



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Caren S. Franzini  
Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** Agenda for Board Meeting of the Authority August 16, 2011

### **Notice of Public Meeting**

### **Roll Call**

### **Approval of Previous Month's Minutes**

### **Chief Executive Officer's Monthly Report to the Board**

### **Bond Projects**

### **Loans/Grants/Guarantees**

### **Incentive Programs**

### **Board Memorandums**

### **Public Comment**

### **Adjournment**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**July 14, 2011**

**MINUTES OF THE MEETING**

Members of the Authority present: Al Koepp, Chairman; Matt McDermott representing the Executive Branch; Jim Kelly representing the State Treasurer, Commissioner Hal Wirth of the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Laurence Downes, Marjorie Perry, Charles Sarlo, Rich Tolson, Elliot M. Kosoffsky, Second Alternate Public Member; and Kevin Brown, Third Alternate Public Member.

Present via conference call: Wayne Staub representing the Commissioner of the Department of Environment Protection; Kate Whitman, Public Member; and Raymond Burke, First Alternate Public Member.

Absent from the meeting: Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Member Timothy Carden, and Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General, Nicole Crifo, Governor's Authorities' Unit, and staff.

Chairman Koepp 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 June 8, 2011 meeting minutes. A motion was made to approve the minutes by Mr. Brown, seconded by Ms. Perry, and was approved by the 10 voting members present.

Mr. Tolson, Mr. Charles Sarlo, and Mr. Kosoffsky abstained because they were absent from the meeting.

The next item of business was the approval of the June 8, 2011 executive session minutes. A motion was made to approve the minutes by Mr. Brown, seconded by Ms. Perry, and was approved by the 10 voting members present.

Mr. Tolson, Mr. Sarlo, and Mr. Kosoffsky abstained because they were absent from the meeting.

The next item of business was the approval of the June 14, 2011 meeting minutes. A motion was made to approve the minutes by Mr. Brown, seconded by Ms. Perry, and was approved by the 11 voting members present.

Vice Chairman McNamara and Mr. Tolson abstained because they did not attend the meeting.

The next item of business was the re-approval of the June 14, 2011 executive session minutes. A motion was made to approve the minutes by Mr. Brown, seconded by Ms. Perry, and was approved by the 9 voting members present.

Vice Chairman McNamara, and Mr. Tolson abstained because they were absent from the meeting.

Chairman Koepp, Mr. Downes, and Mr. Burke abstained because they recused themselves from the executive session.

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

### **BOND RESOLUTIONS**

**PROJECT:** Ace Alliance, Inc. **APPL.#35518**  
**LOCATION:** Newark/Essex Cty.  
**PROCEEDS FOR:** building renovation  
**FINANCING:** \$3,000,000 Series A Qualified School Construction Bond, \$800,000 Series B Tax Exempt Bond, \$800,000 Series C Taxable Bond  
**MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**PROJECT:** Congregation Yeshiva Yesodei Torah, Inc. **APPL.#36173**  
dba Yeshiva Tesodei  
**LOCATION:** Lakewood/Ocean Cty.  
**PROCEEDS FOR:** refinancing existing debt  
**FINANCING:** \$4,292,000 Tax Exempt Bond  
**MOTION TO APPROVE: Ms. Perry SECOND: Mr. Brown AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:2**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**AMENDED BOND RESOLUTIONS**

**PROJECT:** New Jersey Natural Gas Company **APPL.#36797**  
**LOCATION:** Various  
**PROCEEDS FOR:** refinance existing debt  
**FINANCING:** \$97,045,5000 tax-exempt refunding bonds  
**MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**Chairman Koeppe abstained because he is a member of the board of NJNG.**  
**Mr. Downes abstained because he is the CFO of NJNG.**  
**Vice Chairman McNamara conducted the discussion and action of the matter.**

