



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: April 8, 2008
SUBJECT: Agenda for Board Meeting of the Authority April 8, 2008

1. **Notice of Public Meeting**
2. **Roll Call**
3. **Approval of Previous Month's Minutes**
4. **Chief Executive Officer's Monthly Report to the Board**
5. **Authority Matters**
6. **Bond Projects**
7. **Loans/Grants/Guarantees**
8. **Edison Innovation Fund**
9. **BEIP**
10. **Board Memorandums**
11. **Real Estate**
12. **Authority Matters**
13. **Executive Session**
14. **Public Comment**
15. **Adjournment**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

March 11, 2008

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Lopa Kolluri, representing the Acting State Treasurer; Bernie Piaia representing the Commissioner of Education; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; George Krause representing the Commissioner of the Department of Labor and Workforce Development; Kevin Drennan representing the NJ Commerce Commission, and, Public Members: Steve Plofker, Thomas Manning, Philip Kirschner, Timothy Carden, Richard Tolson ; and Rodney Sadler, Non-voting Member.

Present via phone: Carmen Twillie Ambar, Third Alternate Public Member.

Absent from the meeting: Raymond Burke, First Alternate Public Member; and Elliot M. Kosoffsky, Second Alternate Public Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; bond counsel for the Authority; Bette Renaud, Deputy Attorney General, and guests.

Chairman Van Horn 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 13, 2008 meeting minutes of the Board and the March 3, 2008 special meeting minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Sheridan and was approved by the 13 voting members present.

Chairman Van Horn commented on the Governor's proposal in his 2009 Budget to reorganize the Commerce Commission. Chairman Van Horn acknowledged Executive Director Drennan and stated that we are working with the Administration and the Commerce Commission to ensure that services are provided in the most effective and efficient way possible.

Chairman Van Horn then asked Ms. Franzini to comment on the Authority's response to liquidity in the current market. Ms. Franzini stated that the Authority is pursuing a three pronged approach:

1) looking at the rates and fees associated with our current programs to better suit the market; 2) outreach to the banking community, in particular regional and community banks with a focus on small and mid sized businesses; 3) continued outreach into urban markets.

The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board. **(For Informational Purposes Only)**

BOND RESOLUTIONS

The next item was to approve the request from staff that the Nineteenth Supplemental Resolution be amended and restated to add the Series J bonds and the Series M bonds to the group of Auction bonds for which various actions are authorized and delegated under the existing Nineteenth Supplemental Resolution.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. McNamara AYES:13

The next item was to approve the Amendment to the Sixth Supplemental Business Employment Incentive Program Bond Resolution adopted on March 3, 2008, related to the BEIP 2004 Series A and Series B Bonds, to correct a typographical error on the remarketing agent's fees in a conversion of the 2004 BEIP Bonds to a fixed rate. The not to exceed rate is \$6.0 per \$1,000 of the bonds converted; the Resolution stated \$6.5.

MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Piaia AYES:13

PROJECT: 25 Parkway, L.L.C. **APPL.#20706**
LOCATION: Upper Saddle River Borough/Bergen County **BUSINESS:** manufacturing
PROCEEDS FOR: building acquisition and renovation
FINANCING: \$2,960,000 Tax-Exempt Bond

PROJECT: Triangle Manufacturing Co. Inc. **APPL.#20707**
LOCATION: Upper Saddle River Borough/Bergen County **BUSINESS:** manufacturing
PROCEEDS FOR: equipment acquisition
FINANCING: \$2,200,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Carden AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC HEARING: Yes
PUBLIC COMMENT:None

PRELIMINARY RESOLUTIONS

PROJECT: The First Occupational Center of New Jersey Incorporated **APPL.#19412**
LOCATION: Orange City/Essex County **BUSINESS:** vocational training
PROCEEDS FOR: refinancing existing debt
MOTION TO APPROVE: Mr. Kirschner SECOND: Mr. McNamara AYES:13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Comar, Inc. **APPL.#18107**
LOCATION: Orange City/Essex County **BUSINESS:** manufacturing
PROCEEDS FOR: equipment upgrade
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3
(Advancing the project to Final Approval will require the Department of Labor and Workforce Development to confirm that the company is in compliance with the National Labor Relations Board order.)

BOND RESOLUTIONS WITH AUTHORITY EXPOSURE

PROJECT: 52 Green Pond Road, LLC and Tripack Industrial USA, LLC **APPL.#20937**
LOCATION: Rockaway Borough./Morris County **BUSINESS:** manufacturing
PROCEEDS FOR: building and machinery acquisition
FINANCING: \$10,000,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Kirschner **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT:None

PROJECT: 52 Green Pond Road, LLC, Perk-Up Inc. and Tripack Industrial **APPL.#19628**
LOCATION: Rockaway Borough./Morris County **BUSINESS:** manufacturing
PROCEEDS FOR: building and machinery acquisition
FINANCING: \$1,250,000 Direct Loan
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Kirschner **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following residential and commercial projects were presented under the Petroleum Underground Storage Tank Grant Program.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Sheridan **AYES:13**
RESOLUTION ATTACHED AND MARKED EXHIBIT:6

APPLICANT: Benito Diaz **APPL.#20175**
LOCATION: Union City/ Hudson Cty.
PROCEEDS FOR: site remediation
FINANCING: \$168,902 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPLICANT: Enterprises 46, Inc. **APPL.#19252**
LOCATION: Fort Lee Borough/Bergen Cty.

PROCEEDS FOR: site remediation
FINANCING: \$214,517 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPLICANT: Peter Gitto Jr. **APPL.#21148**

LOCATION: Atlantic City/Atlantic Cty.

PROCEEDS FOR: remediation

FINANCING: \$105,122 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPLICANT: Andrea Palendrano **APPL.#20613**

LOCATION: Shrewsbury Twp./Monmouth Cty.

PROCEEDS FOR: site remediation

FINANCING: \$177,170 Petroleum UST Remediation, Upgrade and Closure Fund Grant

The next item was a summary of all Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of February 2008. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following projects presented under the Hazardous Discharge Site Remediation Fund Program (municipal grants and private projects).

MOTION TO APPROVE: Mr. Piaia SECOND: Mr. McNamara AYES:12

RESOLUTION ATTACHED AND MARKED EXHIBIT:7

Mr. Sarlo abstained from the vote because his firm does business with the Jersey City Redevelopment Authority.

PROJECT: City of Bridgeton (East Commerce Street Project) **APPL.#20990**

LOCATION: Bridgeton City/Cumberland Cty.

PROCEEDS FOR: preliminary assessment/site investigation

FINANCING: \$742,522 Hazardous Discharge Site Remediation Fund

PROJECT: City of Elizabeth (Three Elizabeth BDA Sites) **APPL.#21141**

LOCATION: Elizabeth City/Union Cty.

PROCEEDS FOR: preliminary assessment/remedial investigation/site investigation

FINANCING: \$371,943 Hazardous Discharge Site Remediation Fund

PROJECT: Jersey City Redevelopment Agency (Turnpike Dump #5) **APPL.#21229**

LOCATION: Jersey City/Hudson Cty.

PROCEEDS FOR: remedial investigation/preliminary assessment

FINANCING: \$483,524 Hazardous Discharge Site Remediation Fund

PROJECT: Township of Riverside (Whomsley Field) **APPL.#21078**

LOCATION: Riverside Township/Burlington Cty.

PROCEEDS FOR: site investigation/remedial investigation

FINANCING: \$103,081 Hazardous Discharge Site Remediation Fund

PROJECT: Lumer Associates, LLC **APPL.#20901**

LOCATION: East Rutherford Borough/Bergen Cty.

PROCEEDS FOR: remedial investigation/remedial action
FINANCING: \$365,032 Hazardous Discharge Site Remediation Fund

The next item was a summary of the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of February 2008. **(For Informational Purposes Only)**

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Ernst & Young U.S., LLC **APPL.#20939**
LOCATION: Secaucus Town/Hudson Cty. **BUSINESS:** financial services
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT:8

PROJECT: Fisher, Francis Trees & Watts, Inc., and BNP Paribas SA **APPL.#21301**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** financial services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT:8

The next item was a recommendation from staff to not disqualify ImClone from applying for a BEIP grant.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:12**
RESOLUTION ATTACHED AND MARKED EXHIBIT:8

Mr. Plofker abstained from the vote due to his relationship with the Brother of former CEO Sam Waksal.

PROJECT: ImClone Systems Incorporated **APPL.#21401**
LOCATION: Branchburg Township/Somerset Cty. **BUSINESS:** biotechnology
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Piaia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT:8

PROJECT: Western Carpet, LLC. **APPL.#21300**
LOCATION: Wayne Township/Passaic Cty **BUSINESS:** wholesale
GRANT AWARD: 50% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Kirschner **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT:8

BOARD MEMORANDUMS

The next item was a summary of the Delegated Authority Approvals prepared by the Portfolio Services Division/Special Loan Management for February 2008. **(For Informational Purposes**

Only)

The next item was a summary of the approved projects under Delegated Authority for the month of February 2008. **(For Informational Purposes Only)**

New Jersey Business Growth Fund: Bright Lights USA, Inc. or Nominee, PAW Bioscience Products, Inc.

Preferred Lender Program: Independent Metal Sales, Inc. or Nominee

REAL ESTATE

The next item was to approve the request to extend to December 31, 2008 the lease with Laboratory Corporation of America Holdings (Lab Corp.), a current tenant at the Trenton Office Complex's retail space.

MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Carden AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:9

The next item was to approve the request to terminate the Authority's lease with Ladies Workout Express, a tenant at the Trenton Office Complex's retail space.

MOTION TO APPROVE: Mr. Piaia SECOND: Mr. Sheridan AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT:10

The next item was to authorize an amendment to the February 6, 2007 Project Development Agreement with Campbell Soup Company confirming Campbell's commitment to expand its world headquarters in Camden and modifying the company's obligations as master redeveloper of a portion of the Camden Gateway Redevelopment Area.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. McNamara AYES:13
RESOLUTION ATTACHED AND MARKED EXHIBIT:11

AUTHORITY MATTERS

The next item was to authorize the creation of NJCDE-5, LLC, NJCDE-6, LLC, NJCDE-7, LLC, NJCDE-8, LLC, NJCDE-9, LLC as well as the execution of all necessary documents for this transaction.

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Piaia AYES:13
RESOLUTION ATTACHED AND MARKED EXHIBIT:12

For the next item, Ms. Franzini summarized the recommendation from Director of Support Services, Diane Wong regarding her review of the bid challenge by Meridian Property Services Inc. to the Property Management Services Request for Proposal. Ms. Wong reviewed the challenge with the assistance of the Attorney General's Office. The review concluded that the challenge was without merit and the recommendation to the Board is to adhere to its original decision and to award the contract to ISS TMC Services Inc.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and to enter Executive Session to discuss a potential litigation matter.

MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Carden AYES:13
RESOLUTION ATTACHED AND MARKED EXHIBIT:13

The next item was the recommendation of the Director of Support Services on the Property Management Services RFP to award the contract to ISS TMC Services, Inc.

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES:13
RESOLUTION ATTACHED AND MARKED EXHIBIT:14

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Piaia, and seconded by Mr. Sheridan, the meeting was adjourned at 11:25 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



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

RE: Chief Executive Officer's Report to the Board

EDISON INNOVATION FUND

The EDA has closed financing on eight Edison Innovation Fund projects through the first three months of the year totaling nearly \$5 million. This assistance is expected to result in total project investments of nearly \$20 million in New Jersey, as well as the creation of an estimated 200 new jobs and support for 388 existing jobs. Of the seven projects, three involve direct, equity-like investments totaling \$2.2 million.

Innovation Engineering, Inc. of Mount Laurel was one of the technology businesses benefiting from EDA assistance in March. The company, which designs and makes advanced radio frequency delivery systems to increase productivity and yield for semiconductor equipment manufacturers, is using a \$200,000 Edison Innovation Fund direct investment that closed in March for research and development needs and to expedite product development and commercialization.

NEW JERSEY URBAN FUND

Through March, the EDA closed a total of nine projects in the urban centers of Camden, Jersey City and Paterson under the New Jersey Urban Fund. These projects provided financing and business incentives of more than \$8.8 million to projects planning to invest more than \$48 million and create 200 new jobs.

In March, the EDA closed a \$1.6-million loan with Journal Square Properties, LLC that will be used to finance tenant fit-out allowances associated with a 177,000-square-foot landmark downtown commercial office building in Jersey City. Last September, the EDA, through its New Jersey Community Development Entity, closed a \$4.2-million loan under the federal New Markets Tax Credits program that enabled the project's developer, Sackman Enterprises, to make significant improvements and renovations to this structure and to refinance an existing mortgage loan. When completed, the building is expected to provide jobs for more than 900 people.

OTHER URBAN ACTIVITY

Additionally during the January through March period, the EDA closed 15 projects in other Urban Aid cities, providing almost \$26 million in bonds, loans, loan guarantees and environmental assistance grants for borrowers investing over \$42 million in the state's economy and creating 220 jobs.

The EDA and Omni Baking Company finalized tax-exempt bond financing totaling \$9.1 million in March, which will enable the contract bakery manufacturer to build a 26,000-square-foot addition to its Vineland plant and acquire new production equipment so it can meet new production goals resulting from a new contract with the Amoroso Baking Company of Philadelphia. Omni plans to add 145 new jobs to meet the demands of the new contract. This most recent EDA assistance also will allow Omni to refund the outstanding balance of a \$6-million tax-exempt bond issued by the EDA in 2001 that was used to purchase manufacturing equipment and make improvements to the Vineland facility.

Another tax-exempt bond of more than \$2 million is providing the American Industrial Supply Corporation of Perth Amboy with funds to relocate to a larger building, make renovations and purchase machinery and equipment to boost its manufacturing capacity. The 30-year-old company makes and distributes pipes and fittings for industrial, commercial and residential use. It plans to create 17 new jobs in its larger facility.

Additionally, the EDA hosted three meetings in Camden, Newark and Trenton for small, woman-owned and minority-owned businesses as part of our focus to increase EDA visibility and drive business-lending activity, especially in urban markets. More than 60 potential customers attended these events, and EDA staff is now conducting significant follow-up activities with attendees.

CORE ACTIVITY

During the first three months of the year, core financing totaling over \$22.8 million was finalized with 20 other projects that plan to make total project investments of about \$34.6 million.

This assistance included a \$10-million tax-exempt bond, directly purchased by Capital One, N.A., to enable 52 Green Pond Road, LLC, Tripak Industrial USA, LLC and Perk-Up, Inc., to purchase real estate in Rockaway for a new plastic food container manufacturing business as well as related machinery and equipment. Tripak is an Ontario-based designer and developer of food packaging containers. Perk-Up, of Totowa, which does business as Kari Out, Inc., is a manufacturer of food products, food packaging and paper products that supplies distributors throughout the United States. The new manufacturing business is expected to result in the creation of 40 jobs within two years.

OTHER NEWS

EDA, Treasury Develop Web Statement on Auction Rate Bond Actions

Following last month's special and regular Board meeting actions on auction rate bonds, the EDA worked with the Department of the Treasury to develop a statement to inform visitors to their websites that the State Treasurer, through the Office of Public Finance, has identified strategies to mitigate the risks of market forces on the state's bond portfolio. The statement also informs web visitors that, as more details become available on specific actions that occur with various series, the information will be posted on the website. The complete statement can be viewed on the News & Publications/Latest News Page of the EDA website (www.njeda.com).

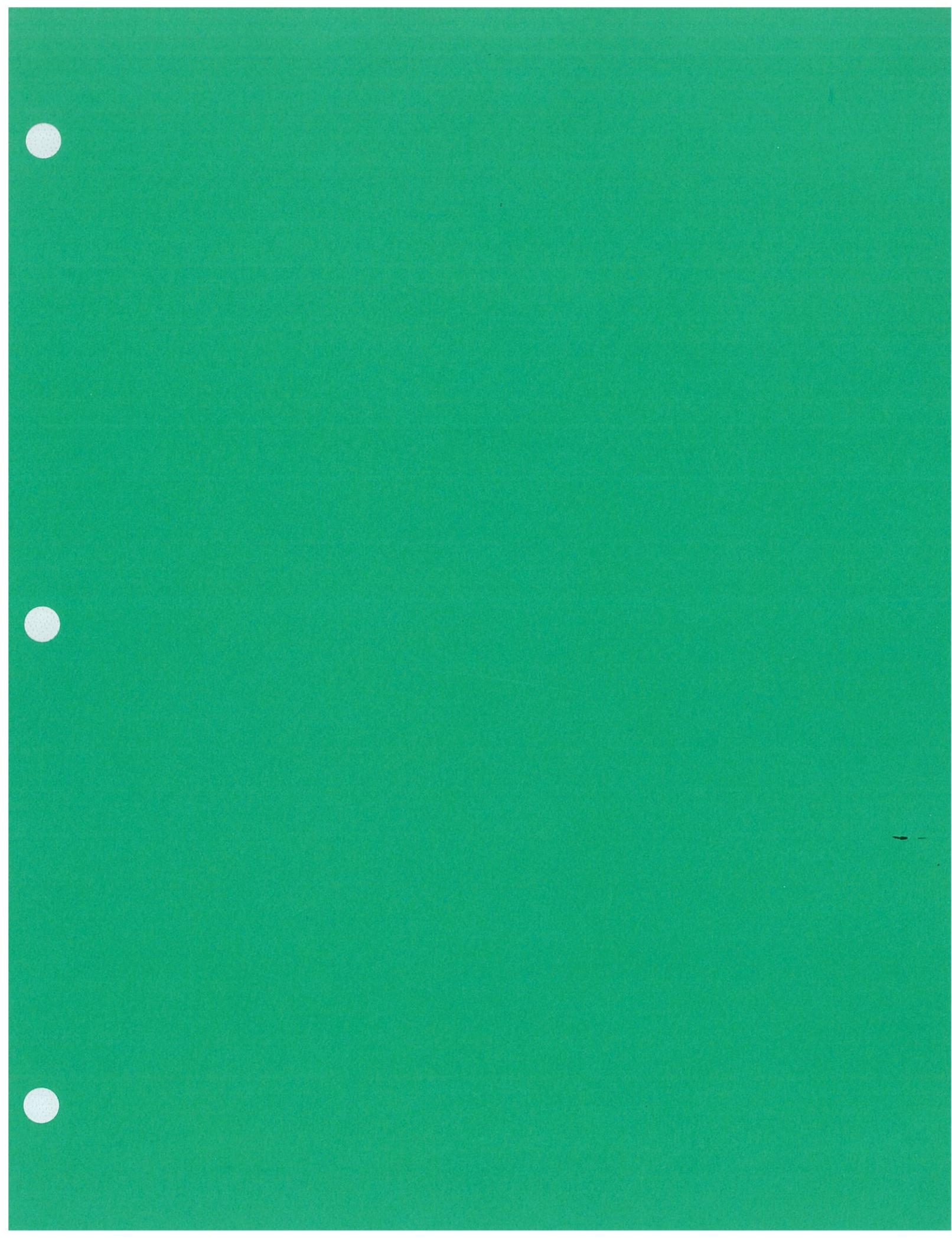
HDSRF 2007 Annual Report Now Available Online

In 2007, the EDA closed a total of six loans and 76 grants amounting to nearly \$23.4 million under the Hazardous Discharge Site Remediation Fund, which provided assistance to municipalities, businesses and private individuals for the investigation and cleanup of contaminated sites throughout New Jersey. The EDA and the New Jersey Department of Environmental Protection (DEP) jointly administer the program. The complete Hazardous Discharge Site Remediation Fund 2007 Annual Report was submitted to the Legislature in March, and can be found on the Public Information/Annual Reports page of the EDA website.

Speaking Engagements:

Throughout the month of March, EDA representatives participated as attendees, exhibitors or speakers at 23 events, including a public policy symposium hosted by the New Jersey Chapter of the National Association of Industrial and Office Parks in New Brunswick, a McCarter English redevelopment panel in Newark, a Mercer Regional Chamber of Commerce Economic Roundtable in Trenton, a research and development symposium on managing innovation at Princeton University, a Mercer County Economic Summit in Hamilton Township, and the New Jersey Technology Council Venture Conference in Somerset.





AUTHORITY MATTERS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: April 8, 2008

SUBJECT: 2007 Comprehensive Annual Report

Request:

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2007, as required under Executive Order No. 37.

Background:

Each year, as directed by our enabling legislation, the New Jersey Economic Development Authority designs and distributes its Annual Report of accomplishments. This year, the Authority's 2007 Annual Report will also serve as the comprehensive annual report of the Authority's operations pursuant to Executive Order No. 37. This report provides an overview of the Authority's activity for calendar year 2007 and describes progress made by the Authority in advancing Governor Jon S. Corzine's Economic Growth Strategy.

This report also includes the audited financial statements for the year ending December 31, 2007, prepared pursuant to Generally Accepted Accounting Principles for a governmental entity. I am pleased to inform you that the independent accounting firm of Mercadien, P.C. has issued an unqualified opinion with regard to the 2007 financial statements.

Under Executive Order No. 37, the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Certification accompanying the financial statements has been executed by the Chief Executive Officer, as well as certification from the Chief Executive Officer that the EDA has followed its standards, procedures and internal controls. This report will be submitted to the Governor's Authorities Unit. Following submission, the Authority is then required to post the document on its website.

It should also be noted that this is the second year that the Authority has produced its Annual Report utilizing in-house staff capabilities, rather than outsourcing the design and production process. In addition to submitting the comprehensive annual report to the Governor's Authorities Unit and posting on the Authority's website, EDA will also be notifying the Legislature and business and community development leaders of the report electronically, rather than in hardcopy via U.S. mail, as has been the past practice.

Recommendation:

Authority staff has prepared the comprehensive annual report as required under Executive Order No. 37, and recommends Member's approval in order to submit the report to the Governor's Authorities' Unit, and post on the Authority's website.



Prepared by: Nicole Royle

The company we keep,
keeps getting better.



New Jersey Economic Development Authority
Annual Report 2007



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

EDA 2007 Results

EDA Results 2007*	
Projects Assisted	380
Total Assistance	\$681.5 Million
Public/Private Investments	\$1.6 Billion
Estimated New Permanent Jobs	11,466
Estimated Construction Jobs	14,800

EDA Results 1974-2007	
Projects Assisted	9,600
Total Assistance	\$19.1 Billion
Public/Private Investments	\$40 Billion
Estimated New Permanent Jobs	288,000
Estimated Construction Jobs	283,000

Edison Innovation Fund 2007	
Projects Assisted	134
Total Assistance	\$153.9 Million
Public/Private Investments	\$349.2 Million
Estimated New Permanent Jobs	2,743

Urban Assistance 2007	
Projects Assisted	135
Total Assistance	\$245.9 Million
Public/Private Investments	\$550 Million
Estimated New Permanent Jobs	6,376

Core Activity 2007	
Projects Assisted	125
Total Assistance	\$315.8 Million
Public/Private Investments	\$801.5 Million
Estimated New Permanent Jobs	3,155

*Note: Because of the overlap between Edison and Urban funds, EDA Results 2007 will not equal the sum of the Edison, Urban and Core charts.

EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent, self-supporting State entity dedicated to broadening New Jersey's economic base by building vibrant, diverse communities, creating and maintaining jobs, and providing businesses and nonprofits with the necessary financial and technical support to grow and succeed.

EDA Strategy

The EDA creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and nonprofit organizations. It supports entrepreneurial development through training and mentoring programs. It undertakes real estate development projects important to the State's economic growth. It creates new jobs and business opportunities and support community development.



Dear Friends:

Working in partnership with the Office of Economic Growth and the New Jersey Commerce Commission, the New Jersey Economic Development Authority is a vital force that supports economic growth in New Jersey.

The EDA's broad financial and real estate resources have supported business growth and promoted investments and smart growth development in communities throughout the State for nearly 35 years. Today, as we move forward with our comprehensive Economic Growth Strategy to build New Jersey's economy and create new high-paying, private-sector jobs, its efforts are more important than ever.

This Annual Report highlights many of the varied ways the EDA assisted businesses, nonprofit organizations and municipalities in New Jersey in 2007, including activities initiated under the New Jersey Urban Fund and the Edison Innovation Fund, which are administered by the EDA in support of our Economic Growth Strategy. I encourage you to review its contents to become familiar with all the resources our State makes available through the EDA to encourage economic growth, innovation and community revitalization.

Economic development is a focal point of my Administration, and I look forward to working further to grow New Jersey's economy and create new jobs in our State.

Sincerely,

A handwritten signature in black ink, which appears to read "Jon S. Corzine". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jon S. Corzine
Governor

Advancing Governor Jon Corzine's Economic Growth Strategy

The New Jersey Economic Development Authority (EDA) continued to work with the Office of Economic Growth, the New Jersey Commerce Commission and other State agencies in 2007 to generate new jobs, promote scientific innovation and encourage investment in New Jersey's communities. By implementing new strategic initiatives to reinforce its traditional lending function and reorganizing its management structure to strengthen the integration of its mission with Governor Jon S. Corzine's comprehensive Economic Growth Strategy, the EDA enhanced its role as a catalyst for business growth and urban revitalization.

To support the State's economic growth efforts, the EDA finalized more than \$680 million in financing assistance and State business incentives and tax credits in 2007. This assistance is supporting total new public/private investment of over \$1.6 billion in New Jersey's economy and the creation of nearly 11,500 new, full-time jobs.

The 2007 results brought the EDA's cumulative financing assistance totals to more than \$19 billion since it was established in 1974. More than 9,600 projects have been assisted during the period, resulting in the creation of about 288,000 new jobs and total investment of \$40 billion.

Although EDA programs and services assist companies and nonprofit entities of all sizes, the Authority's focus has traditionally targeted small and mid-size businesses. The EDA channels much of its activities toward several key business sectors critical to the State's economy, which include: technology, biotechnology and

pharmaceuticals; manufacturing; logistics, including warehousing, distribution and port operations; financial services; and tourism, arts and culture.

Nearly 70 manufacturers were among the more than 170 business projects that used EDA financing and State incentives in 2007. Over 20 of these businesses found tax-exempt bonds issued through the EDA to their advantage. With lower interest rates and longer terms than are usually offered by other sources of funds, tax-exempt bonds can be an affordable and effective tool to support the needs of qualifying New Jersey manufacturers, as well as other businesses and nonprofit organizations. Seven of the projects that the EDA was able to assist during the year were eligible because of an increase in capital expenditure limitations adopted under federal legislation that went into effect in 2007. The EDA worked with the nationally recognized Council of Development Finance Agencies and the New Jersey Business & Industry Association to support this legislative change.

The EDA took several steps during the year to improve the product portfolio and services it offers to assist businesses, nonprofit organizations and municipal governments. It approved significant changes to increase exposure on its direct loan and guarantee programs, raising maximum limits to \$1.25 million for fixed asset loans and \$750,000 for working capital loans as well as to \$1.5 million for both fixed asset loans and working capital loan guarantees. Increasing these loan and guarantee limits will enable the EDA to be a more meaningful partner to the

banking community and help more businesses grow, leading to the creation of more jobs.

The new lending limits will also apply to the EDA's Preferred Lender Program, which features a five-day EDA review period. The EDA provides a portion of a preferred bank's financing or guarantees part of the bank loan. The quick turnaround from approval to closing is welcome news for borrowers, while the EDA's participation in the transaction assists banks by reducing their risk. The Bank became the latest financial institution to become a Preferred Lender in 2007. The program is expanding to include more community banks in 2008.

The EDA also introduced *FastStart for small business*, a new product that makes low-interest, fixed-asset financing up to \$300,000 available to eligible credit-worthy companies operating in the State for at least one year. Under the new offering, loan approvals are based partially on guarantor credit scores as well as the applicant's credit history and business plan. Prospective borrowers will also benefit from an expedited review and approval process that can shorten the time between application and closing.

To satisfy a need for financing medium-size projects in the targeted cities of Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton, the EDA developed Urban Plus, a new product that provides up to \$5 million for projects in these nine urban areas. Urban Plus loans can be made for as long as 10 years with up to a 25-year amortization and be used for fixed assets like buildings and equipment. Loans can fund up to 50% of total project costs and must have the support of the municipality. Projects

must create or maintain jobs, increase ratables or leverage public financing by a ratio of 1:1.

Additionally, the EDA bolstered its community development lending resources in 2007 to allow up to \$50,000 for municipalities to finance feasibility studies and other predevelopment costs associated with their redevelopment efforts, including planning and marketing expenses. Previously, such funds were available only to community development organizations.

The following pages illustrate many of the ways the EDA staff worked to stimulate economic growth in the State's key business sectors and urban communities and provides examples of how we successfully supported the goals of the Governor Corzine's Economic Growth Strategy.

We invite your comments and suggestions. For more information about doing business in New Jersey, visit www.NewJerseyBusiness.gov or call (866) 534-7789. To learn more about how the EDA can assist in financing business growth or community development projects in New Jersey, please visit www.njeda.com or call the EDA Customer Care hotline at (609) 777-4898.



Carl E. Van Horn, Ph.D., Chairman



Caren S. Franzini, Chief Executive Officer

Encouraging Investments in Urban Communities

The New Jersey Economic Development Authority's (EDA's) work with municipalities, developers and community organizations to generate investments in the State's urban areas has been geared to advance Governor Corzine's Economic Growth Strategy. The EDA's financing assistance, coupled with the real estate services and expertise it offers, is designed to stimulate the growth of businesses and nonprofit organizations, spur the creation of new jobs, foster the investigation and cleanup of brownfield sites, and promote smart growth development.

Almost half of the projects for which the EDA provided loans, bonds, business incentives, or environmental investigation and remediation funding in 2007 were located in the state's 57 Urban Aid communities. Total EDA assistance in these communities during the year exceeded \$245 million and was responsible for injecting \$550 million in public/private investment into New Jersey's Urban Aid communities and setting the foundation for the creation of nearly 6,400 new jobs.

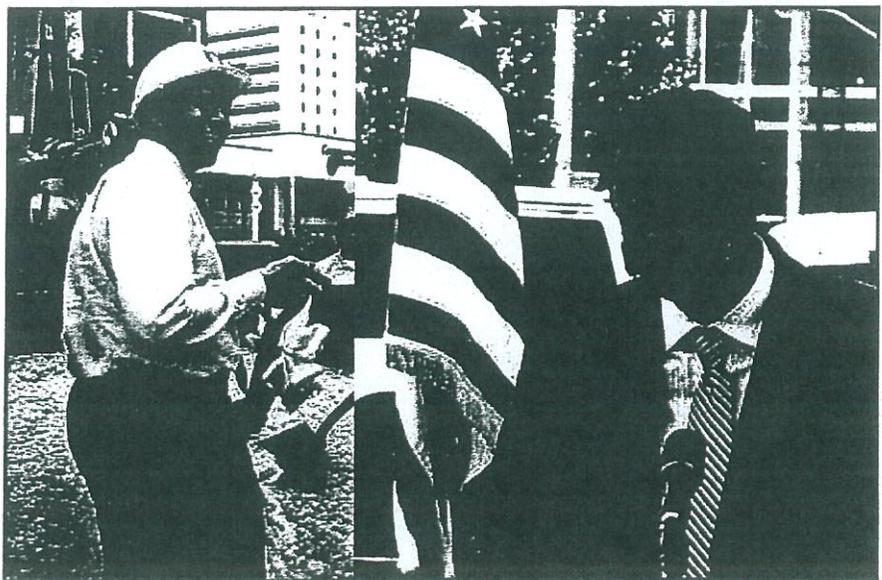
In Jersey City, the principals of Sackman Enterprises, a successful New York real estate developer, formed **Journal Square Properties, LLC** to acquire a 177,000-square-foot landmark downtown commercial office building and an adjoining parking lot. The building required significant improvements and renovations before its space could be fully leased.

To enable Sackman Enterprises to make these improvements and

refinance an existing mortgage loan to reduce debt service, the EDA, through its New Jersey Community Development Entity, closed a \$4.2-million loan with the developer under the federal New Markets Tax Credits program. The loan was made at a fixed interest rate of 3% with interest-only due for seven years. Authority assistance allowed for the continued redevelopment of this underutilized building in the central business district. When completed, the structure is expected to provide jobs for more than 900 people.

When the **Newark Downtown District Management Corporation (NDD)** decided to remake 56 blocks of the city's Gateway area and nearly 600 properties – a \$17.5-million capital project believed to be the largest ever to be financed by a Special Improvement District (SID) in the State – it called upon the EDA's financing capabilities to help continue the city's remarkable downtown renaissance.

The streetscape project – decorative street



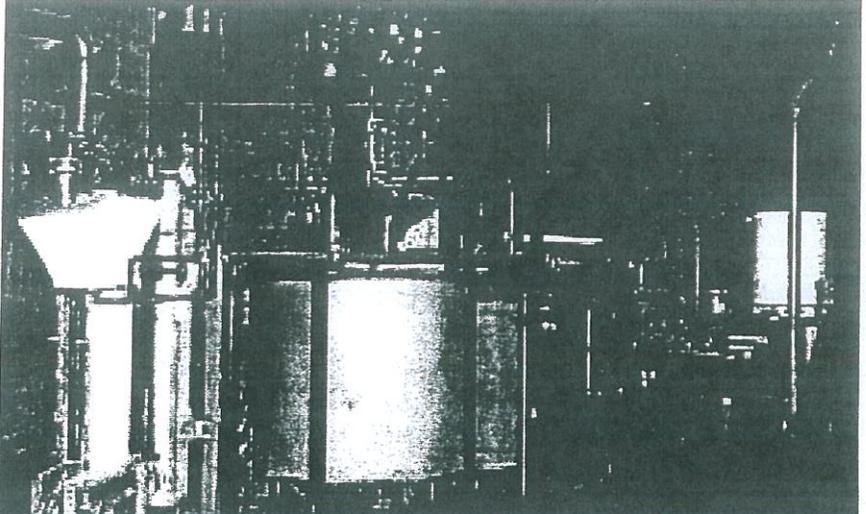
Newark Mayor Cory Booker (L) and EDA Finance Officer Mathew Abraham at the Newark Downtown District Streetscape Improvement Groundbreaking Ceremony in June.

lighting, new street signs, sidewalks and sidewalk treatments, and trees and planter boxes – was financed through an innovative partnership that included \$10 million in 30-year tax-exempt bonds issued by the EDA, underwritten by Wachovia Bank and carrying fixed interest rates ranging from 4.5% to 5.1%. The first phase of the three-year project encompassed the area immediately surrounding the Prudential Center, a major sports and entertainment venue that opened in 2007.

In New Brunswick, the EDA issued \$3.3 million in tax-exempt bonds and made a \$750,000 loan to enable **Procedyne Corporation**, an engineering and equipment manufacturing business, to acquire and renovate the 60,000-square-foot building it had been leasing and to purchase new equipment. The 20-year variable rate bond, which was directly purchased by Commerce Bank, closed at an initial interest rate of 4.9%. The five-year EDA loan closed at a fixed interest rate of 3.1%. The financings will enable the company to add 18 new jobs within two years.

The EDA also worked with PNC Bank under the innovative New Jersey Business Growth Fund to guarantee 15 bank loans to small businesses in Urban Aid communities during the year. In Gloucester City, the EDA provided a 25% guarantee of an \$800,000 PNC Bank loan to enable **Princeton Hydro, LLC**, an ecological engineering and management services firm, to purchase property to facilitate business expansion.

In Newark, a 25% guarantee of a \$225,000



With \$3.3 million in tax-exempt bond financing and a \$750,000 loan, Procedyne Corporation was able to acquire and renovate its headquarters in New Brunswick and purchase new equipment to support its growth.

bank loan allowed James T. Kin, owner of **Kinton, Inc.**, a supplier of seafood products, to acquire needed refrigeration equipment. In Paterson, a \$260,000 bank loan with a 25% EDA guarantee was used by **Bergen Screen Printing** to buy a new inkjet printer. The three loans, all made for five years, closed at fixed interest rates ranging from 4.04% to 4.66%, and will generate a total of 14 new jobs.

The EDA also provides funding to micro lenders who support urban revitalization. The **Cooperative Business Assistance Corporation**, which serves six counties in southern New Jersey, borrowed \$500,000 in 2007 at 3% fixed interest for 10 years with interest only for 12 months, in part so it could fund new micro loans to small businesses.

The EDA managed State assistance of more than \$100 million in estimated Business Employment Incentive Program (BEIP) funds for 20 companies that plan to bring over 4,300 new jobs into New Jersey's urban areas. Businesses that took advantage of this incentive program

and closed multiple-year grant agreements for amounts ranging from \$60,000 to nearly \$40 million included: **Beau Label Manufacturing, Inc.**, a maker of pressure-sensitive labels relocating to Hillside from New York and bringing 55 jobs into the State; **Homeland Vinyl Products, Inc.**, a building materials manufacturer expecting to add 125 new jobs in Millville, and Deutsche Bank subsidiary **DB Services New Jersey, Inc.**, relocating its central banking support service functions from New York City and creating 1,600 new jobs in Jersey City.

The EDA also offers important resources to restore brownfield sites, many of which are located in urban communities, and return them to productive use. In 2007, the EDA approved a grant for more than \$100,000 to enable the **City of Newark** to perform a site investigation on property located on 18th Avenue. The site had been utilized for a mix of residential, commercial and industrial uses and has environmental areas of concern. The city hopes to redevelop the property for Nat Turner Park, which would be Newark's largest city-owned parkland.

Additionally, through a 2007 predevelopment funding initiative, up to \$50,000 per project is available to municipalities to finance feasibility studies and other predevelopment costs associated with their redevelopment efforts, including planning and marketing expenses. The EDA approved a \$47,500 loan to the **City of Pleasantville**, enabling the municipality to conduct

a feasibility study for the redevelopment of property it owns that houses local government services. The study will analyze the relocation of these services and the redevelopment of the vacant site. EDA funds will be repaid if the project advances and generates revenue.

The EDA also provided more than \$23 million in financing and business lease incentives for 20 projects through its subsidiary, the Economic Recovery Board for Camden (ERB), which is contributing to the city's revitalization and leading to the creation of nearly 175 new jobs.

Centro Comunal Borincano was among the recipients of ERB funding in 2007, securing an \$800,000 loan at 3-percent interest over five years to build a new 16,000-square-foot child care center to serve nearly 200 infants, toddlers and preschool students. The project, expected to create 24 new jobs, also received funding from other sources, including \$400,000 from the EDA's Fund for Community Economic Develop-



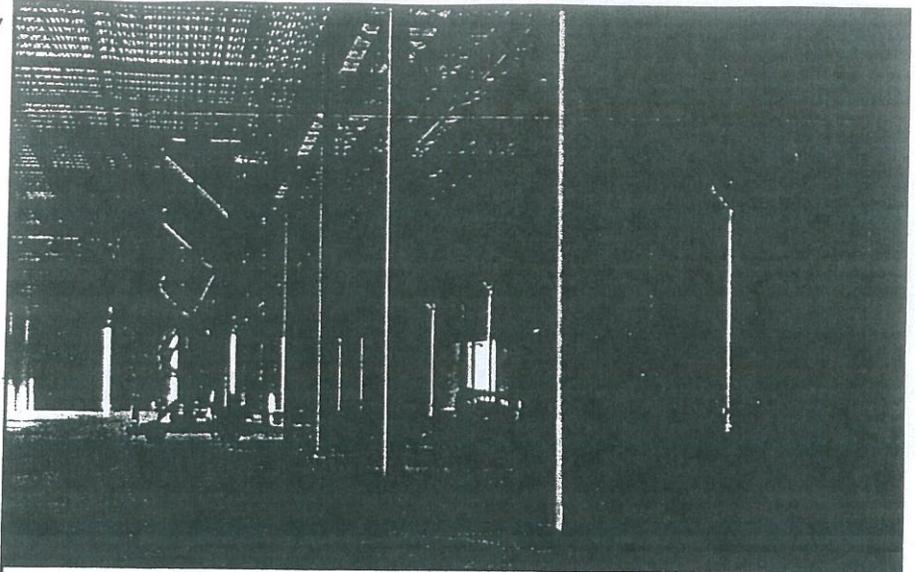
Homeland Vinyl Products, Inc., a manufacturing company located in Millville, received a BEIP grant worth an estimated \$326,250 over 10 years based on its plans to create 125 new jobs. Pictured, from left, Dan Bello, Blending Supervisor, Dariusz Pajek, Production Manager, and Orlando Rios, Maintenance Manager.

ment made at an initial weekly variable interest rate of 3% for five years.

Through the **Portfields Initiative**, the EDA continued to work with the Port Authority of New York and New Jersey, other state agencies and major private developers to transform underutilized sites within the Port District of New Jersey into modern warehousing and distribution centers. Several projects have moved forward. **ProLogis** has leased most of the 360,000 square feet it has developed in Wood-

bridge and Carteret. **Panattoni Development Company** has continued the development of 1.2 million square feet of space in Carteret, the first phase of the iPort 12 International Trade and Logistics Center. **The Morris Companies** is developing 1.5 million square feet in Linden and Perth Amboy and **J.G. Petrucci** has embarked on the development of 570,000 square feet in Edison. Many other projects are at various stages of the investigation, remediation and permitting processes.

An international marketing campaign to promote the Portfields Initiative, which encompasses more than 20 key sites from Kearny to Perth Amboy, was launched during the year with partners PSE&G and the New Jersey Commerce Commission. The success of



Panattoni Development Company's iPort 12 International Trade and Logistics Center in Carteret will be fully completed in April 2008 and is currently available for lease. iPort 12 is a 1.2 million-square-foot development located at Exit 12 of the New Jersey Turnpike. The project is one of the first to offer state-of-the-art warehousing and represents a success story for brownfields redevelopment as well.

these collaborative efforts to expand and modernize warehousing and distribution facilities will put businesses in a better position to take advantage of emerging domestic and overseas market opportunities and achieve greater efficiency, productivity and profitability.

#

Advancing the Growth and Location of Tech and Life Sciences Companies

The EDA arranged for nearly \$154 million in Edison Innovation Fund investments, State business incentives and tax credits, and other forms of financing in 2007 as it moved forward with carrying out Governor Corzine's Economic Growth Strategy to spur scientific innovation, create new, high-paying jobs and cultivate an entrepreneurial environment for technology and life sciences companies in New Jersey. This assistance supported the creation of more than 2,700 new jobs and total public/private investment of close to \$350 million in the State's technology and life sciences economy.

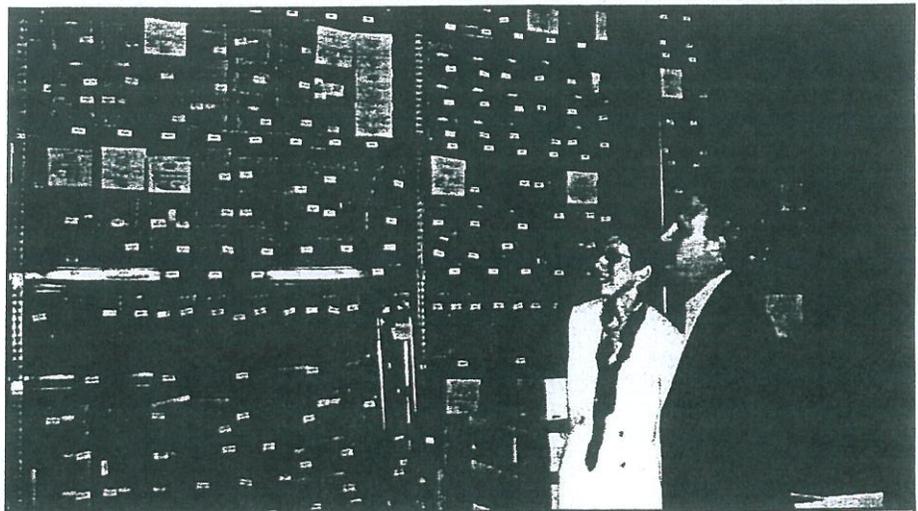
The Edison Innovation Fund is a State effort managed by the EDA in consultation with the New Jersey Commission on Science and Technology and the New Jersey Commission on Higher Education. It was established at the end of 2006 to offer a broad continuum of assistance ranging from various forms of financial assistance to modern, state-of-the-art laboratory and office space located within specially created Edison Innovation Zones in Camden, the greater New Brunswick area and Newark. These zones are designed to stimulate collaboration between State universities and the business community.

Eleven businesses planning to create nearly 280 new jobs received direct Edison Innovation Fund investments in 2007 totaling \$9.75 million. **Signum Biosciences, Inc.** of South Brunswick, a developer of pharmaceuticals, skin-care

products and nutritional supplements, was one of these companies, receiving a \$1-million investment to finance claims validation testing procedures, its research on botanical compositions and the hiring of new employees.

IntegraChain, Inc. of Princeton, which supplies secure supply chain intelligence to the health care industry, was another. It obtained a \$1-million Edison Fund investment to expand sales and marketing, customer services and data operations and to purchase computer hardware to support its corporate data center and backup operations. **Dynamic Mobile Data Systems, Inc.** of Franklin Township, a pioneer in the development of mobile resource management systems, also secured a \$750,000 Edison Fund investment to develop and market new software focused on customized wireless data communications.

In 2007, the EDA also exercised an option to convert one-fourth of a \$1-million investment in **Archive Systems, Inc.** of Fairfield to preferred



EDA CEO Caren Franzini toured the Fairfield headquarters of Archive Systems, Inc. with company CEO Rick Kushel in September. Kushel said, 'The EDA's investment demonstrates New Jersey's commitment to high-tech companies and provides the foundation for this State to become a global technology leader.'

stock, which would pay a dividend that would accumulate and be paid to the EDA if and when the digital document management systems company goes public or is acquired. This money would be used to sustain and expand EDA lending through the Edison Innovation Fund. This is the first such conversion of debt for equity or stock the EDA has undertaken.

Through its lending and bond finance resources and lease incentives, the EDA assisted nine other technology and life sciences projects in 2007 with an additional \$26.6 million. **Tris Pharma, Inc.** of South Brunswick, for example, took advantage of \$4.9 million in tax-exempt bonds issued through the EDA to expand its manufacturing capacity. The EDA has supported Tris Pharma, a pharmaceutical company engaged in the research and development of drug delivery technologies, since 2002 and has helped the company grow from a staff of eight to more than 70 within five years. The latest financing will enable the company to add 50 new jobs. The bond, directly purchased by The Provident Bank, was issued at a fixed, low-interest rate with interest-only payments due for the first three months of the 10-year term. The EDA also provided a \$1-million guarantee.

In 2007, the EDA also executed BEIP grants worth more than \$57 million with 22 technology and life sciences companies planning to expand or relocate in New Jersey. The businesses final-



Tris Pharma, Inc.'s Director of Facilities & Engineering, Rajul Parikh, discusses the pharmaceutical company's manufacturing capabilities with EDA CEO Caren Franzini. To keep pace with its growth rate, Tris Pharma will use EDA financing to further expand its facility to include additional manufacturing and research space.

izing the grants expect to create a total over 2,300 new jobs and invest more than \$200 million in the State.

Among the BEIP recipients were **NovaDel Pharma Inc.** of Raritan, a pharmaceutical company engaged in the development of oral delivery systems for prescription, over-the-counter and veterinary drugs, and Bayer Pharmaceutical's **Berlex, Inc.** of Montville, a pharmaceutical business committed to research and development in the areas of oncology, gastroenterology, women's health, diagnostic imaging and neurology and specialized therapeutics for life-threatening and disabling diseases of the central nervous and cardiovascular systems.

NovaDel finalized a 10-year grant worth an estimated \$530,600 in connection with its plans to add 15 new jobs; the Berlex award was estimated at \$12.5 million over 10 years based on the company's expectations of relocating 350 positions from Connecticut to its existing New Jersey facility, an expansion move that was fa-

cilitated by the strong teamwork of the EDA, the Office of Economic Growth and the Commerce Commission.

