000
Financing Fees	0.55%	$311,120
Financing and Other Costs	4.11%	$2,314,753
Contingency	0.92%	$520,000
Development Fee	4.45%	$2,508,958
Total Uses	**100.00%**	**$56,370,549**

Sources	% Project	Amount
Project Owner Equity	15.09%	$8,505,877
Loan	84.91%	$47,864,673
Total Sources	**100.00%**	**$56,370,550**

The submitted proforma included a low vacancy rate for the student housing units (2%) and a low interest rate for the initial permanent loan after construction completion (4.25%). However, if the vacancy is increased to 5%, and the loan interest rate to 5.5%, the Project generates sufficient cash flow to meet a debt service coverage ratio of 1.25 with a loan to value of 85% (the Project's Owner's assumption). Real Estate staff has assumed that an 85% loan to value first mortgage and an interest rate of 5.5% (or below) can be negotiated in the market. To support these assumptions, Staff notes that the Applicant provided a letter from HFF, a national real estate financing brokerage and advisory services firm; HFF is assisting the Project Owner with placing the debt for this transaction. HFF believes the permanent interest rate will be approximately 4.25% because there is lack of student housing and retail in the immediate area.

[1] In May 2010, the Members approved the Montclair State University dorm project under this program. Capstone is the developer and manager of the dorm.

HFF is using the 2% vacancy rate for student housing in performing its due diligence for the transaction and believes the rate is supported by the existing market conditions.

In the event that the Project's lender requires a lower loan to value ratio, greater debt service coverage ratio, or a higher interest rate, the Project Owner may have to increase its equity contribution and/or consider an alternative loan structure. Staff recognizes that mixed-use projects that the Members have approved under other programs have assumed higher interest rates than what is proposed for this Development.[2] Evidence of the loan terms received for the Project will be a condition of the final approval.

The Applicant commissioned a mixed used development study which was prepared by Jones Lang LaSalle ("JLL") in 2010. This report concluded that the Applicant has a population of approximately 3,340 students that could possibly use campus housing. Many of the students not living in existing campus dorms live in apartments within 5 miles of the Applicant's campus. Off campus rents for a 2 bedroom apartment averaged $1,195 month or $14,340 annually ($597.50 per bed per month or $7,170 per bed annually). At the time of the JLL report, the Applicant's room charges were ($3,619 per semester or $7,238 per year). Based on an updated analysis of student housing, prepared by HFF, current market conditions show that the off-campus rents are $828 per month (excluding electricity and furnishings), and current on-campus average rents are $1,130 per room per month (including mandatory meal plans). The proposed rent per bed for the Development, $1,132 per month, is comparable to the existing on campus rent for a unit that will provide greater amenities and features (no shared bedrooms, private or semi-private bath, full kitchens, central living/eating quarters, private washer and dryers and separate HVAC controls) than the existing on-campus dorm unit.

In 2011, Capstone performed an evaluation of the Applicant's student housing needs and concluded that there is an immediate need for an additional 400 beds, and that a project of up to 600 beds could be viable. The Applicant proposes a Project that will provide 410 beds, which is within the range of immediate need outlined by Capstone.

In 2010, JLL found that the closest retail venue to serve the Applicant's campus is on Olden Avenue which has a variety of mixed uses (local shops, car dealerships, strip malls) and is approximately 2 miles away from the campus. In addition, the venue is not pedestrian friendly. JLL surveyed the existing conditions for rents and commercial uses in the surrounding market and found that the rents averaged $17 SF NNN for strip mall space and $12 SF NNN for stand-alone space. The report proposed two alternative retail mixes for the Development between 105,000 and 109,000 SF.

In 2011, Fameco updated the rental rate survey and concluded that rents are between $17 and $20 SF, depending upon the use. A majority of the proposed rents for the retail in this

[2] For instance, the New Brunswick Transit Village project included a 6.6% interest rate on part of its permanent loan and the Teachers Village in Newark included a 7% rate on its loan. The Members approved these projects under the Urban Transit Hub Tax Credit Program (the Teacher's Village was also approved under the Economic Recovery and Redevelopment Growth Grant Program).

Development fall within this range. In addition, the Development includes 78,000 SF of retail, which is within the square footage proposed by JLL. Based on the information provided by the Applicant, and the reports prepared by JLL, Capstone and Fameco, the Real Estate Division staff concludes that there is a need for the mixed use development.

After reviewing the project's budget, operating proforma, and supporting information, the Real Estate Division's staff has assessed the soundness of the financial plan and concludes that the Project is financially feasible. Staff concludes that the Project's development cost and projected operating expenses are reasonable and within current market conditions.

Long-Range Maintenance Plan
The Act requires that the estimated costs and financial documents submitted with an application must include a long-range maintenance plan that specifies expenditures that qualify as an appropriate investment in maintenance. As part of its financial documentation, the Applicant submitted a long-range maintenance plan which included standards for the calculation of funds for replacement over the useful of the project, detail for the initial calculation of need for replacement funds (e.g., estimated items, useful life, replacement costs, quantity and total costs), estimated the total amount required, and provided a schedule for use of the replacement reserve over the life of the Project. The Project Owner will pay for long-range maintenance items from the reserve required by the Lease, retained earnings, and refinancing proceeds; staff concludes that the Project Owner has sufficient capital to meet the Project's capital replacement needs during the Lease term. The plan submitted complies with industry standards for replacement reserve accounts and capital maintenance plans and the long-range maintenance guidelines prepared by the Authority's consultant and adopted by the Authority. Accordingly, staff concludes that Applicant has submitted an adequate long-range maintenance plan for the Project.