**PROJECT:** Register Lithographers, Inc. **APPL.#36788**  
**LOCATION:** Clifton/Passaic Cty.  
**PROCEEDS FOR:** refinance existing debt  
**FINANCING:** \$6,000,000 tax-exempt refunding bonds  
**MOTION TO APPROVE: Mr. Tolson SECOND: Mr. McNamara AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**PROJECT:** Yeshiva Toras Aron, Inc. **APPL.#34036**  
**LOCATION:** Lakewood/Ocean Cty.  
**PROCEEDS FOR:** refinance existing debt  
**FINANCING:** \$6,500,000 Tax-Exempt Bond  
**MOTION TO APPROVE: Mr. Brown SECOND: Mr. Kosoffsky AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**STATEWIDE LOAN POOL**

**PROJECT:** Register Lithographers, Inc. **APPL.#36787**  
**LOCATION:** Clifton/Passaic Cty.  
**PROCEEDS FOR:** refinance existing debt  
**FINANCING:** \$500,000 (50%) EDA participation in a \$1,000,000 loan  
**MOTION TO APPROVE: Mr. Kosoffsky      SECOND: Ms. Perry      AYES:13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

**COMBINATION PRELIMINARY AND BOND RESOLUTIONS**

**PROJECT:** New Jersey Community Development Corporation **APPL.#36786**  
**LOCATION:** Paterson/Passaic Cty.  
**PROCEEDS FOR:** refinance existing debt  
**FINANCING:** \$1,500,000 Tax-Exempt Bond  
**MOTION TO APPROVE: Mr. Brown      SECOND: Ms. Perry      AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**PRELIMINARY RESOLUTIONS**

**PROJECT:** Congregation Agudath Israel of West Essex, Inc. **APPL.#36721**  
**LOCATION:** Caldwell/Essex Cty.  
**PROCEEDS FOR:** refinance existing debt  
**MOTION TO APPROVE: Ms. Perry      SECOND: Mr. Brown      AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**Matt McDermott entered the meeting.**

**SMALL BUSINESS FUND DIRECT LOAN PROGRAM**

**PROJECT:** NewPoint Behavioral Health Care, Inc. **APPL.#36765**  
**LOCATION:** Washington Twp./Gloucester Cty.  
**PROCEEDS FOR:** building acquisition and renovation  
**FINANCING:** \$70,000 Small Business Fund loan  
**MOTION TO APPROVE: Mr. Brown SECOND: Mr. McDermott AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

**PETROLEUM UNDERGROUND STORAGE TANK PROGRAM**

**FOR INFORMATION ONLY:** Summary of all Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of June 2011.

**INCENTIVE PROGRAMS**

**BUSINESS EMPLOYMENT INCENTIVE PROGRAM AND BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM**

**PROJECT:** A. Fodera & Son, Inc. **APPL.#36580**  
**LOCATION:** TBD **BUSINESS:** transportation & logistics  
**GRANT AWARD:** 35% Business Employment Incentive grant, 10 years  
**MOTION TO APPROVE: Mr. Brown SECOND: Ms. Perry AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

**PROJECT:** Anchor Glass Container Corporation **APPL.#36785**  
**LOCATION:** Salem/Salem Cty. **BUSINESS:** glass manufacturing  
**GRANT AWARD:** 80% Business Employment Incentive grant, 10 years  
**MOTION TO APPROVE: Mr. Tolson SECOND: Mr. McNamara AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

**PROJECT:** Anchor Glass Container Corporation  
**LOCATION:** Salem/Salem Cty. **BUSINESS:** glass manufacturing  
**GRANT AWARD:** \$1,332,000 (estimate), 2 years Business Retention and Relocation Assistance Grant  
**MOTION TO APPROVE: Mr. Tolson SECOND: Mr. McNamara AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 11**

**PROJECT:** Fluitec International LLC, Fluitec NV and Affiliates **APPL.#36738**  
**LOCATION:** TBD **BUSINESS:** environmental device technology  
**GRANT AWARD:** 40% **Business Employment Incentive grant**, 10 years  
**MOTION TO APPROVE:** Mr. Brown **SECOND:** Mr. McNamara **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

**PROJECT:** Prestige Corporation and Affiliates **APPL.#36773**  
**LOCATION:** North Bergen/Hudson Cty. **BUSINESS:** personal services  
**GRANT AWARD:** 80% **Business Employment Incentive grant**, 10 years  
**MOTION TO APPROVE:** Ms. Perry **SECOND:** Mr. Tolson **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