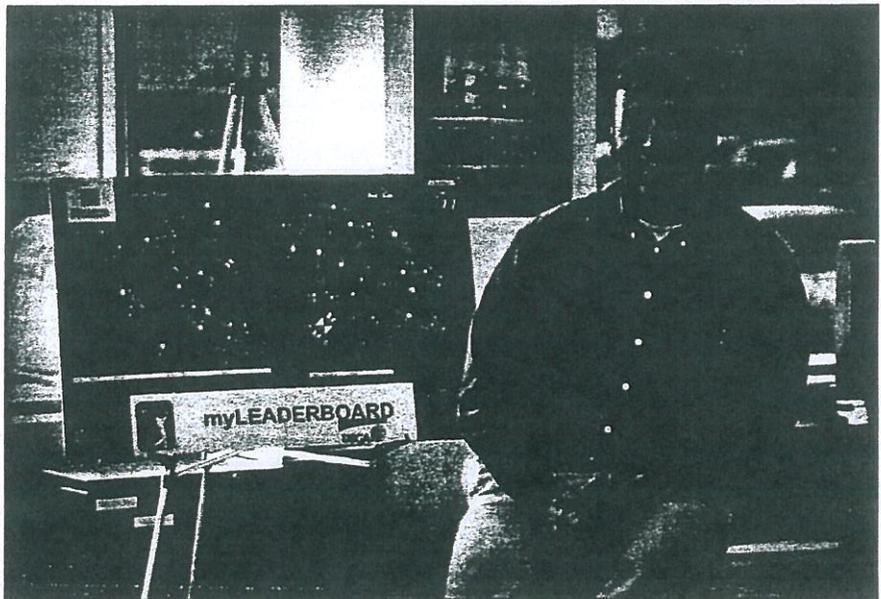
The EDA also administers the State's Technology Business Tax Certificate Transfer Program, which enables qualified businesses to sell tax losses or research and development tax credits to raise cash to finance their growth and operations. In 2007, 92 technology and biotechnology companies were approved to share the \$60 million available through the program, including seven that took advantage of the \$10 million set aside for companies located in the State's three Edison Innovation Zones. The allocation of about \$650,000 per company brought total funding under the tax transfer program to \$445 million since the program was established in 1999.

To further encourage innovation in New Jersey during the year, the EDA finalized a \$5-million limited partnership investment in **Commerce Health**, a diversified health care equity fund managed by NewSpring Capital, LLC of Short Hills, that will invest in companies in the health care services, life sciences and medical device fields. The minimum 2:1 matching requirement for the EDA's commitment will triple the investment dollars available to New Jersey companies. The Commerce Health participation complements previous EDA venture fund investments, including NextStage Capital, LP, the Edison VI Venture Fund, the Garden State Life Sciences Venture Fund and the

New Jersey Technology Council Venture Capital Fund.

On the real estate front, the EDA's **Commercialization Center for Innovative Technologies (CCIT)** in North Brunswick was awarded the Soft Landings International Incubator designation from the National Business Incubation Association. The designation recognized the support CCIT offers to help nondomestic firms adjust to domestic markets, access capital and navigate government bureaucracy. It also lauded the facility for providing added benefits such as translation services and market research assistance.

There are 20 companies that have leased space at the CCIT, which is part of the larger **Technology Centre of New Jersey** campus located within the Greater New Brunswick Edison Innovation Zone along the Route 1 R&D corridor between Rutgers and Princeton universities. Prominent CCIT tenants in 2007 included



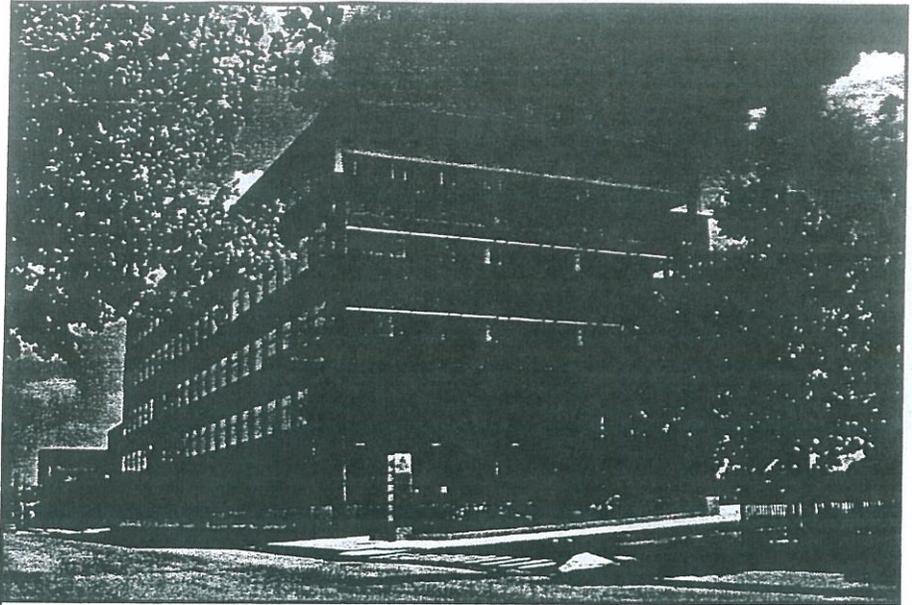
John Geary, President and CEO of myLEADERBOARD, Inc. said, 'As a young but rapidly growing company, we were looking for a business environment that provided support and access to the right resources to enhance our growth, and a move to the Waterfront Technology Center at Camden fit the bill perfectly.'

pharmaceutical and biotechnology-related companies such as **Chromocell Corporation**, **MaxyBio Corporation** and **Orthocon, Inc.**

The EDA's **Waterfront Technology Center at Camden** also was honored, receiving the Economic Impact Deal of the Year award from the New Jersey Chapter of the National Association of Industrial and Office Properties and the Project of the Year award by the Northeast Economic Developers Association.

The five-story, 100,000-square-foot building, the first of several technology structures planned for the site along the Camden waterfront owned by the Delaware River Port Authority, welcomed its latest tenants in 2007. **Cooper Health System** signed a lease to operate a Center for Special Diagnostics, a pathology laboratory that will process blood samples from patients with tumors and leukemia. **Agilence, Inc.**, which provides event-based video analytics to the retail, transportation and gaming industries, and **myLEADERBOARD, Inc.**, a service provider of real-time event information at professional golf tournaments, also moved into the facility. Agilence and myLEADERBOARD also received \$1-million Edison Fund investments and business lease incentives in 2007.

These businesses joined **Gestalt, Inc.**, the **ACIN (Applied Communications and Information Networking) Camden Center for Entrepreneurship in Technology** operated by



EDA's award-winning Waterfront Technology Center at Camden welcomed three new tenants in 2007 - Cooper Health System, Agilence, Inc. and myLEADERBOARD, Inc. Total employment at the Center is now well over 500.

Drexel University and the Sarnoff Corporation, and the **Rutgers Camden Technology Campus**, which became the first tenants in the building in 2006. Well over 500 people are now employed at the Waterfront Technology Center.

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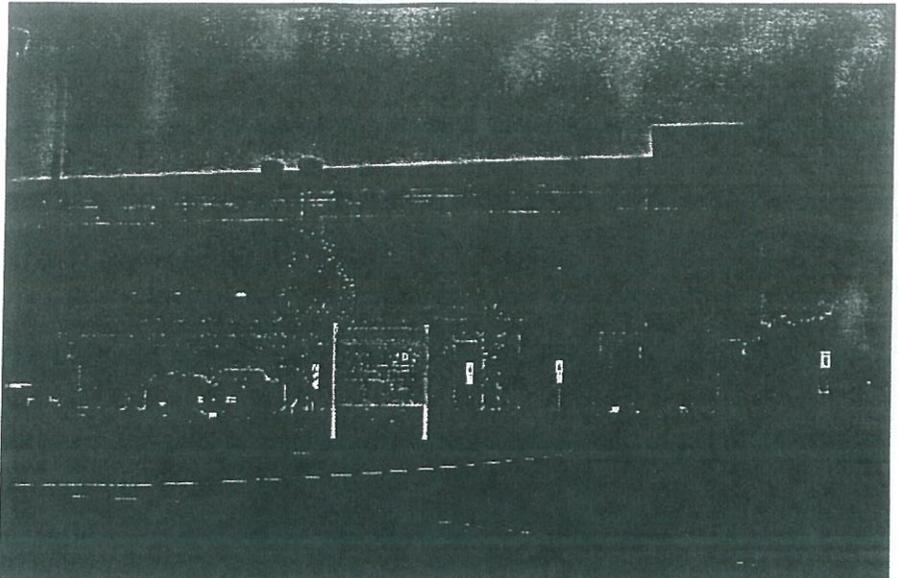
Promoting New Business Growth and Expansion in New Jersey

In addition to its efforts focused on stimulating urban investment and spurring technological innovation in the State, the EDA supports a wide range of businesses, nonprofit organizations and other entities with low-cost financing, entrepreneurial training and technical assistance, and real estate development services to fuel economic growth and job creation throughout the State.

The EDA closed 125 core (non-Urban Aid, non-Edison Innovation Fund) business and nonprofit projects in 2007 as it worked to implement Governor Jon S. Corzine's comprehensive Economic Growth Strategy. These projects supported the creation of more than 3,150 new, full-time jobs and total public/private investment of over \$800 million in New Jersey's economy.

Borrowers used EDA assistance to acquire, construct and renovate buildings, upgrade equipment and machinery to enhance efficiency and competitiveness, for working capital to cover day-to-day operational costs, and to refinance higher-interest debt. The EDA itself often acts like a bank, lending its own money, or issues bonds directly purchased or underwritten by financial institutions so small and mid-size businesses can grow.

When **Novel Box Company, Ltd.** wanted to relocate from Brooklyn to New Jersey to expand its jewelry-related manufacturing and wholesale business, the EDA issued \$2.4 million in tax-



With \$9 million in tax-exempt bond financing, Advanced Drainage Systems, Inc. was able to build its new plant in Logan Township.

exempt bonds and made a \$480,000 direct loan so the company's real estate affiliate could purchase a 53,000-square-foot building in Union. The 20-year bond was directly purchased by North Fork Bank and was issued at a fixed interest rate of 4.6% for the first 10 years; the direct loan was made at an interest rate fixed at 4.86% for the first five years of a 10-year term. The relocation brings 40 new jobs into the State.

Advanced Drainage Systems, Inc. was one of the manufacturers to benefit, borrowing \$9 million to build and equip a new plant in Logan Township to produce polyethylene drainage pipe and fittings. The 12-year tax-exempt bond, underwritten by NatCity Investments, Inc. and backed by a five-year letter of credit from National City Bank, closed at an initial weekly variable interest rate of 3.62%.

Among the core businesses to finalize loans with PNC Bank, which were supported with EDA

guarantees under the New Jersey Business Growth Fund, were manufacturers **Quality Sheet Metal & Welding, Inc.** of Piscataway and **Recycle, Inc. East** of South Plainfield. The sheet metal fabricator borrowed \$1.1 million at a 5.13% fixed interest to purchase the building it occupied, while the recycler of industrial containers borrowed \$1.35 million at 4.55% to buy new equipment. Both loans were made for five years and carried 25% EDA guarantees.

Garden State Precast, Inc., a Wall-based manufacturer of precast concrete like catch basins and utility vaults, borrowed nearly \$3 million from Sun National Bank that included an EDA participation of \$750,000 made under its Preferred Lender Program. The funds were used to purchase new equipment and refinance existing bank debt. The EDA portion of the loan was made at an interest rate of 4% fixed for the first five years of a 10-year term.

There also were 20 core projects in 2007 for which Business Employment Incentive Program (BEIP) grants totaling over \$20 million over 10 years were executed. These projects are expected to result in the creation of almost 2,200 new jobs in New Jersey and generate total public/private investment of more than \$190 million.

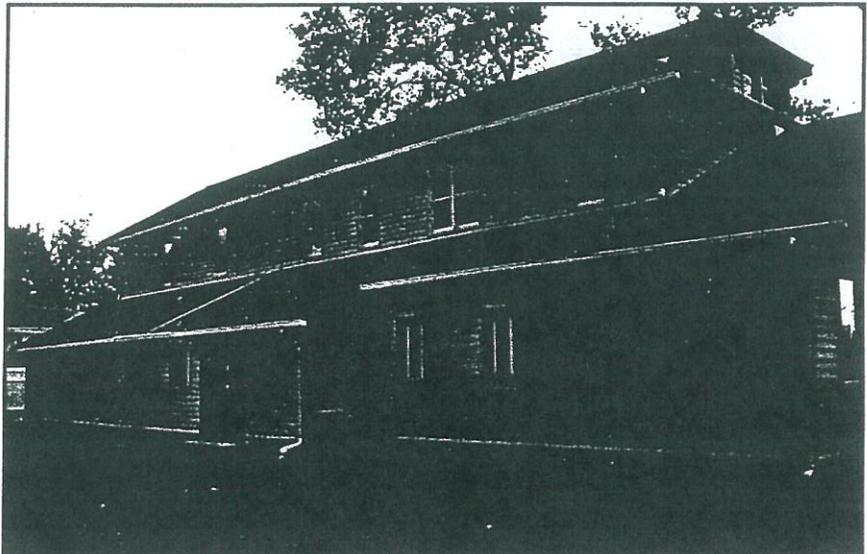
Among those businesses planning to expand or relocate in non-urban areas of the state and closing incentive grants was **Global Document Solutions Corporation**. This document management company finalized a 10-year grant of just over \$1

million based on its expectations to relocate 184 employees from New York City to Carlstadt.

There were 14 nonprofit organizations that closed financings with the EDA in 2007.

Community Options, a national organization based in Princeton that provides housing and employment support for people with disabilities, was one of them, using a \$4.84-million tax-exempt bond to refinance existing higher-interest mortgages, make renovations to an existing building, purchase equipment and to buy a building in Moorestown for another of its Daily Plan It facilities. The 20-year bond closed at an initial weekly variable interest rate of 3.9% and will enable Community Options to create 17 new jobs.

The **Mental Health Association in Southwestern NJ** also used a \$325,000 Commerce Bank, N.A. loan with a \$160,000 EDA participation to purchase a building in Haddon Heights to consolidate its Voorhees and Camden facilities. The organization serves Burlington, Camden and



The Mental Health Association in Southwestern NJ used a \$325,000 Commerce Bank loan with a \$160,000 EDA participation to purchase this building in Haddon Heights. The new facility will enable the organization to relocate its facilities in Voorhees and Camden to one central location, resulting in major cost savings.

Gloucester counties, working to eradicate the stigma of mental illness through community education, advocacy and support services. The EDA portion of the five-year loan was finalized at a fixed interest rate of 4.75%.

The EDA's efforts to provide a continuum of support to foster the growth and success of small and mid-size businesses starts with its work to encourage entrepreneurship. Angela Milton, for example, received a five-year, \$60,000 loan to re-

establish her **All About Hair Salon** in Lumberton from the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, whose programs are staffed and managed by the EDA. The loan was made at a fixed interest rate of 7.25%.

Entrepreneurial Training Institute (ETI) sessions for new and aspiring business owners provided through the EDA were offered on a limited schedule in 2007 as EDA staff worked directly with the Office of Economic Growth to define a broader, customer-centric technical assistance model to enhance small business growth in New Jersey. The net result of this effort was an enhanced business portal at www.NewJerseyBusiness.gov, which provides in-depth information on State resources for businesses. EDA staff created a Funding and Incentive Resource List sorted by county and city so that entrepreneurs and service providers can tap into the financing opportunities throughout the State. The web-



A \$60,000 low-interest loan helped Angela Milton, seated, re-establish the All About Hair Salon in Lumberton and hire five full-time employees. Stylists include, from left, Dannielle, Michelle, Golda-Ann, Chennita and Anita.

site is www.nj.gov/njbusiness/forms/Funding_Incentive_Resources_11_2_07.pdf.

ETI alumni enjoyed many successes in 2007. James Smith completed the ETI program and began his executive search firm, **J. Anderson & Associates, Inc.**, in Sussex County targeting large vendors in the telecom sector. Sharon Gould made her hobby her career by opening **Lucky Dog Racewear, Inc.**, a retailer of NASCAR clothing and memorabilia, in Burlington County. Anthony Lamme launched his free family and friends social networking website, **FAMZAM**, in Bergen County with \$150,000 in funding from Columbia Bank, which became familiar with his business plan during the ETI classes.

#

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Rutgers University

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Stanley M. Kosierowski
Chief Operating Officer and
Senior Vice President, Business Support

Gregory Ritz, CPA
Chief Financial Officer

Maureen M. Hassett
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Timothy J. Lizura
Senior Vice President
Business Development

Cynthia G. Osofsky
Senior Vice President
Customer Solutions

Kathleen E. Stucy
Senior Vice President
Operations

Lori Matheus
Vice President
Regional Business Development



March 31, 2008

In accordance with Executive Order No. 37 issued by Governor Jon S. Corzine on September 26, 2006, the New Jersey Economic Development Authority's 2007 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, Mercadien, P.C., dated March 5, 2008, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

In addition, I certify that during 2007, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

Sincerely,

Caren S. Franzini
Chief Executive Officer

Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying basic financial statements of New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the year ended December 31, 2007. 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 audit. The financial statements of the Authority as of and for the year ended December 31, 2006 were audited by other auditors whose report dated February 2, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of New Jersey Economic Development Authority as of December 31, 2007, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing over internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Management's Discussion and Analysis ("MD&A") on pages 3 through 12 is not a required part of the basic financial statements, but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State of New Jersey's OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Amador, PC
Certified Public Accountants

March 5, 2008

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Management's Discussion and Analysis
Years Ended December 31, 2007 and 2006

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2007 and 2006. Please read it in conjunction with the Authority's financial statements and accompanying notes.

2007 FINANCIAL HIGHLIGHTS

- The Authority's total net assets decreased \$61.8 million (or 7.7%) primarily due to grant disbursements for the Business Employment Incentive Program ("BEIP").
- Current liabilities increased \$5.0 million (or 14.2%).
- Bonds payable-net decreased \$23.1 million (or 16.8%) due to scheduled debt service payments.
- Capital assets-net decreased \$5.8 million (or 4.0%) primarily due to the sale of MSNBC production equipment and offset by the completion of leasehold improvements at the Waterfront Technology Center at Camden ("WTCC").

2006 FINANCIAL HIGHLIGHTS

- The Authority's total net assets decreased \$111.1 million (or 12.1%) primarily due to grant disbursements for the Business Employment Incentive Program ("BEIP").
- Current liabilities increased \$1.8 million (or 5.4%).
- Bonds payable-net decreased \$36.2 million (or 22.4%) due to scheduled debt service payments.
- Capital assets-net decreased \$17.6 million (or 10.9%) primarily due to the sale of MSNBC production equipment and offset by the completion of leasehold improvements of Tech IV at the Technology Centre of New Jersey and at the Waterfront Technology Center at Camden ("WTCC").
- During 2006 the Authority adopted Governmental Accounting Standards Board Statement No. 45 "Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". This had a significant impact on operating expenses which increased \$14.5 million (or 31.8%) primarily due to the cost of other postemployment benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: *Management's Discussion and Analysis* (this section) and the *basic financial statements*. 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 Assets. The following table summarizes the changes in Net Assets for the years ended December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Current Year % increase/ (decrease)</u>	<u>Prior Year % increase/ (decrease)</u>
Other Assets	\$798,191,189	\$883,221,154	\$992,344,042	(9.6)%	(11.0)%
Capital Assets, net	<u>138,220,607</u>	<u>143,997,656</u>	<u>161,622,851</u>	(4.0)%	(10.9)%
Total Assets	<u>936,411,796</u>	<u>1,027,218,810</u>	<u>1,153,966,893</u>	(8.8)%	(11.0)%
Long Term Debt	120,771,886	145,190,669	174,611,029	(16.8)%	(16.8)%
Other Liabilities	<u>69,892,751</u>	<u>74,440,705</u>	<u>60,664,438</u>	(6.1)%	22.7%
Total Liabilities	<u>190,664,637</u>	<u>219,631,374</u>	<u>235,275,467</u>	(13.2)%	(6.6)%
Net Assets:					
Invested in Capital Assets, Net of Related Debt	54,010,607	43,582,656	30,042,851	23.9%	45.1%
Restricted for School Loan Program	38,459,932	45,688,363	53,529,787	(15.8)%	(14.6)%
Unrestricted	<u>653,276,620</u>	<u>718,316,417</u>	<u>835,118,788</u>	(9.1)%	(14.0)%
Total Net Assets	<u>\$745,747,159</u>	<u>\$807,587,436</u>	<u>\$918,691,426</u>	(7.7)%	(12.1)%

During 2007, the Authority's combined net assets decreased \$61.8 million (or 7.7%) primarily due to \$56.3 million in BEIP grant award payments. In addition, other appropriations, Program Payments and Payments to/from the State amounted to (\$5.5 million) for the following purposes:

- \$2.4 million PUST grant award payments and loan disbursements
- (\$13.7) million Hazard appropriations in excess of program disbursements
- \$27.1 million Municipal Economic Recovery Initiative grant award payments
- \$7.2 million School Loan Program repayments returned to the State
- (\$4.3) million Decrease in Lease Revenue
- (\$12.4) million Decrease in Operating Expenses
- (\$0.8) million Other Program Income

During 2006, the Authority's combined net assets decreased \$111.1 million (or 12.1%) primarily due to \$98.5 million in BEIP grant award payments. In addition, other appropriations, Program Payments and Payments to/from the State amounted to (\$12.6 million) for the following purposes:

- \$3.1 million PUST grant award payments and loan disbursements
- \$2.5 million Hazard grant award payments and loan disbursements
- \$11.6 million Municipal Economic Recovery Initiative grant award payments
- \$8.3 million School Loan Program repayments returned to the State
- (\$9.6) million Increase in Interest Income from Investments
- (\$3.3) million Other Program Income

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 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Current Year % increase/ (decrease)</u>	<u>Prior Year % increase/ (decrease)</u>
Operating Revenues					
Financing Fees	\$3,302,706	\$3,086,276	\$4,333,791	7.0%	(28.8)%
Interest Income-Notes	6,936,927	6,492,123	5,864,950	6.9%	10.7%
Interest Income- Intergovernmental	618,345	706,977	789,085	(12.5)%	(10.4)%
Lease Revenue	17,757,597	22,071,456	20,793,892	(19.5)%	6.1%
Other	<u>8,754,763</u>	<u>7,378,156</u>	<u>6,576,760</u>	18.7%	12.2%
Total Operating Revenues	<u>37,370,338</u>	<u>39,734,988</u>	<u>38,358,478</u>	(6.0)%	3.6%

Operating Expenses					
Administrative Expenses	16,827,612	27,560,919	13,531,795	(38.9)%	103.7%
Interest Expense	6,850,482	7,444,219	7,294,733	(8.0)%	2.0%
Depreciation	11,489,306	14,820,974	15,762,903	(22.5)%	(6.0)%
Loss Provisions-Net	4,898,638	2,981,250	2,144,213	64.3%	39.0%
Other	<u>7,428,524</u>	<u>7,100,622</u>	<u>6,714,134</u>	4.6%	5.8%
Total Operating Expenses	<u>47,494,562</u>	<u>59,907,984</u>	<u>45,447,778</u>	(20.7)%	31.8%
Operating Loss	<u>(10,124,224)</u>	<u>(20,172,996)</u>	<u>(7,089,300)</u>	(49.8)%	184.6%
Nonoperating Revenues and Expenses					
Interest Income-investments	28,742,994	29,302,049	19,638,113	(1.9)%	49.2%
State Appropriations and Program Payments-Net	(83,698,819)	(123,451,504)	76,637,512	(32.2)%	(261.1)%
Other Revenue/(Expenses)	<u>3,239,772</u>	<u>3,218,461</u>	<u>(2,352,209)</u>	0.7%	(236.8)%
Total Nonoperating, Net	<u>(51,716,053)</u>	<u>(90,930,994)</u>	<u>93,923,416</u>	(43.1)%	(196.8)%
Change in Net Assets	(61,840,277)	(111,103,990)	86,834,116	(44.3)%	(227.9)%
Beginning Net Assets	<u>807,587,436</u>	<u>918,691,426</u>	<u>844,074,937</u>		
Cumulative effect of accounting change			<u>(12,217,627)</u>		
Beginning Net Assets as adjusted for accounting change			<u>831,857,310</u>		
Ending Net Assets	<u>\$745,747,159</u>	<u>\$807,587,436</u>	<u>\$918,691,426</u>		

Operating Revenues

During 2007, the Authority's operating revenues were materially impacted by the following:

- Financing fees increased by \$0.2 million.
- Lease revenue decreased by \$4.3 million.
- Sale of Assets decreased by \$15.6 million, primarily due to the decrease in MSNBC production equipment sold.
- Program services revenue increased by \$0.2 million.
- Loss Recoveries increased by \$1.3 million.
- Distributions received increased by \$0.4 million from Edison IV Venture Fund.

During 2006, the Authority's operating revenues were materially impacted by the following:

- Agency fees increased by \$0.2 million.
- Financing fees decreased by \$1.2 million, primarily due to a decrease in Bond closing and refunding fees.
- Lease revenue increased by \$1.3 million.
- Sale of Assets increased by \$15.1 million, primarily due to the increase in MSNBC production equipment sold.
- Program services revenue increased by \$1.0 million due to increased activity in the BEIP and Hazard programs.

Operating Expenses

In 2007, salaries and benefits expenses decreased \$11.0 million, primarily due to the cost of other postemployment benefits, since the Authority adopted Governmental Accounting Standards Board Statement No. 45 "Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" in the prior year. In 2006, salaries and benefits expenses increased \$13.8 million, primarily due to the cost of other postemployment benefits as noted above.

Nonoperating Revenues

In 2007, interest income from investments decreased \$0.6 million. In 2006, interest income from investments increased \$9.7 million, primarily due to an increase in average interest rates for both investment and cash management accounts.

Allowance for Credit Losses

The Authority, although not required to do so, 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 continuously 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 are reported as a Loss Provision.

The following table summarizes the Loan Allowance activity for the end of the period from January 1, 2005 through December 31, 2007:

<u>December 31, 2005</u>		
Allowance for loan losses	\$9,277,849	
Accrued guarantee losses	<u>3,606,951</u>	
Total allowance		12,884,800
2006 Provision for credit losses-net	3,174,869	
2006 Write-offs	<u>(898,243)</u>	<u>2,276,626</u>
<u>December 31, 2006</u>		
Allowance for loan losses	10,875,186	
Accrued guarantee losses	<u>4,286,240</u>	
Total allowance		15,161,426
2007 Provision for credit losses-net	7,749,965	
2007 Write-offs	<u>(1,330,554)</u>	<u>6,419,411</u>
<u>December 31, 2007</u>		
Allowance for loan losses	16,196,326	
Accrued guarantee losses	<u>5,384,511</u>	
Total allowance		<u>\$21,580,837</u>

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.

Under our policy a loan will be written-off against the Loss Allowance when it is determined that the probability of collection 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. Debts are forgiven after legal counsel determines there is no further legal recourse available to collect the debt.

Aggregate gross loan and guarantee exposure at December 31, 2007 was \$263,612,077, of which \$197,183,020 (or 75%) is rated Pass, \$10,631,611 (or 4%) is loans made under our technology initiative, and \$55,797 (or 21%) is adversely classified.

Total write-offs for the year ended December 31, 2007 were \$1,330,554 or 0.61% of the total loan portfolio. At December 31, 2007, the total allowance against Notes Receivable was \$16,196,326 or 7.38% of the loan portfolio.

There were no write-offs for the year on guarantees honored. At December 31, 2007 the total allowance for guarantee exposure is \$5,384,511 or 12.22% of the total guarantee exposure of \$49,387,010.

The 2007 Loss Provisions - Net of \$4.9 million, are related to the following detailed information:

- \$7,750,000 Loan and Guarantee Program activity
- (\$1,437,000) Sale of equipment to MSNBC
- (\$4,000) Authority's share in the New Jersey Tech Council Venture Capital Fund
- (\$114,000) Authority's share in the Edison Venture Capital Fund
- (\$1,296,000) Authority's share in the Garden State Life Sciences Venture Fund

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 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Current Year % increase/ (decrease)</u>	<u>Prior Year % increase/ (decrease)</u>
Land	\$23,873,206	\$23,873,206	\$23,873,206		
Construction in Progress	<u>450</u>	<u> </u>	<u>159,748</u>		(100.0)%
Total Nondepreciable Capital Assets	<u>23,873,656</u>	<u>23,873,206</u>	<u>24,032,954</u>		
Building	121,007,001	121,007,001	121,007,001		
Leasehold Improvements	22,223,883	18,657,010	42,966,440	19.1%	(56.6)%
Equipment	<u>38,166,827</u>	<u>37,151,625</u>	<u>53,106,693</u>	2.7%	(30.0)%
Total Depreciable Capital Assets	181,397,711	176,815,636	217,080,134		
Less Accumulated Depreciation	<u>(67,050,760)</u>	<u>(56,691,186)</u>	<u>(79,490,237)</u>	18.3%	(28.3)%
Capital Assets-Net	<u>\$138,220,607</u>	<u>\$143,997,656</u>	<u>\$161,622,851</u>	(4.0)%	(10.9)%

The change in Leasehold Improvements in the current year represents the completion of leasehold improvements at the WTCC location. In the prior year, the change represents the purchase of leasehold improvements by MSNBC and the completion of leasehold improvements at Tech IV-Novo and WTCC locations.

The change in Equipment is due to the purchase and sale of production equipment to MSNBC which fluctuates each year.

More detailed information about the Authority's capital assets is presented in Note 7 to the financial statements.

Capital Debt. At year end, the Authority had \$134,405,000 of gross bond and note principal outstanding; a net decrease of 15.5%, due to the paydown of scheduled debt. More detailed information about the Authority's capital debt is presented in Notes 8 and 9 to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2007 and 2006:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>Current Year % increase/ (decrease)</u>	<u>Prior Year % increase/ (decrease)</u>
Bonds Payable - Gross	\$114,245,000	\$137,390,000	\$175,230,000	(16.8)%	(21.6)%
Notes Payable	<u>20,160,000</u>	<u>21,745,315</u>	<u>14,977,086</u>	(7.3)%	45.2%
Total Bonds and Notes Payable	<u>\$134,405,000</u>	<u>\$159,135,315</u>	<u>\$190,207,086</u>	(15.5)%	(16.3)%

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 the Office of Public Affairs, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2007	2006
Assets		
Current Assets		
Cash and cash equivalents	\$234,692,621	\$316,956,482
Investments	272,801,375	178,439,279
Receivables:		
Notes	13,895,731	13,521,638
Accrued interest on notes	918,825	846,752
Accrued interest on investments	2,230,572	2,321,495
Intergovernmental	2,088,889	2,722,222
Leases	50,000	1,445,315
Other receivables	9,189,100	2,707,361
	<u>28,373,117</u>	<u>23,564,783</u>
Prepays and deferred costs	989,088	1,127,716
	<u>536,856,201</u>	<u>520,088,260</u>
Noncurrent Assets		
Investments	74,394,036	183,354,338
Receivables:		
Notes	128,238,976	100,688,879
Notes-restricted	62,115,966	75,495,479
Accrued interest on notes	117,720	10,128
Accrued interest on notes-restricted	200,039	237,778
	<u>190,672,701</u>	<u>176,432,264</u>
Allowance for doubtful notes and guarantees	<u>(16,196,325)</u>	<u>(10,875,186)</u>
Net notes receivable	174,476,376	165,557,078
Intergovernmental restricted	6,951,386	9,161,109
Unamortized discount	<u>(1,467,123)</u>	<u>(2,085,468)</u>
Net intergovernmental receivables	5,484,263	7,075,641
Leases-restricted	8,006,869	8,106,869
Unamortized discount	<u>(1,347,188)</u>	<u>(1,449,707)</u>
Net leases receivable	6,659,681	6,657,162
Total receivables	<u>186,620,320</u>	<u>179,289,881</u>
Prepays and deferred costs	320,632	488,675
Nondepreciable capital assets	23,873,656	23,873,206
Depreciable capital assets, net	<u>114,346,951</u>	<u>120,124,450</u>
Total capital assets, net	<u>138,220,607</u>	<u>143,997,656</u>
	<u>399,555,595</u>	<u>507,130,550</u>
Total Assets	<u><u>\$936,411,796</u></u>	<u><u>\$1,027,218,810</u></u>

See accompanying notes.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2007	2006
Liabilities and Net Assets		
Current Liabilities:		
Accrued liabilities	\$14,562,797	\$10,629,127
Deferred lease revenues	1,130,105	1,335,692
Deposits	7,688,155	6,044,014
OPEB Obligation	360,794	259,215
Bonds payable	14,165,000	13,845,000
Notes payable	732,723	1,887,175
Accrued interest payable	1,833,794	1,428,095
	<u>40,473,368</u>	<u>35,428,318</u>
Noncurrent Liabilities:		
Bonds payable-net	101,344,609	125,332,529
Notes payable	19,427,277	19,858,140
OPEB Obligation	3,857,978	12,397,101
Deferred lease revenues	18,442,338	19,496,186
Accrued guarantee losses	5,384,511	4,286,240
Other	1,734,556	2,832,860
	<u>150,191,269</u>	<u>184,203,056</u>
Total Liabilities	<u>190,664,637</u>	<u>219,631,374</u>
Net Assets		
Invested in capital assets, net of related debt	54,010,607	43,582,656
Restricted for School Loan Program	38,459,932	45,688,363
Unrestricted	653,276,620	718,316,417
Total Net Assets	<u>745,747,159</u>	<u>807,587,436</u>
Total Liabilities and Net Assets	<u>\$936,411,796</u>	<u>\$1,027,218,810</u>

See accompanying notes.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

Years ended December 31,
2007 2006

	2007	2006
Operating Revenues		
Financing fees	\$3,302,706	\$3,086,276
Interest income-intergovernmental obligations	618,345	706,977
Interest income-notes	6,936,927	6,492,123
	<u>7,555,272</u>	<u>7,199,100</u>
Financing lease revenue	164,298	346,835
Operating lease revenue	17,593,299	21,724,621
Agency fees	1,210,541	1,217,859
Program services	3,153,857	2,997,211
Real estate development	1,947,839	1,931,424
Grant revenue	458,292	1,000,000
Other	1,984,234	231,662
	<u>26,512,360</u>	<u>29,449,612</u>
	<u>37,370,338</u>	<u>39,734,988</u>
Operating Expenses		
Salaries and benefits	13,386,196	24,369,320
General and administrative	3,441,416	3,191,599
Interest	6,850,482	7,444,219
Issuance and servicing	814,127	1,012,589
Program costs	6,614,397	6,088,033
Depreciation	11,489,306	14,820,974
Loss provisions-net	4,898,638	2,981,250
	<u>47,494,562</u>	<u>59,907,984</u>
Operating Loss	<u>(10,124,224)</u>	<u>(20,172,996)</u>
Nonoperating Revenues and Expenses		
Interest income-investments	28,742,994	29,302,049
Unrealized gain in investment securities	3,137,560	2,315,488
Gain on sale of assets-net	102,212	902,973
State Appropriations-net	128,438,344	10,458,403
Program payments	(212,137,163)	(133,909,907)
Nonoperating Expenses, net	<u>(51,716,053)</u>	<u>(90,930,994)</u>
Change in Net Assets	<u>(61,840,277)</u>	<u>(111,103,990)</u>
Net Assets - Beginning of year	<u>807,587,436</u>	<u>918,691,426</u>
Net Assets - End of Year	<u>\$745,747,159</u>	<u>\$807,587,436</u>

See accompanying notes.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years ended December 31,	
	2007	2006
Cash flows from operating activities:		
Financing fees	\$3,224,104	\$3,488,534
Interest from notes	8,989,407	8,641,130
Lease rents	17,537,650	22,300,562
Grant income	1,458,292	
Agency fees	1,209,341	1,218,159
Program services	5,030,326	3,095,348
Real estate development	2,174,947	2,001,416
General and administrative expenses paid	(25,069,380)	(16,408,784)
Program costs paid	(6,456,033)	(6,138,272)
Collection of notes receivable	27,446,385	29,329,642
Guarantee payments recovered		127,754
Loan disbursements	(42,750,518)	(10,281,890)
Deposits received	7,363,187	8,711,475
Deposits released	(5,711,269)	(9,138,555)
Net cash (used in) provided by operating activities	<u>(5,553,561)</u>	<u>36,946,519</u>
Cash flows from capital and related financing activities:		
Proceeds from bonds payable and notes		8,400,000
Payment of bonds and notes payable	(18,565,315)	(33,461,771)
Interest paid on bonds and notes payable	(5,147,289)	(5,858,137)
Purchase of capital assets	(4,614,393)	(12,546,344)
Sale of assets	331,369	16,067,394
Cost of assets sold		(85,583)
Net cash used in capital and related financing activities	<u>(27,995,628)</u>	<u>(27,484,441)</u>
Cash flows from noncapital financing activities:		
Program funding received	2,843,048	2,047,222
Deposits received	2,140	2,015
Redemption and refunding of bonds payable	(6,940,000)	(6,675,000)
Interest paid on revenue bonds	(4,060,916)	(4,220,436)
Obligations paid	(1,144,631)	(1,185,744)
Issuance and servicing costs paid	(594,312)	(738,111)
Appropriations received	120,083,079	10,458,403
Payments to State of New Jersey	(7,202,452)	(8,293,224)
Program payments	(200,026,771)	(119,854,298)
Net cash used in noncapital financing activities	<u>(97,040,815)</u>	<u>(128,459,173)</u>
Cash flows from investing activities:		
Interest from investments	28,823,251	28,829,765
Capital investments	(2,929,773)	(839,238)
Investments - Purchases	(40,151,593)	(55,568,735)
- Redemptions	62,584,258	48,678,991
Net cash provided by investing activities	<u>48,326,143</u>	<u>21,100,783</u>
Net Decrease in Cash and Cash Equivalents	(82,263,861)	(97,896,312)
Cash and Cash Equivalents - Beginning of Year	316,956,482	414,852,794
Cash and Cash Equivalents - End of Year	<u>\$234,692,621</u>	<u>\$316,956,482</u>

See accompanying notes.

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

	Years ended December 31,	
	2007	2006
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities		
Operating loss	(\$10,124,224)	(\$20,172,996)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Loss provisions	4,898,638	2,981,250
Depreciation	11,489,306	14,820,974
Amortization of discounts, premiums, deferred loss	(720,864)	(809,458)
Cash provided by nonoperating activities	10,577,517	11,481,685
Change in assets and liabilities:		
Notes receivable	(15,304,242)	19,048,099
Guarantee payments receivable		127,754
Accrued interest receivable-notes	(82,508)	(94,241)
Lease payments receivable	1,495,315	1,731,771
Other receivables	1,673,896	(1,871,460)
Prepays and deferred costs	286,757	(73,320)
Capital investments	(102,764)	(118,873)
Notes payable	(775,000)	(665,000)
Accrued liabilities	(9,276,254)	13,839,979
Deferred lease revenues	(1,018,425)	(1,354,296)
Accrued interest payable	(222,627)	(391,106)
Deposits	1,651,918	(1,534,243)
Net cash (used in) provided by operating activities	<u>(\$5,553,561)</u>	<u>\$36,946,519</u>
Noncash investing activities:		
Unrealized gain in investment securities	<u>\$3,137,560</u>	<u>\$2,315,488</u>

See accompanying notes.

**New Jersey Economic Development Authority
Notes to Financial Statements
December 31, 2007 and 2006**

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 and loan guarantees to commercial enterprises and other nonprofits 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 tax credits for film industry and digital media projects, the technology business tax certificate transfer program, and job growth incentive grants. 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 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, 2007 and 2006, total assets were \$942,815 and \$1,318,477.

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. However, the cash in these accounts is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority’s consolidated balance sheets. The following is a summary of the programs that the Authority manages on behalf of other state entities. The cash balances total \$40,514,489 and \$41,640,806 at December 31, 2007 and 2006, respectively:

<u>Entity</u>	<u>Program</u>	<u>2007</u>	<u>2006</u>
New Jersey Commerce Commission	Sustainable Business Loan Fund	\$2,864,625	\$2,744,084
New Jersey Commerce Commission	Local Development Financing Fund	20,682,341	20,074,576
Board of Public Utilities	BPU Clean Energy Program	16,927,383	18,781,946
Department of Environmental Protection	DEP Recycling Loan Fund	40,140	40,200

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"). In addition, the Authority follows only the pronouncements of all applicable Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, in which case, GASB standards will be used as the Authority's governing pronouncement. The Authority has elected to follow only the pronouncements of the FASB issued after November 30, 1989, that do not conflict with GASB statements.

(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 by amortizing the discount on intergovernmental obligations and lease revenue by amortizing the discount on capital lease financings. Operating lease revenue is recognized pursuant to the terms of the lease. The Authority considers all activity, except for State Appropriations, the sale of capital assets and interest earned from investments, to be operating activities.

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 participations 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 equity method to account for its investment when it exercises significant control or influence in the venture. Under the equity method, the investment is shown as a single amount on the balance sheet and the Authority's proportionate share of income or loss is recognized currently, rather than through dividends or disposal.

(e) Amortization of Discounts and Premiums

Interest on capital appreciation bonds is accreted using the interest method over the term of the bonds; for other discounts, the bonds outstanding method is used.

(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 12].

(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 the Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectibility.

(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 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 and State appropriations.

(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 of America 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.

(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
IT Hardware/Software	expensed
Furniture and Equipment	expensed

Note 3: Cash, Cash Equivalents 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, 2007, the carrying amount of the Authority's deposits was \$51,721,206 and the bank balance was \$60,697,122. Of the bank balance, \$1,199,477 was insured with Federal Deposit Insurance.

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 NJEDA 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: 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 (NJEDA) name. At December 31, 2007 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, 2007 are as follows:

Deposit Type	Deposits
NOW Accounts	\$29,883,328
Money Market Accounts	15,837,878
Certificates of Deposit	<u>6,000,000</u>
Total Deposits	<u>\$51,721,206</u>

(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, 2007 the total investment is \$295,352,245. The 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, Mortgage Backed Pass Throughs rated AAA by Standard & Poors or Moody's, and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving 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 four years.

Investment of bond proceeds are 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, or guaranteed by, the U.S. Government or Government Agencies; (f) non-participating guaranteed investment contracts.

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, 2007 and 2006, the value of the Authority's investment in the Centre is \$15,299,856 and \$15,411,620, respectively. On behalf of the venture, the Authority prepares an annual report, a copy of which may be obtained by contacting the Authority.

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, 2007 and 2006, the aggregate value of the Authority's investment in these funds is \$15,583,944 and \$11,025,281, 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, 2007, the Authority held other equity investments of \$250,000. The investment is held in the form of warrants which function like options to buy stock at a predetermined exercise price. Value is based on market value at time of purchase (conversion of loan receivable).

In order to maintain adequate liquidity, significant NJEDA 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, 2007 and 2006 the NJEDA balance is \$181,032,823 and \$267,965,592 respectively.

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 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, 2007, \$261,818,027 in NJEDA investments, comprised of \$2,221,394 in U.S. Treasuries, and \$259,596,633 in U.S. Agencies, were not registered in the name of the NJEDA and were held by the counterparty.

Concentration of Credit Risk

The NJEDA places no limit on the amount the Authority may invest in any one issuer. At December 31, 2007 more than 5 percent of NJEDA investments are in Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corp (FHLMC), and Federal National Mortgage Association (FNMA). These investments are 11.62% (\$61,622,360); 23.80% (\$126,176,556); 8.36% (\$44,327,092); and 5.13% (\$27,221,000), respectively, of the Authority's total investments. These four 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 AAA by Standard & Poors. 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.

As of December 31, 2007 and 2006, the NJEDA had the following investments and maturities:

Investment Type	Fair Value as of 12/31/07	Investments Less than 1 Year	Maturities 1-5 Years	Fair Value as of 12/31/06
Debt Securities:				
U.S. Treasuries	\$2,221,394		\$2,221,394	\$8,303,184
U.S. Agencies	259,596,633	\$218,557,791	41,038,842	300,400,736
Mutual Bond Funds	56,182,176	56,182,176		28,204,068
NJ Cash Management Fund	<u>181,032,823</u>	<u>181,032,823</u>		<u>267,965,592</u>
Sub total, Total Debt Securities	499,033,026	<u>\$455,772,790</u>	<u>\$43,260,236</u>	604,873,580
Non Debt Securities				
Investment in Technology Center Joint Venture	15,299,856			15,411,620
Venture Fund Investments	15,583,944			11,025,281
Other Equity Investments	<u>250,000</u>			
Sub total	530,166,826			631,310,481
Less amounts reported as Cash Equivalents	<u>(182,971,415)</u>			<u>(269,516,864)</u>
Total Investments	<u>\$347,195,411</u>			<u>\$361,793,617</u>

Note 4: Notes Receivable

Notes Receivable consist of the following:

	<u>2007</u>	<u>2006</u>
Economic Development Fund ("EDF") loan and guarantee programs; interest ranging up to 9%; maximum term 13 years	\$45,511,995	\$44,810,246
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 8%; maximum term of 6 years	81,490,844	56,421,474
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging from 3% to 5.5%; maximum term of 10 years	5,424,615	5,946,301
Public School Facilities ("PSF") loan program; interest ranging from 1.5% to 5.288%; maximum term of 7 years	67,705,241	80,842,377
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 3%; maximum term of 24 years	<u>4,117,978</u>	<u>1,685,598</u>
	<u>\$204,250,673</u>	<u>\$189,705,996</u>

Aggregate Notes Receivable activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures-Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	\$101,231,720	\$39,427,565	(\$12,574,935)	(\$1,081,511)	\$127,002,839	\$7,159,472
HDSR	5,946,301	840,643	(909,384)	(452,945)	5,424,615	1,018,566
PSF	80,842,377		(13,137,136)		67,705,241	13,137,136
MERI	<u>1,685,598</u>	<u>2,482,310</u>	<u>(49,930)</u>		<u>4,117,978</u>	<u>111,626</u>
	<u>\$189,705,996</u>	<u>\$42,750,518</u>	<u>(\$26,671,385)</u>	<u>(\$1,534,456)</u>	<u>\$204,250,673</u>	<u>\$21,426,800</u>

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

Note 5: Intergovernmental Receivables

The Authority has various Agreements with the State and State entities relating to the issuance of Bonds. Pursuant to the underlying legislation and resolution, the bond proceeds finance various Authority programs and projects. Pursuant to the terms of the Agreements, the debt service on these bonds is payable solely from scheduled amounts receivable. The State's obligation to make contractual payments to the Authority is subject to, and dependent upon, yearly appropriations being made by the State Legislature for such purposes. The New Jersey State Legislature has no legal obligation to make such appropriations.

The Series 1996 Port 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. The receivable is from the State of New Jersey.