Project Schedule
The Applicant has provided a schedule to complete the Development by August 2013. In addition, the Lease requires substantial completion of the Project by no later than the fifth anniversary of approval of the Project by the Authority. These periods comply with the requirement of the Act that projects be completed within 5 years of the Authority's approval date.

NJ Green Building Manual and LEED Standards
The Act encourages projects to adhere to the Leadership in Energy and Environmental Design ("LEED") Green Building Rating System and the NJ Green Building Manual. These standards are not mandatory, but encouraged under the Act. For this Development, the Project Owner has agreed to design and construct the project so that it would qualify for the LEED Silver certification if an application was filed with LEED. Staff concludes that this Lease requirement complies with the requirement of the Act.

Other Requirements of the Act
In accordance with the requirements of the Act, the applicant has produced evidence and has certified to comply with the following requirements of the Act:

- The private partner will obtain the required DPMC classification for the required professionals and contractors (in its submission, the Applicant noted that selected general contractor will meet this requirement)
- The private partner will pay prevailing wage during the construction and operation of the project
- The private partner will enter into the required project labor agreements during the construction and operation of the project (the Applicant included a sample agreement in its submission)
- The private partner will post the required bond or have the bond posted on its behalf (the Applicant noted that the Act's bonding requirements will be met)

Although the Project Owner has not selected a general contractor at this time (this was not a requirement of the RFP issued by the Applicant), the PRC Group and the Applicant recognize their obligation to comply with Act's requirements regarding DPMC classification, prevailing wage, the project labor agreement, and bonding.

Recommendation
Staff recommends that the Board give final approval of the application subject to the following conditions being met to the satisfaction of appropriate staff (e.g., Chief Executive Officer, Senior Vice President of Finance and Development, or the Managing Director of Finance and Development for the Real Estate Division):

- Completing the site acquisition from the State
- Providing a copy of the recorded deed from the State to the Applicant
- Providing a copy of the executed Lease, with attachments (excluding the plans and specifications)
- Submitting, in final form, the development and operating budget (substantially the same as the documents reviewed by the Authority)
- Submitting, in final form, project labor agreements for the construction and contracts to implement the long range maintenance plan, which to the greatest extent possible enhances employment opportunities for individuals residing in the county of the project's location
- Submitting, in final and satisfactory form, posted bonds guaranteeing prompt payment of moneys due to the contractor (and/or subcontractors)
- Submitting a copy of the financial commitment for the Project (construction and permanent loan), with terms substantially similar to those provided in the Application
- Providing evidence of a contractor's DPMC classification equivalent to the Project's construction costs.
- Submitting other items (such as final forms of financial documents) that the Applicant must provide in order to obtain the Authority's final approval.

Recommendation

In summary, I ask for the Members to authorize the Authority's staff to approve the project upon meeting the conditions outlined in this memo.

Caren S. Franzini
Chief Executive Officer

Attachment
Prepared by: Juan Burgos

EDISON INNOVATION FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Technology Accelerator

DATE: April 10, 2012

Request:
The Members are requested to approve the attached documents to consummate the TechLaunch Limited Partnership investment as approved at the February 14, 2012 board meeting. The limited partnership agreement and the subscription agreement to effectuate this transaction are attached and are in substantially final form.

Background:
At the February 14, 2012 board meeting the members approved an investment in TechLaunch, LLC as a "Limited Partner" for an annual investment of $150,000 a year, over three years. TechLaunch, LLC will provide matching private sector dollars in a ratio of 2:1 or $300,000. This investment allows the Authority to support the earliest stage New Jersey technology community with both mentoring and funding support.

The approved cost of the proposed investment in TechLaunch is $150,000 annually with two one-year extensions, which are at the sole discretion of the Authority for a total expense of $450,000. The funds for this proposed commitment from the Authority, comes from the use of funds approved by the Joint Budget Oversights Committee in May 2011, from the release of industry targeted BEIP residual funds.

As is customary with all of the Authority's Limited Partnership investments, a side letter agreement with the terms specific for the Authority will also be part of the closing documents. Such terms will include but not be limited to: the minimum amount of NJ investment required, dispute resolution, indemnification, tax withholding, and governing law.

Recommendation:
The Members' approval is requested to delegate to the Authority's CEO, the authorization to execute all necessary legal documents to effectuate an investment in TechLaunch, LLC as a limited partner. These documents will detail the delivery of startup accelerator services in New Jersey as detailed herein, for a total investment of $450,000 over a three year period. All the final documents will be subject to approval of the Attorney General's Office and special tech counsel retained by the Authority to assist in closing this transaction.

Caren S. Franzini

Prepared by: Kathleen Coviello