**PROJECT:** Robertet, Inc. **APPL.#36766**  
**LOCATION:** Mount Olive/Morris Cty. **BUSINESS:** manufacturing  
**GRANT AWARD:** 35% **Business Employment Incentive grant**, 10 years  
**MOTION TO APPROVE:** Mr. Tolson **SECOND:** Mr. Downes **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:10**

**PROJECT:** Robertet, Inc.  
**LOCATION:** Mount Olive/Morris Cty. **BUSINESS:** manufacturing  
**GRANT AWARD:** \$225,000 (estimate), 1 year **Business Retention and Relocation Assistance Grant**  
**MOTION TO APPROVE:** Ms. Perry **SECOND:** Mr. McNamara **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:12**

**ITEM:** Discussion of legal matters related to UBS Financial Services' BRRAG application  
**REQUEST:** Discussion and action on staff's recommendation to not disqualify UBS Financial Services' BRRAG application after a review of legal matters.  
**MOTION TO APPROVE:** Mr. Brown **SECOND:** Mr. McNamara **AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 13**

**Ms. Perry abstained because she has been chosen by UBS to participate in their wealth building pilot program.**

The next item is discussion and action on staff recommendation to approve:

**PROJECT:** UBS Financial Services, Inc. and related entities  
**LOCATION:** Weehawken & Jersey City/Hudson Cty. **BUSINESS:** financial services  
**GRANT AWARD:** \$27,000,000 (estimate), 6 years **Business Retention and Relocation Assistance Grant**  
**MOTION TO APPROVE:** Mr. Brown **SECOND:** Mr. McDermott **AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 14**

**Ms. Perry abstained because she has been chosen by UBS to participate in their wealth building pilot program.**

## **BOARD MEMORANDUMS**

**PROJECT:** Citigroup Global Markets, Inc. and Citibank, N.A. **APPL.#17365**

**LOCATION:** Jersey City/Hudson Cty.

**GRANT AWARD:** 80% **Business Employment Incentive grant**, 10 years

**REQUEST:** Consent to the addition of three entities (Citicorp North America, Inc., Citigroup Technology, Inc. and Citigroup Management Corporation) as additional entities on the NOC VII Jersey City BEIP grant.

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

**FOR INFORMATION ONLY:** The next item is a summary of post closing actions approved under Delegated Authority in Q2 2011.

**FOR INFORMATION ONLY:** The next item is a summary of BEIP modifications approved under Delegated Authority in Q2 2011.

**FOR INFORMATION ONLY:** The next item is a summary of projects approved under Delegated Authority in June 2011.

**New Jersey Business Growth Fund:** Karatonis Realty, LLC; Monroe Realtors Inc.; Wayson LLC

**NJ Main Street Program:** Bach Associates, PC

### **REAL ESTATE**

**ITEM:** Selection of Real Estate Advisory Services Consultant

**REQUEST:** Approval to Enter into a contract to provide real estate advisory services to the Authority pursuant to 2011-RFQ/P-041.

**MOTION TO APPROVE:** Mr. Brown **SECOND:** Mr. McDermott **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 16**

**ITEM:** Waterfront Technology Center Camden – Lease Amendment with Accenture Federal Services, Inc.

**REQUEST:** Approval to Execute an amendment permitting a partial termination of the lease agreement between the Authority and Accenture Federal Services, Inc. at the Waterfront Technology Center at Camden.

**MOTION TO APPROVE:** Mr. Tolson **SECOND:** Mr. McNamara **AYES: 14**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 17**

**ITEM:** Aviation Research & Technology Park

**REQUEST:** Approve the substitution of the Aviation Research and Technology Park Inc. for the South Jersey Economic Development District as the co-grantee on the \$2.5 million grant from the United States Department of Commerce, Economic Development Administration, under its Public Works Grant Program.

**MOTION TO APPROVE: Ms. Perry      SECOND: Mr. Tolson      AYES: 14**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 18**

**ITEM:** Waterfront Technology Center Camden – Lease Agreement with Montgomery Investment Technology, Inc.

**REQUEST:** Approval 1) To enter into a lease agreement with Montgomery Investment Technology, Inc. for approximately 1,872 square feet of fourth floor office space at the Waterfront Technology Center at Camden and 2) for a Business Lease Incentive Grant for approximately \$6,660 payable over two years.