At December 31, 2007 and 2006, Intergovernmental Receivables are comprised of the following:

	2007	2006
NJ Port District Utilities Authorities Contract	\$9,040,275	\$11,883,331
Unamortized Discount	<u>(1,467,123)</u>	<u>(2,085,468)</u>
Total Net Intergovernmental Receivable	<u>\$7,573,152</u>	<u>\$9,797,863</u>

Aggregate gross receipts from intergovernmental receivables due through 2012 and thereafter are as follows:

2008	\$2,088,889
2009	2,209,722
2010	2,209,714
2011	904,167
2012	693,055
2013-2015	<u>934,728</u>
	<u>\$9,040,275</u>

Intergovernmental Receivable activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross Receivable	\$11,883,331	(\$2,843,056)	\$9,040,275	<u>\$2,088,889</u>
Discount	<u>(2,085,468)</u>	<u>618,345</u>	<u>(1,467,123)</u>	
Net Receivable	<u>\$9,797,863</u>	<u>(\$2,224,711)</u>	<u>\$7,573,152</u>	

Note 6: Leases

(a) Leases Receivable

The Authority has various financing leases relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing leases provide 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 leases are as follows:

<u>Lease Description</u>	<u>2007</u>	<u>2006</u>
Automated Distribution Systems, Inc, through 9/1/07		\$1,345,315
NY Daily News, through 7/30/21	<u>\$8,056,869</u>	<u>8,206,869</u>
Aggregate Lease Payments Receivable-Gross	8,056,869	9,552,184
Unamortized Discount	<u>(1,347,188)</u>	<u>(1,449,707)</u>
Aggregate Lease Payments Receivable-Net	<u>\$6,709,681</u>	<u>\$8,102,477</u>

Aggregate gross lease receipts due through 2012 and thereafter are as follows:

2008	\$50,000
2009	100,000
2010	100,000
2011	100,000
2012	100,000
2013-2017	500,000
2018-2021	<u>7,106,869</u>
	<u>\$8,056,869</u>

Lease payments receivable activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross Receivable	\$9,552,184	(\$1,495,315)	\$8,056,869	<u>\$50,000</u>
Discount	<u>(1,449,707)</u>	<u>102,519</u>	<u>(1,347,188)</u>	
Net Receivable	<u>\$8,102,477</u>	<u>(\$1,392,796)</u>	<u>\$6,709,681</u>	

(b) Operating Leases

(i) Authority as Lessor

At December 31, 2007, capital assets with a gross carrying value of \$189,576,899 and accumulated depreciation of \$63,075,454 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

2008	\$13,855,840
2009	11,830,494
2010	11,598,261
2011	11,138,007
2012	8,564,840
2013-2017	29,190,344
2018-2022	6,471,030
2023-2027	4,336,467
2028-2032	715,000
2033-2036	<u>620,000</u>
	<u>\$98,320,283</u>

(ii) Authority as Lessee

The Authority leases commercial property, buildings, office space and parking. 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 \$ 597,858; and for property used by the Authority, rental expense amounted to \$284,179. Aggregate future lease obligations are as follows:

2008	\$879,741
2009	766,295
2010	739,028
2011	688,856
2012	708,023
2013-2017	3,172,226
2018-2022	1,548,570
2023-2027	1,181,500
2028-2032	1,278,600
2033-2037	1,220,580
2038-2042	646,300
2043-2047	704,470
2048-2052	743,250
2053-2054	<u>297,300</u>
	<u>\$14,574,739</u>

Note 7: Capital Assets

Capital asset activity for the years ended December 31, 2007 and 2006 was as follows:

	December 31, 2005	Additions	Reductions	Adjustments to Reserve	December 31, 2006
Capital assets not being depreciated:					
Land	\$23,873,206				\$23,873,206
Construction in progress	159,748	\$4,661,462	(\$4,821,210)		
Capital assets being depreciated:					
Building	121,007,001				121,007,001
Leasehold improvements	42,966,440	10,218,168	(34,527,598)		18,657,010
Production equipment	<u>53,106,693</u>	<u>2,216,197</u>	<u>(20,053,570)</u>	<u>\$1,882,305</u>	<u>37,151,625</u>
Capital assets-gross	241,113,088	17,095,827	(59,402,378)	1,882,305	200,688,842
Less: accumulated depreciation	<u>79,490,237</u>	<u>14,820,974</u>	<u>(37,620,025)</u>		<u>56,691,186</u>
Capital assets-net	<u>\$161,622,851</u>	<u>\$2,274,853</u>	<u>(\$21,782,353)</u>	<u>\$1,882,305</u>	<u>\$143,997,656</u>

	December 31, 2006	Additions	Reductions	Adjustments to Reserve	December 31, 2007
Capital assets not being depreciated:					
Land	\$23,873,206				\$23,873,206
Construction in progress		\$450			450
Capital assets being depreciated:					
Building	121,007,001				121,007,001
Leasehold improvements	18,657,010	3,804,383	(\$237,510)		22,223,883
Production equipment	<u>37,151,625</u>	<u>937,127</u>	<u>(1,506,310)</u>	<u>\$1,584,385</u>	<u>38,166,827</u>
Capital assets-gross	200,688,842	4,741,960	(1,743,820)	1,584,385	205,271,367
Less: accumulated depreciation	<u>56,691,186</u>	<u>11,489,306</u>	<u>(1,129,732)</u>		<u>67,050,760</u>
Capital assets-net	<u>\$143,997,656</u>	<u>(\$6,747,346)</u>	<u>(\$614,088)</u>	<u>\$1,584,385</u>	<u>\$138,220,607</u>

During 2007, the Authority completed leasehold improvements totaling \$3,804,383 at the Waterfront Technology Center at Camden. Completion of these improvements helps provide suitable office space for technology based companies, as well as Authority staff, and enables the Authority to assist more businesses in the southern portion of the State.

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 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.

The outstanding issues for the years ended December 31, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
\$46,815,000 NJEDA Revenue Bonds (Public Schools Small Project Loan Program), 2004 Series, interest ranging from 3% to 5%; due 8/15/07 through 8/15/13. Series 1993 was refunded on 3/15/04.	\$27,595,000	\$33,275,000
\$43,000,000 Variable Rate Lease Revenue Bonds, 2003 Series A and B, (Camden Center Urban Renewal Limited Partnership Project); interest ranging from 3.89% to 5.909% due annually through 3/15/18	39,410,000	40,185,000
\$167,500,000 NJEDA Taxable Economic Development Bonds MSNBC/CNBC Project, 1997 Series A and B, adjustable rate, due through 10/1/21	20,300,000	34,000,000
\$31,700,000 NJEDA Adjustable Rate Lease Revenue (taxable) Bonds, 1995 Series A and B (Barnes & Noble, Inc. Distribution and Freight Consolidation Center Project) due 7/3/07 through 6/30/11	18,500,000	20,230,000
\$18,355,000 NJEDA Taxable Revenue Bonds, North Jersey Port District Utilities Authorities Loan Securitization Program ("Port"), Series 1996, interest ranging from 7.05% to 7.25%; due 2/15/07 through 2/15/12	<u>8,440,000</u>	<u>9,700,000</u>
Subtotal	114,245,000	137,390,000
Unamortized premium	<u>1,264,609</u>	<u>1,787,529</u>
	<u>\$115,509,609</u>	<u>\$139,177,529</u>

At December 31, 2007 the carrying value of all aggregate bonds payable approximates fair market value. Aggregate debt service requirements of bonds payable through 2012 and thereafter are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$14,165,000	\$5,208,095	\$19,373,095
2009	11,845,000	4,650,621	16,495,621
2010	10,055,000	4,591,969	14,646,969
2011	19,280,000	3,987,300	23,267,300
2012	7,910,000	3,274,397	11,184,397
2013-2017	12,640,000	12,748,766	25,388,766
2018-2021	<u>38,350,000</u>	<u>2,819,730</u>	<u>41,169,730</u>
	<u>\$114,245,000</u>	<u>\$37,280,878</u>	<u>\$151,525,878</u>

Bonds payable activity for the years ended December 31, 2007 and 2006 was as follows:

	December 31, 2005	Reductions	December 31, 2006	Amounts Due Within One Year
Bonds Payable-gross	\$175,230,000	(\$37,840,000)	\$137,390,000	<u>\$13,845,000</u>
Unamortized premium	<u>2,425,362</u>	<u>(637,833)</u>	<u>1,787,529</u>	
Total Bonds Payable-net	<u>\$177,655,362</u>	<u>(\$38,477,833)</u>	<u>\$139,177,529</u>	

	December 31, 2006	Reductions	December 31, 2007	Amounts Due Within One Year
Bonds Payable-gross	\$137,390,000	(\$23,145,000)	\$114,245,000	<u>\$14,165,000</u>
Unamortized premium	<u>1,787,529</u>	<u>(522,920)</u>	<u>1,264,609</u>	
Total Bonds Payable-net	<u>\$139,177,529</u>	<u>(\$23,667,920)</u>	<u>\$115,509,609</u>	

During 2005, the Authority changed its policy with respect to the manner in which Conduit Debt Obligations are reported for financial reporting purposes. Prior to 2005, the Authority's policy was to record such obligations as Bonds Outstanding in its financial statements.

Pursuant to GASB issued statement, "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.

During 2005, at the direction of the State, the Authority removed such conduit debt, and its corresponding assets, from its financial statements. In addition, it is the Authority's opinion that by removing the State backed conduit debt and Agency type transactions from its financial statements a more accurate assessment of its financial position and operations will exist.

Note 9: Financial Instruments

Variable Rate Lease Revenue Refunding Bonds 2002 Series A and B

In connection with its issuance of \$43,000,000 Variable Rate Revenue Bonds, 2002 Series A and B issues, on December 30, 2002, the Authority has entered into a swap agreement with Bank of America, formerly Fleet Bank ("BoA"). The nature and purpose of this transaction is described below:

(a) Interest Rate Swap Agreements

Under the terms of this agreement, which was executed on January 7, 2003, the Authority pays a fixed rate of 3.89% to BoA on a notional amount equal to the principal amount of the 2002 bonds being hedged pursuant to such swap. In return, the swap provider will pay the Authority a floating amount based on 100% of one month LIBOR on the same notional amount. As the bonds are redeemed, the notional amount of the swap shall decrease proportionately. The purpose of this agreement is to achieve a synthetic fixed rate. The swap remains in effect until December 30, 2009. The fair value of the swap was (\$135,884) and \$1,241,272 as of December 31, 2007 and 2006, respectively.

(b) Credit Risk

As of December 31, 2007, the Authority was not exposed to credit risk, because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the swap's fair value.

(c) Termination Risk

The swap contract uses the International Swap Dealers Association Master Agreement, which includes provision for standard termination events, such as failure to pay and bankruptcy. The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap were terminated, the variable-rate bond would no longer carry a synthetic fixed interest rate. Also, if the swap were to have a negative fair value at the time of termination, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

In connection with this agreement, no amounts are recorded in the financial statements other than the net interest expense resulting from the agreement.

Note 10: 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 co-mingled with other Authority funds.

The outstanding notes are as follows:

	<u>2007</u>	<u>2006</u>
Automated Distribution Systems, LP; interest at 10.89%; principal & interest due monthly through maturity on 9/30/07		\$1,345,315
Community Development Investments, LLC; effective interest at 3.02%; principal & interest due monthly through 4/12/14 with final payment of \$1,576,918 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	4,000,000	4,000,000
Jersey Central Power & Light; interest at 4%; interest only due monthly through 11/12/10; principal due at maturity on 11/12/10	1,000,000	1,000,000
Public Service New Millennium Economic Development Fund, LLC; interest at 4%; interest only due monthly through 11/7/10; principal due at maturity on 11/7/10	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	<u>8,160,000</u>	<u>8,400,000</u>
	<u>\$20,160,000</u>	<u>\$21,745,315</u>

At December 31, 2007, the carrying value of all notes payable approximates fair market value. Aggregate debt service requirements of notes payable through 2016 and thereafter are as follows:

	Principal	Interest	Total
2008	\$732,723	\$1,567,151	\$2,299,874
2009	845,690	822,047	1,667,737
2010	6,899,835	742,895	7,642,730
2011	955,404	488,522	1,443,926
2012	6,982,335	181,971	7,164,306
2013-2016	<u>3,744,013</u>	<u>218,979</u>	<u>3,962,992</u>
Total	<u>\$20,160,000</u>	<u>\$4,021,565</u>	<u>\$24,181,565</u>

Notes payable activity for the years ended December 31, 2007 and 2006 was as follows:

December 31, 2005	Additions	Reductions	December 31, 2006	Amounts Due Within One Year
<u>\$14,977,086</u>	<u>\$8,400,000</u>	<u>(\$1,631,771)</u>	<u>\$21,745,315</u>	<u>\$1,887,175</u>
December 31, 2006	Additions	Reductions	December 31, 2007	Amounts Due Within One Year
<u>\$21,745,315</u>	<u> </u>	<u>(\$1,585,315)</u>	<u>\$20,160,000</u>	<u>\$732,723</u>

Note 11: Net Assets

The Authority's Net Assets are 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 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. Unrestricted assets include all net assets not included above. The changes in Net Assets during 2007 and 2006 are as follows:

	Invested in Capital Assets Net of Debt	Restricted	Unrestricted	Totals
Net Assets December 31, 2005	\$30,042,851	\$53,529,787	\$835,118,788	\$918,691,426
Change in net assets	<u>13,539,805</u>	<u>(7,841,424)</u>	<u>(116,802,371)</u>	<u>(111,103,990)</u>
Net Assets December 31, 2006	43,582,656	45,688,363	718,316,417	807,587,436
Change in net assets	<u>10,427,951</u>	<u>(7,228,431)</u>	<u>(65,039,797)</u>	<u>(61,840,277)</u>
Net Assets December 31, 2007	<u>\$54,010,607</u>	<u>\$38,459,932</u>	<u>\$653,276,620</u>	<u>\$745,747,159</u>

Note 12: 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 Development 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 3 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the specific guarantee program account.

Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2007, the Authority's Debt and Worth was composed of the following:

	Port District Program	Community Economic Development Program
Total Debt	\$2,450,767	\$31,697
Total Worth	\$24,128,063	\$9,693,759

(2) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt to Worth 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, 2007, Debt was \$31,462,772 and Worth was \$71,811,110, with a ratio of 0.44 to 1.

(3) Economic Growth Composite Bond Program

The Guarantee Agreement relating to Economic Growth Composite Bonds requires the Authority to establish, in trust, a Cash Collateral Account. This obligation to deliver funds to the trustee is a general obligation of the Authority.

To the extent guarantee payments of principal on the bonds cannot be recovered through collateral liquidation, loan restructure, etc., the Authority's aggregate composite exposure is permanently reduced. At December 31, 2007, aggregate exposure and the cash collateral balance are both \$1,268,997.

(4) 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, 2007, aggregate exposure and related Worth within the Business Growth Fund account were both \$10,000,000.

(b) Loan Program Commitments and Project Financings

At December 31, 2007 the Authority has \$16,036,792 of loan commitments not yet closed or disbursed and \$74,405,280 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.

As part of the three 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, 2007, the aggregate exposure to the Authority for all three transactions described above is \$30,541,355. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

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 will increase each year until 2009, when 100% of the normal contribution will be assessed, and for each year thereafter. For the years ending December 31, 2007 and 2006, the Authority was assessed \$303,700 and \$171,835, or 60% and 40% of its normal contribution, respectively. No contribution was required in 2004. Employees of the Authority are required to participate in the PERS and contribute 5% of their annual compensation. The payroll for employees covered by PERS for the years ending December 31, 2007 and 2006 was \$9,333,073 and \$8,596,556, 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 are established 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 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.

In accordance with 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 a trustee administered account pursuant to an irrevocable trust agreement in which plan assets are dedicated to providing benefits to retirees as stipulated in the trust agreement.

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 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, 2007 and 2006, and the related information for the Plan are as follows (dollar amounts in thousands):

	<u>2007</u>	<u>2006</u>
Annual required contribution (ARC)	\$634	\$12,851
Contributions made	<u>(9,071)</u>	<u>(195)</u>
(Decrease) increase in net OPEB obligation	(8,437)	12,656
Net OPEB obligation - beginning of year	<u>12,656</u>	<u> </u>
Net OPEB obligation - end of year	<u>\$4,219</u>	<u>\$12,656</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal years 2007 and 2006 were as follows (dollar amounts in thousands):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/07	\$634	100%	\$4,219
12/31/06	\$12,851	1.5%	\$12,656

As of December 31, 2007, the actuarial accrued liability for benefits was \$12,994,000, of which 32.5% was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,333,073, and the ratio of unfunded actuarial accrued liability to the covered payroll was 45.2%.

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 Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made regarding the future. The 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, 2006 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 no investment return was cited as there are no plan assets. The healthcare cost trend assumed in the actuarial valuation includes an initial annual healthcare cost trend rate of 10% annually, decreasing by 1% per year to an ultimate rate of 5% effective 2012 and thereafter. Both rates include a 4% inflation assumption.

Required Supplemental Information

Funding Status and Funding Progress. The funding status of the plan as of December 31, 2007 was as follows (actuarial valuation date 1/1/06):

	<u>2007</u>	<u>2006</u>
Actuarial accrued liability (AAL)	\$12,994,000	\$12,656,316
Actuarial value of plan assets	<u>8,775,228</u>	<u> </u>
Unfunded actuarial accrued liability(UAAL)	<u>\$ 4,218,772</u>	<u>\$12,656,316</u>
Funded ratio (actuarial value of plan assets/AAL)	67.5%	0%
Covered payroll (active plan members)	\$9,333,073	\$8,596,556
UAAL as a percentage of covered payroll	45.2%	147.2%

Note 15: Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority recorded current liabilities in the amount of \$497,840 and \$557,845 as of December 31, 2007 and 2006, respectively. The liability as of the balance sheet date, 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 half 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: Reclassification of 2006 Balances

Certain 2006 balances have been reclassified to conform with current year presentation.

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Atlantic County						
Atlantic City Fondue, LLC	Atlantic City	CM	25	\$667,500	SLP	\$1,610,125
Atlantic City Linen Supply, Inc and ACLS Pleasantville, Inc.	Pleasantville City	CM	121	\$266,573	BEP	\$5,950,000
Baker Boys, LLC	Pleasantville City	MF	34	\$184,000	LDF	\$794,310
Borough of Buena (St. Anthony's Bakery)	Buena Borough	SR	0	\$27,547	HSM	\$28,047
City of Estell Manor (Estell Manor City Landfill)	Estell Manor City	SR	0	\$244,848	HSM	\$245,348
City of Pleasantville	Pleasantville City	GF	0	\$47,500	CED	\$47,500
City of Pleasantville (645 Doughty Road)	Pleasantville City	SR	0	\$11,816	HSM	\$12,316
City of Pleasantville (JP Rail, Inc.)	Pleasantville City	SR	0	\$20,394	HSM	\$20,894
Parra & Berry, LLC	Egg Harbor City	RT	7	\$350,000	SLP	\$3,201,250
Atlantic County Total			187	\$1,820,178		\$11,909,790

Bergen County						
170 Wesley Street, LLC	South Hackensack Township	WS	10	\$500,000	SLP	\$3,200,000
53 Central Avenue Inc	Rochelle Park Township	SR	0	\$49,670	HAZ	\$51,170
Allendale Properties, LLC	Allendale Borough	MF	1	\$1,500,000	SAB	\$2,055,000
Barr Laboratories, Inc. and BMI Inc.	Montvale Borough	TC	210	\$3,755,850	BEP	\$20,600,000
Borough of Northvale (Delux Cleaners)	Northvale Borough	SR	0	\$11,143	HSM	\$11,643
Borough of Northvale (Deluxe Dry Cleaners)	Northvale Borough	SR	0	\$337,181	HSM	\$337,681
Borough of Wood-Ridge (Wood-Ridge Development Site)	Wood-Ridge Borough	SR	0	\$48,981	HSM	\$49,481
City Theatrical, Inc.	Carlstadt Borough	MF	47	\$47,000	BEP	\$1,050,000
Global Document Solutions Corporation	Carlstadt Borough	MF	184	\$1,010,261	BEP	\$750,000
Lodi CML Cooperative LLC	Lodi Borough	MF	61	\$149,561	BEP	\$3,700,000
Mindich Enterprises	Mahwah Township	WS	61	\$216,306	BEP	\$4,500,000
PCT Allendale, LLC	Allendale	MF	20	\$3,120,000	SAB	\$6,579,109
The Actors' Fund of America	Englewood City	NP	13	\$7,000,000	SAB	\$10,800,000
The Little Pie Company, Ltd	Carlstadt Borough	MF	35	\$56,000	BEP	\$688,000
Wyckoff Cleaners, Inc.	Wyckoff Township	SR	0	\$35,205	HAZ	\$45,505
Wyckoff Cleaners, Inc.	Wyckoff Township	SR	0	\$78,774	HAZ	\$294,110
Bergen County Total			642	\$17,915,932		\$54,711,699

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj</u> <u>Type</u>	<u>Est</u> <u>New</u> <u>Jobs</u>	<u>EDA</u> <u>Assistance</u>	<u>Program</u> <u>Type</u>	<u>Total</u> <u>Project</u> <u>Costs</u>
Camden County (cont.)						
BMS Realty Corp of NJ Inc.	Winslow Township	CM	9	\$500,000	LDF	\$2,310,000
Boys & Girls Club of Camden County	Camden City	NP	6	\$1,000,000	ERB	\$4,632,000
Bresler Boys, LLC	Berlin Township	SV	15	\$180,000	BGF	\$725,750
Bright Lights USA, Inc.	Barrington Borough	MF	5	\$50,500	BGF	\$227,513
Camden Greenways, Inc.	Camden City	NP	0	\$22,500	ERB	\$22,500
Camden Law Building, LLC	Camden City	CM	1	\$20,000	ERB	\$38,500
Camden Redevelopment Agency (ABC Barrel Company Site)	Camden City	SR	0	\$20,952	HSM	\$21,452
Camden Redevelopment Agency (Antrium Hardware)	Camden City	SR	0	\$1,980	HSM	\$2,480
Camden Redevelopment Agency (CSC - Utility Relocation Proj.)	Camden City	IN	0	\$2,300,000	ERB	\$10,300,000
Camden Redevelopment Agency (Harrison Avenue Landfill)	Camden City	SR	0	\$439,100	HSM	\$439,600
Camden Redevelopment Agency (301 Market Street) (3 (301 Market Street)	Camden City	IN	27	\$3,000,000	ERB	\$4,500,000
Centro Comunal Borincano	Camden City	DC	24	\$560,000	CED	\$2,119,152
Centro Comunal Borincano	Camden City	DC	0	\$800,000	ERB	\$3,749,604
CHE Group, LLC	Pine Hill Borough	RT	20	\$720,000	BGF	\$1,620,000
Cooper Grant Urban Renewal Developers, L.L.C.	Camden City	HS	0	\$1,200,000	ERB	\$6,842,650
Cooperative Business Assistance Corporation	Camden City	NP	0	\$500,000	CED	\$503,000
Cooper's Ferry Development Association, Inc.	Camden City	NP	0	\$250,000	DIR	\$251,500
Cooper's Ferry Development Association, Inc. (Boyd & Morse Infrastructure)	Camden City	IN	0	\$3,570,000	ERB	\$3,570,000
Cooper's Ferry Development Association, Inc. (Parking and Infrastructure)	Camden City	IN	0	\$2,042,000	ERB	\$2,000,000
Fairview Village II Urban Renewal Associates, L.P. (Fairview Village Phase II)	Camden City	IN	0	\$1,050,000	ERB	\$9,497,100
Lotus Medicine LLC	Camden City	RT	4	\$20,000	ERB	\$60,000
M & A Holdings Co., LLC	Camden City	MF	0	\$900,000	ERB	\$900,000
Mental Health Association in Southwestern NJ	Haddonfield Borough	NP	4	\$160,000	SLP	\$614,000
myLEADERBOARD, Inc.	Camden City	TC	21	\$1,000,000	TEC	\$4,340,000
myLEADERBOARD, Inc.	Camden City	TC	14	\$18,477	ERB Lease incentive	\$220,698
Neighborhood Housing Services of Camden, Inc.	Camden City	NP	60	\$100,000	ERB	\$147,085
New Jersey Housing and Mortgage Finance Agency (HMFA - CHIP)	Camden City	HS	0	\$5,000,000	ERB	\$9,320,000
Penn Pub, Inc & WWSBF, Inc	Pennsauken Township	SV	4	\$181,497	BGF	\$717,700
Plastics Consulting & Manufacturing Company	Camden City	MF	0	\$26,500	BGF	\$107,913
Puerto Rican Unity for Progress	Camden City	IN	6	\$297,000	ERB	\$297,000
Rutgers, The State University of New Jersey (Early Learning Research Academ)	Camden City	NP	27	\$1,000,000	ERB	\$5,000,000
TETITO, LLC	Pennsauken Township	MF	9	\$248,750	LDF	\$995,500
The Cathedral Soup Kitchen, Inc.	Camden City	NP	2	\$1,000,000	ERB	\$4,064,561
The Cooper Health System	Camden City	NP	6	\$26,604	ERB	\$404,000

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Camden County (cont)						
Tri-Nova Enterprises, Inc	Gloucester City	MF	0	\$124,990	BGF	\$509,960
Camden County Total			337	\$30,263,950		\$87,131,663

Cape May County						
Economic Development Council of Middle Township	Middle Township	NP	0	\$300,000	CED	\$303,000
Cape May County Total			0	\$300,000		\$303,000

Cumberland County						
AJM Packaging Corporation	Vineland City	MF	263	\$1,052,000	BEP	\$21,650,000
City of Millville (Millville Airport Ind. Park)	Millville City	SR	0	\$2,166,873	HSM	\$2,167,373
City of Millville (Millville Senior Housing)	Millville City	SR	0	\$833,127	HSM	\$1,591,014
City of Vineland (Former Auto Repair Facility)	Vineland City	SR	0	\$65,393	HSM	\$65,893
City of Vineland (Landis Avenue Hotel)	Vineland City	SR	0	\$82,307	HSM	\$82,807
Homeland Vinyl Products, Inc.	Millville City	MF	125	\$326,250	BEP	\$11,787,500
Jessat, Alan M.	Bridgeton City	SV	1	\$49,836	BGF	\$200,651
Joseph DeAngelis and Michael Jason Reed	Bridgeton City	SV	8	\$400,000	SLP	\$1,259,000
NJ Rural Housing Action Corporation (Vineland Affordable Homes Proj)	Vineland City	SR	0	\$80,864	HAZ	\$81,364
Union Lake Supermarket, LLC	Millville City	RT	125	\$1,250,000	LDF	\$5,557,000
Vineland Community Health & Education Center, LLC	Vineland City	NP	25	\$2,500,000	NMT	\$0
Vineland Community Health & Education Center, LLC	Vineland City	NP	25	\$1,000,000	NMT	\$8,010,000
Cumberland County Total			572	\$9,806,650		\$52,452,602

Essex County						
179-181 Meeker Avenue LLC	Newark City	WS	10	\$500,000	SLP	\$2,360,000
2 Fairfield Crescent, LLC	West Caldwell Township	MF	6	\$2,350,000	SAB	\$2,451,750
Antonio Real Estate, L.L.C.	Newark City	MF	0	\$500,000	LDF	\$0
B & M Building Co., LLC. and Signal Sign	Livingston Township	MF	2	\$1,500,000	SAB	\$2,125,000
C. Richard Barfuss	Orange City	SR	0	\$569,286	HAZ	\$1,087,318
C.A.P. Services, Inc.	Belleville Township	CT	6	\$56,395	BGF	\$276,263
City of Newark (Nat Turner Park)	Newark City	SR	0	\$108,216	HSM	\$108,716
City of Orange Township (534 Mitchell Street)	Orange City	SR	0	\$4,400	HSM	\$4,900
City of Orange Township (540 Mitchell Street)	Orange City	SR	0	\$4,400	HSM	\$4,900
Clinton Square Auto Parts Corporation	Newark City	SR	0	\$28,593	HAZ	\$55,086
Comtecnet, Incorporated	Fairfield Borough	TC	76	\$940,842	BEP	\$1,000,000
Crest Community Development Corp.	Newark City	SR	0	\$20,494	HAZ	\$20,994
Gussco Manufacturing Inc.	Cedar Grove Township	MF	125	\$243,311	BEP	\$13,500,000
Hoffmann-La Roche Inc. and Roche Laboratories, Inc	Nutley Township	MF	160	\$3,939,500	BEP	\$0
Housing and Neighborhood Development Services, Inc (Jefferson Street, LLC)	Orange City	SR	0	\$97,631	HAZ	\$98,131

Applicant Name

Municipality

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Essex County (cont.)						
Judith Woodruff	Maplewood Township	SR	0	\$38,988	HAZ	\$145,820
Judith Woodruff	Maplewood Township	SR	0	\$38,989	HAZ	\$4,045
Kinton, Inc	Newark City	WS	4	\$56,250	BGF	\$243,057
Lincoln Park/Coast Cultural District, Inc.	Newark City	SR	0	\$197,318	HAZ	\$197,818
NeuroTrax Corporation	Newark City	TC	31	\$250,000	TEC	\$1,900,000
NeuroTrax Corporation	Newark City	TC	15	\$243,900	BEP	\$150,000
Newark Downtown District Management Corporation	Newark City	NP	6	\$10,000,000	SAB	\$17,500,000
Rockland Corporation	West Caldwell Township	SR	0	\$155,122	HAZ	\$156,622
The House of the Holy Comforter	West Orange Township	NP	2	\$3,265,000	SAB	\$3,308,670
Township of West Orange (549 Valley Road)	West Orange Township	SR	0	\$425,019	HSM	\$425,519
Vision of Hope Family Life Campus (Vision of Hope Family Life)	Newark City	SR	0	\$82,885	HAZ	\$83,385
Young Men's Christian Association of Montclair, New Jersey	Montclair Township	NP	3	\$7,473,387	SAB	\$7,608,750
Essex County Total			446	\$33,089,926		\$54,816,744

Gloucester County						
A H White Enterprises, Inc.	Monroe Township	SV	7	\$79,479	BGF	\$323,250
Advanced Drainage Systems, Inc.	Logan Township	MF	70	\$9,000,000	SAB	\$16,184,250
AIT Computers, Inc.	Mantau	SV	5	\$61,740	BGF	\$249,754
Borough of Clayton (Wayne's Auto)	Clayton Borough	SR	0	\$42,975	HSM	\$43,475
Borough of National Park (Robert Hawthorne Landfill)	National Park Borough	SR	0	\$266,537	HSM	\$267,037
Chelton House Products, Inc.	Logan Township	MF	5	\$375,000	SLP	\$776,250
COIM USA Inc.	West Deptford Township	MF	45	\$296,134	BEP	\$29,000,000
Irfan Kayaalp	Franklin Township	SR	0	\$7,023	HAZ	\$13,908
MZR Real Estate, L.P.	West Deptford Township	MF	90	\$7,690,000	SAB	\$8,686,600
Northforty, LLC	Pitman Borough	OF	2	\$73,750	BGF	\$378,094
Paulsboro Borough (Norman Swindell Site)	Paulsboro Borough	SR	0	\$61,716	HSM	\$62,216
Township of Mantua (10 various sites)	Mantua Township	SR	0	\$16,500	HSM	\$17,000
Township of Monroe (Former American Training Site)	Monroe Township	SR	0	\$34,606	HSM	\$35,106
Township of Monroe (Former Petro Kiryk Site)	Monroe Township	SR	0	\$63,082	HSM	\$63,582
Turkey Hill Realty Corporation	Deptford Township	SR	0	\$91,752	HAZ	\$175,662

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Gloucester County (cont.)						
VMF Holdings, LLC	Westville Borough	DS	12	\$148,750	BGF	\$599,000
Gloucester County Total			236	\$18,309,044		\$56,875,184

Hudson County						
1-800 Postcards, Inc. and Color Web Inc.	Jersey City	RT	17	\$500,000	SLP	\$4,001,250
AFL Quality NY, LLC	Secaucus Town	MF	181	\$1,203,234	BEP	\$34,200,000
Automatic Data Processing, Inc. or nominee	Jersey City	SV	175	\$2,845,500	BEP	\$1,700,000
CGI North America, Inc.	Jersey City	MF	6	\$8,250,000	SAB	\$8,300,000
Citco Fund Services (USA), Inc. Development, LLC; Development, LLC; Citco Technology Management, Inc.	Jersey City	CM	203	\$10,150,000	BEP	\$4,000,000
City of Bayonne (Route 440 Corridor East)	Bayonne City	SR	0	\$378,484	HSM	\$458,622
City of Hoboken (Old Todd Shipyard)	Hoboken City	SR	0	\$19,893	HSM	\$19,893
ClassLink, Inc	Weehawken Township	TC	23	\$750,000	TEC	\$4,265,000
DB Services NJ	Jersey City	SV	1600	\$39,520,000	BEP	\$198,620,000
Damascus Bakery, Inc.	Secaucus Town	CM	180	\$414,000	BEP	\$8,000,000
Damascus Bakery, Inc.	Secaucus Town	MF	180	\$7,750,000	SAB	\$8,630,330
Damascus Bakery, Inc.	Secaucus Town	MF	0	\$750,000	DIR	\$750,000
E*Trade Financial Corporation and Subsidiaries	Jersey City	CM	325	\$2,710,500	BEP	\$8,500,000
Estate of John Magullian	Kearny Town	SR	0	\$168,170	HAZ	\$328,832
ExlService Holdings, Inc. and its subsidiaries	Jersey City	SV	83	\$4,150,000	BEP	\$150,000
Falcon International Distributors, LLC	Jersey City	DS	60	\$456,000	BEP	\$2,000,000
IPC Systems Inc	Jersey City	TC	149	\$6,464,118	BEP	\$500,000
ITelagen, LLC	Jersey City	TC	35	\$550,699	BEP	\$105,000
Journal Square Properties, LLC	Jersey City	OF	755	\$4,200,000	NMT	\$11,542,530
New York Produce, Inc.	Secaucus Town	WS	55	\$656,906	BEP	\$800,000
Opera Solutions, LLC.	Jersey City	SV	235	\$11,750,000	BEP	\$2,800,000
Paribas North America, Inc. and BNP Paribas RCC, In Inc.	Jersey City	SV	600	\$22,704,910	BEP	\$22,000,000
Sarfati, LLC	Secaucus Town	MF	14	\$750,000	SLP	\$4,464,000
Scivantage, Inc.	Jersey City	TC	120	\$1,879,819	BEP	\$50,000
VectorMAX Corporation	Jersey City	TC	240	\$2,212,800	BEP	\$550,000
Hudson County Total			5,236	\$131,185,033		\$326,735,457

Hunterdon County						
NovaDel Pharma Inc.	Raritan Township	TC	15	\$212,250	BEP	\$2,500,000
Skyview Farms, LLC	Frenchtown Borough	MF	0	\$36,952	BGF	\$166,404
Hunterdon County Total			15	\$249,202		\$2,666,404

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Mercer County						
222 West State Street Urban Renewal Corp.	Trenton City	NP	0	\$750,000	CED	\$750,000
222 West State Street Urban Renewal Corp.	Trenton City	NP	3	\$640,000	DIR	\$5,370,250
City of Trenton	Trenton City	CM	0	\$18,250,000	SAB	\$19,892,438
City of Trenton (Fisher Site)	Trenton City	SR	0	\$60,341	HSM	\$60,841
City of Trenton (Pukala Site)	Trenton City	SR	0	\$104,009	HSM	\$104,509
Estate of Frederick Bentley	Lawrence Township	SR	0	\$44,321	HAZ	\$88,253
Estate of Frederick Bentley	Lawrence Township	SR	0	\$19,361	HAZ	\$690
Hamilton Area Young Men's Christian Association	Hamilton Township	SV	7	\$5,500,000	SAB	\$5,587,500
Impliant, Inc.	Princeton Borough	RD	11	\$139,334	BEP	\$286,000
IntegriChain, Inc.	Princeton Borough	TC	34	\$1,000,000	TEC	\$4,029,671
Jersey Precast Corp	Hamilton Township	MF	50	\$157,375	BEP	\$9,750,000
KPMC, Inc.	Trenton City	MF	2	\$150,000	BGF	\$605,000
New Jersey Academy of Family Physicians, Inc.	Trenton City	NP	4	\$178,750	SLP	\$728,000
NRS, LLC	Trenton City	MF	6	\$73,867	SLP	\$746,000
SEABOARD SERVICE, a New Jersey corporation	Lawrence Township	SR	0	\$750,000	HAZ	\$758,000
SeniorCare of Hamilton, LLC	Hamilton Township	NH	3	\$530,000	SAB	\$539,309
Mercer County Total			120	\$28,347,358		\$49,296,461

Middlesex County						
23 Clawson, LLC	Piscataway	MF	0	\$275,000	BGF	\$1,408,125
Access Capital International Corp.	Perth Amboy	SV	3	\$120,000	NDA	\$492,000
City of New Brunswick (Heldrich Center)	New Brunswick City	SR	0	\$1,000,000	HSM	\$1,315,101
Converted Organics of Woodbridge	Woodbridge Township	RC	18	\$17,500,000	SAB	\$22,000,000
Corente, Inc.	East Brunswick Twp.	TC	47	\$1,000,000	TEC	\$3,500,000
EPAC Technologies, Inc.	Edison Twp.	MF	25	\$163,793	BEP	\$7,850,000
Estate of Louis Ambrogio	Woodbridge Township	SR	0	\$29,027	HAZ	\$69,325
Hapag-Lloyd (America) Inc.	Middlesex Borough	DS	145	\$758,713	BEP	\$577,730
Jewish Renaissance Medical Center, Inc.	Perth Amboy	NP	37	\$7,500,000	SAB	\$13,766,000
Lehman Brothers Holdings Inc.	Piscataway	SV	30	\$125,000,000	SFF	\$385,657,305
Milltown-Ford Avenue Redevelopment Agency	Milltown Borough	SR	0	\$5,000,000	HSM	\$5,050,500
Novo Nordisk	Plainsboro Township	TC	211	\$5,405,932	BEP	\$120,000,000
Phoenix Container, Inc.	North Brunswick Township	MF	4	\$1,000,000	SAB	\$1,329,650

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj</u> <u>Type</u>	<u>Est</u> <u>New</u> <u>Jobs</u>	<u>EDA</u> <u>Assistance</u>	<u>Program</u> <u>Type</u>	<u>Total</u> <u>Project</u> <u>Costs</u>
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Middlesex County (cont.)						
Polymer Dynamix, LLC	South Plainfield Borough	MF	12	\$1,300,000	SAB	\$1,350,000
Recycle, Inc. East	South Plainfield Borough	MF	10	\$673,500	BGF	\$1,563,548
RMJ Laboratories, Inc.	Edison Township	MF	15	\$750,000	SLP	\$1,650,000
Ruby Real Estate & Management, Inc.	New Brunswick City	SV	12	\$291,250	BGF	\$1,165,000
SBD Net Products, Inc.	East Brunswick Township	SV	70	\$888,125	BEP	\$115,000
Middlesex County Total			639	\$168,655,340		\$568,859,284

Monmouth County						
Signum Biosciences	South Brunswick Twp.		14	\$1,000,000		\$6,700,000
SRSB Holdings Limited Liability Company	New Brunswick City	MF	0	\$750,000	LDF	\$0
SRSB Holdings LLC	New Brunswick City	MF	18	\$3,300,000	SAB	\$4,610,000
Steel Fab Realty, LLC.	Edison Township	MF	193	\$1,039,421	BEP	\$20,170,000
Trimco Display, LLC	Carteret Borough	MF	260	\$799,500	BEP	\$1,285,000
Tris Pharma, Inc.	South Brunswick	MF	50	\$4,900,000	SAB	\$5,900,000
V-4 Holdings, LLC	South Plainfield Borough	MF	18	\$2,100,000	SAB	\$3,358,750
Borough of Neptune City (Former East Coast Ice Co.)	Neptune City Borough	SR	0	\$73,496	HSM	\$73,496
City Works West Lake, LLC (West Lake Avenue BDA)	Neptune Township	SR	0	\$108,669	HAZ	\$109,169
CommVault Systems, Inc.	Oceanport	TC	180	\$3,755,745	BEP	\$4,000,000
EdmondMarks Technologies, Inc.	Neptune Township	MF	3	\$262,500	SLP	\$715,000
Estate of Charles E. Cortelyou	Oceanport Borough	SR	0	\$127,668	HAZ	\$243,730
Estate of Charles E. Cortelyou	Oceanport Borough	SR	0	\$33,838	HAZ	\$3,576
Foster's Auto Service, Inc.	Wall Township	SR	0	\$49,755	HAZ	\$51,255
Garden State Precast, Inc.	Wall Township	MF	7	\$750,000	SLP	\$2,295,000
Hatteras Press, Inc.	Tinton Falls Borough	MF	12	\$2,300,000	SAB	\$2,620,000
High Point Safety and Insurance Management Corp.	Red Bank Borough	CM	74	\$215,199	BEP	\$2,250,780
Ranney School	Tinton Falls Borough	NP	4	\$17,197,175	SAB	\$17,000,000
Shore Arthritis and Rheumatism Associates Corporation	Ocean Township	SV	4	\$70,000	NDA	\$139,000

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Monmouth County (cont.)

The Community YMCA	Single County - Multi City	NP	8	\$2,253,360	SAB	\$2,368,000
Township of Neptune (1611 Sewall Avenue)	Neptune Township	SR	0	\$28,578	HSM	\$55,057
Monmouth County Total			845	\$41,114,904		\$73,947,813

Morris County

Bain's Automotive, Inc.	Roxbury Township	SR	0	\$708,916	HAZ	\$897,160
Bain's Automotive, Inc.	Roxbury Township	SR	0	\$199,922	HAZ	\$18,675
Berlex, Inc. and Affiliates	Montville Township	MF	350	\$12,518,188	BEP	\$500,000
Ferring Pharmaceuticals, Inc.	Parsippany-Troy Hills Twp.	MF	92	\$3,927,466	BEP	\$1,790,000
L.P. Thebault Company	Parsippany-Troy Hills Township	MF	16	\$5,130,000	SAB	\$5,190,174
McKinsey&Company	Florham Park	SV	340	\$9,677,250	BEP	\$2,400,000
The Morristown-Beard School Inc.	Morristown Town	NP	8	\$14,500,000	SAB	\$16,379,942
Township of Morris (Former Pecar Mobil Site)	Morris Township	SR	0	\$17,770	HSM	\$17,770
Viewpointe Archive Services, L.L.C.	Parsippany-Troy Hills Twp.	SV	27	\$1,349,460	BEP	\$725,000
Morris County Total			833	\$48,028,972		\$27,918,721

Multi Counties

Community Options, Inc.	Statewide	NP	17	\$4,840,000	SAB	\$5,350,000
Multi Counties Total			17	\$4,840,000		\$5,350,000

Ocean County

Borough of Point Pleasant Beach (Sea Coast Oil)	Point Pleasant Beach Borough	SR	0	\$63,160	HSM	\$63,660
Joseph P. Hayes Theatre, Inc.	Beach Haven Borough	NP	9	\$400,000	GTE	\$4,000,000
Township of Plumsted (6 Main Street)	Plumsted Township	SR	0	\$39,247	HSM	\$39,747
Ocean County Total			9	\$502,407		\$4,103,407

Passaic County

690 Union Blvd. Assoc., L.L.C.	Totowa Borough	MF	20	\$4,367,896	SAB	\$4,100,000
Acey Industries, Inc.	Paterson City	SV	2	\$65,025	BGF	\$291,000
BAE SYSTEMS Information and Electronic Systems Int Integration Inc.	Totowa Borough	TC	130	\$5,041,400	BEP	\$20,000,000
Challenge Printing Company, Inc., The	Clifton City	MF	4	\$2,000,000	SAB	\$2,470,000
City of Paterson (Columbia Textile Mill)	Paterson City	SR	0	\$122,012	HSM	\$122,512
City of Paterson-Department of Community Dev. (Former ATP Processors)	Paterson City	SR	0	\$13,530	HSM	\$14,030

Applicant NameMunicipalityProj
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Costs**Passaic County (cont.)**

City of Paterson-Department of Community Dev. (NJ Transit Market St. Garage)	Paterson City	SR	0	\$5,500	HSM	\$6,000
City of Paterson-Department of Community Dev. (Salvatore Verga)	Paterson City	SR	0	\$7,150	HSM	\$7,650
Jersey Partners, LLC	West Paterson Borough	SV	14	\$680,000	SLP	\$1,710,000
Princeton Laundry, Inc.	Paterson City	SV	75	\$111,041	BEP	\$8,000,000
Register Lithographers, Ltd.	Clifton City	MF	17	\$7,300,000	SAB	\$7,431,500
Passaic County Total			262	\$19,713,554		\$44,152,692

Salem County

Carneys Point Township (Shell Road)	Carneys Point Township	SR	0	\$6,922	HSM	\$7,422
City of Salem (Former Sunoco Service Station)	Salem City	SR	0	\$62,022	HSM	\$62,522
City of Salem (McCarthy's Bar)	Salem City	SR	0	\$62,022	HSM	\$62,522
Independence Realty Group, LLC	Carneys Point Township	RT	2	\$120,000	SLP	\$770,750
Salem County Total			2	\$250,966		\$903,216

Somerset County

Aetema Zentaris	Warren Twp.	CM	25	\$1,250,000	BEP	\$800,000
Borough of Somerville (Somerville Landfill)	Somerville Borough	SR	0	\$297,045	HSM	\$297,545
Borough of Somerville (Somerville Landfill)	Somerville Borough	SR	0	\$209,843	HSM	\$210,343
Chromis Fiberoptics, Inc.	Warren Township	TC	22	\$1,000,000	TEC	\$3,490,000
Dynamic Mobile Data Systems, Inc.	Franklin Twp.	TC	15	\$750,000	TEC	\$2,680,000
Far Hills Country Day School	Far Hills Borough	NP	2	\$4,000,000	SAB	\$9,811,770
Integrium, LLC	Bedminster Township	RD	37	\$697,048	BEP	\$1,130,000
Nistica Inc.	Bridgewater Township	TC	10	\$1,000,000	TEC	\$5,675,000
Piper Holdings, L.L.C.	Franklin Township	CM	20	\$750,000	SLP	\$1,810,000
QUALCOMM Flarion Technologies, Inc.	Bridgewater Township	MF	95	\$1,932,300	BEP	\$20,117,000
Somerset Hills Learning Institute, Inc.	Bedminster Township	NP	9	\$3,000,000	SAB	\$3,059,817
The Louis Berger Group	Franklin Twp.	SV	33	\$114,098	BEP	\$1,500,000
The Pingry Corporation	Bernards Township	NP	5	\$8,000,000	SAB	\$8,090,000
VELOX Semiconductor	Franklin Township	TC	35	\$277,030	BEP	\$200,000
VELOX Semiconductor Corporation	Franklin Twp.		35	\$1,000,000	TEC	\$8,662,000
Somerset County Total			343	\$24,277,364		\$67,533,475

<u>Applicant Name</u>	<u>Municipality</u>	<u>Proj Type</u>	<u>Est New Jobs</u>	<u>EDA Assistance</u>	<u>Program Type</u>	<u>Total Project Costs</u>
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Sussex County						
Schneider and Marquard, Inc.	Newton Town	MF	8	\$527,500	BGF	\$1,055,000
Sussex County Total			8	\$527,500		\$1,055,000

Union County						
385 Hillside Avenue Realty, LLC/Beau Label Manufacturing, Inc.	Hillside Township	MF	39	\$1,550,000	SAB	\$2,925,750
825 Lehigh Realty LLC	Union Township	MF	40	\$2,400,000	SAB	\$3,620,000
825 Lehigh Realty LLC	Union Township	MF	0	\$480,000	DIR	\$0
A&H Products, Inc.	Hillside Township	MF	15	\$440,000	LDF	\$1,715,000
ACP Partnership	Single County - Multi City	SR	0	\$375,703	HAZ	\$734,015
ACP Partnership	Single County - Multi City	SR	0	\$181,117	HAZ	\$9,125
Asplundh Tree Expert Co.	Scotch Plains Township	SR	0	\$47,886	HAZ	\$91,918
Beau Label Manufacturing, Inc.	Hillside Township	MF	55	\$60,839	BEP	\$2,500,000
Beau Label Manufacturing, Inc.	Hillside Township	MF	0	\$565,750	LDF	\$0
Bindgraphics, Inc.	Roselle Borough	MF	5	\$33,413	BGF	\$148,500
Borough of Roselle Park (Youth Baseball Field Complex)	Roselle Park Borough	SR	0	\$158,522	HSM	\$159,022
City of Rahway (Essex Street Riverfront Park)	Rahway City	SR	0	\$438,976	HSM	\$578,833
City of Rahway (Former Warwick Laboratories)	Rahway City	SR	0	\$344,487	HSM	\$344,987
St. Georges Center Associates, LLC	Rahway City	SR	0	\$143,648	HAZ	\$535,914
St. Georges Center Associates, LLC	Rahway City	SR	0	\$37,156	HAZ	\$3,878
Vogel Bus Company Inc.	Roselle Borough	TP	0	\$106,313	BGF	\$271,260
YWCA of Central New Jersey, Inc.	Plainfield City	NP	0	\$750,000	LDF	\$750,000
Union County Total			154	\$8,113,810		\$14,388,202

Warren County						
Blair Academy	Blairstown Township	NP	7	\$15,425,000	SAB	\$24,764,265
Heath Village	Hackettstown Town	NP	2	\$1,200,000	SAB	\$1,200,000
Rutler Screen Printing Inc	Phillipsburg Town	MF	5	\$25,000	BGF	\$132,447
Warren County Total			14	\$16,650,000		\$26,096,712

GRAND TOTAL			11,466	\$621,467,257		\$1,583,376,635
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Mercer County

Alphion Corporation	Princeton Junction
Barrier Therapeutics, Inc.	Princeton
Bullrun Financial, Inc.	Hamilton
Dot Photo, Inc.	West Trenton
Energy Photovoltaics, Inc.	Lawrenceville
Knite, Inc.	Princeton
Lavipharm Laboratories, Inc.	East Windsor
Lexicon Pharmaceuticals (New Jersey), Inc.	Princeton
NexMed (USA), Inc.	East Windsor
Orchid Cellmark, Inc.	Princeton
Princeton Optronics, Inc.	Mercerville
Princeton eCom Corporation	Princeton
SightLogix, Inc.	Princeton
UDC, Inc.	Ewing
Viocare Technologies, Inc.	Princeton

Middlesex County

Arkados, Inc.	Piscataway
Biomira USA, Inc.	Cranbury
CMWare, Inc.	Plainsboro
Cape Systems Group	South Plainfield
Connotate Technologies, Inc.	New Brunswick
Corente, Inc.	East Brunswick
ExSar Corporation	Monmouth Junction
ION Networks, Inc.	South Plainfield
Inplane Photonics, Inc.	South Plainfield
Kodeos Communications, Inc.	South Plainfield
Majesco Entertainment Company	Edison
Multiplex, Inc.	South Plainfield
Orthocon, Inc.	North Brunswick
Outercurve Technologies, Inc.	Iselin
PTC Therapeutics, Inc.	South Plainfield
Palatin Technologies, Inc.	Cranbury
Pharmacopeia Drug Discovery, Inc.	Cranbury
Pharmos Corporation	Iselin
Premier Specialties, Inc.	Middlesex
Princeton Lightwave, Inc.	Cranbury
Provid Pharmaceuticals, Inc.	North Brunswick
Signum Biosciences, Inc.	Monmouth Junction
Songbird Hearing, Inc.	New Brunswick
StrikeForce Technologies, Inc.	Edison
Synthemed, Inc.	Iselin

Transave, Inc.	Monmouth Junction
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Middlesex County	
TyRx Pharma, Inc.	Monmouth Junction
WellGen, Inc.	New Brunswick
X-Cell Medical, Inc.	Monmouth Junction
MFormation Technologies, Inc.	Edison
NetForensics, Inc.	Edison

Monmouth County	
BigString Corporation	Red Bank
Hemo Concepts, Inc.	Eatontown
Millennium Cell, Inc.	Eatontown
Scivanta Medical Corporation	Spring Lake
Speechswitch, Inc.	Matawan
Vonage Holdings Corporation	Holmdel
uReach Technologies, Inc.	Holmdel

Morris County	
Cirqit.com, Inc.	Whippany
CyberShift, Inc.	Parsippany
Deltronic Crystal Industries, Inc.	Dover
Elusys Therapeutics, Inc.	Pine Brook
INTTRA, Inc.	Parsippany
Immunomedics, Inc.	Morris Plains

Passaic County	
Cieos, Inc.	Totowa

Somerset County	
Alfacell Corporation	Somerset
BioArray Solutions, Ltd.	Warren
Dynamic Mobile Data Systems, Inc.	Somerset
Juvent, Inc.	Somerset
Opt-e-scrip, Inc.	Bedminster
VioQuest Pharmaceuticals, Inc.	Basking Ridge
Wi-Tron, Inc.	Raritan

Union County	
Genta, Inc.	Berkeley Heights
Stem Cell Innovations, Inc.	Scotch Plains

TOTAL	\$60,000,000
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Project Key			
CM	Commercial	OF	Office
CT	Construction Trade	RC	Recycling
DC	Day Care	RD	Research and Development
DS	Distribution	RT	Retail
GF	Government Facility	SR	Site Remediation
HS	Housing	SV	Services
IN	Infrastructure	TC	Technology
MF	Manufacturing	TP	Transportation
NH	Nursing Home	WS	Wholesale
NP	Not for Profit		

Program Key			
BEP	Business Employment Incentive Program	HSM	Hazardous Discharge Site Remediation Fund - Municipal
BGF	NJ Business Growth Fund	LDF	Local Development Financing Fund
CED	Fund for Community Economic Development	NDA	NJ Development Authority
DIR	Direct Loan	NMT	New Markets Tax Credit Program
ERB	Economic Recovery Board for Camden	SAB	Stand Alone Bond
GTE	Guarantee	SLP	Statewide Loan Pool for Businesses
HAZ	Hazardous Discharge Site Remediation Fund - Commercial	TEC	Edison Direct Investment



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Recommendation to Amend Loan Product Interest Rates and Terms
through Board Approval

DATE: April 8, 2008

Request:

The Members are requested to allow EDA the ability to effect loan product interest rate, including interest rate floors, and term changes through the Board Approval Process for programs that are now currently bounded by our Administrative Rules. These changes will enhance EDA's efforts as part of the Governor's Economic Growth Strategy to support business growth in the State. The changes are outlined below and in the attached exhibit and have been reviewed by the Policy Committee and reflect changes based on the input of the Committee.

Background:

As noted in the complementary memo "Recommendation to Modify Program Interest Rate Floors for Select Programs", the EDA is continually looking for process and product improvements which close gaps and provide opportunities for job and business growth.

In response to The U.S. Federal Reserve's rate reductions to lower the cost of borrowing and increase economic activity¹, commercial banks and several other state economic development agencies have already cut their base lending rates.

¹ Since September of 2008, rates have been cut six times, with the current Federal Funds Rate now down to 2.25 percent, the lowest since late 2004.

However, unlike commercial banks and several of our competitors, our current Administrative Rules mechanism does not allow us desired immediacy to adjust our interest rates and terms based on market conditions. For EDA to effect change in rates and terms bounded by our Rules process, it can take upwards of four months or longer, effectively limiting our effectiveness to respond rapidly to changing market conditions. Our ability to react quickly to the current interest rate environment, by lowering rates as our competitors and banking partners are, would effectively spur investment in the state by providing a lower cost of capital and increasing liquidity into the marketplace.

We now propose amending our Rules to allow EDA the ability to make adjustments to loan program interest rates and terms, including setting interest rate floors, through the Board Approval process. We propose that our customers would be more efficiently served and thereby would encourage increased investment in the State, if we could be more flexible in aligning our rates and terms with evolving market conditions.

Recommendation:

In order to respond efficiently to the needs of our customers, we propose amending our Administrative Rules to allow EDA the ability to change loan product interest rates, floors and terms through the Board Approval Process. Specifically, the EDA shall determine the term, and interest rate floors for each loan product through consideration and official action of the Members at a public hearing.

The EDA shall provide public notice of the general loan terms and interest rate floors and ranges to be charged for all loan products as authorized by the Members through, among other methods, listing on the Agency's website at www.njeda.com.

The approach we propose would allow for greater flexibility and efficiency in setting market-based interest rates and terms. Quality controls would be maintained through our proven processes of Policy Committee Review and Board Approval.

Proposed Rule Amendments:

The proposed Administrative Rules changes are provided in Exhibit 1. This exhibit draft is in substantially final form. A summary is as follows:

19:31-3.1(h) would authorize the EDA to determine the term and interest rate, including the interest rate floor, to be charged for its' loan products, through official action of the EDA Board.

19:31-3.1(h)1i would remove the current fixed interest rate and ensure that for all loan products, any scheduled rate reset during the term of a fixed interest rate loan, shall not result in an increase of more than five percentage points greater than the original calculated interest rate.

19:31-3.1(h)1ii would remove the current interest rate for the convertible debt portion of the Edison Innovation R&D Fund.

19:31-3.1(h)2 would remove the current variable interest rate and maintain current provisions that during the term of any variable interest rate loan, the maximum increase in the variable rate will be no more than five percentage points greater than the original calculated interest rate.

19:31-3.1(h)3 would maintain the current factors for establishing interest rates and add number of jobs maintained or expanded to the list of factors.

19:31-3.1(h)4 would add the current eligibility standards used for technology/biotechnology companies applying for assistance from the EDA's Edison Innovation Fund, to the factors used for determining the interest rates for these loan products.

19:31-3.1(h)5 would remove an outdated reference to the New Jersey Growth Fund, which has been renamed as the Edison Innovation Fund; and, would replace the current incentives reference to charges, which the EDA is authorized to collect, under N.J.S.A. 34:1B-4 (k): EDA is allowed "to require and collect such fees and charges as the authority shall determine to be reasonable."

19:31-3.1(h)6 would ensure public notice of the loan terms, interest rates and interest rate floors to be charged for all loan products, as authorized by the Board, through various methods, including listing on the agency's website.

19:31-3.2(f) would remove an outdated reference to the New Jersey Growth Fund, which has been renamed as the Edison Innovation Fund.

19:31-4.1(d)-(f) would remove the current interest rate and term for loans under the Downtown Beautification Program; and, include the factors for establishing interest rates and floors and public notice requirements as provided for other loan products in previous section of proposed rules. Going forward, the Board shall review recommended changes at a public monthly meeting and provide information regarding terms, rates and floors on the EDA website.

19:31-7.5(b)-(d) would remove the current interest rates and floors and term for loans under the Local Development Financing Fund; and, include the factors for establishing interest rates and public notice requirements as provided for other loan products in previous section of proposed rules. Going forward, the Board shall review recommended changes at a public monthly meeting and provide information regarding terms, rates and floors on the EDA website.

The members are requested to authorize staff to submit amendments to the program rules for promulgation and adoption in the NJ Register, subject to final review and approval by the office of the Attorney General, and the Office of Administrative Law (OAL). The Authority will operate with the proposed changes upon submission to OAL, with risk to the applicant if changes as proposed are not adopted.



Caren S. Franzini

Prepared by: Barbara Pierce

DRAFT

EXHIBIT 1

OTHER AGENCIES NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs Terms and Interest Rates for Direct Loan Participations Proposed Amendments: N.J.A.C. 19:31-3.1, 3.2, 4.1 and 7.5

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini,
Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2008-

Submit written comments by _____, 2008:

Maureen Hassett, SVP Governance & Communications
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority (EDA or Authority) creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and nonprofit organizations.

In 2007, the EDA provided more than \$680 million in financing assistance and State business incentives and tax credits to 380 projects, supporting total new public/private investment of over \$1.6 billion and the creation of nearly 11,500 new, full-time jobs in New Jersey.

The EDA is proposing to amend its rules to remove the terms and interest rates for all EDA loans, excluding those determined by statute, as included in current rules. The amendments also would authorize the EDA, through official action of the Board at a public hearing, to implement future interest rate and term changes. The proposed rules are intended to enable the EDA to respond on a more timely basis to changing market conditions and offer businesses greater flexibility in accessing capital.

The following provides a summary of the major provisions of the proposed rule amendments:

19:31-3.1(h) would authorize the EDA to determine the term and interest rate, including the interest rate floor, to be charged for its' loan products, through official action of the EDA Board.

19:31-3.1(h)1i would remove the current fixed interest rate and ensure that for all loan products, any scheduled rate reset during the term of a fixed interest rate loan, shall not result in an increase of more than five percentage points greater than the original calculated interest rate.

19:31-3.1(h)1ii would remove the current interest rate for the convertible debt portion of the Edison Innovation R&D Fund.

19:31-3.1(h)2 would remove the current variable interest rate and maintain current provisions that during the term of any variable interest rate loan, the maximum increase in the variable rate will be no more than five percentage points greater than the original calculated interest rate.

19:31-3.1(h)3 would maintain the current factors for establishing interest rates and add number of jobs maintained or expanded to the list of factors.

19:31-3.1(h)4 would add the current eligibility standards used for technology/biotechnology companies applying for assistance from the EDA's Edison Innovation Fund, to the factors used for determining the interest rates for these loan products.

19:31-3.1(h)5 would remove an outdated reference to the New Jersey Growth Fund, which has been renamed as the Edison Innovation Fund; and, would replace the current incentives reference to charges, which the EDA is authorized to collect, under N.J.S.A. 34:1B-4 (k): EDA is allowed "to require and collect such fees and charges as the authority shall determine to be reasonable."

19:31-3.1(h)6 would ensure public notice of the loan terms, interest rates and interest rate floors to be charged for all loan products, as authorized by the Board, through various methods, including listing on the agency's website.

19:31-3.2(f) would remove an outdated reference to the New Jersey Growth Fund, which has been renamed as the Edison Innovation Fund.

19:31-4.1(d)-(f) would remove the current interest rate and term for loans under the Downtown Beautification Program; and, include the factors for establishing interest rates and floors and public notice requirements as provided for other loan products in previous section of proposed rules.

19:31-7.5(b)-(d) would remove the current interest rates and floors and term for loans under the Local Development Financing Fund; and, include the factors for establishing interest rates and public notice requirements as provided for other loan products in previous section of proposed rules.

Social Impact

(TEXT IN DEVELOPMENT)

Economic Impact

(TEXT IN DEVELOPMENT)

Federal Standards Statement

The proposed amendments are not subject to any Federal standards or requirements; therefore, a Federal standards analysis is not required.

Jobs Impact

(TEXT IN DEVELOPMENT)

Agriculture Industry Impact

The proposed amendments will not have an impact on the agriculture industry.

Regulatory Flexibility Analysis

(TEXT IN DEVELOPMENT)

Smart Growth Impact

(TEXT IN DEVELOPMENT)

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a)-(g) (No change.)

(h) The Authority shall determine the term, and fixed and/or variable rates of interest, including interest rate floors, to be charged for each loan product through consideration and official action of the Members at a public hearing. [For the Authority's Direct Loan Program, t]The applicant shall elect in writing, at or prior to the time of closing, a fixed interest rate [as set forth in (h)1 below] or a variable interest rate [as provided in (h)2 below].

1. Fixed Rate Interest:

i. Interest on [Smart Growth Predevelopment, Brownfield Redevelopment,] fixed asset or working capital loans will be fixed at the time of closing, with a floor that shall be indexed to [the United States Treasury Bill] a nationally recognized financial index, such as the 5-year United States Treasury Bond of like term, plus or minus any additional basis points to be determined by the Authority. [pursuant to the criteria set forth herein; with a floor of four percent and no more than a maximum of the highest Prime Rate as published in the Wall Street Journal plus three percent. Factors to be considered when calculating the additional interest basis points may include the applicant's creditworthiness, quality of collateral, the project's location-municipality, whether the applicant is locating to a former brownfield site, the industry type, the leveraging of total project costs to public dollars, whether the business is new to the State or expanding operation in the State, and the increase in tax ratable values.] During the term of any loan, a scheduled rate reset shall not result in an increase of more than five percentage points greater than the original calculated interest rate.

[ii. The Loans to Lenders component of the Fund for Community and Economic Development will charge an interest rate to be fixed at three percent for the first five years. For those loans that extend beyond five years, the rate will adjust to four percent on the first day of the sixth year. For those loans that extend beyond seven years, the rate will adjust to five percent on the first day of the eighth year. The maximum term of a Loans to Lenders Loan will be 10 years.

iii. The rate to be charged for the New Jersey Growth Fund Program is fixed at four percent plus any additional basis points to be determined by the Authority pursuant to the criteria set

forth herein; with a floor of four percent and no more than two times the highest Prime Rate as published in the Wall Street Journal. Factors to be considered when calculating the additional interest basis points may include the special criteria detailed in N.J.A.C. 19:31-3.2(f).

iv. The rate to be charged for the urban loan is fixed at the time of closing at fifty percent of the Federal Discount Rate, with a floor of 3 percent.]

[v.] ii. The [rate] amount of interest to be charged on the convertible debt portion of the Edison Innovation R&D Fund [is fixed at two percent and] shall be capitalized during the first five years of the financing, during which time no principal or interest payments are required. The principal and capitalized interest shall be automatically converted into equity in the event that a qualified financing in the minimum amount of \$500,000 shall occur during such five-year period. If no such qualified financing shall occur during that time, the principal and capitalized interest shall be amortized over the next five-year period and shall be payable monthly, with interest.

2. Variable Rate Interest: Interest on fixed asset and working capital loans [is at a rate no less than three percent or the Federal Discount Rate, whichever is greater, and no more than one percent below] will be set with a floor that shall be indexed to a nationally recognized rate, such as the [highest] Prime Rate as published in the Wall Street Journal at the time of closing[.], plus or minus any basis points to be determined by the Authority. The interest rate will be variable, adjusted on the first business day of each calendar quarter in accordance with the relationship of the original calculated interest rate [to the Prime Rate or the Federal Discount rate]. The maximum increase in the variable interest rate [over a five- year period] during the term of the loan will be no more than five percentage points greater than the original calculated interest rate.[Factors to be considered when calculating the interest rate are as set forth in (h)1 above.]

3. For fixed and variable rate loans, factors to be considered in establishing additional interest rate basis points above the floor previously established by the Board, may include, among others: applicant's creditworthiness, quality of collateral, number of jobs maintained or expanded in New Jersey, location/municipality of project, industry type, increase in tax ratable values,

leveraging of total project costs to public dollars, whether the business is new to the State or expanding operation in the State and whether the applicant is locating to a former brownfield site.

4. For loans offered under the Edison Innovation Fund, the criteria for determining the rate of interest and additional basis points above the floor previously established by the Board may include the eligibility standards contained in N.J.A.C. 19:31-3.2(f).

[3.] 5. In addition to any interest charged on an [New Jersey Growth Fund or] Edison Innovation R&D Fund loan, the Authority, may also require the payment of additional fees and [incentives] charges, including, but not limited to, warrants, stock, stock options, a percentage of royalties, and a percentage of sales proceeds.

6. The Authority shall provide public notice of the loan terms and interest rates, including interest rate floors, to be charged for all loan products as authorized by the Members through, among other methods, listing on the agency's website at www.njeda.com.

[(i) The term of a fixed asset or working capital loan is a maximum of 10 years, although the amortization may be for a longer time based on the use of proceeds and the applicant's ability to repay. Smart Growth Predevelopment and Brownfield Redevelopment loans will have a maximum term of three years. The New Jersey Growth Fund term is a maximum of 10 years, and may allow for interest only payments for a portion of the term, or for interest and payment deferrals, with the repayment schedule to be determined on revenue and operational milestone achievement.]

[(j)] (i) (No change in text.)

[(k)] (j) (No change in text.)

[(l)] (k)

[(m)] (1) For New Markets Loans:

1. (No Change.)

[2. The rate for loans shall be fixed at three percent and shall be interest only for at least the first seven years of the term of the loan.

3. New Markets loans will have terms of no less than seven years and may be up to 10 years.]

[4.] 2. (No change in text.)

[5.] 3. (No change in text.)

[6.] 4. (No change in text.)

19:31-3.2 Eligibility standards

(a)-(e) (No change.)

(f) For [New Jersey Growth] Edison Innovation Fund loans, projects will be considered eligible if they have the following characteristics:

1. Technology that has a strong likelihood and clear timeline to achieve commercialization;
2. A meaningful and defined market and customer base for the technology;

3. A management team possessing appropriate skill sets, capacity and financial resources and willingness to strengthen management through other means such as advisory or consultant services;

4. A meaningful customer base, partners, strategic alliances and professional relationships;

5. An ability to leverage the Authority's resources by evidence of other fund raising and need for future capital requirements;

6. A clear record of specific operational and research milestones achieved to date and proposed schedule and means to achieve future milestones;

7. A current and complete business plan including a detailed financial model; and

8. Location of the business in either an Innovation Zone, Urban Enterprise Zone or area targeted for smart growth redevelopment as determined by the New Jersey Development and Redevelopment Plan; or

9. A Business that is located in a targeted industry.

SUBCHAPTER 4. DOWNTOWN BEAUTIFICATION PROGRAM

19:31-4.1 Program description

(a) The Authority is empowered to make direct loans to owners and operators of retail and commercial businesses located in downtown urban areas who are unable to obtain funding from conventional sources to upgrade their properties and to remain in such areas.

(b)-(c) (No change.)

[(d) Interest on these loans is equal to one percent below the Federal Discount Rate at the time of loan closing, with a minimum of three percent and a maximum of 10 percent.

(e) The term of the loan is a maximum of 10 years, although the repayment schedule is usually for a shorter term based on the applicant's ability to repay.]

(d) The Authority shall determine the term and the interest rate, including the interest rate floor, to be charged on a loan from the fund through consideration and official action of the Members at a public hearing.

(e) Factors to be considered in establishing additional interest rate basis points above the floor previously established by the Board may include, among others: applicant's creditworthiness, quality of collateral, number of jobs maintained or expanded in New Jersey, location/municipality of project, industry type, increase in tax ratable values, leveraging of total project costs to public dollars, whether the business is new to the State or expanding operation in the State and whether the applicant is locating to a former brownfield site.

(f) The Authority shall provide public notice of the loan term and interest rate, including the interest rate floor, to be charged for the Downtown Beautification Program as authorized by the Members through, among other methods, listing on the agency's website at www.njeda.com.

SUBCHAPTER 7. LOCAL DEVELOPMENT FINANCING FUND

19:31-7.5 Terms of financial assistance

(a) (No change.)

[(b) The term of a loan from the fund can be up to 25 years.

(c) The interest rate on a loan from the Fund will be the one-half of the Federal Discount Rate at the time of loan closing, or three percent, whichever is greater.]

(b) The Authority shall determine the term and the interest rate to be charged on a loan from the fund through consideration and official action of the Members at a public hearing.

(c) Factors to be considered in establishing additional interest rate basis points above the floor previously established by the Board may include , among others: applicant's creditworthiness, quality of collateral, number of jobs maintained or expanded in New Jersey, location/municipality of project, industry type, increase in tax ratable values, leveraging of total project costs to public dollars, whether the business is new to the State or expanding operation in the State and whether the applicant is locating to a former brownfield site.

(d) The Authority shall provide public notice of the loan term and interest rate, including the interest rate floor, to be charged for the Local Development Financing Fund as authorized by the Members through, among other methods, listing on the agency's website at www.njeda.com.



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Recommendation to Modify Program Interest Rate Floors for Select Programs

DATE: April 8, 2008

Request:

The Members are requested to approve changes to our current interest rate floors for select product programs. These changes will enhance EDA's efforts as part of the Governor's Economic Growth Strategy to support business growth in the State. The changes are outlined below and in the attached exhibits and have been reviewed by the Policy Committee and reflect changes based on the input of the Committee.

Background:

In response to Governor Corzine's initiative to grow jobs in the state and to proactively address the national economic downturn affecting New Jersey business and industry, we have reviewed a number of our product programs that could be enhanced. To support the Governor's job growth plans, the EDA will increase liquidity in the marketplace by providing a lower cost of capital to small businesses, both directly and in partnership with the borrowers' banks. A variety of our programs have been designed to complement bank financing with the EDA financing at a lower rate, thereby providing the borrower with a below market blended rate.

Late in 2007, staff met with the Policy Committee of the Board to consider recommendations for changes to our product pricing levels. At the request of the committee, staff conducted an in depth and thorough analysis of how other financing entities establish fees and rates. This competitive research has illustrated that along with the banks, a number of other state economic development agencies have lowered their rates or are actively in the process of doing so.

We believe that, given current Federal Reserve actions and subsequent banking partner and counterpart actions with regards to the lowering of interest rates, this action by the EDA to lower the floors will generate more loan demand in the marketplace, make our products more attractive and effectively apply our strategy to support the Governor's initiative to grow business in the State.

An enactment of a rate reduction in our programs will reduce borrowers' costs and thereby encourage increased investment in the State. A reduction in the floor of our interest rate will be particularly effective for growing our Statewide Loan Pool Program and our programs designed for growth of the urban communities, such as the new Urban Plus program and our program for small business – *Fast Start for small business*.

Recommendation:

As noted in the chart below, a number of our loan product programs have set interest rate floors, established in our Rules and Guidelines. Given the recent actions by the Federal Reserve to lower interest rates, these floors are clearly no longer competitive in the marketplace they serve (Reference: Exhibit 1).

The specific products affected and the changes recommended are identified in Table 1 below.

Table 1: Proposed Interest Rate Changes

LOAN PROGRAM ¹	CURRENT RATE FLOOR	PROPOSED RATE FLOOR	RULES CHANGE?
Brownfields Revolving Loan	3%	2%	NO
Brownfields Redevelopment Loan	4%	3%	YES
Direct Loan – fixed rate (e.g., Statewide Loan Program, FastStart...)	4%	3%	YES
Direct Loan – variable rate (e.g., Statewide Loan Program, FastStart...)	3%	2%	YES
LDFP	3%	2%	YES
Urban Plus	3%	2%	YES
Smart Growth Predevelopment	4%	3%	YES

As Table 1 illustrates, the recommended reduction is 100 basis points, with no program having a floor below 2%.

¹ All rates are fixed, unless otherwise noted

In addition: The contracted interest rate will be established by EDA at time of closing, based on the existing scoring formula which takes into account additional factors.

During the term of any of these loans, a scheduled rate reset shall not result in an increase of more than five percentage points greater than the original calculated interest rate.

At this time no changes are proposed to the terms or interest rates previously approved by the Board for Edison Innovation Fund or DEP programs which terms are provided for through statute. Three other programs: The Downtown Beautification Program, HDSRF for Municipalities and HDSRF for Residential/Commercial carry interest rate floors which will not be changed at this time.

The proposed Administrative Rules changes are provided as separate board action under "Recommendation to Amend Loan Product Interest Rates and Terms through Board Approval". This exhibit draft is in substantially final form.

In addition to the recommended reductions in interest rates, the Members are further requested to authorize staff to submit amendments to the program rules for promulgation and adoption in the NJ register, subject to final review and approval by the office of the Attorney General, and the Office of Administrative Law (OAL). The changes approved by the Board contained in the memo will be effectuated by the Rule Amendments presented to the Board in the complementary memo "Recommendation to Amend Loan Product Interest Rates and Terms through Board Approval" which will eliminate the existing higher rates of interest terms and set forth the Board approved process for loan products going forward.



Caren S. Franzini

Prepared by: Barbara Pierce

LIST OF EXHIBITS

EXHIBIT 1

Interest Rate Trends

Key Interest Rates as of 3/20/08

Bloomberg.com

	CURRENT	1 MONTH PRIOR	3 MONTH PRIOR	6 MONTH PRIOR	1 YEAR PRIOR
Federal Reserve Target Rate	2.25	3.00	4.25	4.75	5.25
1-Month Libor	2.61	3.12	4.90	5.14	5.32
3-Month Libor	2.61	3.08	4.88	5.21	5.35
Prime Rate	5.25	6.00	7.25	7.75	8.25
5-Year AAA Banking & Finance	3.95	4.28	4.66	5.15	5.01
10-Year AAA Banking & Finance	5.25	5.43	5.40	5.74	5.28



BOND RESOLUTIONS WITH AUTHORITY EXPOSURE

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

APPLICANT: West Ward Civic Cultural Educational Development Association P21538

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

PROJECT LOCATION: 107 Roseville Ave Newark City (T/UA) Essex

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

West Ward Civic Cultural Educational Development Association d.b.a. West Ward Cultural Center, Inc. ("WWC") was formed in 1979 as a community-based, not-for-profit organization to provide youth guidance counseling, pre-school education, after school educational enhancement, a community food bank and other human and community development programs. The applicant moved in to its current 13,000 s.f. facility in 2000. Due to increasing demand, particularly the pre-school education, WWC needs to increase its classroom space to accomodate the increased demand for the ABBOTT school services. At present the ABBOTT enrollment is 60 students, utilizing four classrooms. The center is planning on adding a 2nd floor, allowing it to increase enrollment to 90 students. Project cost is estimated to be \$2.8 million.

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 1986 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 expand its existing facility at 107 Roseville Avenue and add a 2nd floor for a total cost of \$2.8 million. The expansion will enable an increase in ABBOTT enrollment from 60 children to 90 children.

PNC has approved a \$2,746,000 construction loan, and a \$2,313,000 permanent mortgage (including deferred interest), contingent upon a \$500,000 LDFF loan. PNC will bridge the EDA's financing and will actively monitor construction. The LDFF loan request will be submitted to the Authority for review at its April 8, 2008 board meeting. It is anticipated PNC will issue a commitment letter to refinance the permanent mortgage as a tax-exempt bond.

FINANCING SUMMARY:

BOND PURCHASER: PNC Bank, National Association (Direct Purchase)

AMOUNT OF BOND: \$2,313,000 Tax-Exempt Bond

TERMS OF BOND: 18 months interest only during construction period; followed by a fixed rate for 10 year term, 25 year amortization, based on the 10 year US Treasury Note Average Yield + 200 bp. (Tax-Exempt indicative rate as of March 31, 2008 is 3.55%).

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$2,215,000
Debt service reserve fund	\$284,000
Contingency	\$246,000
Finance fees	\$68,000
TOTAL COSTS	<hr/> \$2,813,000

JOBS: At Application 17 Within 2 years 10 Maintained 0 Construction 66

PUBLIC HEARING: 04/08/08 (Published 03/24/08) **BOND COUNSEL:** McManimon & Scotland
DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** M. Krug

PUBLIC HEARING ONLY

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

APPLICANT: The First Occupational Center of New Jersey Incorporated P19412

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

PROJECT LOCATION: 391 Lakeside Avenue Orange City (T/UA) Essex

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

The First Occupational Center of New Jersey Incorporated (FOCNJ), founded in 1954, is the state's oldest and largest not-for-profit vocational training and job placement agency. FOCNJ's client base comes from developmentally disabled senior citizens, economically disadvantaged, ex-offenders and welfare dependent New Jersey residents and their families. The Center's services include vocational evaluation and assessment, training, counseling, job referral and placement, educational programs, advocacy, and training in the skills needed for independent living. FOCNJ provides a sheltered workshop and jobs through its seven wholly-owned and operated companies as well as within the community. With diminished availability of government grants, funding has shifted to FOCNJ raising 70% of its operating revenues from operations. FOCNJ's success can best be seen in the 1,000 New Jersey residents placed each year in the world of employment.

FOCNJ received Authority assistance in 2005 with a \$1,131,000 tax-exempt bond financing (P14311), which closed February 17, 2005 to finance the acquisition of seven (7) new refuse packer trucks that are used in its recycling operations. The 2005 Bonds were acquired by Koch Financial Corporation as a direct purchase for a five year term with a fixed interest rate of 4.8%.

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 1986 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 and consolidate outstanding debt on 3 properties owned by the applicant.

The applicant will also be submitting to the Authority a refunding application in the near term.

This project is being presented for Public Hearing Only at the April 8, 2008 Board Meeting.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$6,800,000
Debt service reserve fund	\$614,500
Working capital	\$327,618
Cost of Issuance	\$244,000
Appraisal, Title Ins, Consulting	\$157,000

Letter of Credit Fee	\$76,882
Legal fees	\$60,000
TOTAL COSTS	\$8,280,000

JOBS: At Application 451 Within 2 years 41 Maintained 0 Construction 0

PUBLIC HEARING: 04/08/08 (Published 03/25/08) **BOND COUNSEL:** McManimon & Scotland

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** M. Krug

BOND MODIFICATION



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Unifoil Real Estate Partners LLC
Fairfield Twp., Essex County, NJ
P14378 - \$5,000,000 Tax Exempt Bonds

REQUEST

Approval to modify the interest rate reset structure of the bonds for the next five years to the Borrower's option of either the five year tax exempt fixed rate or the tax exempt equivalent of the 30-day LIBOR + 175 basis points (floating), swapped to a fixed rate at closing.

BACKGROUND

Unifoil Real Estate Partners, LLC, is a real estate holding company formed for the purpose of leasing space to its operating company, Unifoil Corporation, a manufacturer and supplier of metallized film and foil laminates, as well as specialized coatings, for the packaging and commodity industries. In November, 2002 the Authority closed on a tax exempt bond issue in the amount of \$5,000,000 with a \$2,000,000 (40%) Authority guarantee for 5 years. The guarantee expired on November 15, 2007. Purchased by Commerce Bank, N.A, the Bond is for 25 years, at a fixed rate of 5.1% for the first five years with an interest rate reset every five years at a tax free rate set by the bank. The original bond interest rate was due to reset on 12/1/2007, however, the Bank and Borrower have negotiated an additional pricing option that may reduce the debt service for the Borrower.

Commerce Bank has offered a choice of (1) a five year tax-exempt fixed rate, estimated at 4.625% as of March 31, 2008; or (2) the tax exempt equivalent of the 30-day LIBOR plus 175 basis points swapped to fixed rate for five years (estimated at 3.95%). Unifoil has agreed to, and Bond Counsel, Wolff & Samson PC, has also reviewed this modification.

RECOMMENDATION

It is recommended that the Board approve the requested modification which will facilitate and support this manufacturing company's ability to obtain a lower interest rate.

Prepared By: Nancy C. Meyers



DIRECT LOANS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM**

APPLICANT: Bald Eagle Urban Renewal at Wanaque LLC

P18331

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1051-1073 Ringwood Avenue Wanaque Borough (N) Passaic

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund (X) Core () Ready for Growth

APPLICANT BACKGROUND:

Formed in 2006, Bald Eagle Urban Renewal at Wanaque, LLC ("Bald Eagle") is a newly created entity that will develop, own, and manage the Haskell Town Centre development project. This project involves the construction of a 49,000 square foot, three story, commercial building in downtown Wanaque, NJ. The Borough has designated the project site as a redevelopment area and has selected Bald Eagle as the project developer. Bald Eagle is owned 100% by Mr. Sal Falciglia.

APPROVAL REQUEST:

Approval of a \$1,250,000 direct loan is requested.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,250,000

TERMS OF LOAN: Fixed for five years at the time of closing at the five-year US Treasury plus .50% with a floor of 4.00%. One rate reset at the five-year anniversary. Ten-year term, 20-year amortization.

PROJECT COSTS:

Construction of new building or addition	\$9,979,000
Land	\$2,589,000
Soft Costs	\$730,000
Tenant Improvements	\$650,000
Interest during construction	\$525,000
TOTAL COSTS	<u><u>\$14,473,000</u></u>

JOBS: At Application 0 Within 2 years 140 Maintained 0 Construction 299

DEVELOPMENT OFFICER: R. Gomez

APPROVAL OFFICER: D. Lawyer

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM**

APPLICANT: Housing and Neighborhood Development Services, Inc P20525

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

PROJECT LOCATION: 4 different locations Orange City (T/UA) Essex

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

Housing and Neighborhood Development Services, Inc. ("HANDS") is a 501 (c)(3) not-for-profit organization established in 1986 to provide affordable housing to help stabilize neighborhoods and promote economic opportunity in New Jersey. HANDS is a chartered organization of the Neighbor Works America ("NWA"), certified by the State of New Jersey Department of Community Affairs and the City of East Orange as a Community Housing Development Organization ("CHDO").

APPROVAL REQUEST:

HANDS is seeking NJEDA assistance aggregating \$1.75 million to refinance existing acquisition debt associated with five properties in Orange and a sixth in neighboring West Orange. The total development budget totals \$7.6 million and due to the funding sources/programs is being split into two tranches. EDA assistance is recommended in the form of a \$1,195,000 direct loan (and a \$555,000 loan from the Fund for Community Economic Development P21584 concurrently being presented for approval). Note that borrower will be for-profit entity owned solely by HANDS.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,195,000

TERMS OF LOAN: Borrower's option of fixed for 5 years at the five year US Treasury rate with a floor of 4%, or floating at Wall Street Journal Prime minus 4% with a floor of 3% adjusted on the first business day of each calendar quarter, interest only for one year followed by a nine year term (rate to reset at the end of year five) based upon a 20 year amortization.

PROJECT COSTS:

Renovation of existing building	\$3,086,000
Acquisition of existing building	\$1,905,000
Engineering & architectural fees	\$383,000
Developer Fee	\$375,000
Finance fees	\$343,500
Contingency	\$261,000
Debt service reserve fund	\$150,000
TOTAL COSTS	<u><u>\$6,503,500</u></u>

JOBS: At Application 5 Within 2 years 60 Maintained 0 Construction 93

DEVELOPMENT OFFICER: M. Piliere

APPROVAL OFFICER: M. Conte

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - COMMUNITY ECONOMIC DEVELOPMENT PROGRAM**

APPLICANT: Housing and Neighborhood Development Services, Inc or P21584

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

PROJECT LOCATION: 351 Jefferson & 406 Tompkins Orange City (T/UA) Essex

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

Housing and Neighborhood Development Services, Inc. ("HANDS") is a 501 (c) (3) not-for-profit organization established in 1986 to provide affordable housing to help stabilize neighborhoods and promote economic opportunity in New Jersey. HANDS is a chartered organization of the Neighbor Works America ("NWA"), certified by the State of New Jersey Department of Community Affairs and the City of East Orange as a Community Housing Development Organization ("CHDO").

APPROVAL REQUEST:

HANDS is seeking NJEDA assistance aggregating \$1.75 million to refinance existing acquisition debt associated with five properties in Orange and a sixth in neighboring West Orange. The total development budget totals \$7.6 million and due to the funding sources/programs is being split into two tranches. EDA assistance is recommended in the form of a \$555,000 loan from the Fund for Community Economic Development (and a \$1,195,000 direct loan P20525 concurrently being presented for approval). Note that borrower will be for-profit entity owned solely by HANDS.

FINANCING SUMMARY:

LENDER: Fund for Community Economic Development

AMOUNT OF LOAN: \$555,000

TERMS OF LOAN: Borrower's option of fixed for 5 years at the five year US Treasury rate with a floor of 4%, or floating at Wall Street Journal Prime minus 4% with a floor of 3% adjusted on the first business day of each calendar quarter, interest only for one year followed by a nine year term (rate to reset at the end of year five) based upon a 20 year amortization.

PROJECT COSTS:

Acquisition of existing building	\$585,000
Renovation of existing building	\$260,000
Finance fees	\$45,500
Developer Fee	\$45,000
Engineering & architectural fees	\$35,000
Contingency	\$35,000
Debt service reserve fund	\$30,000
TOTAL COSTS	\$1,035,500

JOBS: At Application 5 Within 2 years 20 Maintained 0 Construction 8

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: M. Conte



LOCAL DEVELOPMENT FINANCING FUND

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM**

APPLICANT: CityWorks West Lake, LLC

P17103

PROJECT USER(S): Jersey Shore Medical Center
State of New Jersey

* - indicates relation to applicant

PROJECT LOCATION: 222-234 Highway 35

Neptune Township (T/UA)

Monmouth

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

CityWorks is a non-profit urban redevelopment organization designated by Neptune Township to oversee the redevelopment of a four-block area on West Lake Avenue suffering from disinvestment. CityWorks formed a real estate holding company, CityWorks West Lake, LLC to facilitate the redevelopment. This project will be pedestrian friendly and will create a sense of a town center, including retail stores, office space, residential housing, senior housing, as well as a park and off street parking primarily behind the buildings. Phase one consists of constructing a three-story commercial property with 52,560 square feet of office space and 162 surface lot parking spaces.

APPROVAL REQUEST:

Approval is requested for a \$2,000,000 LDFF loan. In addition, approval is being requested for a \$1,000,000 seven year Authority guarantee (P21165) of a \$10,765,000 senior leveraged loan (P 21164) from Commerce Bank, and an \$18,500,000 allocation of New Markets Tax Credits. Commerce Bank will be providing a tax credit equity investment of \$5.735 million (P21164) which combined with the aforementioned debt, will provide the \$18.5 million leveraged financing needed to complete the NMTC transaction. NJEDA is also approving a \$250,000 direct loan to bridge environmental funding resources (P 21753).

FINANCING SUMMARY:

LENDER: LDFF

AMOUNT OF LOAN: \$2,000,000

TERMS OF LOAN: 3% fixed at the time of closing at 1/2 the Federal Discount Rate with a floor of 3%; interest-only 7 years.

PROJECT COSTS:

Construction of new building or addition	\$12,436,395
Land	\$1,750,100
Interest during construction	\$1,056,987
Other	\$841,403
Finance fees	\$797,600
Engineering & architectural fees	\$705,000
Contingency & Reserve	\$497,189
Legal fees	\$305,000
Developer Fee	\$200,000
Working capital	\$160,326
TOTAL COSTS	<u><u>\$18,750,000</u></u>

JOBS: At Application 0 Within 2 years 98 Maintained 0 Construction 373

DEVELOPMENT OFFICER: M. Piliere

APPROVAL OFFICER: M. Conte



CAMDEN ECONOMIC RECOVERY BOARD



TO: Members of the Economic Recovery Board

FROM: Caren S. Franzini
Secretary

DATE: March 25, 2008

RE: Annual Qualified Municipality Capital and Economic Recovery Program Report
For Information Only

Pursuant to Section 45 © of the Municipal Rehabilitation and Economic Recovery Act, the Camden Economic Recovery Board is required to submit to the Governor and the New Jersey Legislature a report of general project categories and description of proposed projects and the amount estimated to be expended on each project for the ensuing year. The report is to be consistent with and reflective of the goals and priorities outlined in the Strategic Revitalization Plan and the Capital Improvement and Infrastructure Plan.

Background

Section 45 of the Act requires several reports to be submitted to the legislature in the interest of monitoring the implementation of the Strategic Revitalization Plan. These reports provide information on the status of the sales of bonds to finance projects, the expenditure of bond proceeds and the projection of any additional financial obligations of the Authority or its sister agencies to support projects approved by the ERB. On July 22, 2003, the Members approved the ERB Priority Projects List (PPL) that is required by Section 45 (a) of the Act that identifies legislatively mandated economic development projects as well as potential revitalization projects that meet legislative and programmatic criteria for ERB funding. At that time the Board noted that, except for the legislatively mandated projects, being on the list does not guarantee funding. The Board has made a policy decision that allows project sponsors to access program funds through an application process that is outlined in the Program Guide and Application that was adopted by the Board at its June 20, 2003 meeting. Project sponsors of revitalization projects that appear on the PPL must submit applications like any other applicant seeking ERB funds. The Board agreed that prospectively, the PPL will be amended to include all projects approved by the Board.

Re: Annual Qualified Municipality Capital and Economic Recovery Program Report

As the Members are aware, the Authority closed on the sale of \$175 million in taxable and tax-exempt bonds in May of 2003 to fund revitalization projects. In June 2003, the Program Guide was adopted which sets forth general criteria and priority objectives for project financing and establishes limits for specific types of projects including affordable housing, infrastructure and public purpose projects and for areas of Camden that have been designated as transitional and future development areas. The funding limits for affordable housing, public purpose projects and transitional area projects are \$8.75 million, \$7.5 million and \$17.5 million respectively. To date, the Members have agreed to maintain these limits. The funding limit for infrastructure projects was established at \$20 million however over the last 5 years, the demand for this financing was significantly greater and as such the Members approved a number of increases to support the demand. Currently, the funding limit for infrastructure projects is \$70 million. Going forward, project activity will be limited based on the current availability of funding. The ERB project financing application will be removed from the ERB Website with a notice to interested parties to contact the staff to discuss alternative financing resources. The ERB Business Lease and Business Improvement Incentive application will remain on the Website.

The adoption of the Program Guide and Application opened the door for applications and to date, staff has reviewed approximately 105 applications of which 58 are approved for a total of approximately \$139.5 million in grants, recoverable grants and loans. In addition, \$10.5 million has been allocated to the Business Lease Incentive and the Business Improvement Incentive Programs of which 12 projects have been approved for approximately \$2.1 million. The 70 approved projects total approximately \$141.6 million of investment leveraging \$808 million in other public and private financing, resulting in the creation of approximately 1100 full time jobs and generating approximately \$1.5 million in additional annual revenue to the City via real estate taxes and service charge agreements. The balance of the applications received represent 8 pending and 27 withdrawn.

The attached ERB Fund Approval report outlines the allocated funds for the approved projects within the five established funding categories.

- ▶ Of the \$35 million allocated under the Residential Neighborhood Improvement Fund, approximately \$29.5 million has been approved for 16 projects with a balance of approximately \$5.5 million.
- ▶ The Downtown Revitalization and Recovery Fund was established with \$45.8 million with \$47.1 million approved for 16 projects including the \$25 million mandated for the New Jersey Aquarium and for one infrastructure project in the amount of \$1,550,000 that has been repaid. This fund has a balance of approximately \$3.1 million as a result of a 5% (\$2.150 million) re-allocation of funding from the Demolition and Redevelopment Financing Fund and a 20% (\$700,000) re-allocation from the Economic Recovery Planning Fund.

Re: Annual Qualified Municipality Capital and Economic Recovery Program Report

- ▶ The initial funding for the Demolition and Redevelopment Financing Fund amounted to \$43 million of which \$29.4 million has been approved for 19 infrastructure and redevelopment projects including one infrastructure project in the amount of \$2,000,000 that has been repaid. In addition, \$10 million has been allocated to the Business Lease Incentive program ("BLI") and \$500,000 has been allocated for the Business Improvement Incentive program ("BII") In October, 2007, the Members of the ERB approved a modification to the funding allocation for these incentive programs which reduced the amounts for the BLI and the BII to \$10,000,000 and \$500,000 respectively. Currently 10 projects have been approved under the BLI program for approximately \$2.1 million and 2 projects have been approved under the BII for approximately \$39,000. The balance of this fund is approximately \$2.9 million. The outstanding balance under the BLI is approximately \$7.9 million and approximately \$460,000 remains under the BII.
- ▶ Five projects under the mandated Higher Education and Regional Health Care Fund totaling \$32.350 million have been approved with a balance of \$15.350 million for the remaining mandated projects.
- ▶ Of the \$3.5 million allocated for the Economic Recovery Planning Fund, \$465,000 has been utilized for the Strategic Revitalization Plan and the Capital Improvement and Infrastructure Master Plan and \$1,168,995 has been approved for 2 projects to support neighborhood, commercial and industrial planning projects.

In compliance with the Act, the Annual Qualified Municipality Capital and Economic Recovery Program Report will be sent to the legislature along with the attached summary of funding for projects approved within the five established categories.



Attachment

Prepared By: L Wallick



The Economic Recovery Board for Camden

Annual Program Report 2008

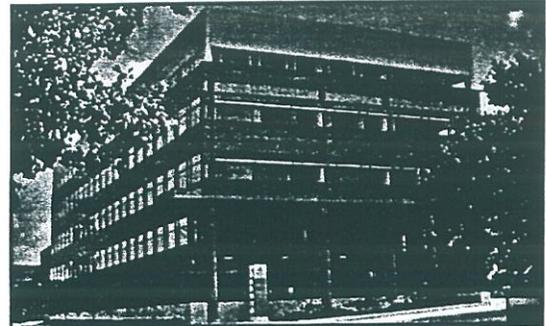
The "Municipal Rehabilitation and Economic Recovery Act" was enacted in July 2002, creating the Economic Recovery Board (ERB) and authorizing the New Jersey Economic Development Authority (EDA) to sell \$175 million in bonds to fund revitalization projects in Camden. Following the EDA's issuance of the bonds, the Board's adoption of the Program Guide, and approval of the application process, EDA began accepting applications in 2003 for funding assistance.

To date, 70 projects have been approved, resulting in more than \$808 million in leveraged public private investment for projects in neighborhoods throughout the City. This includes over \$141.6 million in Economic Recovery Board grants, recoverable grants and loans. These investments support an estimated 1,100 new full-time jobs and have helped generate approximately \$1.5 million in additional annual revenue to the City via real estate taxes and service charge agreements.

Much of the revitalization in neighborhoods has been supported by ERB funding for housing and infrastructure to support these new homes. Combined assistance of approximately \$255 million from the Department of Community Affairs (DCA), the Housing Mortgage Finance Agency (HMFA), and the ERB has resulted in the construction of 2,521 housing units throughout the City.

Investment Highlights

Waterfront Technology Center at Camden
The combined ERB and EDA investment of \$21 million in the Waterfront Technology Center



The Waterfront Technology Center at Camden currently employs well over 500 people.

brought the first LEED Gold Certified commercial building to the state. The Center was honored in 2007 with the Economic Impact Deal of the Year award from the New Jersey Chapter of the National Association of Industrial and Office Properties, and also received the Project of the Year award from the Northeastern Economic Developers Association. The five-story, 100,000-square-foot building, the first of several technology structures planned for the site along the Camden waterfront, welcomed its latest tenants in 2007: Cooper Health System, Agilence, Inc., and myLEADERBOARD, Inc.

Camden Home Improvement Program (CHIP)
DCA and HMFA are now offering CHIP, which provides up to \$20,000 to qualified residents for home improvements. The pilot phase, which will provide funds to approximately 120 residents, is being administered by Coopers Ferry Development Association in eight Camden neighborhoods: Whitman Park, Liberty Park, Centerville, Waterfront South, Gateway, Dudley, Rose-dale and Biedeman. Applications are in, and work has already begun in 6 of the neighborhoods. Homeowners living in other sections of the City will have the opportunity to apply for funding during later phases of the project. Over the next three years, the program is expected to provide loans to between 250-300 homeowners. The CHIP program is being funded with \$5 million from the ERB, \$2.5 million from the DCA, and \$500,000 from the City.

Nueva Vida Homes

With \$824,501 in financing through the Residential Neighborhood Improvement Fund, the Cramer Hill Community Development Corporation (CHCDC) is building 14 replacement

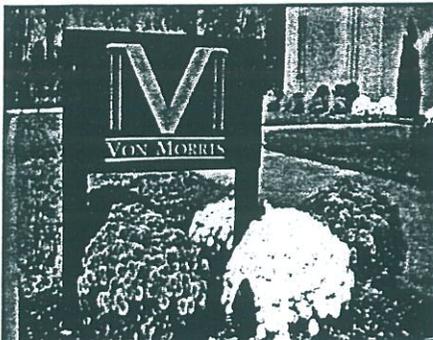


Cramer Hill Community Development Corporation received over \$824,000 to help finance the Nueva Vida Homes project.

homeownership units. CHCDC wanted to develop this housing project to directly benefit families who will be displaced by redevelopment activities in the Cramer Hill section of Camden. Redevelopment plans for this community include the remediation of the Harrison Avenue Landfill along the neighborhoods river front and the development of housing and commercial structures in the area. To implement this plan, housing needed to be developed to provide residents with new housing opportunities.

Von Morris

Financing assistance totaling \$392,500 through the ERB's Demolition and Redevelopment Fund helped encourage this com-

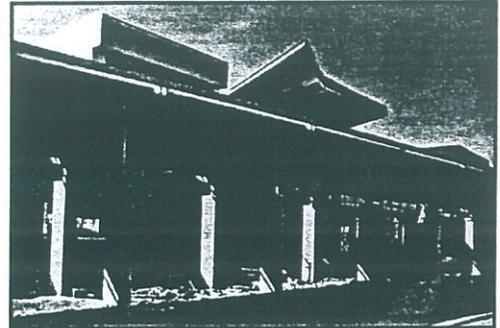


Von Morris, a distributor of high-end architectural hardware, relocated to Camden from Pennsylvania.

pany to relocate its distribution operations from Pennsylvania to Poets Row in Camden. The move will leverage over \$2.6 million in public-private investment and create 30 new full-time jobs in North Camden.

Boys and Girls Club of Camden County

Through the ERB's Demolition and Redevelopment Fund, \$1 million in financing assistance



The now completed Catto Elementary Demonstration School opened in August 2007 and represents the first completed demonstration project in the state and also is the first new school built in the City in 15 years.

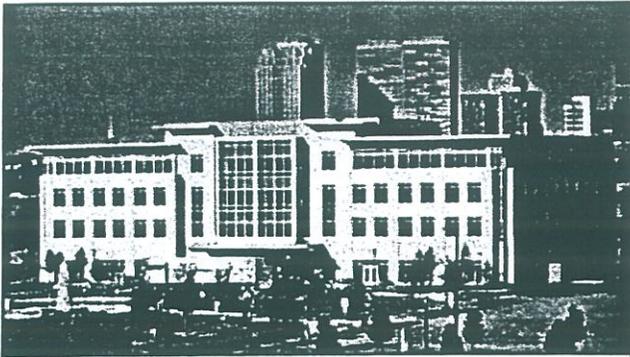
was provided to help in the construction of a club house at the Boys and Girls Club of Camden that will feature a swimming pool, computer lab, resource learning center, teen lounge, arts room and game room. The facility will be part of the Catto Elementary Demonstration School located in the Dudley Grange Park. The organization anticipates at least 3,000 children will join as members



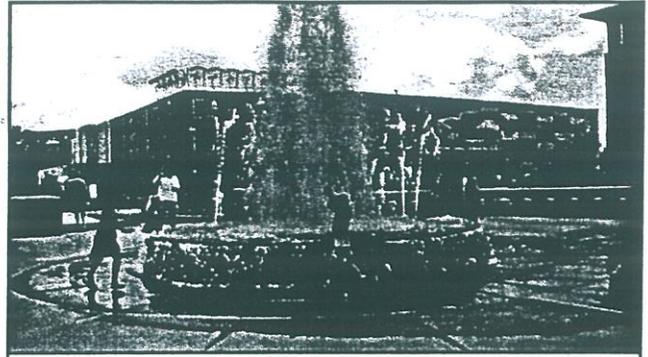
Campbell President and CEO Douglas R. Conant, Mayor Gwendolyn Faison, Governor Jon S. Corzine and Camden County Freeholder Director Louis Cappelli, Jr. celebrate the announcement of Campbell's decision to expand its World Headquarters in Camden.

Campbell Soup

In April, the ERB approved \$2.3 million to the Camden Redevelopment Agency to fund the infrastructure that will support the build-out of the Gateway Redevelopment Area. The initial focus of the area redevelopment is Campbell Soup's commitment to invest \$72 million to expand and enhance its World Headquarters in Camden.



The \$18 million Ferry Terminal Building, completed in July 2007, is the first privately financed office building in the City in over 48 years. The building comprises three levels of office space, two restaurants and additional retail stores.



Children celebrate the opening of the Aquarium Fountain Park in July by enjoying one of the unique and fun features of the fountain - leaper jets that criss-cross the stone plaza and form an arch in the water pool two feet above.

Ferry Terminal Building

The Ferry Terminal Building was completed in July 2007 and consists of three floors of office space and ground floor restaurant and retail space. Susquehanna Patriot Bank, the building's anchor tenant, moved its headquarters to the facility in October, making it the first financial institution to be based in the City in more than two decades. Susquehanna received \$360,000 through the ERB's 5-4-3-2-1 Business Lease Incentive Program. The Aquarium Fountain Park, located directly in front of the Ferry Terminal Building, is a public park highlighted by a circular fountain that has an interactive mode for children to play in, and a display-only mode for night-time, when the fountain is illuminated by an infinite array of colors from submerged LED light fixtures. A grant through the New Jersey Department of Environmental Protection's Green Acres program covered half the cost of the \$1.4 million park, and the remaining funds came from private developer, Steiner + Associates.

Heart of Camden

The Heart of Camden, a nonprofit organization established in response to the need for decent affordable housing in the South Camden



The Heart of Camden is using a grant to help fund the construction and rehabilitation of new and existing homes in the South Camden community.

area, is using over \$1 million in financing assistance through the ERB's Residential Neighborhood Improvement Fund to help revitalize the South Camden community through a comprehensive Environmental Mitigation and Landscape Master Plan, and \$800,000 to construct new housing in the neighborhood and the rehabilitation of 16 units.

Cooper Health System

Cooper University Hospital received \$12.35 million from the ERB's Higher Education and Regional Health Care Fund to incorporate into the building



A rendering of Cooper University Hospital's planned patient care pavilion.

structure of the \$220 million expansion currently underway in Camden. The new 10-story, 312,000-square-foot patient care pavilion is part of a \$500 million health science campus vision that includes state-of-the-art laboratory service located within the pavilion, 60 private medical/surgical rooms, 30 state-of-the-art critical care beds, and a 12,000-square-foot addition to the Emergency Department. The project is on-time and will begin opening in November 2008.



Annual Program Report 2008

Current Fund Balances

Board Members

Jon S. Corzine
Governor

Ex Officio Members

David Rousseau
ERB Chairman
Acting NJ State Treasurer

Lopa Kolluri
*NJ State Treasurer
Designee*

Joe Doria, Jr.
DCA Commissioner

Marge Della Vecchia
*DCA Commissioner
Designee*

Gwendolyn Faison
Mayor Camden

Judge Theodore Davis
Camden COO

Angel Fuentes
City Council President

Louis Capelli, Jr.
Freeholder Director

Public Members

Reverend J.C. Jones
ERB Vice Chairman

William Hoxey

Robert Milner

Rosa Ramirez

Rodney Sadler

Legislative Member

Nilsa Cruz-Perez
*Assemblywoman
District 5*

⇒ Of the \$35 million allocated under the Residential Neighborhood Improvement Fund, approximately \$29.5 million has been approved for 16 projects with a balance of approximately \$5.5 million.

⇒ The Downtown Revitalization and Recovery Fund was established with \$45.8 million, with \$47.1 million approved for 16 projects including the \$25 million mandated for the New Jersey Aquarium and for one infrastructure project in the amount of \$1.55 million that has been repaid. This fund has a balance of approximately \$3.1 million as a result of a five-percent (\$2.150) million re-allocation of funding from the Demolition and Redevelopment Financing Fund and a 20-percent (\$700,000) re-allocation from the Economic Recovery Planning Fund.

⇒ The initial funding for the Demolition and Redevelopment Financing Fund totaled \$43 million, of which \$29.4 million has been approved for 19 infrastructure and redevelopment projects, including one infrastructure project in the amount of \$2 million that has been repaid. In addition, \$10 million has been allocated to the Business Lease Incentive program (BLI) and \$500,000 has been allocated for the Business Improvement Incentive (BII) program. Currently 10 projects have been approved under the BLI program for approximately \$2 million and two projects have been approved under the BII for approximately \$39,000. The balance of this fund is approximately \$3 million. The outstanding balance under the BLI is approximately \$7.9 million and approximately \$460,000 remains under the BII.

⇒ Five projects under the mandated Higher Education and Regional Health Care Fund totaling \$32.35 million have been approved with a balance of \$15.3 million for the remaining mandated projects.

⇒ Of the \$3.5 million allocated for the Economic Recovery Planning Fund, \$465,000 has been utilized for the Strategic Revitalization Plan and the Capital Improvement and Infrastructure Master Plan and \$1.17 million has been approved for 2 projects to support neighborhood, commercial and industrial planning projects.

Attached are reports detailing all ERB-assisted projects, as well as projects assisted through other state agencies, including the Department of Community Affairs, the Housing Mortgage Finance Agency, the Department of Environmental Protection, the Schools Development Authority, the NJ Commerce Commission, the Department of Transportation and others.

Updated information on projects and ongoing efforts
of the ERB can be accessed via
www.camdenerb.com

ERB Assisted Projects - February 2008

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Residential Neighborhood Improvement Fund Parkside Business and Community Partnership	\$395,825	\$2,705,325	Closed	12/23/2003	6/30/2004		The Park Boulevard Phase II project is a home ownership project that consists of a 11 low- and moderate-income units and 11 market rate units, ranging from 1,200 to 1,700 square feet. The project involves the acquisition of vacant residential properties and performing "gut" rehabilitation to these units. Many of the units are two-unit attached single-family homes or "twin houses." The project includes substantial rehabilitation of units on Park Boulevard, Kenwood, Langham, and Bradley Avenues. The sales prices for Phase II homes will be \$55,000 for the low-income units, \$60,000 for the moderate-income units, and \$65,000 for the market rate units, for which the ERB funds are earmarked. The project is expected to create one new job. Construction has commenced and approximately \$72,000 or 18% of ERB funds have been disbursed. PBCIP has received approval from HMFA's CHOICE Program to replace the HMFA's MONI funds. To date, 6 units of the 11 market-rate units have been completed.
CRA/CFDA - Yorkship Square	\$1,600,000	\$1,600,000	Closed	5/21/2004	7/12/2004	Cooper's Ferry Development Association	This infrastructure grant is for the first phase of the Yorkship Square Neighborhood Rehabilitation project. The CFDA, in conjunction with the Fairview Main Street, has developed concept designs for improvements in this historic area. The first phase of these improvements will include sidewalk enhancements around the park with new pavers, street trees, historic lighting with fixtures for banners, waste receptacles, and benches. The main entrances to the Square will be lighted with new historic fixtures and signage to make navigating the neighborhood less confusing. This project will supplement \$9.0 million in public/private resources used to rehabilitate 72 rental and home ownership units located within 4 buildings directly adjacent to Yorkship Square along with 2 buildings located on Merrimac Road and New Hampshire Avenue in the Fairview neighborhood. The project will result in the creation of 38 construction jobs. The project is complete and fully funded.
Camden Redevelopment Agency (Hope VI - Centerville)	\$5,000,000	\$142,119,953	Closed	8/9/2004	9/9/2004	Camden Housing Authority, Pennrose Properties, Inc., The Ingemann Group, Michaels Development Corporation,	This grant will assist the Camden Redevelopment Agency and the Camden Housing Authority in making infrastructure improvements in the Centerville section of Camden. The funding for this project will come from the Residential Neighborhood Improvement Fund established through the "Municipal Rehabilitation and Economic Recovery Act". The Camden Redevelopment Agency owns most of the land located at the project site. The Camden Housing Authority (CHA) will serve as the developer for this HOPE VI project. Antioch Baptist Church is a partner in the project as it owns a parcel of the land and has an option agreement with the CHA to purchase the property. In addition, Antioch will spearhead the senior housing component of the project. The project is expected to create 31 full-time jobs, 20 part-time jobs, and 2,245 construction jobs. Work has started on the project and approximately \$4 million of the ERB grant proceeds have been disbursed.
Cooper Grant Developers LLC	\$1,200,000	\$6,842,650	Closed	10/3/2006	3/14/2007	Pennrose Properties, Inc., Cooper Grant Neighborhood Association (CGNA)	The project is a joint venture between Pennrose Properties, Inc (Pennrose) and the Cooper Grant Neighborhood Association (CGNA). Pennrose is the principal of Cooper Grant Developers. CGNA has been organized and active in the Cooper Grant neighborhood for 20 years. On October 3, 2006, the ERB approved a change in the project scope from the construction of 28 market rate units to 18 new market rate units for Phase I. The ERB soft loan was reduced from \$1,550,000 to \$1,200,000 for Phase I. All 18 units of Phase I have been pre-sold within 1 month of advertising. Real estate and construction financing closings were held in March. Construction is near completion.
RPM Management LLC (Fairview Parking Courts)	\$791,694	\$791,694	Closed	8/9/2004	9/9/2004	RPM Contracting, LLC	This grant will assist Fairview Village Urban Renewal Associates, L.P. and RPM Development, LLC in making improvements to parking courts and other infrastructure in the Fairview section of Camden with funds from the Residential Neighborhood Improvement Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act"). The project is expected to create 35 construction jobs. The license agreement between the City of Camden and RPM is finalized and improvements will commence shortly. ERB Funds will be disbursed when project is complete. The City has asked RPM to repair the sewers under the project so the budget and scope of work will need to be revised.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK / PARTNERS	COMMENTS
Parkside Business and Community in Partnership	\$1,160,000	\$6,475,817	Approved	6/14/2005		PBCIP	The Park Boulevard project entails renovating approximately 200 properties along and near Park Boulevard in Parkside. PBCIP has completed Phase I, the renovation of 11 units. Phase II, the renovation of 22 units, is still under construction and is expected to be completed the first quarter of 2007. ERB funds in the amount of \$395,825 were committed in January 2004 to Phase II for the renovation of 11 market-rate houses. The applicant received the first disbursement in April 2005. Phase III of this project involves the acquisition and renovation by PBCIP of 30 rental units and 40 homeownership units. Work on this phase has not commenced and the ERB loan agreement is pending.
Fairview Village Urban Renewal Associates, L.P. ("Fairview") Fairview Village Phase II	\$1,050,000	\$9,446,356	Closed	7/28/2005	6/7/2007	RPM Contracting, LLC	The project entails the redevelopment of Collings Ave and Fairview Court with new multifamily housing. ERB funds will be committed for the infrastructure improvements including the installation of utilities, demolition of building foundations, clearing of trees and fences as well as debris removal. Paving, parking and site improvements will also be included, along with fencing and landscaping. The first phase of rehabilitation has been completed which includes the renovation of 53 rental units with 20 units of new construction. In addition, 35 single family homes were renovated and sold in 2004 and a second phase of single family development commenced in January 2005, which consists of an additional 35 homes. ERB funds had been committed in August 2004 in the amount of \$791,694 to assist in making improvements to 5 parking courts and other infrastructure in the Fairview section. The grant has been modified to a 1% non-amortizing, non-recourse loan for 30 years. The new loan documents have been signed and returned. One building containing 10 units has been completed. Twelve (12) of 30 units has been completed in the remaining 2 buildings
Camden Redevelopment Agency (Cramer Hill Street Scape Project)	\$659,145	\$1,181,745	Closed	8/23/2005	10/28/2005	EDA NJDOT/ Fleet Boston Financial Foundation	The Cramer Hill Street Scape Project is an infrastructure project focused on improving the condition and appearance of Cramer Hill's core retail area. The goal of this project is to develop a pedestrian-friendly street scape in the heart of the largest commercial node in Cramer Hill. This is a highly visible area where physical enhancements have the potential to stimulate additional private investment. This project is not dependant upon the Cramer Hill Redevelopment Plan, but is complementary to the goals of the Plan. This grant request for \$659,145 in ERB assistance will help to fund the proposed improvements to Cramer Hill's Core Retail Area, which includes streetscape enhancements (pavers, street trees, historic lighting), lateral utility replacement and also road repaving along River Avenue from Cambridge Street to 24th Street. The sewer and road resurfacing improvements have been made. The project will be complete within 2 months.
Cramer Hill CDC (Nueva Vida Homes)	\$824,501	\$3,080,155	Approved	8/23/2005		EDA/HMFA	The project entails CHCDC building 14 replacement homeownership units between 18th and 21st Streets along River Avenue. CHCDC proposes to develop this housing project that will directly benefit families who will be displaced by redevelopment activities in the Cramer Hill section of Camden. The Camden Redevelopment Agency's ("CRA") redevelopment plan for Cramer Hill calls for the remediation of the Harrison Avenue Landfill along the neighborhood's river front and the development of new housing and commercial structures in this area. To implement this plan, housing needs to be developed to provide the residents with new housing opportunities. CHCDC closed on its construction financing March 7, 2007. All of the 14 units are complete. ERB funds will be disbursed shortly.
Camden Redevelopment Agency - River Road Affordable Housing Project Sites E and F	\$3,504,393	\$34,908,832	Approved	11/22/2005			Camden Redevelopment Agency ("CRA") designated Cherokee Camden LLC ("Cherokee") as the developer for the Cramer Hill Redevelopment Project. Cherokee has chosen to work with Michaels Development Co. ("Michaels") on this project. Michaels is developing for the City of Camden ("City") and the CRA affordable replacement housing to further revitalization activities in Cramer Hill. The project entails the construction of 162 rental units between River and Hayes Avenue in the Cramer Hill section of Camden. The infrastructure funding requested by the CRA will be utilized to engage in the acquisition activities including, relocation, demolition and environmental remediation. All 3 voluntary residential purchases were completed and final buildings were demolished. These households have purchase agreements with Cramer Hill CDC. Site E consists of 79 units and has been completed.
NJHMFA - Camden Home Improvement Program	\$5,000,000	\$9,320,000	Closed	11/22/2005	2/28/2007	City of Camden, EDA, HMFA	The ERB loan to the HMFA will be used to establish the CHIP program. HMFA together with the CCOP and CCDA will issue a request for proposal to identify a qualified program administrator. Qualified not for profit organizations may undertake part of the marketing, applicant in-take, and eligibility and processing components. Applicants will be required to provide proof of occupancy of the premises as a principal residence for the last three years, certify that all taxes and utilities are current, meet the income eligibility test of 80% of area household median income, and agree to continue to occupy the property for at least five years after rehabilitation. HMFA in collaboration with the CCOP reviewed the RFPs and selected Cooper's Ferry as the project management firm. Applications are now available for the Beldeman, Dudley, and Rosedale census tracts. The ERB closed on the financing and disbursed the first tranche of funds, \$1,250,000 for the pilot phase.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Heart of Camden	\$1,150,000	\$1,350,000	Closed	2/28/2006	5/16/2006	EDA, HMFA,	The Project implemented a comprehensive Environmental Mitigation and Landscape Master Plan ("EMLMP") helping to revitalize the South Camden community. EMLMP is a comprehensive plan consisting of linear buffers between the neighborhood and industry, streetscaping along key routes throughout the community, and landscaping of open space within the core residential neighborhood. The project area is bounded by Atlantic Street to the north, I-676 to the east, Ferry and Jefferson Streets to the south and west to the Delaware River. The multi-phased project is on track for completion by May 2006. The buffering component has been installed.
Fair Share Northgate II Associates	\$1,234,725	\$2,440,000	Approved	6/14/2006		EDA, HMFA, MMA Financial, LLC	Fair Share Northgate II Associates, L.P. is the current owner of the Northgate II affordable housing development on North 7th and Elm Streets, Camden, which includes a 308 unit high-rise apartment building and 94 apartments in a total of fourteen two-story buildings. All units in Northgate II receive U.S. Department of Housing and Urban Development Section 8 Project Based Assistance rent subsidies. HMFA has approved \$2,440,000 in tax exempt construction financing for the project. MMA Financial, LLC, an investor, has agreed to purchase 4% Low Income Housing Tax Credits for the renovation of the low rise units in the amount of approximately \$1,102,000, which require completion of the project by December 31, 2006. The \$31,725 ERB Grant will be used to fund a portion of the infrastructure improvements and the \$603,000 ERB loan will be used as permanent financing on the renovations to the 94 rental units. The applicant has experienced a number of delays in closing on its permanent financing. Approval to extend the ERB commitment for another 90 days is in process.
Heart of Camden	\$788,971	\$2,874,885	Approved	9/7/2006		EDA, HMFA,	The Heart of Camden ("HOC") is a nonprofit 501(c)(3) community-based organization that was established in 1984 in response to the desperate need for decent affordable housing in the South Camden neighborhood. The Broadway West Phase I project is a home ownership project that consists of the gut rehabilitation of 16 units of which 14 will be market-rate units and 2 will be affordable units. The requested ERB funds will be used for the 14 market-rate units. The units will be 2-3 bedrooms, 1 1/2 baths, and an average of 1,200 sq ft per unit. To encourage market rate housing development, the ERB may provide gap financing in the form of a soft loan of up to 40% of the total development cost. HMFA has approved CHOICE funds for the housing project. Construction has begun and phase II is near completion.
Cooper's Ferry Development Association/Boyd & Morse Infrastructure	\$3,570,000	\$3,570,000	Closed	4/24/2007	6/7/2007		The Boyd and Morse Infrastructure Project ("Project") is part of a joint project between the St. Joseph's Carpenter Society ("St. Joe's") and the CFDA to rehabilitate approximately three of the worst city blocks in the Marlon section of the City into 45 new units of housing and continue the rehabilitation of many others throughout the neighborhood. The infrastructure component for the entire project will be handled by CFDA. The housing demolition and construction component for the entire project will be handled by St. Joe's. The proposed project site is located along Baird Boulevard (between Rand & Morse Street) to Bank Street (between Rand & Morse St). The property currently has two adjacent streets (Boyd and Morse) and three alleyways. Most of the adjacent property is a combination of occupied housing, vacant housing and vacant lots. The project involves rehabilitating the existing infrastructure and modifying the site conditions to alleviate and prevent the existing residential flooding. CFDA has hired a civil engineering firm to plan, design, and develop construction and bid documents for the proposed infrastructure improvements.
CRA Mixed Site Acquisition	\$1,561,975	\$1,768,975	Approved	2/1/2008		ABC Corp.	The CRA is seeking to purchase a total of 137 vacant properties located throughout the City of Camden. One hundred four of these properties are located in the Lanning Square West (LSW) neighborhood and 33 are located in the Cramer Hill Neighborhood. In LSW, the CRA envisions the redevelopment of the area bounded by Martin Luther King Boulevard, Clinton Street, Third Street and West Street by issuing a RFP, with the intent of selecting a single redeveloper for this entire area. In Cramer Hill, CRA plans support the combination of new infill rental housing with the rehabilitation of existing vacant and owner-occupied structures as well as new construction of ownership units. If properties acquired by CRA have TLFC liens, these liens will be repaid upon the CRA's sale of these properties to developers.
	\$29,491,229	\$230,476,387					

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Downtown Revitalization and Recovery Fund New Jersey Aquarium	\$25,000,000	\$57,000,000	Closed	7/22/2003	11/26/2003	DRPA, EDA	The aquarium expansion and renovation project is the first part of a multi-phase plan to bring mixed-use development to the Camden Waterfront. New Jersey Aquarium LLC (NJAL) plans to renovate and expand the State Aquarium with over 70,000 square feet of new space and more than 50 new exhibits. The aquarium expansion and renovation project consists of five distinct components with an estimated total cost of \$57 million that will require \$43 million in public funding, \$25 million of ERB funds, and \$18.0 million from the Delaware River Port Authority (DRPA). The project entails the renovation of the existing aquarium, expansion of the aquarium, financial independence for the New Jersey Academy for Aquatic Sciences, expanded parking, and management oversight. The project is expected to create 14 new full-time jobs and 1,425 construction jobs. This project is completed and fully funded.
El Centro Comunal Borincano Day Care Center	\$800,000	\$3,131,559	Closed	12/23/2003	4/2/2007	PNC Bank; Fund for Economic Community Development; NJRA	This loan provided permanent financing for the construction of a new 16,000 s.f. child care center located at Fifth Street and Mart Luther King Boulevard in Camden. This \$3.1 million project will involve a relocation of ECCB's 4th Street Center that serves 72 preschoolers and will accommodate an additional 112 infants, toddlers and pre-school students. The project is completed and fully funded.
NJEDA - Waterfront Technology Center at Camden	\$1,000,000	\$16,500,000	Closed	2/27/2004	3/22/2006	EDA	This \$1,000,000 equity investment is for the first phase of development of the Waterfront Technology Center at Camden by the New Jersey Economic Development Authority, a \$16.5 million redevelopment project that will help transform vacant property on the south side of Federal Street between Delaware and Third Streets into a center for technology and research and development operations. The project involves the construction of a 100,000 square foot, five story multi-tenanted building that will provide 80,000 sf of office space and 20,000 sf of laboratory space. The CTC will support two important local development goals: bringing "flexible high technology facilities" to Camden and establishing a "Center City, High Tech District" in this area. The project is expected to result in the creation of 100 full-time jobs and 390 construction jobs. This is the first phase of a \$43,000,000 total project. This project is completed and fully funded.
CRA/CFDA - Waterfront Roads -	\$1,200,000	\$4,400,000	Closed	2/27/2004	6/7/2004		This infrastructure grant will fund the extension of Riverside Drive, Market and Cooper Streets, and related infrastructure improvements on the Camden Waterfront. This project will allow the City to re-establish public access to the Delaware River and extend infrastructure to attract new development. It will also reconnect Camden's Central Business District to the waterfront. It will directly support the Aquarium's expanded operations and the proposed \$100 million mixed-use project investment of the Steiner group, and will facilitate public access to -- and parking for -- these uses. This project also will establish development parcels for all these activities in addition to setting a framework for access and services to future development parcels along the waterfront. The project will create 88 construction jobs. This project is completed and fully funded.
Settlement Music School	\$1,000,000	\$4,000,000	Closed	3/23/2004	9/28/2008	CRDA, DRPA	This public purpose grant will assist building renovations in order to create a branch of the Settlement Music School on Market Street in downtown Camden. The SMS project will bring musical education to the children of Camden. SMS estimates that this facility will be able to serve up to 700 students in the core program of instruction and activity in the arts and perhaps as many as 1,000 students throughout the year. SMS will provide program participants with opportunities for self-discovery and self-enrichment through arts study and activity. Participants will develop skills and will have the kind of introductory arts experience most likely to engender life-long participation in attendance at arts events. The project is expected to result in the creation of 11 new full-time jobs and 62 construction jobs. Construction is complete and the ERB grant is fully funded.
CRA/CFDA - Waterfront Parking	\$1,550,000	\$1,550,000	Repaid	4/27/2004	5/26/2004		This grant funds temporary parking inventory needed to support the expansion of venues along the Camden waterfront and provide permanent parking for NJDOC employees. The project, which will result in the creation of 41 construction jobs, will add approximately 1000 new surface parking spaces to the waterfront inventory by developing three new parking lots immediately north of the Benjamin Franklin Bridges. The project scope consisted of the paving, line striping, lighting, and fencing of 268 parking spaces for use by the NJDOC. The project included site clearing, excavation, gravel stone base, drainage, sidewalks, landscaping, etc. for two other City owned parcels on the west side of Delaware Avenue that will be used for temporary parking needs. These improved parcels will provide approximately 732 additional parking spaces. This grant was repaid on 12/16/04.
CRA/CFDA - Interior Gateway Phase II	\$3,232,000	\$3,232,000	Closed	5/11/2004	6/7/2004		This infrastructure grant supports the completion of critical engineering and design work for the Interior Gateway area as well as fund long overdue infrastructure improvements including the replacement of lateral sewer and water lines, rebuilding sidewalks, resurfacing key streets, and restoring Johnson Park. The project area is bounded by Mickle Boulevard, the Ben Franklin Bridge, I-676, and Delaware Avenue. The CFDA, along with the CRA, is researching funding options for future phases of the IGP. The project will create 38 new construction jobs. The project has been completed and fully funded.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Rutgers, The State University of NJ - Campbell Field	\$1,235,617	\$1,235,617	Closed	6/14/2005	10/25/2005		\$1,235,617 loan to Rutgers. The State University of New Jersey ("Rutgers") was approved to finance improvements to Campbell Field. These improvements include upgrading the plumbing, drainage, electrical, security and HVAC systems at the ballpark as well as adding revenue producing improvements including ticket systems, video board and outside picnic and playground areas equipped with related amenities. The requested loan will supplement over \$25 million in other public and private investment and is a key component to restructuring the project's entire financial package and protecting and maintaining a state owned asset. Funds will be provided from the Downtown Revitalization and Recovery Fund established through the Municipal Rehabilitation and Economic Recovery Act ("Act"). This project is completed and fully funded.
Greater Camden Partnership, Inc.	\$200,000	\$775,000	Closed	7/8/2005	9/12/2005		This \$200,000 public purpose grant will assist the GCP in implementing the Camden Special Services District ("CSSD"). The ERB grant will be used to purchase machinery and equipment needed to clean, maintain and patrol the district area with funds from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act"). Approximately 95% of the funding for the equipment has been disbursed.
NJEDA - MLK Parking Deck	\$300,000	\$300,000	Closed	12/20/2005	3/31/2006		The EDAs proposes to finance and develop a 1,500-car deck on the corner of Dr. Martin Luther King Boulevard and 3rd Street (next to the YMCA). This project is an outgrowth of the work of the Camden Parking Taskforce whose mission is to plan and implement a comprehensive parking solution for downtown Camden and the City's waterfront. The Authority has prepared a preliminary budget which estimates the project cost at approximately \$22,000,000 (Standard industry calculation of approximately \$15,000/space). Assuming \$2,000,000 in gross revenue and operating costs of \$500,000, net revenue could service \$17,500,000 in tax-exempt debt. The proposed \$5,000,000 ERB recoverable grant is required to close this financing gap and fund feasibility study costs. Approximately \$266,000 has been disbursed to date to fund design and feasibility studies. The preliminary construction budget and the financial proforma were received late April, 2007 and will be reviewed and presented to the ERB Board as an update to the project.
YMCA of Camden County, NJ	\$552,968	\$2,018,235	Closed	2/28/2006	4/28/2006		The Camden YMCA, located on 3rd & Federal Street, is a 38,000 sq ft facility on 2 acres of land. The project includes 1) constructing 4,000 sq ft of space to be leased by Acceler Learning-Camden Early Head Start ("Accelero"), who provides childcare to low income families with children ages 3 and 4; 2) constructing 1,217 sq ft of space to house a Visitor Center ("Center") to facilitate and promote the development of the City. In addition, the Center will house a Customer Relations/Hospitality Training Program ("Training Program") which will provide the basics in customer service skills that are needed for unskilled Camden residents; 3) repaving the parking lot; 4) renovating and equipping an up to date health, wellness and recreation center; and 5) installing air conditioning for the basketball gym and other areas of the branch. The organization closed on its EDA bond financing and the ERB Grant. The ERB grant is fully disbursed. The organization is currently experiencing financial difficulties; the board is considering selling the Camden property at which time the ERB Grant would be repaid.
CRA - Radio Lofts - Bldg 8	\$1,997,716	\$3,997,716	Closed	10/3/2006	10/27/2006		The project entails the gut-rehabilitation of a ten-story 153,373 sq vacant building on Front and Cooper Streets. The building will be redeveloped into 86 condominium units with ground floor retail, lobby and onsite parking spaces. In addition, a fitness center, residents lounge, catering kitchen and possible roof deck will be included. The funding requested by CRA will be used to support the complete environmental remediation of the project site, which includes asbestos abatement, lead-based paint abatement, PCB remediation, soil remediation, hazmat removal, basement remediation, and fire standpipe installation. Funding from the NJRA was disbursed to the CRA at the time of closing and remedial activities have commenced. Funding from the ERB will be requested following the NJRA funding.
Cooper's Ferry Development Association/Parking and Infrastructure Improvements	\$2,042,000	\$2,078,225	Closed	12/19/2006	2/28/2007		This \$2,000,000 recoverable grant to Cooper's Ferry Development Association, Inc. ("CFDA") will be used to fund parking and infrastructure improvements on several parcels of land owned by the Camden Redevelopment Agency ("CRA"), the City of Camden and the South Jersey Port Corporation ("SJPC"). These improvements will provide additional parking for the seasonal events as well as provide both short and long term solutions for the growing port operations. Repayment of the ERB grant will occur through federal grants appropriated in 2005 and 2006 for development of parking facilities on or near the Camden Waterfront. On June 21, 2007, the members approved an increase to the grant amount to \$2,042,000 which reflects the total amount of the federal grants that will be used to repay the ERB grant. All ERB funding has been disbursed.
Camden Redevelopment Agency - 301 Market Street	\$3,000,000	\$4,500,000	Closed	2/27/2007	8/1/2007		The \$3,000,000 ERB recoverable infrastructure grant to the Camden Redevelopment Agency ("CRA") is to fund the stabilization required of the building, the new roof, and the reconstruction of the exterior walls which will assist in the eventual redevelopment of the property. These funds will be provided from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act"). The grant will be secured by a mortgage on the project property to be repaid by a developer from available cashflows. A committee reviewed and approved the proposal submitted by RPM.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK / PARTNERS	COMMENTS
Camden Redevelopment Agency - Parkade Bldg./Roosevelt Plaza	\$3,000,000	\$8,280,000	Approved	2.27/2007			The restoration of Roosevelt Plaza entails the acquisition and demolition of the Parkade Building which is adjacent to Camden City Hall and the development of a downtown civic center by creating open space and park development. The Receiver and the CRA are in the process of finalizing the purchase agreement for the building. Green Acres has asked to modify the use of their grant to be used toward the construction of the park. CRA received ERB approval to use the grant for the acquisition of the leasehold interest. The ERB Grant Agreement is being finalized and the documentation required for closing on 3/31/2008 is being compiled by the CRA. The demolition phase is scheduled for June, 2008. Following demolition, the CRA will need to secure subdivision approval to allow for commercial development around the perimeter of the site. The EDA will then file mortgages on these parcels to secure the grant.
Rutgers, the State University of NJ - Camden Campus - ELRA	\$1,000,000	\$5,000,000	Closed	5/29/2007	6/29/2007		Rutgers Early Learning Research Academy (ELRA) will serve Camden children, ages birth to five, by transitioning them into primary schools. The school will include an Early Care and Education Program, a Research Unit, an Academic Component, a Professional Development and Training Center, a Health Center, and a Parent Development and Resource Center. The new building will be 16,000 sq. ft. with three floors for instructional use, a basement with a kitchen, conference, break and activity rooms, and play space on the roof. The construction of the school is estimated for completion in 2008. It is anticipated that the school will employ 27 full-time and 19 part-time professional and paraprofessional jobs including teachers, classroom assistants, nurse practitioners, behavioral health specialist, parent coordinator, research manager, research associate, and administrative personnel. The grant agreement has been executed and the projected completion date is Fall 2008. ERB Funding will be disbursed upon completion of the building and receipt of the certificate of occupancy.
	\$47,110,301	\$117,998,352					

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Demolition & Redevelopment Financing Fund CRA - City Wide Demolition	\$5,000,000	\$17,022,000	Closed	9/30/2003	10/14/2004		Supports the demolition of approximately 548 unsafe, vacant, and abandoned structures throughout the City. The structures are located throughout the City in mostly Transitional and Neighborhood Opportunity Areas. The purpose of demolishing the buildings is to assist with the Prosecutor Office's enforcement operations in the neighborhood and to make the sites available for redevelopment projects. The project will result in the creation of 511 construction jobs. Demolition has commenced and approximately 80% of ERB Funds have been disbursed.
EDM Holdings, LLC	\$392,500	\$2,650,000	Closed	2/27/2004	12/11/2005	Sovereign Bank	EDM Holding LLC was formed by Von Morris Corporation (VMC), a distributor of high-end architectural hardware, to acquire the property located at Poets Row Industrial Park along the Camden Waterfront at Eric and Second Street in North Camden. VMC will relocate its distribution operations from Pennsylvania to Camden. EDM will purchase and renovate a one-story 40,000 square foot industrial building and a one-story 39,000 square foot industrial building on approximately 21 acres of land. The occupants of the 40,000 sq ft building will be VMC, the operating affiliate who will relocate its distribution operations. The project is expected to result in the creation of 30 full-time jobs and 18 construction jobs. This loan is closed and fully funded.
CRA - Terraces	\$2,039,500	\$4,048,500	Closed	3/23/2004	5/11/2004	HMFA	This ERB grant supports the acquisition, relocation, and demolition of residential and commercial structures in the Terraces neighborhood located in the Waterfront South section of Camden. The project site consists of 12.36 acres of land, containing 56 residential structures, 110 vacant and abandoned lots, and four (4) commercial structures. The acquisitions and relocations are complete and the ERB grant is fully funded.
Respond, Inc.	\$1,000,000	\$2,550,000	Approved	6/22/2004		United Way and William Penn	Respond will receive a \$1 million ERB public purpose grant to rehabilitate two commercial properties totaling nearly 23,000 sq ft. in order to house a variety of social service programs for the residents of Camden as well as Camden County, including automotive training, culinary arts, banking, child care, and nursing. The total project costs are \$2.5 million. This project is expected to create 20 permanent full time jobs and 48 construction jobs. Respond has received its other funding commitments. The ERB approved an extension so that the project must be completed by December 2006.
Camden Redevelopment Agency (Central Waterfront & Temporary Parking)	\$5,000,000	\$5,000,000	Closed	10/3/2006	11/4/2004		The original \$3,910,500 recoverable grant was approved on September 20, 2004, to assist the CRA fund the acquisition, demolition, relocation and construction of temporary parking lots in the Central Waterfront neighborhood of Camden. This grant will be repaid from proceeds of the expected future sale of the properties to a private developer for the construction of housing. Temporary parking improvements were completed in 2005 with approximately \$1.4 million. An additional \$1,089,500 was approved on 10/2/06 for an increase of total project costs from \$3,910,500 to \$5,000,000. Approximately \$2.7 million of ERB funds have been disbursed.
Cathedral Soup Kitchen	\$100,000	\$102,375	Closed	9/20/2004	11/3/2004	CRA	The \$100,000 pre-development recoverable grant from the Camden Economic Recovery Board to Cathedral Soup Kitchen will be used to cover the expenses of developing a construction budget, fees associated with architectural and civil engineering services, as well as costs associated with building permits and the zoning and planning board approval process in order to build a new facility on a new site located at 1514 Federal Street, Camden. This portion of the project is fully funded.
Boys & Girls Club of Camden County	\$1,000,000	\$4,632,000	Closed	12/31/2004	2/9/2007	Louis Katz, William Penn	This public purpose grant will be used to fund a portion of the permanent financing on the construction of a 24,000 s.f. club house that will feature a swimming pool, computer lab, resource learning center, teen lounge, arts room and game room. The facility will be part of the Calto Elementary Demonstration School located in the Dudley Grange Park. The organization anticipates at least 3,000 children will join as members. Construction is nearly complete. On January 23, 2007, the ERB approved a modification to this public purpose grant to allow for the reimbursement of project related expenses incurred during construction to be funded prior to receipt of a certificate of occupancy. The project has been fully funded.
Camden Redevelopment Agency - Cathedral Soup Kitchen	\$235,800	\$643,024	Closed	12/31/2004	1/28/2005	DOT	This recoverable grant will assist the CRA fund the demolition and remediation cost for property located at 1514 Federal Street for conveyance to the Cathedral Soup Kitchen in exchange for property located on Newton Avenue. Cathedral Soup Kitchen will relocate its current operations located on Market Street to the new location. Demolition is complete and remediation has commenced. Sub-base excavation and additional groundwater monitoring has been completed. Approximately 95% of ERB funds have been disbursed.
Cooper's Ferry Development Association/SJPC Infrastructure Improvements	\$1,288,729	\$1,888,729	Closed	4/6/2005	8/9/2005	DRPA	This project will fund the infrastructure and upgrade improvements on several parcels of land owned by the South Jersey Port Corporation. These improvements will provide both short and long term solutions for the growing port operations currently impacting the northern section of the Central Waterfront Neighborhood as well as provide temporary parking for the Tweeter Centers 2005 event schedule. This project is completed and fully funded.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
New Jersey Tax Lien Financing Corp.	\$2,000,000	\$2,000,000	Repaid	6/9/2005	1/17/2006		This \$2 million loan will enable the New Jersey Tax Lien Financing Corp. purchase 100% of a finite pool of the City of Camden's municipal tax liens amounting to approximately \$120 million. Net proceeds will be used for foreclosure and acquisition related to redevelopment plans, housing and infrastructure projects. This loan has been repaid in full.
M & A Holdings Co, LLC.	\$900,000	\$3,395,000	Closed	2/28/2006	5/22/2007	Sun National Bank	M & A Holdings Co., LLC db/a Camden Yards Steel is a steel processing and distribution center. The Applicant is owned equally by Michael Amato and Alan Kanoff who started the Company in February 2001. Camden Yards Steel operates from a 60,000 square foot facility located at the Broadway Terminal in Camden, NJ. Camden Yards Steel is an existing customer of the Authority having received a \$600,000 LDFP loan (\$349,205 currently outstanding) and a 25% guaranty of a \$1,100,000 bank loan from Sun Bank (\$764,389 currently outstanding) for the equipment needed for the start up of the business. The Company has flourished, created twenty one new jobs in the City, and has handled our loans as agreed. The Applicant is seeking assistance to purchase a new 96'-wide steel processing line that will allow the Company to add product lines for existing customers and open up new markets that are currently unavailable with the Company's existing 72'-wide processing machinery. The applicant closed on its EDA bond financing in April 2006 and closed on the ERB loan on May 22, 2007. The ERB loan was fully funded.
American Community Partnership	\$100,000	\$201,000	Closed	3/28/2006	35/26/2006		American Community Partnership ("ACP") is in the process of remediating the project site at 1535 Broadway in order to turn the existing buildings (4,500 sf and 23,000 sf) into a full-service service training academy for the benefit of low-income Camden residents. ACP will remediate the property and renovate the small, 4,500 sf building to house ACP's Camden office and provide a temporary training space for the construction pre-apprenticeship program. Following the completion of this interim space, ACP plans to renovate the larger, 23,000 sf warehouse. The renovation will fit out the building with individual bays for specific construction trades and provide ACP with the space in which to resume training as part of its culinary and certified nursing assistance programs. Approximately 25% of the grant proceeds has been disbursed to date.
CRA - Carnegie Library	\$1,000,000	\$2,088,000	Approved	3/28/2006			The Carnegie Library is located at 616 Broadway and is owned by the City of Camden. Phase I included the Library being evaluated of its existing structural components as well as its surviving architectural fabric and recommendations were made on its retention and re-use. During this phase, it was learned that structural integrity of two of the building's walls were in question. The City of Camden declared the project an emergency and a temporary stabilization was completed. The cost of this phase was \$236,660 which was paid by the CRA. This application involves Phase II currently in process and includes the preparation of drawings and specifications for the cleaning and removing of the debris of the interior of the building, a combination of stabilizing and reconstructing the exterior walls, and providing a new roof structure supported by a new steel structure inside the building. In order to reduce further deterioration of the structure, window and door openings will be boarded up, a new roof will be constructed, the worst of the masonry problems will be repaired and the building will be properly enclosed. The grant agreement has been signed. However, the City of Camden has decided to retain the building to redevelop it for a public purpose.
The Salvation Army - Kroc Center	\$5,000,000	\$33,590,463	Approved	9/7/2006			The Salvation Army is a nonprofit 501(c)(3) organization founded in 1878 and has had a presence in Camden since 1880. More than 30 million people per year are aided in some form by services provided by the Salvation Army. The site of the envisioned Kroc Center consists of 13.8 acres at the northeast corner of State Street and Harrison Avenue. The plan for the Kroc Center consists of a 100,000 s.f. facility that will include an Arts Center, a Town Plaza, an Athletic Center, and a Family Education Center. The ERB public purpose grant will be used for a portion of the permanent financing on the project and the ERB infrastructure grant will be used for sports fields and courts, retaining walls, parking lot, curbing, fencing, utilities, grass pavers, trees, installation of a methane system, and piles. Due to the contamination on the project site, the building will be repositioned to a less contaminated location. The Kroc Center has received final approval of \$27 million in capital funds from the Kroc Foundation. The groundbreaking is scheduled for November 2008.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/PARTNERS	COMMENTS
Neighborhood Housing Svcs/Camden Kids Pre-School & CLC	\$100,000	\$162,295	Closed	11/28/2006	1/25/2007	EDA, Susquehanna Patriot Bank, Hudson Savings Bank	The \$100,000 recoverable grant will assist NHSC in funding the pre-development costs for the proposed development of the Camden Kids Pre-School & Community Learning Center. These funds will be provided from the Demolition and Redevelopment Financing Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act"). Presently, NHSC has partnered with Shalom Development Corporation, Inc. ("SDC"), a 501(c)(3) non-profit community-based organization, to meet the needs of Camden's diverse population through educational and economic development. They entered into a Memorandum of Understanding in April 2006 in order to work together to construct this pre-school and community learning center. NHSC is preparing to construct a 25,000 square foot, 2-story pre-school and community learning center on Mt. Vernon Street, at the corner of Broadway. All predevelopment activities have started and funding has been fully disbursed. The school has been incorporated, has applied for non-profit status, and is in the process of capital campaigning.
Camden Redevelopment Agency - Campbell Soup Expansion - Utility Relocation	\$2,300,000	\$10,300,000	Closed	4/24/2007	6/8/2007	EDA, Camden County	Campbell Soup Company ("CSC") is the sole Fortune 500 Company headquartered in the City of Camden ("City"), and is the City's largest private sector employer with more than 1,200 workers at its Campbell Place facilities. The centerpiece of CSC's expansion plan is the development of a new 80,000 sq ft building that will serve as the entranceway to its headquarters campus. CSC will undertake major renovations to its existing facilities and make site improvements to its complex at a total estimated cost of \$72 million. The CRA has entered into a Project Development Agreement ("PDA") with CSC, the City, the County of Camden, and the NJEDA to facilitate the expansion of the CSC facility in the Gateway Redevelopment Area. The expansion requires critical infrastructure improvements and pre-development activities necessary for the creation of a modern office and research complex. The grant agreement has been fully executed.
Cathedral Soup Kitchen	\$1,000,000	\$4,064,561	Closed	4/24/2007	6/7/2007	EDA, PNC Bank	The Cathedral Soup Kitchen, Inc. (CSK) is requesting a \$1,000,000 public purpose grant to construct a 14,972 sq ft facility at 1514 Federal Street in Camden designed to better accommodate its feeding program. The plan includes expanded services to begin to address some of the root causes of poverty by offering programs to promote the health status of those it services, advance self-sufficiency and encourage economic development in the community in which it operates. CSK has begun construction.
Puerto Rican Unity for Progress	\$297,000	\$297,000	Closed	7/24/2007	9/18/2007		PRUP has been at its present facility located at 427 Broadway for over 30 years providing case management services to over 8,000 individuals annually. PRUP proposes to relocate and build a new facility due to the expansion of Cooper Hospital and the construction of a school of medicine by UMDNJ. The project will facilitate the construction of a state of the art community and training center that will also serve as the organization's headquarters. The new building will consist of 8,500 sq. ft. of office, training, and community meeting space. The proposed project site is located between Broadway & Ramona Gonzalez (Division) Streets. The property currently is made up of 9 parcels of vacant land owned by the City of Camden that will be acquired by PRUP. The PA and SI Reports indicate minimal remediation. PRUP has requested a reallocation of funds for architectural and other services.
CRA - Tire and Battery Remediation	\$700,000	\$996,000	Approved	2/11/2008			The CRA is seeking a \$700,000 non-recoverable infrastructure grant to support the environmental remediation work plan for the former Tire & Battery site located at 1350 Admiral Wilson Boulevard, which is in the Gateway Redevelopment Area of the City of Camden (the "City"). The grant will be funded from the Demolition and Redevelopment Financing Fund. The site has 11 underground tanks, all to be removed as part of the demolition of the vacant automotive service shop structure and clearing and remediation of soil.
Higher Ed. & Regional Health Care Fund	\$29,453,529	\$95,631,947					
Our Lady of Lourdes Medical Center	\$4,500,000	\$54,000,000	Closed	9/30/2003	4/8/2005		ERB funding assistance will be used to help OLOL construct the replacement School of Nursing (14,579 g.s.f.) and the expanded Emergency Department (15,133 s.f.). This work will be part of OLOL's new Critical Care Building (117,459 g.s.f.) and related renovations (9,972 g.s.f.). Besides \$4.5 million of ERB funding, the OLOL will provide the required matching funds of \$1.5 million as well as \$2.0 million more of its institutional funds towards this project's construction. The project is expected to create 34 new full-time jobs and 1,590 construction jobs. This project is completed and fully funded.
CamCare Health Corporation	\$1,000,000	\$11,000,000	Closed	2/27/2004	4/29/2004	PNC Bank, DRPA	This grant will help CAMcare with construction of a 38,000 sq. ft. state-of-the-art three-story building (the Gateway site) that will accommodate growth and consolidate administrative operations. The Gateway site is located at 817 Federal Street. 1 1/2 blocks from their existing site, which will be relocated to the new facility. The administrative offices building currently located at Riverview Towers, 130 Marin Luther King (Mickie) Boulevard will be relocated as well. This relocation and expansion enabled CAMcare to increase access to dental services in Camden; services not currently offered at the Central site. The Gateway site will also expand access to specialty and referral services and increase educational classes, including diabetes and nutrition education. The \$10 million project will create 34 full-time jobs for nurses, physicians, medical assistants, case managers, and billing support staff. This project is completed and fully funded.

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK/ PARTNERS	COMMENTS
Camden County College	\$3,500,000	\$24,400,000	Closed	5/21/2004	6/25/2004		This grant will fund a portion of the permanent financing on the construction of a 278,000 s.f. facility located on the corner of Broadway and Cooper Street in Camden's Central Business District. This project supplements CCC's existing 50,000 s.f. building on Broadway and Cooper Street and expands the campus to include parking facilities, a university book store, and classrooms and computer laboratories to support all academic disciplines. This facility will enable the college to provide non-credit technology training and career ladder programs to city residents that will allow them to become technologically empowered and more employable. The project will result in the creation of 3 new full-time positions and 17 part-time positions. This project is completed and fully funded.
Cooper Health System	\$12,350,000	\$220,000,000	Closed	10/20/2004	11/22/2004	CCIA	On March 28, 2006 the members approved a modification to the change in scope and use of funds for the project to allow the ERB funds to be used on the building structure expansion. Cooper's facility plan will enhance their campus environment, the hospital façade, and vehicular and pedestrian access. The hospital's new configuration will total approximately \$220 million and will redefine how Cooper is presented within the revitalized City of Camden. Construction on the Pavillion is near complete. The ERB Grant has been fully disbursed.
Rutgers, The State University of NJ	\$11,000,000	\$37,000,000	Closed	2/22/2005	4/26/2005		ERB funding assistance will be used to assist Rutgers in the expansion of its School of Law. Rutgers-Camden Campus Master Plan is to create a "college town" with a large population of students, faculty, staff and visitors and to increase the number of people living in the University District. This projects supplements Rutgers existing 1 million s.f. main campus and will expand campus offices, classrooms and allot a Moot Courtroom, seminar room and a student lounge to support all academic disciplines. This facility will enable the college to serve as the region's free legal clinic. Construction is near completion. The ERB Grant has been fully disbursed.
Economic Recovery Planning Fund	\$32,350,000	\$346,400,000					
CRA - Neighborhood Plans	\$723,945	\$1,588,165	Closed	3/23/2004	5/19/2004		This grant will help the CRA fund plans for redevelopment projects in the City of Camden. The CRA will oversee the preparation of 14 redevelopment plans that will include a redevelopment study with research information and graphics on the real estate properties in the area, planning concepts, strategy, graphics, and reports. The redevelopment plans will help guide redevelopment area designation and real estate acquisition activities for future development. The CRA will also manage the preparation of seven neighborhood plans, which involves a collaborative process interfacing with the community members and city agencies to identify neighborhood needs, development and improvement opportunities, and a description of how available resources will be organized to address the needs and opportunities. This project is expected to create 3 new full-time jobs. To date, 6 neighborhood plans have been completed and 8 redevelopment plans have been completed. On January 23, 2007, the Members approved an increase in the amount from \$641,250 to \$723,945 to fund an additional redevelopment plan, the Historic Survey and for additional staff time needed to update certain plans.
Camden Redevelopment Agency - Planning Grant Phase 2	\$445,050	\$630,800	Closed	11/22/2005	1/11/2006	City of Camden, EDA, HIMFA	The CRA is seeking to prepare 5 additional neighborhood plans for Gateway, Bergen Square, Central Waterfront, Cooper Plaza, and Marlon, as well as a City-wide Replacement Housing Strategy, a City-wide Industrial Site Plan and a Project Decision Model for various areas throughout the City of Camden. To date, the Citywide Industrial Site Plan has been completed. Staff has been hired for the Project Model, and the Housing Strategy is being re-evaluated due to the changes in redevelopment planning.
Grand Total	\$1,168,995	\$2,218,965					
	\$139,574,054	\$792,725,651					

PROJECT NAME	FINANCING AMOUNT	TOTAL COSTS	STATUS	APPROVAL DATE	CLOSED DATE	BANK / PARTNERS	COMMENTS
Business Lease Incentive							
Drexel University - ACIN	\$300,000	\$3,532,000	Closed	9/13/2005	3/24/2006		Business Lease Incentive grant for a ten year lease for 20,000 square feet on the third floor of the Waterfront Technology Center at Camden. ACIN, the Applied Communications and Information Networking Program, is administered by and as part of Drexel University.
Gestalt LLC	\$179,025	\$3,375,928	Closed	9/13/2005	3/22/2006		Business Lease Incentive grant for a ten year lease for 11,215 square feet of space on the fourth floor of the Waterfront Technology Center at Camden.
Rutgers Camden Technology Camput, Inc.	\$638,235	\$6,494,894	Closed	7/6/2006	9/8/2006		Business Lease Incentive grant for 42,549 square feet of office space on the second, fourth, and fifth floors of the Waterfront Technology Center at Camden. \$300,000 of this incentive is contingent upon Rutgers exercising its option for the additional 20,000 square feet of space on the fifth floor.
Susquehanna Patriot Bank	\$360,000	\$0	Closed	7/6/2006	10/19/2006		Business Lease Incentive grant for 24,000 square feet of space in the Ferry Terminal Building located on Delaware Avenue on Camden's Waterfront, to serve as SPB's corporate headquarters.
SMSMR Enterprises, LLC	\$120,000	\$800,000	Closed	9/28/2006	10/5/2006		Business Lease Incentive grant for SMSMR dba The Victor's Pub, for a full-service restaurant that will occupy approximately 6,000 square feet on the first floor of the Victor Building in Camden.
Camden Greenways	\$22,500	\$0	Closed	4/4/2007	5/4/2007		Business Lease Incentive grant for 1,500-square-foot facility on Market Street (750 square feet of which was subleased to the NJ Conversation Foundation). Camden Greenways is a 501 C (3) nonprofit environmental advocacy organization.
Agience, Inc	\$39,600	\$449,350	Closed	7/18/2007	7/24/2007		Business Lease Incentive grant for 4,400 square feet of space at the Waterfront Technology Center at Camden.
my LEADERBOARD, Inc.	\$18,477	\$220,698	Closed	7/18/2007	7/25/2007		Business Lease Incentive grant for 2,053 square feet of space on the first floor of the Waterfront Technology Center at Camden.
Cooper Health System	\$26,604	\$404,000	Closed	9/28/2007	10/9/2007		Business Lease Incentive grant for CHS to establish a Pathology Laboratory in 2,956 square feet of leased space on the fourth floor of the Waterfront Technology Center at Camden. Grant to be repaid in two disbursements.
Maksim Management Corp.	\$375,000	\$0	Closed	1/8/2008	2/7/2008		Business Lease Incentive grant for 25,000 square feet of space at the Ferry Terminal Building located on Delaware Avenue on Camden's Waterfront.
	\$2,079,441	\$15,276,870					
Business Improvement Incentive							
Camden Law Building	\$20,000	\$38,500	Closed	12/19/2006	3/1/2007		Business Improvement Incentive grant for renovations to the historic property located at 330 Market Street in Camden. Renovations include the installation of storm windows and updating the plumbing.
Lotus Medicine d/ba/ Westfield Pharmacy	\$20,000	\$60,000	Closed	12/19/2006	3/19/2007		Business Improvement Incentive grant for renovations to the pharmacy located on Westfield Avenue. Renovations include replacing the roof, updating the HVAC system and minor interior renovations.
	\$40,000	\$98,500					
Grand Total for Incentives	\$2,119,441	\$15,375,370					





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

RE: Camden Redevelopment Agency
Cooper Plaza Acquisitions
\$1,532,950 ERB Recoverable Grant - P20263

Request

The Members of the Authority are asked to approve a \$1,532,950 recoverable infrastructure grant to the Camden Redevelopment Agency to fund the acquisition of 161 vacant lots and buildings within the Cooper Plaza Neighborhood in the City of Camden. The funds will be provided from the Residential Neighborhood Improvement Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act").

Background

As part of the Cooper Plaza Redevelopment Plan and this related acquisition and infrastructure project, there are 202 targeted vacant properties within the Cooper Plaza Neighborhood in the City of Camden in need of redevelopment. 161 of those will be acquired through this ERB funding. The remaining 41 are owned by A Better Camden Corporation ("ABC").

The Tax Lien Financing Corporation has liens on 125 of the 161 properties to be acquired with ERB funds. The Camden Redevelopment Agency has the right of first refusal on these properties.

Project Applicant and Participants

Created in 1987, the Camden Redevelopment Agency ("CRA") is the City of Camden's redevelopment arm, coordinating all City development policy and planning activities. The CRA is acting as the City's agent to acquire and assemble land for redevelopment and sale to private developers.

A Better Camden Corporation was formed in 1997 to facilitate the implementation of the Camden Initiative, which is a coordinated effort among the New Jersey Housing and Mortgage Finance Agency (“HMFA”), the Department of Community Affairs, the New Jersey Department of Environmental Protection, and the NJEDA to stimulate housing and economic development in the City of Camden.

The Tax Lien Financing Corporation (TLFC) is a public corporation within the New Jersey Department of the Treasury, empowered to acquire from a qualified municipality all or a portion of the qualified municipality's tax liens and to issue securities payable solely from and secured solely by those tax liens.

Project Summary

Through other public participants, the CRA is seeking to assemble a total of 202 vacant properties for redevelopment in the Cooper Plaza Neighborhood. Of these 202 properties, the CRA will utilize ERB funds to acquire 161 properties; 125 of which are through the TLFC. The 36 non-TLFC properties will be acquired voluntarily by the CRA. The TLFC parcels will be foreclosed on, which takes about 9 months, and then they will be transferred to the CRA. The TLFC will then file a mortgage on the properties for the value of the TLFC lien or the appraised value of the property, whichever is lower. This TLFC lien or mortgage will be prior and superior to all ERB liens and mortgages, if any. These liens will be repaid upon the CRA's sale of these properties to developers over the next 24 months.

This project will help facilitate CRA’s vision for the redevelopment of the Cooper Plaza Neighborhood, which is home to the Cooper Health System Campus. The plan is to emphasize market-rate housing, homeownership, and large-scale development in order to eliminate vacancy, stimulate the neighborhood real estate market, and substantially improve neighborhood quality of life.

Uses of Funds

Land/Building	\$1,346,500
Legal	\$789,000
Title	\$101,000
Appraisal	\$202,000
Board-Up/Security	\$105,000
Administrative Fee	<u>\$106,950</u>
Total Uses of Funds	<u>\$2,650,450</u>

Sources of Funds

ERB Grant (for 161)	\$1,532,950
ABC (for 41)	<u>\$1,117,500</u>
Total Sources of Funds	<u>\$2,650,450</u>

Security and Repayment

The \$1,532,950 ERB recoverable infrastructure grant will be secured by a mortgage on the ERB funded properties within the scope of this project. If the properties are sold for commercial or residential development at fair market value ("FMV"), the NJEDA will require 50% of the net proceeds for all of the ERB properties, not to exceed the amount of the original mortgage. If the properties are transferred to a private commercial developer at less than FMV, the CRA will require the developer to negotiate a recovery plan with the ERB for the remainder of the original mortgage amounts.

If the project site(s) are transferred to private developer at less than FMV and the development will result in affordable rental housing development(s) that will utilize Low Income Housing Tax Credits, then the respective share of the mortgage will convert to a non-recourse, non-amortizing loan for the developer of the site. In this event, the loan will be secured by a mortgage note on the property being developed for such purpose and the mortgage will be subordinate to all other government financing. Repayment of the loan shall be made annually from 50% of the available cash flow remaining after payment of operating expenses, required reserves and amortized mortgage debt. Repayment of these would be *pari passu* with repayment of subordinate government financing.

If the project site(s) are transferred to a private developer at less than FMV and the development results in homeownership units, the NJEDA will require 100% repayment of the remaining mortgage amounts from each homeowner less any acquisition costs paid by the developer(s) to CRA, which in turn is to be remitted to the ERB, on a pro-rata basis, if the property is sold within the 10 years of homeownership. The ERB recoverable grant will be secured with a mortgage note on the property that will be subordinate to the primary lender and to HMFA should additional housing subsidy be required.

Disbursement of Funds

The ERB funds will be disbursed only for voluntary acquisitions and based on satisfactory review of invoices submitted by the CRA.

Project Eligibility and Benefits

The project advances the goal of the Strategic Revitalization Plan and meets the requirements of a revitalization project. It is also consistent with the City's Master Plan because it will provide stabilization

and productive redevelopment of vacant properties, which will create attractive mixed income communities, increasing tax ratables while also enhancing public safety.

The project is eligible for funding under the ERB's general criteria for project financing (#1 a, b, c, and d) and priority objectives (#2 a, c, d, and e). There are sufficient funds available for this \$1,532,950 financing request through the Residential Neighborhood Improvement Fund.

Pursuant to the ERB Guide to Program Funds guideline #4, infrastructure projects may be funded up to 100% of total project costs not to exceed \$5 million per request. This project funding may take the form of grants (for installation of utilities, sewers, roads, streetscape, sidewalks and related improvements) and recoverable grants (for demolitions, property acquisition and site remediation).

Recommendation

Staff has reviewed the application for consistency with the Act, the Master Plan and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. The project meets the eligibility and statutory requirements and will enhance the overall revitalization of the City of Camden.

The Members of the ERB approved this project at it's meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the funding authorization of the recoverable infrastructure grant in the amount of \$1,532,950 for this project.



Caren S. Franzini

Prepared By:

David Sucsuz
Finance Officer





NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Economic Recovery Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

RE: City of Camden
Policing Infrastructure and Equipment
\$700,000 Non-Recoverable Grant

Request

The Members of the Authority are asked to approve a \$700,000 non-recoverable infrastructure grant to assist the City of Camden's Police Department ("Department") implement a local proxy server and dedicated Internet to support an upgraded computer-aided dispatch and record management systems (CAD/RMS) that will enable the Department to more efficiently and effectively respond to crime. The funds will be provided under the Demolition and Redevelopment Financing Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act").

Background

The City of Camden's Police Department ("Department") combats crime in the city using obsolete and minimally functional equipment and technologies. A commitment to improving public safety in the City and making Camden more attractive for private development requires an investment in technologies to replace and upgrade those currently used by the Department.

Modern information-led policing requires the effective and rapid collection and analysis of crime statistics in order to develop, assess and modify policing strategies. Modern computer-aided dispatch and record management systems (CAD/RMS), mobile in car computers and effective communications enable a police force to utilize its resources more effectively in responding to crime, identifying specific priorities and generally improve the citizenry's sense of security.

Project Summary

The City of Camden, in partnership with the Attorney General and the NJ Department of Law and Public Safety, evaluated the Department's current infrastructure and equipment. Through this process, a needs assessment was compiled which identified specific network connectivity and infrastructure improvements as well as equipment upgrades that are necessary to impact the levels of violence and illegal activity in the City.

Specifically, the City is seeking to implement a local proxy server and dedicated Internet to allow the Police IT resources to access directly the local area network systems and Internet more efficiently. The current Internet access travels across a DSL connection to the City. This existing connection is already heavily used to provide e-mail, file and human resources information to the employees of the Department. A separate Internet connection will enable better performance to the systems they currently access. A separate connection will also provide a more secure connection to the City by not allowing a computer that may visit infected web sites from infecting a system on the City's network. A dedicated Internet connection also facilitates faster bandwidth which in turn will allow the Department to access the Criminal Justice Information System ("CJIS") and related resources they can't currently utilize.

In addition, the City is seeking to upgrade its Mobile Data Computer (MDC) system. The MDC software is no longer under warranty and insufficient to support a police officer in these current times. The Department is often forced to compile parts from broken systems to maintain its functioning systems. The purchase of 100 new MDC systems with wireless capability will enable Camden to standardize on a single platform of MDC hardware with primary components secured in the trunk. It is anticipated when the new systems are purchased, the New Jersey State Police will be able to assist with the implementation of a more robust software solution. Finally, the City is seeking to acquire a fully functional modern CAD/RMS system with integrated GIS mapping capabilities. Integrated dispatch, records management, and crime-mapping enables police managers and officers to use Intelligence-Led Policing. This will help the City's police force put more resources to work in areas that will be of the most impact in supporting the citizens of Camden.

Uses of Funds

Install Fiber Network Connection	\$ 200,000
Install Proxy Server	100,000
Upgrade Network Switches and Hardware	300,000
Upgrade Wireless Network	100,000
MDC System	650,000
CAD/RMS System	<u>500,000</u>
Total:	\$1,850,000

Sources of Funds

ERB Non Recoverable Grant	\$ 700,000
UEZ Grant	<u>1,150,000</u>
Total:	\$1,850,000

Contingencies

The \$700,000 of ERB funding to support the infrastructure improvement is contingent upon receipt of a signed commitment for the balance of funding from the UEZ.

Disbursements

The disbursement of ERB funds will be contingent upon receipt and satisfactory review of a detailed scope of work and implementation time line. The ERB funds will be used to pay the City of Camden for the installation of the infrastructure improvements and will be disbursed based on submission of invoices paid or to be paid for work performed.

Security and Repayment

The NJEDA will not require a security lien on the machinery and equipment to be purchased with the ERB funds.

Project Eligibility and Benefits

The City of Camden's request for funding to implement infrastructure improvements and acquire upgraded equipment to be used by the Police Department is eligible under all of the ERB's general criteria for project financing and priority objectives (d, e). More specifically, the project is eligible for grant assistance per Section 49 of the Act which states "grants shall be made available to qualified municipalities in order to strengthen the provision of municipal services through capital construction and reconstruction of public buildings and financial assistance necessary to allow for the purchase of equipment considered vital to the sustenance of municipal public services, particularly public safety." There are sufficient funds available through the Demolition and Redevelopment Financing Fund for this \$700,000 grant request.

The overall goal of the project is to improve the efficiency and effectiveness of the Department's policing technology infrastructure and equipment. These improvements will enable the Department to identify specific areas of concern, respond to and reduce the level crime, identify specific priorities and areas of concern and generally improve the residents' sense of security.

The City and the Department are committed to working with the Attorney General in implementing and utilizing these improvements to the fullest extent to enhance the safety and well being of the citizens of Camden.

Recommendation

Staff has reviewed the application for consistency with the Act, the Strategic Revitalization Plan, and the Camden Capital Improvement and Infrastructure Master Plan. The project meets all eligibility and statutory requirements and will substantially benefit the residents of Camden as well as improve the viability of the development in the City through a reduction in criminal activity.

The Members of the ERB approved this project at it's meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the funding authorization of the non-recoverable infrastructure grant in the amount of \$700,000 for this project.



Caren S. Franzini

Prepared By:

Laura Wallick
Regional Director





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

RE: M & M Development, LLC
Coopers Hill Housing Development
\$2,972,832 ERB Soft Loan - P20891

The Members of the Authority are asked to approve the request for a \$2,972,832 ERB soft loan to M & M Development, LLC (“M & M” or “Applicant”) for permanent financing of the 79 market rate units of the 94-unit Coopers Hill Housing Development Project in the Cooper Plaza Neighborhood in the City of Camden. The funds will be provided from the Residential Neighborhood Improvement Fund established through the Municipal Rehabilitation and Economic Recovery Act (“Act”).

Background

M & M Development, LLC’s Coopers Hill Housing Development Project (“Coopers Hill”) consists of ninety-four units; seventy-nine of these are market rate housing units while the remaining fifteen are affordable housing units. The purpose of this financing is to subsidize all of the 79 market rate units of this 94-unit development.

The project site consists of scattered parcels of abandoned lots and boarded up houses, many of which are owned by the City and/or Camden Redevelopment Agency (“CRA”) or government controlled through the Tax Lien Financing Corporation, which CRA has a right of first refusal to purchase these tax liens. Of the approximately 83 properties, 28 of these properties have been acquired by A Better Camden Corporation (“ABC”), a non-profit subsidiary of the New Jersey Housing and Mortgage Finance Agency (“HMFA”).

The City and CRA have passed resolutions giving site control to M & M Development, LLC for publicly

owned parcels are expected by May 2008. The planning board approvals are expected by the middle of Summer 2008.

Since the neighborhood has historically been populated with residential units, there are no known significant environmental issues. However, a Phase I environmental investigation will be performed. It is anticipated that no contamination will be found except underground heating oil storage tanks and construction debris in the basements of the demolished houses.

Project Applicant and Development Team

Formed in 1997, M & M Development, LLC is an entity equally owned by Maria E. Yglesias and Maria Del Mar Lopez, who are full-time developers and builders. They developed and built the 18-unit Cathedral Homes and Homestead Homes, both in Newark, NJ. They have also rehabilitated a two building complex, Villa Esperanza, a 44-unit tax credit rehabilitation project in Newark's South Ward.

The financial condition of M & M Development, LLC reflects revenue of \$60,898 at Fiscal Year Ending December 31, 2007 and \$422,130 in 2006. The decrease in revenues from 2006 to 2007 is mostly due to decrease in construction contract revenue and developer fees. Likewise there is a significant decrease in total expenses in 2007 compared to 2006, largely due to the absence of construction related expenses. The company's financial condition as of December 31, 2007 reflects total assets of \$943,553 and liabilities of \$499,800.

The architecture and engineering firm is Inglese Architect & Engineering, which was founded by John (Jak) Inglese in 1994. They have provided professional services to private developers in multi-family rental buildings, in both new construction and rehabilitation.

Project Summary

This project will have three phases, Phase IA, Phase IB and Phase II. Phase IA will produce 27 townhomes (23 new and 4 historic rehabs) in a virtually contiguous multi-block area. Phase IB will construct an 18-unit condominium and 12 additional townhomes. Phase II will bring about 37 new townhomes in scattered areas while accomplishing the core task of the neighborhood redevelopment.

The project is bounded by Broadway to the West, Haddon Avenue to the East, Martin Luther King Boulevard to the North and Clinton Street to the South.

Phase I (Phase IA and Phase IB) boundaries are from Seventh Street to Benson to Broadway to Clinton Streets. Phase II boundaries extends from Seventh to Washington to Trenton to Newton Streets.

In the historic district of Cooper Plaza, the three-story brick townhouses will bring back the original Queen Ann architecture of the 1840s with today's modern amenities. The condominium

development will have loft style one-bedroom apartments and larger two-bedroom apartments.

The demolitions and site preparation are expected to be completed by the end of Fall 2008 and at that time the construction of Phase IA will begin. The construction of Phase IA is expected to be completed by Spring 2010. The construction of Phase IB is expected to begin by early Summer 2009. The construction of Phase IB is expected to be completed by late Summer 2010. The construction of Phase II is expected to begin by mid-Spring 2010. The construction of Phase II is expected to be completed by late 2011. All units in a phase are expected to be marketed and sold as that phase is completed. The affordable units are to be marketed for prices ranging from \$75,000 to \$145,000. The market rate unit prices would range from \$85,000 (1-BR condo in Phase IB) to \$154,739 (new townhome in Phase IA).

Uses of Funds

Acquisition		\$784,883
Construction and Site Preparation		
Residential Structures	\$13,543,739	
Demolition	\$275,000	
Environmental	\$302,000	
Site Improvements	\$2,191,110	
Construction Management Fee	\$1,769,300	<u>\$18,081,149</u>
Construction Contingency		\$1,600,000
Developer Fee		\$1,832,000
Professional Fees and Other Soft Costs		
Market Study	\$20,000	
Architect	\$415,000	
Engineer Review	\$45,000	
Accountant / Audit	\$24,000	
Legal	\$195,000	
Environmental Consultant	\$27,000	
Survey	\$116,500	
Construction Monitoring	\$20,000	
Security	\$105,000	<u>\$967,500</u>
Financing (Constr. Interest) & Other Devel. Costs		<u>\$1,911,300</u>
<u>TOTAL - Uses of Funds</u>		<u>\$25,176,832</u>

Sources of Funds - Construction

HMFA CHOICE Subsidy	\$9,400,000
Developer Fee	\$1,832,000
Construction Loan - Lender	\$7,542,832
Construction Loan - CHOICE	<u>\$6,402,000</u>
<u>TOTAL - Sources of Funds</u>	<u>\$25,176,832</u>

Sources of Funds - Permanent

Sales	\$12,804,000
HMFA CHOICE Permanent Subsidy	\$9,400,000
ERB Soft Loan (~\$37,631x79) (~12% of total project cost)	<u>\$2,972,832</u>
<u>TOTAL - Sources of Funds</u>	<u>\$25,176,832</u>

Security and Repayment

The ERB will file a third mortgage on the ERB funded properties behind the home buyer's first purchase money mortgage with a lender and the second mortgage with HMFA. For units sold within the first year of the purchase, ERB will receive 100% of the net sales proceeds. This amount declines annually by 10% for units sold after the first year through the end of Year Ten. After Year Eleven, ERB will not receive any of the net sale proceeds. The ERB will not be utilizing the same formula as HMFA because theirs is on a 15-year schedule. ERB's mortgage will be subordinate to the first purchase money mortgage and the HMFA mortgage, all of which will or may be executed contemporaneously.

Disbursement of Funds

The ERB funds will be disbursed to M & M Development, LLC after the completion of the construction of each phase of the project and upon issuance of all of the permanent Certificates of Occupancies.

Project Eligibility and Benefits

Located within a Neighborhood Opportunity Area, the Coopers Hill Housing Development project is consistent with the goals and objectives of the Strategic Revitalization Plan as it will increase moderate income (market-rate) home ownership opportunities for Camden residents. The construction of these 94 units (79 market-rate and 15 affordable units) will result in stimulating further development and invite private investment in this neighborhood. M & M Development, LLC has successfully leveraged ERB funds with private and other public monies at a ratio of more than 2:1.

The project is eligible for funding under the ERB's general criteria for project financing (#1 a, b, c, and d), and priority objectives (#2 a, c, d, and e). There are sufficient funds available for this \$2,972,832 financing request through the Residential Neighborhood Improvement Fund established by the Act.

The project will convert the mostly vacant and abandoned land or buildings of 14 short city blocks to newly constructed homes and 4 rehabs for moderate and low income families. This project will increase the value of the land as well as the long term tax base in this neighborhood of the City. Overall, it will improve neighborhood stability and spur residential and economic development in the immediate area.

This project will provide new homes at affordable prices in a distressed area that is in need of redevelopment. This homeownership initiative is expected to revitalize residential attractiveness of this neighborhood. It is envisioned that this project will be instrumental attracting more redevelopment and residents to other properties and areas of this neighborhood.

This project will not be feasible without the ERB funding. The project is a major attempt to start development or vitalize redevelopment in a much needed area. This large, highly important, and visible project has support from the community as well as funding from the State and local governments.

Recommendation

Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. The project meets the eligibility and statutory requirements and will enhance the overall revitalization of Camden.

The Members of the ERB approved this project at it's meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the funding authorization of the request for a \$2,972,832 ERB soft loan to M & M Development, LLC



Caren S. Franzini

Prepared By:

David Sucsuz
Finance Officer





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

RE: Oasis Housing, LLC
Oasis I - Sycamore Street Housing Project - P20890

The Members of the Authority are asked to approve the request for a \$360,000 soft loan to Oasis Housing, LLC (“Oasis Housing”) for permanent financing of the six market rate units of the Sycamore Street Housing Project in the Gateway Neighborhood. The funds will be provided from the Residential Neighborhood Improvement Fund established through the Municipal Rehabilitation and Economic Recovery Act (“Act”).

Background

Oasis Housing, LLC’s Oasis I - Sycamore Street Housing Project (“Oasis I”) consists of eight units; six of these townhomes are market rate housing units while the other two are affordable housing units. The purpose of this financing is to subsidize all of the six market rate units of this eight-unit development. The remaining two units are affordable housing units. The project is located on Sycamore Street in the Gateway Neighborhood in the City of Camden.

Currently, nine of the existing lots of this project site are owned by the Camden Redevelopment Agency (“CRA”) while the remaining lot is owned by A Better Camden Corporation (“ABC”), a non-profit subsidiary of the New Jersey Housing and Mortgage Finance Agency.

All structures have been demolished and environmental remediation activities are ongoing at the project site. The remediation activities for the discarded drums at the project site are planned to be completed by Spring 2008. Following the completion of the site cleaning and the issuance of a No Further Action ("NFA") Letter, the construction phase will commence.

Project Applicant and Development Team

Oasis Housing, LLC is an entity formed by Saint Joseph's Carpenter Society and Oasis Development Corporation. Saint Joseph's Carpenter Society and Oasis Development Corporation formed this joint venture in 2005 to develop and market the Oasis I - Sycamore Street Housing Project.

Saint Joseph's Carpenter Society, a New Jersey Nonprofit Corporation, was founded in 1985 to help families improve their quality of life and create safe neighborhoods through home ownership in the City of Camden. Slated to be the construction manager for this project, Saint Joseph's Carpenter Society has developed and continue working on several housing projects in the City, including the completed Baldwin's Run Hope VI and Boyd & Morse (still under development) housing projects.

Oasis Development Corporation, a New Jersey Not For Profit Corporation, was founded in 1998 to organize community development efforts and projects, including housing development and rehabilitation.

The architect is Steven Schoch of Kitchen & Associates. The site plan approval, schematic drawings, design drawings, historic review and traffic/offsite improvements are in place. The construction drawings and permits are anticipated during the first half of this year.

The construction contractor will be Arline Construction Services, LLC ("Arline"), founded in 1995. As Southern New Jersey's largest minority developer/construction firm, Arline is one of the most active developers in Camden, Irvington and Jersey City. Arline has developed and constructed several projects in Camden, including Baldwin's Run Hope VI, Nueva Vida Homes and Broadway West housing projects.

The financial condition of Saint Joseph's Carpenter Society reflects support and revenue of \$6.117 million at Fiscal Year Ending December 31, 2006 and \$4.089 million in 2005. The increase in support and revenues from 2005 to 2006 is mostly due to increases in government grants and sales of homes. Saint Joseph's Carpenter Society has managed its expenses well over the last two fiscal periods. The organization's financial condition as of December 31, 2006 reflects total assets of \$7.711 million and liabilities of \$5.133 million.

Project Summary

Each of these eight three-story townhomes will have 3 bedrooms, 2.5 bathrooms with a first floor garage and an additional off-street parking space in the driveway. The new construction will be stick built frames and all of the homes will have backyards. The exterior of these houses will be constructed with the combination of brick and siding.

Once completed, the units will be sold to eligible applicants through the Saint Joseph's Carpenter Society home ownership program (there is a waiting list). Following the CHOICE guidelines, the six market units are expected to be priced around \$85,000 each. The affordable units are expected to be priced around \$80,000 for low income buyers and \$83,000 for moderate income buyers. New Jersey Housing and Mortgage Finance Agency (HMFA) requires that all units funded by them have deed restrictions up to 15 years.

All homeowners will be required to attend one-on-one counseling sessions with mortgage counselors and attend the Campbell Soup Homeowner Academy. The owners of these homes would be eligible for the City's tax abatement programs.

In preparation for construction, Oasis Development Corporation demolished all existing structures at the project site. In 2006, it was discovered that drums were discarded on the site. Due to soil contamination, the site was identified as an "area of concern". As required by the New Jersey Department of Environmental Protection ("DEP"), in August 2007, the CRA, ABC and Oasis Development Corporation entered into an oversight of voluntary cleanup activities agreement to address the payment of costs associated with the environmental remediation at the project site. As environmental consultants, Jefferis Associates was hired to evaluate the site. Chosen by an RFP process, Dresdner Robin will remediate the site.

Pursuant to the Option Agreement made and signed in May 2006 by the CRA and Oasis Housing, the title to the site will be transferred to Oasis Housing in June 2008 upon the receipt of an NFA letter from DEP and the evidence of project funding. The environmental remediation has been funded by ABC and the CRA. ABC has provided the funding and personnel for acquisition, demolition and the relocation of original residents.

Construction is planned to commence by Summer 2008 and be completed by late Spring 2009. By the end of Summer 2009, all units are expected to be sold.

Uses of Funds

Acquisition		\$354,621
Environmental Remediation		\$177,000
Construction		\$1,451,024
Construction Contingency		\$145,103
Contractor's Fee		\$141,602
Professional Fees		
Market Study and Appraisal	\$3,600	
Architect	\$55,000	
Attorney	\$30,000	
Const. Cost Certification	\$4,000	
Engineer	\$50,000	
Environmental Consultant	\$35,000	
Environmental Remediation	\$110,000	
Miscellaneous Soft Costs	\$10,250	\$297,850
Financing Costs (incl. \$45,000 Constr. Interest)		\$105,000
Developer Fee (incl. Constr. Manag. Fee)		\$249,800
<u>TOTAL - Uses of Funds</u>		<u>\$2,922,000</u>

Sources of Funds - Construction

Bridge Loan	\$70,300
Construction Loan (HMFA \$302,850+CLI \$302,850)	\$605,700
HMFA Housing Incentive Fund Subsidy	\$720,000
HMFA ABC Grant	\$600,000
City of Camden HOME Loan	\$90,000
City of Camden HOME Loan	\$127,000
HMFA (Advance of ERB Funds)	\$324,000
Camden Empowerment Zone	\$225,000
Developer Fee	\$160,000
<u>TOTAL - Sources of Funds</u>	<u>\$2,922,000</u>

Sources of Funds - Permanent

Sales	\$673,000
HMFA Housing Incentive Fund Subsidy	\$800,000
HMFA ABC Grant	\$600,000
City of Camden HOME Grant	\$100,000
City of Camden HOME Grant	\$127,000
ERB Soft Loan	\$360,000
USEPA Energy Star Rebate	\$12,000
Camden Empowerment Zone	<u>\$250,000</u>
<u>TOTAL - Sources of Funds</u>	<u>\$2,922,000</u>

Security and Repayment

The ERB will file a third mortgage on the ERB funded properties behind the home buyer's first purchase money mortgage with a lender and the second mortgage with HMFA. For units sold within the first year of the purchase, ERB will receive 100% of the net sales proceeds. This amount declines annually by 10% for units sold after the first year through the end of Year Ten. After Year Eleven, ERB will not receive any of the net sale proceeds. The ERB will not be utilizing the same formula as HMFA because theirs is on a 15-year schedule. ERB's mortgage will be subordinate to the first purchase money mortgage and the HMFA mortgage, all of which will or may be executed contemporaneously.

Disbursement of Funds

The ERB funds will be disbursed to Oasis Housing, LLC after the completion of the construction of the project and upon issuance of all of the permanent Certificates of Occupancies.

Project Eligibility and Benefits

Located within a Neighborhood Opportunity Area, Oasis I project is consistent with the goals and objectives of the Strategic Revitalization Plan as it will increase moderate income (market-rate) home ownership opportunities for Camden residents. The construction of these eight units (including six market-rate townhomes) will result in stimulating further development and invite private investment in this neighborhood. Oasis Housing, LLC has successfully leveraged ERB funds with private and other public monies at a ratio of more than 2:1.

The project is eligible for funding under the ERB's general criteria for project financing (#1 a, b, c, and d), priority objectives (#2 a, c, d, and e). There are sufficient funds available for this \$360,000 financing request through the Residential Neighborhood Improvement Fund established by the Act.

The project will convert the mostly vacant and abandoned land of ten existing lots to eight newly constructed homes for moderate (and low) income families. This project will increase the value of the land as well as the long term tax base in this neighborhood and in the City. Overall, it will improve neighborhood stability and spur residential and economic development in the immediate area.

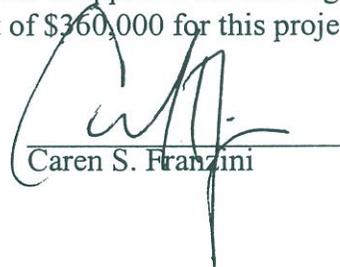
This project will provide new homes at affordable prices in a distressed area that is in need of redevelopment. This homeownership initiative is expected to revitalize residential attractiveness of this neighborhood. It is envisioned that this project will be instrumental in the reduction of the 37% vacancy rate in the Gateway area by attracting more redevelopment and residents to other properties and areas of this neighborhood.

This project will not be feasible without the ERB funding. The project is an attempt to start development or vitalize redevelopment in a much needed area. The entire redevelopment area consists of about 35 blocks. This modest but highly important and visible project has support from the community as well as funding from local and State governments.

Recommendation

Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. The project meets the eligibility and statutory requirements and will enhance the overall revitalization of Camden.

The Members of the ERB approved this project at its meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the funding authorization of the soft loan to Oasis Housing, LLC in the amount of \$360,000 for this project.


Caren S. Franzini

Prepared By:

David Sucsuz
Finance Officer





TO: Members of the Authority

FROM: Caren Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Camden Redevelopment Agency
Campbell Soup Expansion - Utility Relocation Project
P18198

The Members of the Authority are asked to approve a modification to the \$2,300,000 non-recoverable infrastructure grant to the Camden Redevelopment Agency (“CRA”) to allow \$2 million to be disbursed to CRA upon execution of an agreement between CRA and the NJ Department of Transportation (NJDOT”). The CRA will then advance the ERB funds to the NJDOT in order to evidence the required funds for cost certification.

Background

On April 24, 2007, the Members approved a \$2,300,000 non-recoverable infrastructure grant to the CRA to make critical infrastructure improvements necessary for the creation of a modern office and research complex surrounding the Campbell Soup Company’s (“CSC”) campus and for pre-development activities

The CRA has entered into a Project Development Agreement (“PDA”) with CSC, the City, the County of Camden, and the NJEDA to facilitate the expansion of the CSC campus in the Gateway Redevelopment Area. The expansion requires critical infrastructure improvements and pre-development activities necessary for the creation of a modern office and research complex.

The infrastructure improvements will take place in a portion of the Gateway area bounded by Pine Street, Rt. 676, Federal Street, Rt. 30 and the Cooper River.

Update

Originally, the County or the Camden County Municipal Utility Authority (“CCMUA”) was to serve as the contractor for the purpose of implementing the sewer relocation component of the project. All parties have agreed that the NJDOT will now act as the contractor for this work. As such, the CRA will enter into an Agreement whereby the CRA agrees to contribute the sums agreed for the sewer component of the project.

The NJDOT will coordinate the infrastructure and road improvements for the project. The \$2 million of ERB funds will be used to implement the necessary water and sewer infrastructure improvements which will be performed at the same time the road work is being developed. The NJDOT will monitor the disbursement of ERB funds. All improvements will be inspected by the City.

Disbursement Contingency

The disbursement of the \$2,000,000 of ERB funding to support the infrastructure improvement is contingent upon receipt and satisfactory review of an agreement between the CRA and NJDOT.

Recommendation

Staff has reviewed the modification for consistency with the Act and the Strategic Revitalization. It meets all eligibility and statutory requirements and will be an important element in the revitalization of the City.

The Members of the ERB approved this modification at its meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the funding authorization for the modification to the \$2,300,000 non-recoverable infrastructure grant to the Camden Redevelopment Agency (“CRA”) to allow \$2 million to be disbursed to CRA upon execution of an agreement between CRA and the NJ Department of Transportation (NJDOT”).


Caren S. Franziri

Prepared By: L. Wallick



TO: Members of the Authority

FROM: Caren Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Cathedral Soup Kitchen
P017436

The Members of the Authority are asked to approve an extension of the project completion date to April 30, 2009 for the Cathedral Soup Kitchen ("CSK") to construct a new building utilizing a \$1,000,000 ERB public purpose grant.

Background

At the April 24, 2007 ERB Board Meeting, the Members approved a \$1,000,000 public purpose grant to Cathedral Soup Kitchen to construct a 14,872 sf facility at 1514 Federal Street in Camden designed to better accommodate its feeding program and seat 288 people at one time. The \$4 million project facility will provide expanded services to begin to address some of the root causes of poverty by offering programs to promote the health status of those it serves, advance self-sufficiency and encourage economic development in the community in which it operates. The project was expected to begin construction in September 2007 and be completed within 8-10 months.

Project Update

The predevelopment phase of the project has been performed by CSK, which included developing a construction budget, fees associated with architectural and civil engineering services, as well as costs associated with building permits and the zoning and planning board approval process in order to build this facility.

There were a couple of unforeseen obstacles that caused delays in the project. The City's review and approval of plans took longer than anticipated. The soil compaction tests done after the environmental work was completed revealed large amounts of organic matter under the footprint of the building that needed to be removed and filled with new I-5 soil. These items took approximately 7 months to resolve.

The City has issued a partial permit to begin the footings and foundations on the site. Also, the steel structure was ordered and fabricated for delivery. Construction recently commenced and should be completed within 8-10 months. Therefore, Cathedral Soup Kitchen has requested a one-year extension of the project completion date to April 30, 2009.

Contingencies/Disbursement of Funds

Disbursement of the ERB public purpose grant funding is contingent upon the following:

Receipt of financing commitments from other sources for the balance of the project costs.

Receipt of a Permanent Certificate of Occupancy.

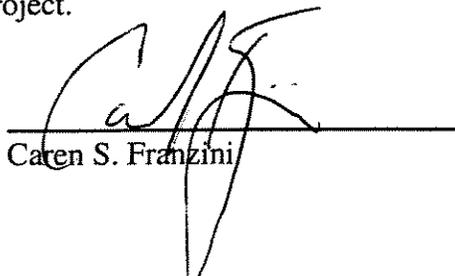
Receipt of an executed Annual Service Charge Agreement with the City of Camden. CSK has verbally negotiated an Annual Service Charge agreement with the City of Camden's Chief Operating Officer for 2% of the ERB amount per year for 20 years.

Receipt of a NJEDA performance mortgage on the property as security of the ERB funds. The mortgage will be forgiven by 10% each year for a total of (10) ten years provided CSK operates the facility as stated herein.

Recommendation

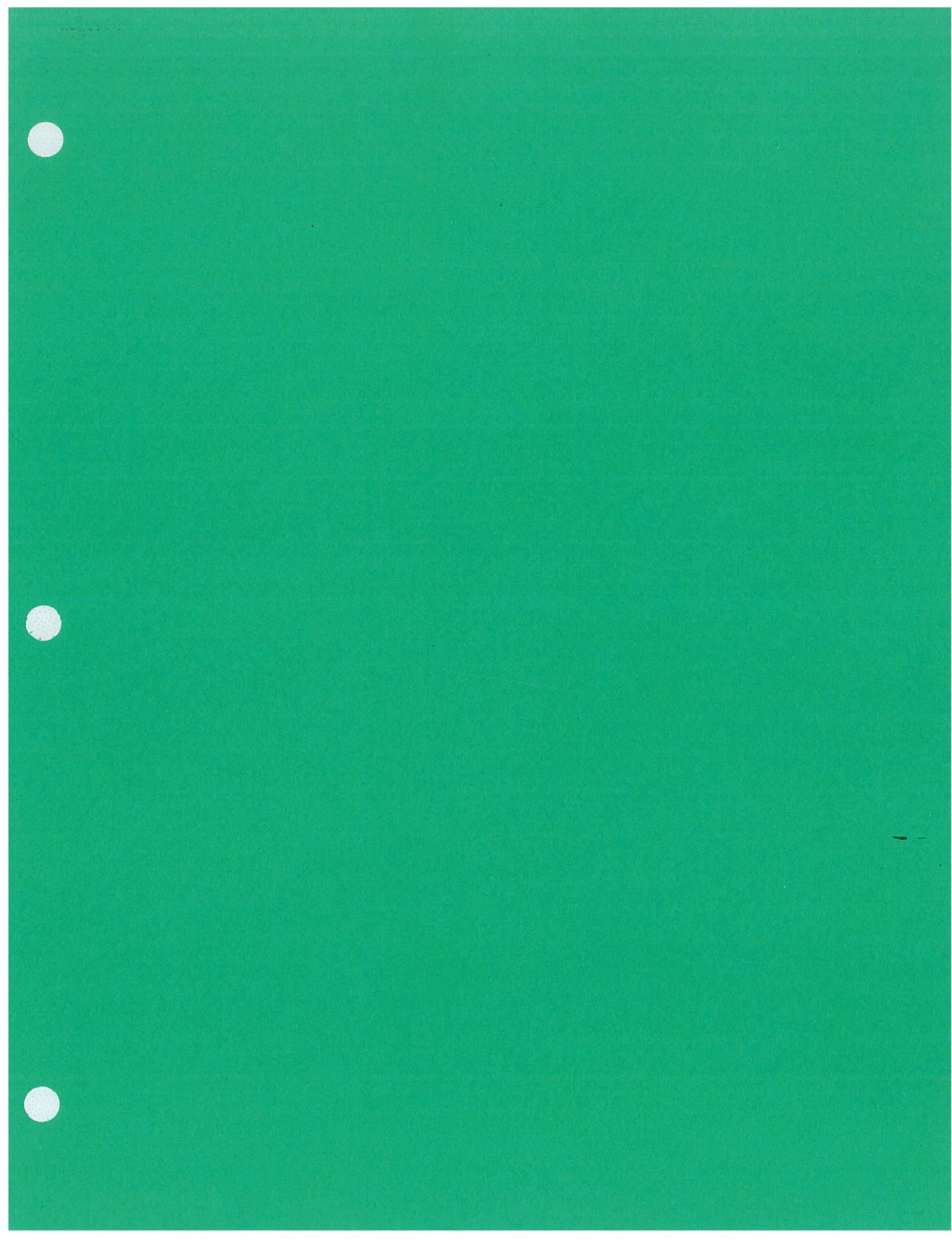
Staff has reviewed the modification for consistency with the Act and the Strategic Revitalization. It meets all eligibility and statutory requirements and will be an important element in the revitalization of the City.

The Members of the ERB approved this modification at its meeting on March 25, 2008. Accordingly, the Members of the Authority are asked to approve the extension of the project completion date to April 30, 2009 for this project.


Caren S. Franzini

Prepared By:
M.S. Parker, Business Development Officer





**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following residential and commercial projects have been approved by the Department of Environmental Protection for a grant to perform upgrade, closure and site remediation. The scope of work is described on the attached project summaries.

Grant:

Acropolis Service Center	\$ 93,465
Walter Sedlacik.	\$102,480

Total UST funding for April 2008 \$195,945

Prepared by: Lisa Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

APPLICANT: Acropolis Service Center

P21383

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 441 Broad Avenue

Leonia Borough (N)

Bergen

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND:

Acropolis Service Center, owned by George Vathianakis, received a grant in the amount of \$14,760 in August 2004 under P15895 to perform groundwater remediation for the closure of former underground storage tanks (UST's) at the project site. The applicant received a grant in the amount of \$43,930 in October 2006 under P17311 to remove two newly discovered UST's and perform the associated soil and groundwater remediation. The NJDEP has determined that the additional project costs are technically eligible to perform soil and groundwater investigation.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$93,465 to perform the approved scope of work at the project site, for a total funding to date of \$152,155.

The NJDEP oversight fee of \$9,347 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$93,465

TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis

PROJECT COSTS:

Site Remediation	\$93,465
NJDEP oversight cost	\$9,347
EDA administrative cost	\$500
TOTAL COSTS	\$103,312

APPROVAL OFFICER: L. Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

APPLICANT: Walter Sedlacik

P21260

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 4 Glen View Road

Montville Township (N)

Morris

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND:

Walter Sedlacik is a homeowner seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform extensive remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$102,480 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$10,248 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT \$102,480

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$102,480
NJDEP oversight cost	\$10,248
EDA administrative cost	\$250
TOTAL COSTS	<u><u>\$112,978</u></u>

APPROVAL OFFICER: L. Petrizzi



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 08, 2008

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the Boards approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President ("SVP") of Operations have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Storage Tank programs up to \$100,000 and supplemental grants up to an aggregate of \$100,000.

In August 2006, the Petroleum Underground Storage Tank Program legislation was amended to allow funding for the removal/closure and replacement of non-leaking residential underground storage tanks. The limits allowed under the amended legislation are \$1,200 for the removal/closure and \$3,000 for the removal/closure and replacement of a non-leaking residential underground storage tank.

Below is a summary of the Delegated Authority approvals processed by Program Services for the period March 01, 2008 to March 31, 2008

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	44	\$677,677
Non-leaking tank grants awarded	170	\$434,083

Applicant	Description	Grant Amount	Awarded to Date
Armagno, Angelo Sam (P21149)	Initial grant for upgrade, closure and remediation	\$17,530	\$17,530
Beck, Arthur Sr. (P20661)	Supplemental grant for site remediation	\$19,732	\$59,881
Blumert, Joseph (P21438)	Initial grant for upgrade, closure and remediation	\$13,239	\$13,239
Bruno, Merilus and Mary J. (P20957)	Initial grant for upgrade, closure and remediation	\$8,354	\$8,354
Church of the Holy Spirit (P20924)	Initial grant for upgrade, closure and remediation	\$34,164	\$34,164
Conway, Janet (P20881)	Initial grant for site remediation	\$16,495	\$16,495
Curran, Edward J. (P21221)	Initial grant for upgrade, closure and remediation	\$9,070	\$9,070
DiStefano, Samuel J. (P19966)	Initial grant for site remediation	\$12,620	\$12,620
Dinos Deli & Subs Inc. (P20168)	Supplemental grant for site remediation	\$17,645	\$40,778
Drogan, James P. and Jacqueline (P21248)	Initial grant for upgrade, closure and remediation	\$12,047	\$12,047

Applicant	Description	Grant Amount	Awarded to Date
Harrison, Oscar and Nancy (P21261)	Initial grant for upgrade, closure and remediation	\$3,881	\$3,881
Idler, Ellen and Philip A. (P21062)	Initial grant for upgrade, closure and remediation	\$6,737	\$6,737
Ihne, Mary E. (P20925)	Initial grant for upgrade, closure and remediation	\$11,565	\$11,565
Jackson, William (P20871)	Initial grant for upgrade, closure and remediation	\$21,075	\$21,075
Jewell, Lois (P21219)	Initial grant for upgrade, closure and remediation	\$5,280	\$5,280
Kassinger, Raymond (P21109)	Initial grant for upgrade, closure and remediation	\$87,064	\$87,064
Khristov, Leo (P21399)	Initial grant for upgrade, closure and remediation	\$11,405	\$11,405
Kotcho, James P. (P21055)	Initial grant for upgrade, closure and remediation	\$18,672	\$18,672
Lebron, Jose and Fabiola (P21290)	Initial grant for upgrade, closure and remediation	\$7,675	\$7,675
Lemak, Joseph (P20860)	Initial grant for upgrade, closure and remediation	\$8,229	\$8,229
Manshel, Milton M. and Bernice (P19874)	Supplemental grant for site remediation	\$8,705	\$16,190
Mandel, Maxine (P21257)	Initial grant for upgrade, closure and remediation	\$9,468	\$9,468
McGee, James and Joann (P21254)	Supplemental grant for upgrade, closure and remediation	\$6,048	\$19,094
Mehdi, Syed K. and Syeda S. (P19249)	Initial grant for site remediation	\$44,035	\$44,035
Moor, G. Bradley (P20884)	Initial grant for upgrade, closure and remediation	\$15,201	\$15,201
Morgenweck, Jeffrey (P20985)	Supplemental grant for upgrade, closure and remediation	\$30,619	\$60,733
Murphy, Sean and Loren Kaufman (P20872)	Initial grant for site remediation	\$33,838	\$33,838
O'Neal, Jeffrey (P20631)	Initial grant for upgrade, closure and remediation	\$12,609	\$12,609
O'Neill, Josephine (P21466)	Initial grant for site remediation	\$14,740	\$14,740
Ortiz, Luis (P21054)	Initial grant for upgrade, closure and remediation	\$6,796	\$6,796
Pittney, Horace and Nicole (P19868)	Supplemental grant for upgrade, closure and remediation	\$1,507	\$8,942
Plotts, Timothy and Jennifer (P21259)	Initial grant for upgrade, closure and remediation	\$2,827	\$2,827
Psota, Frank and Nancy	Initial grant for upgrade,	\$9,059	\$9,059

Applicant	Description	Grant Amount	Awarded to Date
(P21057)	closure and remediation		
Riley, Robert J. (P20883)	Initial grant for upgrade, closure and remediation	\$11,580	\$11,580
Russ, Walter (P21182)	Initial grant for upgrade, closure and remediation	\$12,380	\$12,380
Russomano, Larry (P21376)	Initial grant for upgrade, closure and remediation	\$4,561	\$4,561
Scully, Kevin M. and Patricia A. (P20341)	Initial grant for site remediation	\$11,885	\$11,885
Shah, Nalin C. (P20864)	Initial grant for upgrade, closure and remediation	\$5,998	\$5,998
Sigman, Marlene (P21021)	Initial grant for upgrade, closure and remediation	\$17,433	\$17,433
So, Robert (P20268)	Supplemental grant for site remediation	\$32,430	\$307,668*
Somody, Frances (P21110)	Initial grant for upgrade, closure and remediation	\$11,565	\$11,565
Vervoordt, Joseph P. (P21441)	Initial grant for upgrade, closure and remediation	\$9,200	\$9,200
White, Johnnie Mae (P20616)	Initial grant for upgrade, closure and remediation	\$9,362	\$9,362
Zimmerman, Denise C. (P20064)	Initial grant for upgrade, closure and remediation	\$13,352	\$13,352

44 Grants

Total Delegated Authority funding for Leaking applications.

\$677,677

Addis, Denise (P20811)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Agius, Les (P21387)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Aponte, Linda and Stephen (P21404)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Avenick, Charles S. and Julie L. (P21329)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,650	\$2,650
Banfield, Carl and Carolyn (P21171)	Grant to remove an underground storage tank and install an above ground storage tank	\$1,800	\$1,800
Beam, Linda (P21244)	Grant to remove an underground storage tank	\$1,200	\$1,200
Biringer, Marie E. and	Grant to remove an underground	\$2,950	\$2,950

Applicant	Description	Grant Amount	Awarded to Date
Patricia A. (P21009)	storage tank and install an above ground storage tank		
Bolcer, Deborah L. and I. [redacted] L. (P21190)	Grant to remove an underground storage tank	\$1,146	\$1,146
Boncher, Diane (P21392)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Borinski, Christopher and Virginia (P21162)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bortnick, Scott and Carla (P21325)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Borzek, Richard (P21414)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bowditch, Timothy D. (P21246)	Grant to remove an underground storage tank	\$1,200	\$1,200
Boyko, William and Patricia (P20696)	Grant to	\$1,200	\$1,200
Brindisi, Jennifer and Peter (P21497)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Blumell, David and Catherine (P21235)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bugaj, Roman and Maria (P20975)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,550	\$2,550
Bush, Michael R. (P21456)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,562	\$2,562
Candore, Yolanda (P21050)	Grant to remove an underground storage tank	\$1,100	\$1,100
Carroll, Patricia A. (P21069)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,600	\$2,600
Casey, Susan C. (P21027) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$2,500	\$2,500
Cataldi, Richardo J. and Patricia F. (P21209)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Citarella, Al Jr. (P21086)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Cocking, John W. and	Grant to remove an underground	\$2,784	\$2,784

Applicant	Description	Grant Amount	Awarded to Date
Christa (P21395) Tank A	storage tank and install an above ground storage tank		
Comerro, Robert and Janet (P21280)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,692	\$2,692
Correa, Rosario (P20629)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,997	\$2,997
Crooke, Thomas (P20969)	Grant to remove an underground storage tank	\$850	\$850
Cutillo, William J. (P19370)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Daidone, Duffy and Marilyn (P21500)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,687	\$2,687
Daly, James P. and Susan (P21499)	Grant to remove an underground storage tank	\$1,200	\$1,200
DePaul, Francis A. and Elizabeth (P21266)	Grant to remove an underground storage tank	\$1,000	\$1,000
Delahanty, Robert (P21391)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Desjoteau, Mark P. and Kathleen (P21345)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Diamond, Eliezer and Hena S. (P21156)	Grant to remove an underground storage tank	\$1,200	\$1,200
Dion, Edward K. (P20825)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,825	\$2,825
Disette, Theodore and Rosemary (P21298)	Grant to remove an underground storage tank	\$1,200	\$1,200
Donahue, Dennis P. and Winifred (P21337)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Edler, Arthur J. and Elizabeth M. (P21288)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Elentrio, Kathleen (P20853)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Espinosa, Alireza and Aida (P19379)	Grant to remove an underground storage tank	\$1,050	\$1,050
Fenning, Richard S. (P21030)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Ferrentino, Marie (P21216)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,450	\$2,450
F...er, Mary (P21224)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Franzen, Richard J. (P20960)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,950	\$2,950
Gallagher, Rose M. (P21183)	Grant to remove an underground storage tank	\$1,138	\$1,138
Garcia, Kyle and Wendy (P21515)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gardner, John (P21296)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gerety, Catherine R. (P21104)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gilday, Celeste R. (P21320)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
G...y, Martin and Anne (P21277)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gora, Stanley and Mary (P20472)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Greenberg, Leah and Steven (P20561)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Greenwald, Ronald and Lesle (P21088)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Groel, Bill (P21295)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,422	\$2,422
Guire, Patricia (P20596)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,831	\$2,831
Haftek, John Jr. (P21443) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$2,127	\$2,127
Halter, Mark D. (P21234)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,757	\$2,757
Hannemann, Robert L. and	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Patricia A. (P21405)	storage tank and install an above ground storage tank		
Head, Jeremy L. and Patricia (P21227) Tara A	Grant to remove an underground storage tank and install an above ground storage tank	\$2,538	\$2,538
Heintz, Louis R. and Rose A. (P20517)	50 % grant to remove an underground storage tank and install an above ground storage tank	\$1,309	\$1,309
Heithmar, Steve and Anne Marie (P21481)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,992	\$2,992
Hemberger, William and Susan (P21511)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,991	\$2,991
Hemler, Richard and Catherine (P21187)	50 % grant to remove an underground storage tank	\$600	\$600
Hirky, Judith (P21358)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hoagland, Denise (P20590)	Grant to remove an underground storage tank	\$1,200	\$1,200
Hoffman, Joanne and Kenneth (P2123)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,335	\$2,335
Horne, Gomer D. and Alyce Lynn (P20967)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hunt, Judy (P21423)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,587	\$2,587
Johnson, Kenneth and Eva (P21330)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,991	\$2,991
Johnson, Robert D., Jr. (P21389)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,964	\$2,964
Kaplan, Jean M. (P20680)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kearney, Harry V. and Mary E. (P21225)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,966	\$2,966
Kearney, Thomas and Robin (P21384)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,710	\$2,710
Kenny, Camille L. (P20152)	Grant to remove an underground storage tank	\$970	\$970

Applicant	Description	Grant Amount	Awarded to Date
Kern, Francis M. and Joan (P21449)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,900	\$2,900
Kern, Scott Edward and Tara Lynn (P21464)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kessler, Ronald and Lauren (P21412)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kohl, Dorothy (P21150)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kristiansen, Thomas W. and Audra M. (P21322)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,880	\$2,880
Kujawski, Thomas D. and Kathleen A. (P21406)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,522	\$2,522
Kuntz, Teresa and Robert (P21498)	Grant to remove an underground storage tank	\$1,200	\$1,200
LaVance, Beverley J. (P21106)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lal Kantilal V. and Parvatiben K. (P21159)	Grant to remove an underground storage tank	\$1,200	\$1,200
Langdon, Edward J. (P20145)	Grant to remove an underground storage tank	\$1,200	\$1,200
Lawson, Patricia J. (P19726)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lehmann, Michael and Rachel (P21243)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Leszcynski, Lawrence A (P20915)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,602	\$2,602
Littley, Teresa M. (P20909)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,617	\$2,617
LoRusso, Joseph (P21286)	Grant to remove an underground storage tank	\$1,200	\$1,200
Lojko, Volodar and Janelle Dupa (P21415)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lordi, Myla S. and Robert J. (P21066)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,777	\$2,777

Applicant	Description	Grant Amount	Awarded to Date
Lynch, Robert J. and Patricia K. (P21203)	Grant to remove an underground storage tank	\$1,200	\$1,200
Macri Jr., Kenneth C. (P21155)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Madigan, Brian (P21155)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,776	\$2,776
Malatak, John and Deborah (P21518) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$2,587	\$2,587
Manuele, Vincent and Eleanor (P21385)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,424	\$2,424
Markonas, Elizabeth (P21067)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Maugeri, Ronald J. and Brenda A. (P21299)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Mesaros, Viera and Milan (P21158)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
M...ema, Karen (P21239)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Moquin, John and Kathleen (P20920)	50 % grant to remove an underground storage tank and install an above ground storage tank	\$1,500	\$1,500
Murphy, John (P21122)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Ng, Phillip and Lorrie (P21197)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Nicholson, Jane (P21482)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,992	\$2,992
Nolan, Gary (P21283)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,200	\$2,200
Norman, Lawrence and Carol (P2120)	Grant to remove an underground storage tank	\$1,200	\$1,200
O'Connell, Dennis P. and Sheila M. (P20788)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Odoms, Chanima K. (P21204)	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
	storage tank and install an above ground storage tank		
Olsen, John and Sara (P2132)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Omeljaniuk, Ann (P19699)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Patterson, Susan and James (P21222)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Peachey, Beverly and John (P21217)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,750	\$2,750
Perry, Linda (P21368)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Petzold, Thomas R. (P21238)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Pfister, Thomas and Marlaina Snyder (P21369)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,935	\$2,935
Pietrek, Michael A. (P21279)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Pivirotto, Arthur E. and Maria E. (P21353)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,944	\$2,944
Platt, Thomas L. Sr. and Eileen (P21403)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,322	\$2,322
Price, Walter L. and Charlyn M. (P21512)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,723	\$2,723
Purcaro, Vicki (P21373)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Purcell, Timothy M. (P21402)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Reddington, Robert R. and Kathleen K. (P21388)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,566	\$2,566
Reverri, Michael and Toni Ann (P21262)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Robbins, Donald and Ruth	Grant to remove an underground	\$2,688	\$2,688

Applicant	Description	Grant Amount	Awarded to Date
(P21247)	storage tank and install an above ground storage tank		
Roberts, Stephen (P21339)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,650	\$2,650
Rogalsky, Robert (P21124)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Rudalf, Charles and JoAnn (P21394)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Rudko, Ann (P21282)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sanghavi, Deepak and Ami (P21042)	Grant to remove an underground storage tank	\$1,050	\$1,050
Sapio, Ralph (P21348)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Scandale, Elizabeth (P21251)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sebager, Walter and Renee (P21333)	Grant to remove an underground storage tank	\$1,200	\$1,200
Schneider, Richard C. (P21308)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Schwabe, Walter (P20418)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sebastiano, Nancy (P19340)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Shaughnessy, Jane (P21350)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Siejkowski, Kathleen and Robert (P21285)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,779	\$2,779
Silberzahn, Laurie (P21252)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sousa, Robert S. and Lina L. (P21334)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,780	\$2,780
Simpson, Dianne S. and William (P21230)	Grant to install an above ground storage tank	\$1,775	\$1,775

Applicant	Description	Grant Amount	Awarded to Date
Singer, Tom and Donna (P21514)	Grant to remove an underground storage tank	\$1,200	\$1,200
Sleman, Michael and M. (P20962)	Grant to remove an underground storage tank	\$1,200	\$1,200
Smith, Reginald and Lisa (P20973)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Space, John and Shelley (P21419)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Spallitta, Peter and Marianne (P21191)	Grant to remove an underground storage tank	\$1,190	\$1,190
St. Peter, Agnes R. (P21297)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Stareshefsky, Zvi and Deborah (P20723)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Stevens, Susan J. (P21275)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,631	\$2,631
Szabo, John (P21354)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Tardive, Gennaro (P20466)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Teale, Richard S. (P21375)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,997	\$2,997
Terpstra, Bernadette and Richard (P20460)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Thiel, David (P21132)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Thomas, Mark and Cynthia Jo (P21041)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Thornton, Anne (P21413) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Tj., Jacqueline and James (P2126)	Grant to remove an underground storage tank	\$1,155	\$1,155
Tosto, Roxanne B. (P21287)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Trinity United Methodist Church (P20683)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,663	\$2,663
Tropona, Frank and April (P21236)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Tropona, Nichola and Lena (P21116)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Tunkavige, Gary and Jill (P21349)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Umbdenstock, Robert (P20948)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Vivarelli, Daniel G. and Judith A. (P21017)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Wegeman, Scott and Laura (P21278)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,572	\$2,572
White, Charles and Eileen (P21324)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Whitman, Harry and Ethel (P21513)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Yeachshein, Diana (P21417) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Yeachshein, Diana (P21418) Tank B	Grant to remove an underground storage tank	\$1,200	\$1,200
Young, Beverly (P21264)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,895	\$2,895
Zimmer, Frederick F. and Kathleen J. (P21001)	Grant to remove an underground storage tank	\$870	\$870

170 Grants

**Total Delegated Authority
funding for Non-Leaking
applications.**

\$434,083

*This amount includes grants approved previously by the Board and this award does not exceed the supplemental aggregate limit.



Caren S. Franzini

Prepared by: Lisa Petrizzi, Finance Officer



**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Hazardous Discharge Site Remediation Fund Program

The following municipal and private projects have been approved by the Department of Environmental Protection for grants and loans to perform preliminary assessment site, site investigation, remedial investigation, and remedial action activities. The scope of work is described on the attached project summaries.

Municipal Grants:

City of Linden (United Lacquer)	\$240,225
City of Trenton (MLK School/Jefferson School)	\$1,747,371
Harrison Redevelopment Agency (Former Hartz Mountain Facility)\$316,536
Township of Montclair (Frm. Southend Pyramid Station)\$111,612

Loans:

Estate of Michele Matturro\$38,770
Mybar Realty Company\$596,486

Total HDSRF funding for April 2008 \$3,051,000



Prepared by: Lisa Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: City of Linden (United Lacquer)

P21143

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1001 W. Elizabeth Avenue

Linden City (T)

Union

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND:

The City of Linden received grant funding to perform a Preliminary Assessment (PA) and Site Investigation (SI) in the amount \$90,063 at the United Lacquer project site in October 2001 under P13569. The City received a grant in the amount of \$17,152 under P13569s in October 2005 to perform additional SI. The project site is a former 2.7 acre industrial facility that is currently abandoned. The City currently holds a Tax Sale Certificate and has satisfied Proof of Site Control. Upon completion of environmental activities, it is the City's intent, as outlined in a site specific redevelopment plan, to redevelop the project site as Industrial re-use.

NJDEP has approved Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF Program, Category 2, Series A.

APPROVAL REQUEST:

The City of Linden is now requesting supplemental grant funding to perform RI activities required by NJDEP in the amount of \$240,225 at the United Lacquer project site, for total funding to date of \$347,440.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT\$240,225

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$218,386
NJDEP oversight cost	\$21,839
EDA administrative cost	\$500
TOTAL COSTS	\$240,725

APPROVAL OFFICER: L. Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: City of Trenton (MLK School/Jefferson School)

P21233

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 80 MLK Boulevard

Trenton City (T/UA)

Mercer

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND:

The project site, identified as Block 8903, Lots 2 and 35 is a vacant school construction site which has potential environmental areas of concern. The City of Trenton intends to acquire the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation and conservation.

NJDEP has approved this request for Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA costs (\$1,588,519) and adding the oversight costs (\$158,852). The balance of the RA costs will be provided by NJ Schools Development Authority.

According to amended legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes.

APPROVAL REQUEST:

The City of Trenton is requesting grant funding to perform RA in the amount of \$1,747,371 at the MLK School/Jefferson School project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$1,747,371

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$2,118,025
NJDEP oversight cost	\$158,852
EDA administrative cost	\$500
TOTAL COSTS	\$2,277,377

APPROVAL OFFICER: L. Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Harrison Redevelopment Agency (Former Hartz Mountain P21428

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

PROJECT LOCATION: 700 Frank E. Rogers Blvd. Harrison Town (T) Hudson

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund (X) Core () Ready for Growth

APPLICANT BACKGROUND:

Harrison Redevelopment Agency received a grant in the amount of \$134,014 under P19199 in January 2008 to perform Remedial Investigation (RI) activities. The project site, identified as Blocks 133; 134; 135; 152A, Lots 1-41; 1-41; all lots; 3 is a vacant 10 acre parcel previously used for industrial purposes since the late 1890's which has potential environmental areas of concern (AOC's). The Harrison Redevelopment Agency intends to acquire the project site and has satisfied Proof of Site Control. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use development.

NJDEP has approved this request for additional RI grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

The Harrison Redevelopment Agency is requesting supplemental grant funding to perform RI in the amount of \$316,536 at the Former Hartz Mountain Facility project site, for a total funding to date of \$450,550.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$316,536

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$287,760
NJDEP oversight cost	\$28,776
EDA administrative cost	\$500
TOTAL COSTS	\$317,036

APPROVAL OFFICER: L. Petrizzi

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Township of Montclair (Frm. Southend Pyramid Station)

P20903

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 399 Orange Road

Montclair Township (T/UA)

Essex

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND:

The project site, identified as Block 3904, Lot 57 is an abandoned building historically used as an auto repair facility which has potential environmental areas of concern (AOC's). The Township of Montclair currently owns the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site as residential re-use.

NJDEP has approved this request for Preliminary Assessment (PA) and Site Investigation (SI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

The Township of Montclair is requesting grant funding to perform PA and SI in the amount of \$111,612 at the Frm. Southend Pyramid Station project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$111,612

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Site investigation	\$93,465
NJDEP oversight cost	\$10,147
Preliminary assessment	\$8,000
EDA administrative cost	\$500
TOTAL COSTS	\$112,112

APPROVAL OFFICER: L. Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM

APPLICANT: Estate of Michelle Maturro

P21077

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 32 Columbus Street

Bloomfield Township (T/UA)

Essex

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

The property at 32 Columbus Street is a two family home that is in need of remediation. The site is currently owned by the estate of Michelle Maturro (deceased). The property was under contract for sale when it was identified that there was a gasoline tank that needs to be removed (the sale was terminated). The Executrix, Cheryl Chiappinelli, submitted the application and intends to sell the property as soon as the remedial action is complete. As a result, a three-year term loan is recommended with no payment required until maturity or the sale of the property (interest will be accrued). The project costs have been reviewed and approved by DEP.

APPROVAL REQUEST:

Approval is recommended for a \$38,770 loan as proposed.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$38,770

TERMS OF LOAN: Rate fixed at 5%. 3-year term and amortization. No payments required, interest will be accrued and a full balloon payment will be due at maturity or upon sale of the property.

PROJECT COSTS:

Remedial Action	\$35,245
NJDEP oversight cost	\$3,525
EDA administrative cost	\$1,500
TOTAL COSTS	\$40,270

APPROVAL OFFICER: S. Brady

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM

APPLICANT: Mybar Realty Company

P19033

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 191 Murray Street

Newark City (T/UA)

Essex

GOVERNOR'S INITIATIVES:

(X) NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

Mybar Realty was formed by Barry and Myron Meister (brothers) as a real estate holding company for the property located at 191 Murray Street in Newark (Barry subsequently purchased his brother's interest and is now the sole owner of Mybar). A related company, Steel Craft Industries, occupied the site; however, that company has been disbanded. The property is now vacant and in need of remediation. NJDEP has found that the application is technically eligible for a loan in the amount of \$596,486 for remedial investigation and action.

Of note, the owner and his wife have provided three loans to Mybar totaling \$1.6 million to fund a portion of the remediation. There is also a \$665,000 loan from Myron from the sale of his interest in the business. These loans are secured by a lien on the property but will be subordinated to the proposed debt.

There is also a lien on the property for a pending lawsuit with one of the contractors. They are currently in discovery and are hoping to come to a settlement within a few weeks with a maximum liability of \$60,000.

APPROVAL REQUEST:

Approval is recommended for a \$596,486 loan as proposed.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$596,486

TERMS OF LOAN: 5% - 3 year term and amortization.

PROJECT COSTS:

Remedial Action	\$542,260
NJDEP oversight cost	\$54,226
TOTAL COSTS	\$596,486

APPROVAL OFFICER: S. Brady



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

Pursuant to the Board's approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President of Operations ("SVP") have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to \$100,000 and supplemental grants up to an aggregate of \$100,000.

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of March, 2008.

Applicant	Description	Grant Amount	Awarded to Date
James E. Cunningham P21314	25% Matching Grant to perform remedial action which uses innovative technology.	\$21,892	\$21,892
Mark Gallagher P21315	25% Matching Grant to perform remedial action to achieve an unrestricted re-use classification.	\$2,056	\$2,056
Township of Mount Holly (Former Holly Chemical) P21530	Initial grant to perform remedial investigation to redevelop as a public parking lot.	\$84,406	\$84,406

Paterson Habitat for Humanity (Former Leonhard Wax Property) P21524	Not for Profit grant to perform preliminary assessment and site investigation to redevelop as affordable housing.	\$63,680	\$63,680
Township of Woodbridge (Fifth District Park) P21317	Initial grant to perform remedial investigation to redevelop as a park.	\$35,794	\$35,794
5 Grants	Approved in March 2008	\$207,828	



Caren S. Franzini

Prepared by: Lisa Petrizzi, Finance Officer



EDISON INNOVATION FUND

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - EDISON INNOVATION FUND PROGRAM**

APPLICANT: International Battery Inc.

P20244

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 48 Spruce Street

Oakland Borough (N)

Bergen

GOVERNOR'S INITIATIVES:

() NJ Urban Fund (X) Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND:

International Battery, Inc. ("IB") was formed in 2004 and incorporated in August of 2005 as a clean energy technology company that designs, develops, markets and sells large-format, high-capacity lithium-ion rechargeable batteries and power systems for use in various industrial, commercial and military applications. International Battery has secured exclusive proprietary access to intellectual property through a Technology Transfer Agreement ("TTA") with a leading Chinese based battery company called Thunder Sky Battery Limited ("TSB"). IB is currently transitioning from an importer of cells and systems to developing full-scale manufacturing capability that is critical to winning large-scale contracts with military customers. IB is in the process of setting up an equipment line purchased from China for a facility in Pennsylvania

APPROVAL REQUEST:

Approval is requested for a \$1,000,000 Edison Innovation Fund investment. Our investment proceeds will fund research and development of the company's advanced lithium-ion batteries, fund working capital and will assist in the creation of 30 high paying jobs in New Jersey within the next two years.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,000,000

TERMS OF LOAN: Fixed at 6.00%, during the first 12 months, the loan will not require any principal or interest payments. Interest during this period will accrue and will be capitalized. The remaining forty-eight months will require equal principal plus interest payments in amounts adequate to fully repay the investment.

PROJECT COSTS:

Growth Capital	\$2,000,000
TOTAL COSTS	\$2,000,000

JOBS: At Application 18 Within 2 years 30 Maintained 0 Construction 0

DEVELOPMENT OFFICER: P. Durand

APPROVAL OFFICER: M. Conte



BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: Bertholon-Rowland Corp., USI Holdings Corporation and Affiliates P21576

PROJECT LOCATION: 100 Matawan Road Old Bridge Township Middlesex County

GOVERNOR'S INITIATIVES:

() NJ Urban Fund () Edison Innovation Fund () Core () Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded in 1944, Bertholon-Rowland Corp. ("BR") was one of the first brokers to develop insurance programs for professional associations on behalf of their members. BR is one of the largest association-sponsored professional liability and life/health insurance marketers, administrators and program managers providing a range of personal and business plans to professionals and alumni associations in the U.S. In 2004, BR was bought by USI Holdings Corporation ("USI"), which is the 9th largest U.S. insurance brokerage firm. In 2007, USI was taken private by a private equity affiliate of The Goldman Sachs Group, Inc. This business is economically viable. BR is considering moving a portion of its "back office" operations from Manhattan to Old Bridge, where its affiliates are located, to achieve operational efficiencies by consolidating their resources.

MATERIAL FACTOR:

The Applicant is seeking a BEIP grant to support moving 50 positions from New York to New Jersey within the first two years. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's site selection/addition decision. The Authority staff recommends the award of the proposed BEIP grant in order to entice the company to pick New Jersey over New York.

APPROVAL REQUEST:

PERCENTAGE: 75%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Bertholon-Rowland Corp., USI Holdings Corporation 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: \$ 356,250
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 165

ELIGIBLE BEIP JOBS: Year 1 50 Year 2 0 Base Years Total = 50

ANTICIPATED AVERAGE WAGES: \$45,000

ESTIMATED PROJECT COSTS: \$570,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$475,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$356,250

PROJECT IS: () Expansion (X) Relocation New York, NY

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: (X) Domestic () Foreign

DEVELOPMENT OFFICER: R. Fischer

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Old Bridge Township	N/A
2. Job Creation	50	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Financial services	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$570,000	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	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	<u>20%</u>
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 within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **40 %**

Total Score :

Total Score per formula:	8 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	40 %
Total Score (not to exceed 80 %):	75 %

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Piscataway	N/A
2. Job Creation	57	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	wholesale	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$17,973,000	2
7. Average Wage:	\$ 35,000	2
TOTAL:		7

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	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 within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	7 = 25 %
Construction/Renovation :	0 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	45 %

FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: Bridgewater Township	N/A
2. Job Creation 47 Targeted : <input checked="" type="checkbox"/> Non-Targeted : _____	1
3. Job at Risk: 0	0
4. Industry: Biotechnology Designated : <input checked="" type="checkbox"/> Non-Designated : _____	2
5. Leverage: 3 to 1 and up	2
6. Capital Investment: \$291,000	0
7. Average Wage: \$ 106,394	4

TOTAL: 9

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	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 within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **20 %**

Total Score :

Total Score per formula:	9 = 30 %
Construction/Renovation :	5 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	55 %

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

APPLICANT: Tullett Prebon (Americas) Holding Inc.

P21603

PROJECT LOCATION: 101 Hudson Street

Jersey City (T/UA)

Hudson County

GOVERNOR'S INITIATIVES:

NJ Urban Fund

Edison Innovation Fund

Core

Ready for Growth

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Tullett Prebon (Americas) Holding Inc. (TPAHI), a wholly owned subsidiary of Tullett Prebon PLC, a United Kingdom company, is an inter-dealer broker and acts as an intermediary in the wholesale financial markets, facilitating the trading activities of its clients. Included in the client mix are commercial and investment banks, hedge funds and buy-side institutions. The applicant participates in five product groups, ranging from fixed income securities and their derivatives, to interest rate derivatives, treasury products, equities and energy. The applicant is economically viable.

The Authority approved a BEIP grant for Tullett Prebon Holdings Corp (P16351), a predecessor company, which closed in July 2005 to create 105 jobs. To date, the company has created 173 jobs and received \$3.2 million in reimbursement, with an additional \$868,900 pending disbursement upon NJ Department of Taxation approval.

MATERIAL FACTOR:

TPAHI is seeking a BEIP grant to support relocating 330 high income financial services jobs from New York City to Jersey City. Also under consideration are 2 sites in New York City's financial district. Management is estimating project cost will be in excess of \$11.5 million. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to expand in New Jersey.

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 Tullett Prebon (Americas) Holding 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: \$ 16,500,000
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 427

ELIGIBLE BEIP JOBS: Year 1 330 Year 2 0 Base Years Total = 330

ANTICIPATED AVERAGE WAGES: \$300,000

ESTIMATED PROJECT COSTS: \$11,510,801

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$58,212,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$70,818,000

PROJECT IS: Expansion Relocation New York, NY

CONSTRUCTION: Yes No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: Domestic Foreign United Kingdom

DEVELOPMENT OFFICER: R. Gomez

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Jersey City	N/A
2. Job Creation	330	4
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Financial services	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$11,510,801	2
7. Average Wage:	\$ 300,000	4

TOTAL: 14

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	<u>20%</u>
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	<u>20%</u>
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%	<u>15%</u>
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 within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	_____

Total Bonus Points: **55 %**

Total Score :

Total Score per formula:	14 = 45 %
Construction/Renovation :	5 %
Bonus Increases :	55 %
Total Score (not to exceed 80 %):	80 %



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Business Employment Incentive Program (BEIP) Modifications
(For Informational Purposes Only)

On September 11, 2001 and amended on January 27, 2005, the Members of the Authority approved a delegation of authority to the Chief Executive Officer with the Senior Vice President-Programs or an alternate Director to approve certain BEIP modifications. All modifications must be reported to the Members of the Authority on a quarterly basis. Below is a list of all BEIP modifications that were approved in the quarter ending March 31, 2008:

<u>Name</u>	<u>Application #</u>	<u>Modification</u>
Barnes & Nobles, Inc.	P09665	Added Barnes & Noble Purchasing, Inc. to the grant, a wholly owned subsidiary of the grantee, that was created in 2006 as part of a corporate restructure. There will be no additional job growth as a result of the approval as this subsidiary was a shell company with no employees.
Cadbury Adams USA, LLC	P16037	Decreased the New Employment Commitment from 85 to 57. Failure to reach the New Employment Commitment was caused primarily by the company's sale of a business unit that was intended to contribute to the creation of new jobs under the BEIP agreement. The decrease in the NEC also resulted in a decrease in the grant award percentage from 60% to 55%.



BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: April 8, 2008

SUBJECT: Preferred Lender Program

Request:

The Members are asked to approve the addition of Cornerstone Bank as a Preferred Lender.

Background:

Cornerstone Bank ("Cornerstone") was formed in 1999 as a locally owned community bank serving Moorestown, Cherry Hill, Medford, Burlington City and Voorhees. The Bank is headquartered in Mount Laurel and currently has five additional branch locations with \$213 million in total assets. Cornerstone is incorporated under the laws of New Jersey and is authorized by the Commissioner of Banking and Insurance to transact business. The bank is subject to periodic examinations by the Department of Banking and Insurance as to safety and soundness.

Cornerstone provided its lending policy for review which was comprehensive and adhered to standard lending practices. The following items were addressed: lending area, risk ratings, collateral requirements, types of loan offerings, portfolio management, reporting requirements and pricing. In addition, the Bank provided five commercial underwriting samples, which were consistent with the EDA's standards.

The Bank is an approved SLP lender; however, we have not participated in any deals to date. An increase in loan volume is expected based upon the Authority's focus on community banks in the State, our enhanced products and Cornerstone hiring several key employees that are committed to working with the EDA.

Recommendation:

Based on the above, it is recommended that Cornerstone Bank be added as a Preferred Lender.



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Executive Director

DATE: April 8, 2008

SUBJECT: T-Kat, Corp.
Trenton, Mercer County, New Jersey
P08829 \$916,833 Guarantee Receivable
P08830 \$686,306 LDFD Loan
\$1,603,139 Outstanding Debt

Proposal:

Restructure the outstanding principal debt which matured on April 1, 2008 for a 3 year term at an interest rate of 4%. Payments will commence May 1, 2008. This restructure will provide the borrower with an opportunity to continue repaying the debt and avoid forcing a possible bankruptcy filing and/or business closure.

Background:

T-Kat, Corp. operates KatManDu Restaurant and Nightclub on Rt. 29 in Trenton, NJ.

On March 12, 1996 the Members approved a 90% guarantee of a \$1,500,000 loan from Equity National Bank and a \$1,000,000 LDFD loan. The loans provided permanent financing of renovations and leasehold improvements made to the project premises which T-Kat, Corp. leases from the Mercer County Improvement Authority. The loans are secured by first and second position leasehold mortgages and UCC liens. The loans are personally guaranteed by Lance Silver and Stuart Harding. The loans were also guaranteed by KatManDu Corporation and KatManDu Investment Partners, LP, two affiliated companies. Both loans closed on July 24, 1997.

KatManDu failed to generate sufficient sales and the loans were in default by 1999. The EDA paid its guarantee to Equity National Bank on February 25, 2000. A forbearance and settlement agreement was subsequently completed in October 2001 in an attempt to resolve the defaults. KatManDu was still unable to increase its sales and defaulted under the forbearance agreement. In January 2002 an investment group holding subordinate debt took over management of the business. The group's representative, Steve Hirsh, has served as General Manager of the business since that time.

The deteriorating performance prompted Mr. Hirsh to reorganize the business. As a result, the restaurant operation was downsized to focus on the more profitable nightclub and banquet businesses. The new format was instituted in November of 2003.

The business experienced a steady trend of increased sales under the new format. The improvement in operating performance was sufficient to allow the borrower to make monthly interest payments throughout 2004. The business continued its improved performance in the first quarter of 2005.

In June 2005, the Members of the Authority approved a restructure of the outstanding principal debt. The loan was restructured on a 3 year term with an interest rate increase each successive year. Principal payments were made bi-monthly during the months of May, June July and August. This restructure has resulted in collection of principal and interest of approximately \$625,000.

The business continued its increased sales performance throughout 2005 and 2006. However, due to reduced sales in 2007, the borrower was unable to remit its final three 2007 principal payments and has not made interest payments since October 2007.

Fiscal year end December 2006 corporate financial statements show a net income of \$112M on total revenues of \$5.6MM vs. December 2007 financial statements which showed a net loss of \$283M on total revenues of \$4.9MM.

The purpose of the proposed restructure is to resume principal and interest repayment on the debt. Staff scored the loan using Credit Underwriting guidelines and is recommending a fixed interest rate of 4%. Upon closing of the restructure, all past due interest will be paid current and the borrower will make a \$75,000 principal payment from proceeds provided by the investors. Interest payments will then be made monthly. Principal payments in the amount of \$30,000 will be made during the months of May and June. Principal payments in the amount of \$20,000 will be made during the months of July and August to provide \$100,000 in annual principal reduction. This restructure will mature at the end of the third year.

Recommendation:

The proposed restructure will cure the present default status and allow the business to begin repaying principal and interest on the debt. Upon closing, the borrower will pay all past due interest in addition to a \$75,000 principal payment. Company projections through 2010 show adequate cash flow to support the proposed restructure. Based on these factors, approval of the restructure is recommended. The restructure, if approved by the Members, is subject to the consent of Susquehanna Patriot Bank (formerly Equity National Bank) and reaffirmation of the personal guarantees of the principals.



Prepared by: Jerome T. Stesney



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: April 8, 2008
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under delegated authority in March 2008:

New Jersey Business Growth Fund

- 1) Andryal, LLC (P21682) is located in Garfield City, Bergen County. Project user, Straval Inc. was established in 1988 as a motor assembly valve manufacturer. Andryal, LLC is a real estate holding company. PNC Bank has approved a \$207,275 loan with a five year, 25% guarantee, not to exceed \$51,819. The loan proceeds will be used to refinance existing mortgages on two properties. The company currently has eight employees and plans to create two new positions within the next two years.
- 2) Minlen Ventures, LLC (P21569) is located in Garfield City, Bergen County. Project user Minichetti Group, Inc. dba Arctic Ice was formed in 1923 as a manufacturer and distributor of dry ice, ice cubes, block ice and frozen packaging goods. PNC Bank has approved a \$602,000 loan with a five year, 25% guarantee, not to exceed \$150,500. The loan proceeds will be used to refinance two existing loans. The company currently has four employees and expects to create four new jobs within the next two years.

Edison Innovation Fund Program:

- 1) GlobalPrint Systems, Inc. (P20027) is located in Evesham Township, Burlington County. The company was formed in 2005 to develop, market and sell Internet based mobile printing solutions targeted primarily to traveling/mobile professionals, including the general public. The NJEDA has approved a \$200,000 loan under the Edison Innovation Fund. Loan proceeds will be used as growth capital. The company currently has four employees and anticipates creating 30 additional jobs within two years.

Preferred Lender Program:

- 1) TJM Properties II, LLC (P20666) is located in Hawthorne Borough, Passaic County. The project user, In Moda.com, Inc. was formed in 2002 as a designer and wholesaler of women's garments. TJM Properties II, LLC is a newly formed real estate holding company. The company is planning to relocate from a leased facility in Brooklyn, NY to an owned facility in Hawthorne, NJ. Loan proceeds will be used by TJM Properties, LLC for the purchase of the project property. Commerce Bank has approved a \$2,550,000 mortgage contingent upon a \$650,000 participation and a \$250,000 guarantee. The company plans to create 25 new positions within the next two years.

A handwritten signature in black ink, appearing to be 'C. H.', is written over a horizontal line.

Prepared by: S. Mania



REAL ESTATE

MEMORANDUM

TO: Members of the Authority

FROM: Caren Franzini
Chief Executive Officer

RE: Aviation Research & Technology Park
Authority to Execute Grant Agreement with the USED A

DATE: April 8, 2008

Summary

I am requesting the Members's approval to authorize the Authority to accept a grant, in the amount of \$2.5 million from the United States Department of Commerce, Economic Development Administration (USED A), under its Public Works Grant Program. The Authority co-sponsored the grant application with the South Jersey Economic Development District (SJEDD) to fund infrastructure improvements at the Aviation Research & Technology Park in Egg Harbor Township. The grant is jointly awarded to the Authority and SJEDD.

Background

In 2007, the Aviation Research & Technology Park, Inc. (ARTP) completed the master plan study that the Authority partially funded with \$50,000. The Authority's Chief Executive Officer also serves as an ex-officio director on the ARTP board of directors.

The master plan envisions the development of a technology park on 55 acres that will be leased from the Federal Aviation Administration to the SJEDD. The ARTP will provide marketing and management services for the life of the project. The plan provides for the development of approximately 12 building sites that will be leased to or developed by industries that complement the William J. Hughes Technical Center's aviation mission. Development of the park requires new infrastructure improvements on the 55 acres that include, but are not limited to, utility (e.g., water, sewer, gas electric, telecommunications) and road improvements to serve the building pad sites. The preliminary estimate for the infrastructure improvements is \$7.5 million.

To partially fund the infrastructure improvements, the SJEDD requested that the Authority serve as the public entity co-sponsor for the \$2.5 million grant application to the USEDA. The Public Works Grant Program requires that a public state, county or local government entity serve as an application co-sponsor.

The SJEDD will administer the design and construction of the infrastructure improvements and will obtain the local match for the grant through a \$5 million private loan from The Bank. SJEDD will also be responsible for reporting and compliance requirements of the USEDA.

Recommendation

In summary, I am requesting the Members' approval for the Authority's Chief Executive Officer to execute the standard form of USEDA grant agreement and other documents necessary to complete the transaction, all in a form acceptable to the Authority's Chief Executive Officer and the Attorney General's Office.


Caren S. Franzini

Prepared by: David E. Nuse
Juan Burgos



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Temporary License Agreement
US Route One North, North Brunswick, New Jersey

DATE: April 8, 2008

Summary

I am requesting the Members' approval to grant the North Brunswick Youth Sports Festival ("YSF") a license to host their annual festival on property owned by the Authority on Route One North in North Brunswick, New Jersey.

Background

In October of 2004, the Authority purchased a vacant, twenty-five acre site in North Brunswick from DKM (the "Property"). YSF had previously held their annual Youth Sports Festivals ("the Festival") on the Property and requested the Authority's approval to continue to use the site. The Authority previously granted licenses to YSF for their 2005, 2006 and 2007 Festivals. YSF has again requested the Authority's permission to use the Property for their 2008 Festival, which will run from June 18 through June 22, 2008.

In December 2007, the Authority ground leased the Property to L'Oreal USA Products, Inc. L'Oreal has granted its permission for YSF to use the Property for the 2008 Festival.

YSF will be responsible for obtaining permits and approvals for the Festival and will return the property to substantially the same condition as existed prior to the Festival. YSF will indemnify the Authority for any liability, costs and expenses related to any claim arising from their use of the Property. YSF will also provide insurance coverage naming the Authority and L'Oreal as additional insureds.

The attached License Agreement is in substantially final form. The final form of the document may be subject to revision, although the basic terms and conditions will remain consistent with its current form. The final terms of the License Agreement will be subject to approval of the CEO and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to grant a license to the North Brunswick Youth Sports Festival to hold its 2008 Festival on property owned by the Authority in North Brunswick, New Jersey.



Caren S. Franzini

Prepared by: Donna T. Sullivan

_____, 2008

Youth Sports Festival
c/o Township of North Brunswick
710 Hermann Road
North Brunswick, NJ 08902
Attn: Milvi Weiner, Deputy Clerk

RE: TEMPORARY LICENSE FOR USE OF LAND

Dear Ms. Weiner:

Pursuant to your request, this letter shall serve as the License Agreement in connection with the Youth Sports Festival to be held on June 18 through June 22, 2008 (the "Event"). The New Jersey Economic Development Authority (the "Owner"), having offices at 36 West State Street, P.O. Box 990, Trenton, NJ 08625-0990, hereby grants to the Youth Sports Festival (the "YSF") this license ("License") to use Owner's property located in the Township of North Brunswick, County of Middlesex and State of New Jersey, containing approximately 25 acres of vacant land situated on U.S. Route 1 known as Lot 1.06 in Block 252 on the tax map of the Township of North Brunswick (the "Property") upon the following conditions:

1. The License is effective for the Event from June 18 through and including June 22, 2008.
2. Members and invitees of the YSF are authorized to use the Property, free of charge, for the purpose of hosting the Event. The Property shall be used solely for the Event.
3. The YSF agrees to be solely responsible for the use of the Property and the conduct of its members, invitees, employees, officers and directors on and adjacent to the Property, and shall assume and promptly pay for all expenses incurred in connection with this License and the licensed activities. At its expense, the YSF shall obtain any and all required permits and approvals from public authorities and private entities or individuals and otherwise shall comply with all laws and regulations applicable to this License and the intended activities. The YSF will provide its own security for the Event.

4. INTENTIONALLY OMITTED.
5. At all times during the use of the Property, the YSF agrees to ensure that the Property, ingress and egress areas, and the property adjacent thereto remain free of litter and trash from the Event and that no refuse accumulates. When the License ends, the YSF agrees to return the Property to substantially the same condition and cleanliness existing before the YSF had access to such areas for its use. The YSF shall repair any ruts, divots or other damage to the existing turf immediately after the end of the Event.

In addition, the YSF agrees that (i) it will not require access to any of the buildings adjacent to the Property and it will not interfere with parking of any employees of surrounding businesses or other lawful occupants of surrounding buildings or parking lots who may be working on the days of the Event and (ii) it will not allow the YSF's vendors, workers, or any of its or their agents or invitees access to such buildings nor interference with any such parking.

6. Owner and its affiliates, agents and employees make no representation, written or verbal, about the condition or suitability of the Property for the YSF's intended use or for any other use, and the YSF acknowledges and agrees that it has made a physical investigation of the Property and is satisfied with its condition and suitability for the intended use. The YSF: (i) will make any necessary repairs to the turf to make the Property usable for its purposes; and (ii) shall be solely responsible to re-inspect the Property to determine whether or not the Property may be appropriately used for its intended purpose on or immediately prior to commencement of this License.

The YSF further specifically acknowledges that use of the Property and the areas adjacent thereto is at its sole risk. Owner and its Indemnified Parties (defined below) shall have no responsibility for any damage to or theft of any personal property or equipment of the YSF and/or its vendors, or any of its members, officers, employees, invitees, agents, nor for any damage to or theft of any vehicle in or around the Property, nor for any personal property or possessions stored therein.

- (a) The YSF agrees that the Owner, its affiliates, members, directors, officers, representatives, agents, employees and

tenants (collectively, the "Indemnified Parties") assume no liability to the YSF and/or its vendors, its members, invitees, or any other person for any injury (including death), to persons or damage to or loss of personal property suffered on the Property.

(b) The YSF shall indemnify and hold Owner, and the Indemnified Parties harmless from and shall defend Owner and the Indemnified Parties against all claims of liability and damages, and shall reimburse Owner and the indemnified Parties for all reasonable costs and expenses it or they incur, in each case arising out of actual or alleged injury to any person (including death) or damage or loss to any property: (i) from any cause whatsoever that occurs on or about the Property during its use by the YSF or (ii) which result from the acts or omissions of the YSF's agents, members, invitees, or members of the public drawn to the Property or adjacent property by reason of the YSF's activities.

7. The YSF shall purchase and maintain during the term of this License a commercial general liability insurance policy which shall include coverage for the contractual liability assumed by the YSF under paragraph 6. The policy limit, written on an occurrence basis, shall be no less than \$1,000,000 per occurrence for bodily injury (including death) and property loss or damage, combined coverage, and shall name the Owner as an additional insured. Prior to the date of the Event, the YSF shall deliver to Owner a certificate evidencing this coverage. The Owner and L'Oreal USA Products, Inc. must also be named as additional insured on all insurance carried by vendors, agents and employees of the YSF providing professional or commercial services in connection with the Event, such insurance to meet the same requirements set for the YSF.

Additionally, the YSF and the Event operator shall carry Umbrella Liability in excess of the commercial general liability coverage listed above with a minimum coverage of \$4,000,000 from the Event operator and \$2,000,000 from the YSF, with the same additional insureds and terms and conditions as the primary policy. Should the Event operator or the YSF carry liability insurance or Umbrella Liability in higher limits than stated, full coverage as additional insureds under such policies shall be extended to the Owner and L'Oreal USA Products, Inc. Finally, the Event operator shall carry Workers Compensation insurance at statutory limits and Automobile insurance at statutory requirements.

8. The permission and privileges granted hereunder are not assignable or transferable and are limited to the YSF, its agents, members and invitees.
9. This License Agreement shall be interpreted under the laws of the State of New Jersey.
10. All accidents or injuries to persons, or any damages, occurring as a result of the YSF's use of the Property shall be reported promptly to NJEDA's Real Estate Division.
11. This License may not be amended except upon written consent of both parties hereto.
12. Notwithstanding any provision in this License to the contrary, the parties hereto agree that any and all claims based in tort made by the YSF or anyone else against the Owner for damages, including, but not limited to costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.) and that any and all claims based in contract made by the YSF or anyone against the Owner for damages, including, but not limited to costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).
13. A waiver by any party of a breach or default by the other party of any provision of this License shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.
14. In any provision of this License shall be invalid or unenforceable, in whole or in part, such provision and this License shall be deemed and construed to be modified or restricted to the extent that and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this License as the case may require.

If the foregoing conditions are acceptable to the YSF, kindly so indicate by signing, dating and returning an original License Agreement, along with the certificate(s) of insurance, to the Owner, attn: Cathleen Schweppenheiser, Project Officer. Use of the Property is subject to Owner's receipt of the signed License and evidence of

insurance as outlined in Paragraph 7 above.

If you have any questions, please feel free to contact me or Donna Sullivan, Development Manager at 609-292-0369.

Sincerely,

David E. Nuse
Director – Real Estate

Agreed and Accepted:

YOUTH SPORTS FESTIVAL

By: _____

Date: _____, 2008

Name:
Title:



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Retail Lease Extension – Health Care Pharmacy, Inc.
Renaissance Place at Trenton Office Complex

DATE: April 8, 2008

At the April meeting of the Authority, I will seek your approval to extend to December 31, 2017 the lease with Health Care Pharmacy, Inc. (HCP), a current tenant at the Trenton Office Complex's retail space.

Pursuant to the guidelines of the Capital City Redevelopment Corporation, the Authority included 23,000 square feet of ground floor retail space within the Motor Vehicles Services building on East State Street. As part of our sublease agreement with the New Jersey Department of the Treasury, the Authority has installed all necessary improvements and marketed this space to retail and professional office tenants.

HCP has occupied 1,320 square feet in Renaissance Place since 1997. At that time, HCP was a start up business and the NJDA approved two \$50,000 loans to assist them. Those loans were paid as agreed by 2002. HCP has requested a ten-year lease extension from January 1, 2008 through December 31, 2017 with a rental rate structure consistent with current market rates. HCP has performed in accordance with the terms of its existing lease.

The attached Lease Term Extension Agreement is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Lease Term Extension Agreement will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

In conclusion, I am requesting the Members' approval to enter into this Lease Term Extension Agreement with Health Care Pharmacy at the Trenton Office Complex on terms generally consistent with the attached outline.


Caren Franzini

Attachment

Prepared by: Christine Roberts

LEASE TERM EXTENSION AGREEMENT

THIS LEASE TERM EXTENSION AGREEMENT, made as of the first day of January, 2008 (the "Lease Extension Agreement") is by and between HEALTH CARE PHARMACY, INC ("TENANT"), and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("LANDLORD").

WHEREAS, the TENANT and the LANDLORD entered into a certain Lease Agreement made as of March 10, 1997 (the "Lease Agreement"); and

WHEREAS, the TENANT and the LANDLORD entered into a certain First Amendment to Lease Agreement made as of May 13, 1999 (the "First Amendment"). The Lease Agreement and the First Amendment are collectively referred to as the "Lease"; and

WHEREAS, the LANDLORD and TENANT wish to extend the term of the Lease as more fully set forth below.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties amend the Lease as follows:

1. Term. The term of the Lease shall be extended for a period beginning on January 1, 2008 and ending on December 31, 2017 (the "Extended Lease Term").
2. Basic Rent. During the Extended Lease Term, TENANT shall pay to LANDLORD Fixed Rent as follows:

Renewal Year	<u>Annual Fixed Rent</u>	<u>Monthly Fixed Rent</u>
1-2	\$18,480.00	\$1,540.00
3-4	\$19,140.00	\$1,595.00
5-6	\$19,800.00	\$1,650.00
7-8	\$20,460.00	\$1,705.00
9-10	\$21,120.00	\$1,760.00

3. Repairs to be made by LANDLORD. LANDLORD agrees to replace the existing tile floor of the Demised Premises with the same standard tile, or to provide a rent credit equal to the cost to replace the floor. The cost to replace the floor will be determined by a written quotation from LANDLORD's property management firm.
4. Political Campaign Contributions. The following Article XX is hereby inserted into the Lease as an additional provision:

ARTICLE XX

POLITICAL CAMPAIGN CONTRIBUTIONS

Section 20.1. For the purpose of this Article 20, the following shall be defined as follows:

i) Contribution – means a contribution reportable as a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Currently, contributions in excess of \$300 during a reporting period are deemed “reportable” under these laws.

ii) Business Entity – means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (a) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (b) any subsidiaries directly or indirectly controlled by the business entity; (c) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (d) if a business entity is a natural person, that person’s spouse or child, residing in the same household.

iii) PL 2005, c.51 – means Public Law 2005, chapter 51 (N.J.S.A. 19:44A – 20.13 through N.J.S.A. 19:44A – 20.25 inclusive).

Section 20.2. The terms, restrictions, requirements and prohibitions set forth in PL 2005, C.51 are incorporated into this LEASE by reference as material terms of this LEASE with the same force and effect as if PL 2005, C.51 were stated herein its entirety. Compliance with PL 2005, C.51 by TENANT shall be a material term of this LEASE.

Section 20.3. In addition to any other EVENT OF DEFAULT specified in this LEASE, LANDLORD shall have the right, but not the obligation, to declare an EVENT OF DEFAULT under this LEASE if: (a) TENANT makes or solicits a Contribution in violation of PL 2005, C.51, (b) TENANT knowingly conceals or misrepresents a Contribution given or received; (c) TENANT makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (d) TENANT makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or

county party committee; (e) TENANT engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by LANDLORD or any LANDLORD member that constitutes a Business Entity itself, would violate the restrictions of PL 2005, C.51; (f) TENANT funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (g) TENANT engages in any exchange of Contributions to circumvent the intent of PL 2005, C.51; (h) TENANT directly or indirectly through or by any other person or means, does any act which would violate the restrictions of PL 2005, C.51; or (i) any material misrepresentation exists in any Executive Order Certification and Disclosure which was delivered by TENANT to LANDLORD in connection with this LEASE.

Section 20.4. TENANT hereby acknowledges and agrees that pursuant to PL 2005, C.51, TENANT shall have a continuing obligation to report to the Office of the State Treasurer, PL 2005, C.51 Review Unit of any Contributions it makes during the EXTENDED LEASE TERM of this LEASE. If after the date of this Lease Extension Agreement COMMENCEMENT DATE, any Contribution is made by TENANT and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of PL 2005, C.51, LANDLORD shall have the right, but not the obligation, to declare this LEASE to be in default.

Except as expressly modified hereby, all terms, conditions, definitions, undertakings and covenants of the LEASE shall remain in full force and effect and are in no way abrogated by this Lease Extension Agreement. Capitalized terms used in the within Lease Extension Agreement but not otherwise defined herein shall have the meanings ascribed to them in the LEASE.

This Lease Extension Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

If any provision of this Lease Extension Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or of the LEASE.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Extension Agreement as of the date first written above.

ATTEST:

**NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY,
LANDLORD**

By: _____
NAME: Caren S. Franzini
TITLE: Chief Executive Officer

ATTEST:

**HEALTH CARE PHARMACY, INC,
TENANT**

By: _____
NAME:
TITLE:





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Camden Waterfront Landscaping Project

DATE: April 8, 2008

Summary

The Members are asked to approve a Memorandum of Understanding (“MOU”) between the Authority and Cooper’s Ferry Development Association (“CFDA”) to provide for the Authority’s funding of a portion of the 2008 Waterfront Landscaping Project for Camden’s Delaware River waterfront.

Background

The Waterfront Landscaping Project (“Project”) is a public/private effort to beautify the City’s Delaware River waterfront as a means of enhancing its aesthetics and economic potential as a major regional destination. This effort is also intended to provide an enhanced amenity to City residents and those working in the Downtown area. The Authority is a major landowner on the Camden waterfront, controlling property between Adventure Aquarium and Campbell Field.

Four parties will contribute \$30,000 each toward the \$120,000 budget for the Project: Camden Parking Authority, Camden County Parks, Steiner Entertainment/Steiner Development, and the Authority. The four entities either own or operate facilities within the project’s “Planting Area,” which is bounded by Market Street, Delaware Avenue, Federal Street and the Delaware River. CFDA, a local non-profit corporation, will coordinate the planning and implementation of the Project on behalf of the funding entities.

The Authority entered into a previous MOU with CFDA for Phase I of the Project which covered the 2007 planting and maintenance season. CFDA’s contractor installed trees, shrubs, ground covers and plants in the Planting Area. The 2008 Project Scope includes additional waterfront parcels while simultaneously continuing its maintenance services in the Phase I areas. There is a slightly larger watering schedule to accommodate the 2007 plantings, as well as, the watering of the 2008 proposed plantings and trees. CFDA will also be looking for new strategic areas for plantings, and inviting new stakeholders to participate in the Project. The contractor will also be responsible for mowing, fertilizing and

treating specified grassy areas on the Waterfront between the Ben Franklin Bridge and the Battleship New Jersey for the 2008 season.

The four public and private sector entities funding the Project jointly selected CFDA to implement the work, due to CFDA's non-profit status and its mission to advance Camden's economic development, especially in the waterfront area. Accordingly, the Authority is retaining CFDA on a sole source basis pursuant to our approved contractor selection procedures (i.e. Sole Source Type C -- a joint venture project where the contractor is partially funded by and primarily the responsibility of the joint venture partners). CFDA will competitively bid the landscaping and maintenance work, and will select the landscape firm through its normal vendor selection process. Pursuant to the MOU, the Authority will fund an amount not to exceed \$30,000. The project will be funded through available Authority funds and charged to the Camden Waterfront Landscaping line item in the 2008 Board approved budget.

The attached Memorandum of Understanding is in substantially final form. The final form of the document may be subject to revision, although the basic terms and conditions will remain consistent with its current form. Compliance documentation has been requested from CFDA and the NJEDA will not enter into the MOU until final compliance approval has been received. The final terms of the MOU will be subject to approval of the CEO and the Attorney General's Office.

Recommendation:

In conclusion, I am requesting the Members' approval to enter into a Memorandum of Understanding with Cooper's Ferry Development Association to provide for the Authority's funding of a portion of the 2008 Camden Waterfront Landscaping Project in an amount not to exceed \$30,000, on terms generally consistent with the attached document.



Caren S. Franzini

Attachment

Prepared by Vince Wardle
Project Officer
Real Estate Development Division

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this _____ day of _____, 2008 (the "Effective Date") between the COOPER'S FERRY DEVELOPMENT ASSOCIATION (hereinafter "CFDA"), having its office at One Port Center 2 Riverside Drive, Camden, NJ 08103, and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (hereinafter "NJEDA"), having its address at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990 (collectively the "Parties") regarding a joint landscaping project for the Camden Waterfront.

BACKGROUND:

WHEREAS, the CAMDEN TOWN CENTER, LLC, a limited liability company of New Jersey, having an address at c/o Steiner + Associates, Inc., 4016 Townsfair Way, Suite 201, Columbus, Ohio 43219 (hereinafter "CTC") owns portions of the Project Site and has an option to purchase additional areas of the Camden Waterfront;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding with CTC to memorialize CTC's participation in the landscaping Project described in this MOU and CTC's agreement to deposit \$30,000 with CFDA for the Project;

WHEREAS, the CITY OF CAMDEN PARKING AUTHORITY, having its office at 10 Delaware Avenue, Camden NJ 08103 (hereinafter "CCPA") is operating parking lots on part of the Project Site;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding

with CCPA, to memorialize CCPA's participation in the landscaping Project described in this MOU and CCPA's agreement to deposit \$30,000 with CFDA for the Project;

WHEREAS, the CAMDEN COUNTY PARKS DEPARTMENT having its office at 1301 Park Boulevard, Cherry Hill NJ 08002 (hereinafter "the County") owns and maintains several parks on the Project Site;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding with the County, to memorialize the County's participation in the landscaping Project described in this MOU and the County's agreement to deposit \$30,000 with CFDA for the Project;

WHEREAS, NJEDA, CTC, CCPA and the County are collectively herein referred to as the "Project Participants";

WHEREAS, for the past twenty years CFDA has actively been working towards achieving its vision of "establishing a new center of economic development that can help rebuild the Camden's depleted tax base" and "help improve Camden's image as a place to live, work, visit, and invest." The Camden Waterfront is one location which the CFDA has concentrated their efforts to realize this vision;

WHEREAS, NJEDA was established to promote economic development and increased employment opportunities in the State of New Jersey and the NJEDA is committed to urban development in the State of New Jersey. Additionally, the NJEDA owns portions of the subject property; and

WHEREAS, the Project Participants each have a joint and mutual interest in

beautifying the Camden Waterfront, and to that end, the Project Participants wish to jointly and cooperatively engage CFDA to design, implement and maintain a common landscaping plan for the Camden waterfront area that will mutually benefit all of the Project Participants as more fully set forth in this MOU.

PROJECT:

The Project will consist of new plantings and maintenance plan to make portions of the Camden Waterfront worthy of a major state attraction destination (hereinafter, the "Project"). Landscaping will be planted and maintained by CFDA to the standards of a well-groomed pedestrian city street.

PROJECT SITE:

For the plantings phase of the Project, the Project will be located on the Camden Waterfront in between the following areas: Federal Street will be the southern border, Market Street will be the north border, the Delaware River will be the western border, and the Delaware Avenue will be the eastern border.

For the maintenance phase of the Project, the Project will consist of the parcels identified in the above section as well as the approximate 1.5 mile length of the Wiggins Waterfront Park and Marina and Market Street Park. Please refer to Exhibits 1 through 3 showing the project area covered under this MOU.

PROJECT DESCRIPTION:

The Project Participants and CFDA have agreed that the Project will consist of design, installation, and maintenance of landscaping improvements. Nothing in this MOU is

intended to prevent or interfere with the development of the Camden Waterfront and nothing in this MOU is intended to prevent or restrict any Project Participant from making further landscaping improvements to any land that any of them owns or operates within or near the Project Site.

Please refer to Exhibit 4 for a description of the landscape construction and landscape maintenance for the Project.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

ROLES OF THE PARTIES:

NJEDA and CFDA agree to undertake and carry out the various tasks and obligations hereinafter set forth.

1. CFDA: The CFDA will contract with consultants and contractors for the design, planting, and maintenance for the Project in accordance with the landscaping plan approved by NJEDA and the Project Participants. Any and all contracts with consultants entered into by CFDA in connection with the Project shall be competitively bid, solicited and selected by CFDA in accordance with its normal contract selection procedures. It is expected that at least three (3) proposals will be received for each contract CFDA enters into for the Project. The general terms and conditions of such contracts shall be consistent with agreements typically entered into by CFDA and shall provide for their termination at any time and shall require the consultant(s)/contractor(s) to: (i) carry general liability insurance in amount(s) determined by CFDA to be fair and reasonable and naming NJEDA

and the Project Participants as additional insureds; (ii) indemnify and hold NJEDA or the appropriate Project Participants harmless against any and all claims arising in connection the contractor's services related to the Project; (iii) carry the statutorily required amounts of workman's compensation insurance; and (iv) complete the installation of the new plantings within three months of commencing work. The CFDA will provide NJEDA with copies of all executed contracts with consultants who perform the Project work.

CFDA will supervise Project work completed and ensure it meets local regulatory standards. CFDA will be responsible for the day-to-day management and oversight of the Project in cooperation with the Project Participants. CFDA will also provide NJEDA and the Project Participants with monthly progress reports.

2 NJEDA: The NJEDA will deposit \$30,000 to a bank account created by CFDA for the Project within twenty (20) calendar days after the Effective Date of this MOU on the express condition that funds deposited by NJEDA shall be used only for the purchase of plants, materials and supplies for the Project. The NJEDA does also hereby grant a right of entry (subject to proof that adequate insurance coverage is in place) to CFDA and its contractors to make the necessary Project improvements on property owned by NJEDA.

LANDSCAPE BANK ACCOUNT:

1. NJEDA and the Project Participants are herein collectively referred to as the "Depositors".
2. CFDA shall promptly deposit any and all funds received from the Depositors

for the Project into the bank account (the "Bank Account") created by CFDA for the Project.

CFDA shall not disburse any of the funds deposited by NJEDA until no less than ONE HUNDRED TWENTY THOUSAND DOLLARS (\$120,000) has been deposited into the Bank Account. Funds in the Bank Account shall be for the joint and mutual benefit of all Depositors and drawn upon by a designated representative of the CFDA. CFDA will provide NJEDA: (i) within thirty (30) days of the Effective Date, an initial statement confirming that all Depositors have made their deposit into the Bank Account; and (ii) on a quarterly basis, a statement indicating the amount of the Bank Account funds expended during that quarter. The Bank Account will be used for the sole purpose of administration expenses and paying consultants and contractors performing services related to the Project, as evidenced by executed contracts with the consultants/contractors and invoices charged directly against the contracts. The cost of the Project will not exceed \$120,000. Upon completion of the Project any remaining Bank Account funds will be pledged toward future plantings and maintenance of the Project as agreed upon by the Depositors.

3. Requisitions from Bank Account: Upon the incurrence of Project related expenses and costs, the CFDA will draw against funds available in the Bank Account on an as-needed basis and copy each of the Depositors on a monthly basis providing an accounting of the funds along with any related correspondence and drawdowns that occurred that month. Costs will be defined to include: (i) preparation of a design plan for Project landscaping; (ii) purchase, installation and construction of Project landscaping; (iii) maintenance of Project landscaping.

4. Project Administration: CFDA shall charge on a monthly basis to the Bank Account a project administration fee of \$1,600 to cover fees and expenses associated with the management of this project including, but not limited to staff support for stakeholder reports and contractor interface, construction management, maintenance management, accounting services, and insurance.

OWNERSHIP OF WORK PRODUCT:

Work product of the design shall be jointly owned by the Depositors and CFDA. The Parties agree not to assign or otherwise transfer its interest in the work product of the design to anyone other than the other Parties to this MOU or the Depositors.

NO ASSIGNMENT:

This MOU shall not be construed to create any rights on behalf of any person or entity other than the Parties. Neither this MOU nor any rights or duties hereunder may be assigned or delegated by Parties hereto without the written consent of the other Parties and any such purported assignment or delegation shall be null and void and of no force or effect. CFDA shall not assign any portion of the Bank Account funds without the prior written consent of all of the Depositors.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES:

The Parties hereby represents and warrants to the other Parties that, to the best of their knowledge, information and belief, they have full power and authority to enter into this MOU and agree in good faith to seek to obtain all powers and authority to consummate the

transactions contemplated herein.

TERM OF THE AGREEMENT:

The term of this MOU will commence immediately upon execution by NJEDA and CFDA. Unless terminated by either Party, this MOU shall remain in effect until the earlier of: (i) disbursement of all of the Bank Account funds; or (ii) for one (1) year from the Effective Date. The MOU term may be extended upon the mutual written consent of both Parties.

TERMINATION:

Each Party reserves the right to terminate this MOU at any time. The Party requesting termination will notify the other Party, in writing, 30 days prior to the anticipated termination date. Upon any termination of this MOU, with or without cause, CFDA shall terminate all open contracts held by CFDA pursuant to this MOU and make payment of any and all amounts owing to such consultants and contractors. CFDA shall return to each Depositor its pro-rata share of any funds remaining in the Bank Account after consultants and contractors have been paid amounts owed to them for services related to the Project. Thereafter, the Parties will not have any right to actual or liquidated damages against the other Parties.

NOTICES:

All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, fax or by an overnight delivery service which issues a receipt from delivery, or two business days after having been mailed by

certified mail, return receipt requested, and addressed as follows:

If to CFDA: Cooper's Ferry Development Association
 One Port Center
 2 Riverside Drive
 Suite 501
 Camden, New Jersey 08103
 Attention: Joe Myers
 Phone: (856) 757-9154
 Fax: (856) 757-9478

If to NJEDA: New Jersey Economic Development Authority
 36 West State Street
 P.O. Box 990
 Trenton, New Jersey 08625-0990
 Attention: David Nuse
 Phone: (609) 292-0373
 Fax: (609) 292-6164

MODIFICATIONS:

The entire agreement between the Parties is contained herein and no change, modification, termination, or discharge of this MOU shall be effective unless in writing and signed by both Parties.

SEVERABILITY:

If any of the provisions of this MOU shall be rendered invalid or illegal, then if such provision does not appear to have been so material that without it this MOU would not have been made by the Parties, it shall not be deemed to form a part hereof and the balance of

this MOU shall remain in full force and effect.

NO LIABILITY:

Each party will use its best efforts to further the Project; provided, however, no Party makes any representations or warranty to the other Parties regarding the viability or success of the Project.

MISCELLANEOUS:

- (a) This MOU will be governed by and construed under the laws of the State of New Jersey.
- (b) The Parties waive any statutory or common law presumption which would serve to have this document construed in favor and against any other party as the drafter.
- (c) This MOU binds the Parties, their heirs, executors, administrators, successors and assigns.
- (d) The Parties shall not be deemed, in any way or for any purpose, to be or to have become, by the execution of this MOU or any action under this MOU, a partner with the other Party.

RESOLUTION OF DISAGREEMENTS:

All disagreements under this MOU shall be submitted to the highest in command in each of the Party's agency for their review and decision, which decision shall be binding upon the Parties. In the event that the highest in command in each of the Party's agency disagree, then each Party may seek all legal or equitable remedies to the extent permitted

by applicable law.

DEFAULT:

If a Party defaults in any of its obligations hereunder and such default is not cured within thirty (30) days after receipt of written notice of such default from the non-defaulting party, and if such default is not waived by the non-defaulting party, then the party declaring the default may terminate its role in this MOU and NJEDA shall receive a refund of its pro-rata share of any funds remaining in the Bank Account after consultants and contractors have been paid amounts owed to them for services related to the Project.

NO INDIVIDUAL LIABILITY:

No Commissioner, member, director, officer, agent, or employee of each Party shall be held personally liable under any provision of this MOU or because of its execution or attempted execution or because of any breach or alleged breach hereof.

POLITICAL CAMPAIGN CONTRIBUTIONS:

For the purpose of this MOU, the following shall be defined as follows:

a) Contribution – means a contribution reportable by a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Currently, contributions in excess of \$300 during a reporting period are deemed “reportable” under these laws.

b) Business Entity – means any natural or legal person, business corporation,

professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person's spouse or child, residing in the same household.

c) P.L. 2005, c. 51 – means Public Law 2005, chapter 51 (C. 19:44A-20.13 through C. 19:44A-20.25, inclusive).

The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this MOU by reference as material terms of the agreement between NJEDA and CFDA is with the same force and effect as if P.L. 2005, c. 51 were stated herein its entirety. Compliance with P.L. 2005, c. 51 by CFDA shall be a material term of the agreements between NJEDA and CFDA under this MOU.

CFDA hereby certifies to NJEDA that commencing on and after October 15, 2004, CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between CFDA and NJEDA pursuant to P.L. 2005, c. 51. CFDA hereby further certifies to NJEDA that any and all certifications and disclosures delivered to the NJEDA by CFDA

(and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) are accurate, complete and reliable. The certifications made herein are intended to and shall be a material term of the agreements between NJEDA and CFDA under this MOU and if the Treasurer of the State of New Jersey determines that any Contribution has been made in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

CFDA hereby covenants that CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any contributions of money, or pledge of a contribution, including in-kind contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the expiration or earlier termination of this MOU. The provisions of this Paragraph are intended to and shall be a material term of the agreements between NJEDA and CFDA under this MOU and if the Treasurer of the State of New Jersey determines that any Contribution has been made by CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

In addition to any other Event of Default specified in this MOU, NJEDA shall have the right to declare an event of default under this MOU if: (i) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) CFDA (or

any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005; c. 51; or (ix) any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by CFDA to NJEDA in connection with this MOU.

CFDA hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, CFDA

shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this MOU. If during the term of this MOU, any Contribution is made by CFDA and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

CFDA is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC"), pursuant to C. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if CFDA receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the CFDA's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

COUNTERPARTS:

This MOU may be executed in counterparts, each of which will be deemed to be an original, and such counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

ATTEST:

COOPER'S FERRY DEVELOPMENT
ASSOCIATION

By: _____

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY

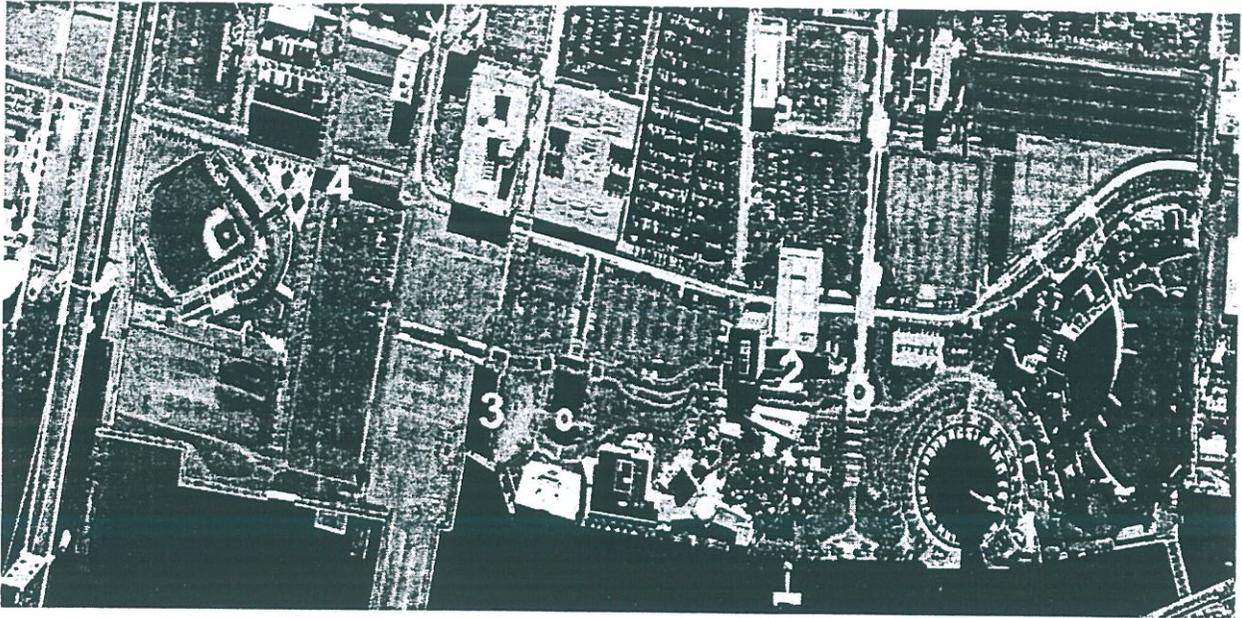
David Nuse
Director
Real Estate Division

By: _____

Caren S. Franzini
Chief Executive Officer

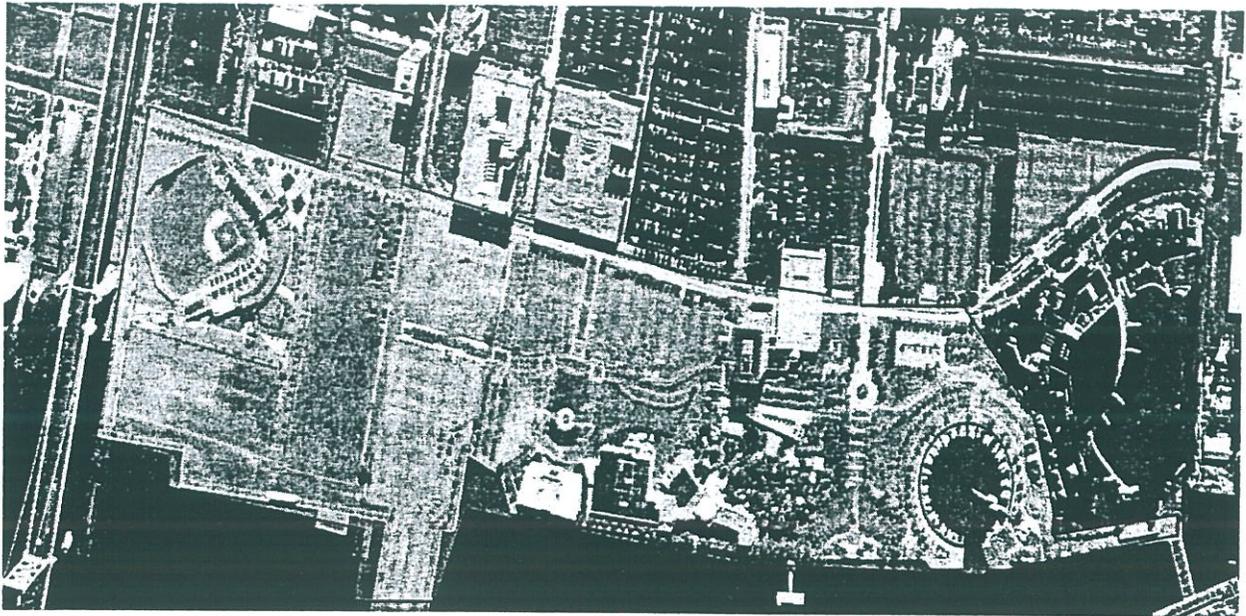
Attachment 1:

1. Battleship NJ: existing triangular space near marina
2. Waterfront Garage: two green spaces in front of entrance
3. Market Street Park: existing parkland at end of Market Street
4. Delaware Avenue: west side in between Cooper and Penn Strs

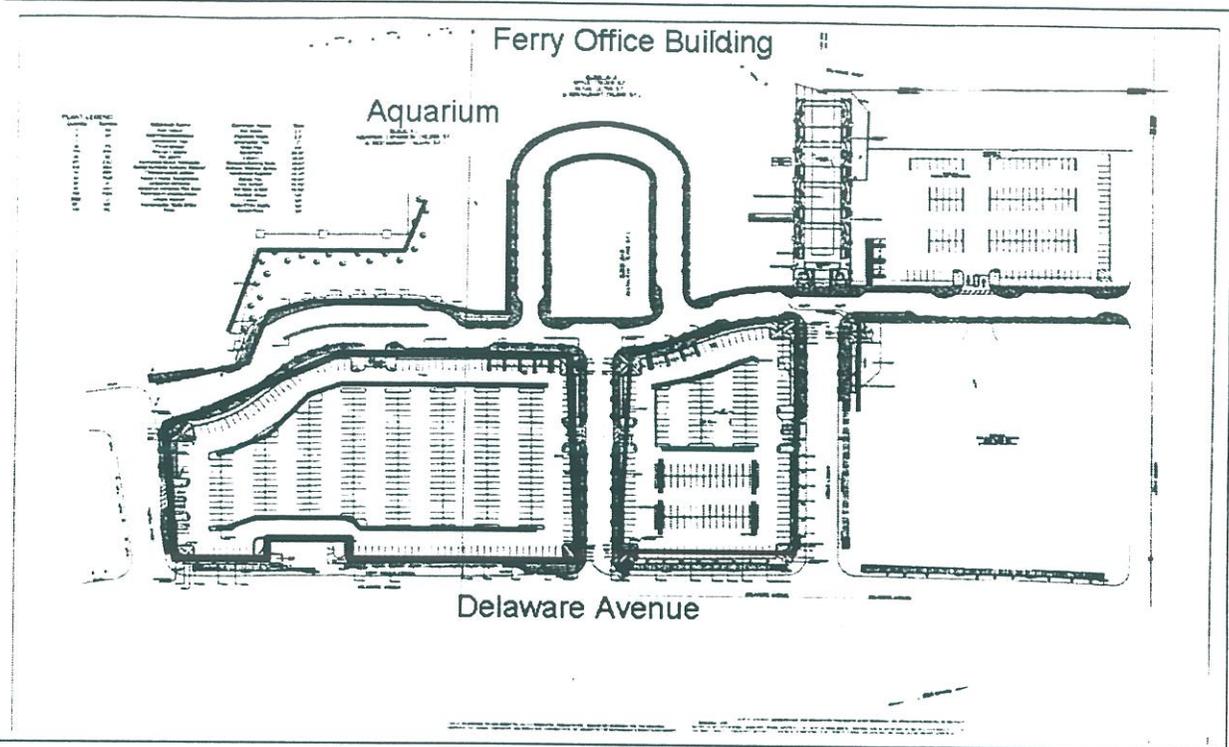


Attachment 2:

Grass cutting (all green areas highlighted in yellow)



Attachment 3: 2007 Plantings (outlined in red)



ATTACHMENT 4

**Camden's Waterfront
Landscape Construction and Maintenance Program 2008
March 21, 2008**

INFORMATION FOR BIDDERS AND SUMMARY OF WORK

GENERAL INFORMATION

- A. Working in conjunction with the parties that own or operate within Camden's waterfront, Cooper's Ferry Development Association (CFDA) has been engaged to coordinate a comprehensive landscaping plan to improve the aesthetic quality and marketability of the waterfront parcels.
- B. CFDA (also known as the Owners Representative) has agreed to act as the managing and contracting agent for a landscape construction and maintenance program for specific areas within a larger area commonly known as Camden's Waterfront.
- C. It is the intent of CFDA to award the contract for the proposed scope of work as follows in these bid documents to a single firm specializing in landscape construction and maintenance services. The award of this contract will be made to the lowest responsible bidder that in the sole discretion of the contracting office is best qualified to handle this project and meet the timeframe for project completion.
- D. The project has been divided into a few areas:
 - a. Landscape Construction: prep, supply, warranty, and installation of new plantings as defined in the enclosed bid sheets and plans. There are four specific areas where new plantings will be installed: Battleship NJ, Market Street Park, Waterfront Garage, and Delaware Avenue (see Attachment 1).
 - b. Landscape Maintenance: full service maintenance for the new plantings outlined above including but not limited to watering, bed maintenance, weeding, mowing, string trimming, trash removal, and fertilizing.
 - c. Landscape Maintenance: full service maintenance for the old plantings installed last spring (identified as 2007 Plantings in Attachment 3) as well as all of the existing grassy parcels west Delaware Avenue in between Clinton Street and the Ben Franklin Bridge including but not limited to watering, bed maintenance, weeding, mowing, string trimming, trash removal, and fertilizing (see the yellow highlighted area for the grass cutting in Attachment 2).
- E. Areas included in this contract are as shown on landscape plans as prepared by Elite Landscaping and the enclosed marked up aerials (hereby identified as Attachment 1 and Attachment 2 and Attachment 3).
- F. The contractor acknowledges that it has made itself familiar with the site and all reasonably identifiable existing conditions, is performing the work with expertise, and has accounted for the impact of all reasonably identifiable existing conditions.
- G. The contractor is to take all reasonable steps to minimize the impact of the work on the ongoing business and recreational activities of the area including but not limited to the Adventure Aquarium, Battleship NJ, the Camden Riversharks, and Rutgers University.
- H. The contractor understands that the areas to be placed under construction and renovation are areas utilized by the public on a daily basis and that the contractor must at all times act in a manner that

promotes a safe working environment not only for the employees of the contractor but for all others who may come into contact with the areas. The general public on a daily basis will access immediate areas of construction. With this understanding, areas will need to be sectioned or coned off to maintain a safe environment for the general public during construction.

- I. Contractor shall be required to continually maintain a clean work environment and at no times allow tools, equipment or other materials to be left unattended on site. The contractor's materials and refuse shall be contained to localized areas and utilized or removed from the site in an expeditious manner.
- J. The contractor's labor force shall maintain a zero tolerance policy with regards to alcohol, drug use, or interaction with the general public in a rude or crude manner. The contractor shall be held liable for the actions of its employees.
- K. It is the intention for this project to take place on a "fast track" pace. The successful contractor shall be prepared to commence operations within 14 days of notice to proceed. The landscape construction phase of the work should be completed within 25 working days, weather pending. Substantial completion of the new proposed plantings is set for Monday May 19, 2008.
- L. Any questions concerning this project should be directed in writing to the attention of Joe Myers at a fax number of 856-757-9478.
- M. Bids will be due on Thursday April 10, 2008 at 12:00 pm EST at Cooper's Ferry Development Association. Expected awarding and notification will be Thursday April 17, 2008 by 5:00 pm EST.
- N. Bidders should include resumes of the principal staff members working on this project as well as at least three references from clients with contracts of similar scopes.
- O. Successful bidder will supply auto, works compensation and general liability insurance with a policy limit of not less than \$1 million, and an aggregate coverage totaling to \$2 million.
- P. Contractor is to name Cooper's Ferry Development Association as an additional insured as well as the City of Camden, Camden Redevelopment Agency, NJ Economic Development Authority, and the Parking Authority of Camden City.
- Q. Cooper's Ferry Development Association is a 501(c)3 private not-for-corporation designated by the IRS. With this understanding, CFDA is exempt from paying sales tax on landscaping materials and plantings. CFDA will supply the successful bidder with a copy of our tax exempt form for the project.

LANDSCAPE MAINTENANCE

- A. Contractor shall have responsibility to provide the following services for all newly landscaped areas (as identified in Elite's design plans and Attachment 1) as well as areas identified on Attachment 2 and Attachment 3 to this specification.
 - 1) Turf Grass Areas: Provide labor and materials as required to complete the fertilization and weed control program as outlined below:
 - a. Fertilize all lawn areas a minimum of 4 times as follows:
 - i. Spring Fertilization (April 15 to April 25)
 - 1. Product to be 19-0-6 with 25% SCU and dimension crabgrass pre-emergent. Rate of application is 1lb of N per 1,000 sq ft
 - ii. Spring Broadleaf Weed Control (May 1 to May 15)

1. Apply Super Trimec herbicide or approved equivalent as a spot treatment.
 - iii. Early Summer Fertilization (June 15 to June 30)
 1. Product to be 24-5-11 50% SCU applied at a rate of ½ lb of n per 1,000 sqft.
 - iv. Early Fall Fertilization (Sept 1 to Sept 15)
 1. Product to be 18-24-12 applied at a rate of 1.5 lbs of N per 1,000 sqft.
 - v. Late Summer Broadleaf Weed Control (Aug 15 to Sept 15)
 1. Apply Super Trimec herbicide or approved equivalent as a spot treatment
 - vi. Late Fall Fertilization (Nov 1 to Nov 15)
 1. Product to be 19-19-19 slow release wintercare fertilizer at a rate of 1 lb per 1,000 sqft.
 - v. Early Winter Liming (Nov 15 to Dec 1)
 1. Product to be palletized lime applied at a rate of 25 lbs per 1,000 sqft.
- b. Maintain turf grass areas as outlined on as needed basis but not less than 28 times per season. Included as part of the mowing process shall be the pick up and disposal of all trash and debris within the areas to be mowed and string trimming around all obstacles. Mowers shall be set to cut grass to a height of 2.5 to 3" varying with the seasonal changes. Excessive clippings shall be spread or bagged as required to prevent the build up of clippings on the surface of the lawn areas. Refer to the yellow highlighted area in Attachment 2.
 - c. Edging of bedlines and turfgrass areas adjacent to hardsurfaces shall be completed every other week.
 - d. Any debris or grass clippings generated by any site visit shall be cleared from all hardsurfaces using a broom or mechanical blower.
 - e. All hard surfaces, such as curblines, sidewalk crevices and asphalt cracks shall be treated twice per season to prevent and eliminate weed growth.
 - f. All newly installed plantings shall be treated twice per season with a full spectrum insecticide as a preventative measure. Prior to making any insecticide applications the contractor is to notify and gain approval from the owner's representative.
- B. The contractor shall assume responsibility to fully water all newly installed plants as well as plants that were installed last spring (refer to Attachment 3 for location of last spring's plantings) on a continual basis throughout the summer season. Watering shall be performed using a tanker truck holding a minimum of 1000 gals of clean water. Specifications calls for a minimum of forty (40) individual occurrences of watering for both the old plantings from last spring in addition to the newly installed plantings. If additional waterings are required over and above forty (40) occurrences, then the bidder's "cost per visit" number from the submitted bid sheet will be charged to CFDA.
 - C. Contractor is responsible for locating, utilizing, and assuming all costs associated with a legal water source. When performing watering operations the contractor shall supply a low pressure flow of water dispersed from a controlled hose with closeable nozzle. Only individual plants shall be watered. Watering shall be done to the point of saturation, in a manner that soaks entire rootball of plant to promote root establishment.
 - D. Watering frequency will be determined in advanced in consultation with Cooper's Ferry and based upon the forecasted weather. Typically, the week's watering schedule will be determined on the Friday before the upcoming week, but CFDA reserves the right to alter the schedule within a 24 hour notice.

- E. Bed maintenance should include but not limited to the removal of weeds, debris, rocks, and trash from planting beds.

LANDSCAPE CONSTRUCTION

A. Site Preparation:

- a. All areas proposed for planting that are currently landscaped with turf grass or other ground cover shall be sod cut to a depth of approximately 2". All materials cut and generated by this process shall be removed and disposed of at an offsite location. New screened topsoil is to be spread over the end areas to a 3" depth and then tilled into the existing soil to an 8" depth. All debris generated that is larger than 2" in diameter is to be removed. Use of non-selective herbicides to kill the existing vegetative growth does not replace the removal process, even if the existing vegetation is treated, it must still be removed and disposed of.
- b. All topsoil is to be approved by CFDA prior to its installation.
- c. Topsoil is to be consistent of fertile natural agricultural soil substantially free of subsoil and free from stumps, roots, stones, clay clumps, or any other objects larger than 2" in greatest diameter. Soil should have an organic content not less than 5% or greater than 20% and a PH not less than 5.5 nor greater than 7.6.
- d. After topsoil has been placed and spread Contractor is to rototill areas proposed for planting to an 8" depth to loosen all subsoil and incorporate new topsoil with existing subsoil's.
- e. All bed areas are to be raked and any deleterious materials generated that are greater than 2" in diameter are to be removed and disposed of.

B. Planting:

- a. Provide trees, shrubs, ground covers and plants of quality, size, genus, species, and variety indicated, complying with applicable requirements of ANSIZ60.1 from the "American Standard for Nursery Stock"
- b. All plant materials shall be well shaped, healthy, vigorous nursery grown stock of sizes and grades indicated, free of disease, insects, eggs, larvae, and defects.
- c. Substitutions shall not be permitted. In the event that specified materials are not available contractor shall submit proof of non availability to Owners Representative along with a listing of suggested alternatives.
- d. Prior to installation of plant materials contractor shall provide the Owners Representative with the opportunity to review and approve all items. Any plants not found acceptable shall be rejected, removed from the site and replaced with an acceptable material.
- e. Stake out locations for all shade and evergreen plantings larger than 8' in height prior to actual installation. Proposed locations to be approved by Owners Representative prior to actual installation of plants.
- f. When excavating planting pits to receive new plants ensure that the planting pit is 1 – 1 1/2

times as wide as the new plants root ball. Sides of planting pits shall be vertical. Bottom of planting pit shall be excavated lower than the depth of the new root ball and filled with friable topsoil below the plant, allowing for future settlement. Center of bottom excavation shall be slightly higher than sides to allow for drainage.

- g. Final level of new root ball shall be at the same grade as from the original nursery or slightly higher. At no time shall new plantings be set at a grade lower than the original nursery grade.
- h. When backfilling new plant materials backfill material shall be topsoil placed in layers and compacted to eliminate any potential voids or air pockets. When excavation is 2/3 completed water thoroughly prior to replacing remainder of backfill.
- i. On balled and burlaped materials all burlap shall be removed from the top of the root ball and any wire cages shall be cut in not less than five locations to allow for future root growth.
- j. On containerized materials containers shall be removed and the existing fibrous root systems shall be sliced at multiple locations to deter wrap around root structures and promote a spreading root pattern. Backfilling shall be done with topsoil and watered thoroughly.
- k. When plants have been completely installed within a defined area contractor shall rake area to remove and accumulated extraneous matter and ensure that bed area has adequate drainage. Contractor shall apply a pre-emergent weed control to the surface of the soil prior to mulching at rates as recommended by the manufacturer.
- l. All newly installed plant material shall be fertilized using a 10-6-4 fertilizer with not less than 50% of its make up being organic. Fertilizer shall be applied at rates consistent with the manufacturer's recommendations.
- m. Prior to mulching operations contractor shall apply a pre-emergent weed control to all bed areas.
- n. All planting beds and individually planted items shall be mulched to a 2" depth. Mulching product shall be a black dyed wood mulch product free of any recycled construction products. Contractor to submit a sample of mulch product to the Owners Representative for approval prior to start of the mulching operation.
- o. At no time shall mulch be placed in a depth greater than 1/2 "around the neck of any plant material
- p. Upon completion of planting operations contractor shall review all plantings for damages, consistency or other items that may be detrimental to the overall aesthetic and long term prosperity of the plantings. Any and all measures to correct any deficiencies shall be undertaken immediately.
- q. All plants and materials shall be warranted for a period of 1 year from the date of acceptance by the Owners Representative. Any materials found to be unacceptable at the conclusion of the warranty period shall be replaced one time at the contractor's sole expense. Contractor shall not be liable for damages done by Acts of God, mechanical injury by others, extreme weather conditions, or any actions outside of the control of the contractor.