**MOTION TO APPROVE: Mr. Brown      SECOND: Mr. Tolson      AYES: 14**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 19**

Chairman Koeppe reminded the Members of the Annual EDA Strategic Planning Session being held on Monday, July 25, 2011.

#### PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Brown, and seconded by Ms. Perry, the meeting was adjourned at 11:30 pm.

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

  
Maureen Hassett, Assistant Secretary

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**July 25, 2011**

**The Technology Centre of New Jersey, North Brunswick**

**MINUTES OF THE SPECIAL MEETING**

Members of the Authority present: Al Koepp, Chairman; Matt McDermott representing the Executive Branch; Commissioner Hal Wirth of the Department of Labor and Workforce Development; Wayne Staub representing the Commissioner of the Department of Environment Protection; Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Timothy Carden, Laurence Downes, Marjorie Perry, Charles Sarlo, Kate Whitman, Rich Tolson, Elliot M. Kosoffsky, Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Steve Petrecca representing the State Treasurer, and Raymond Burke, First Alternate Public Member, and Kevin Brown, Third Alternate Public Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Aaron Fichtner, DOL; Bette Renaud, Deputy Attorney General; and staff.

Chairman Koepp called the meeting to order at 9am.

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.

**BOARD MEMORANDUMS**

**STATEWIDE LOAN POOL PROGRAM**

**ITEM:** Green Horse Properties LLC and Green Horse Media, Bellmawr, NJ.

**REQUEST:** Approve recommendation to 1) Consent to lender substitution and increase in GHM's line of credit from \$750,000 to \$3,000,000 to support the company's working capital needs as it realigns its business model, and 2) Consent to releasing this mortgage upon GHM meeting existing bank loan covenants of a debt service coverage ratio of 1.2x and a maximum senior debt to effective net worth of 2.5x and an updated appraisal acceptable to staff on the subject property showing a maximum LTV of 100%.

**MOTION TO APPROVE: Mr. Carden SECOND: Mr. McNamara AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

Mr. Tolson entered the meeting.

Lt. Governor Guadagno entered the meeting.

The Members including Lt. Governor Guadagno participated in the annual Strategic Planning session in which no board action occurred.

Lt. Governor Guadagno left the meeting.

**EXECUTIVE SESSION**

The next item was to adjourn the public session of the meeting and to enter into Executive Session to discuss a personnel matter. Minutes from the Executive Session will be made available when confidentiality is no longer required.

**MOTION TO APPROVE: Ms. Perry    SECOND: Mr. McNamara                    AYES: 13**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

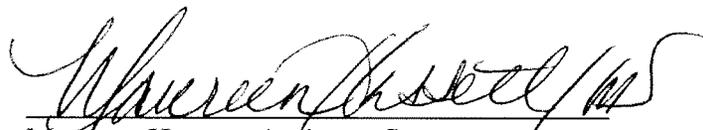
The Board returned to Public Session.

**PUBLIC COMMENT**

There was no comment from the public.

There being no further business, on a motion by Mr. Staub, and seconded by Commissioner Wirths, the meeting was adjourned at 1:45pm.

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:** August 16, 2011

**RE:** Chief Executive Officer's Report to the Board

### **Governor Chris Christie Signs Legislation Expanding Urban Transit Hub Tax Credit and Economic Redevelopment and Growth Programs**

On July 26, Governor Christie signed legislation to provide an immediate economic boost to the State of New Jersey by expanding the Urban Hub Tax Credit (HUB) and Economic Redevelopment and Growth (ERG) Programs.

The legislation expands the ERG program to make growth areas in the Meadowlands eligible, adding the Meadowlands to the other areas of the state where growth is encouraged and eligibility for ERG grants is already provided, including State Planning Areas, Pinelands growth areas, transit villages and closed federal military bases.

Changes to HUB include increasing the credit for residential projects from 20% to 35% of eligible costs over 10 years; providing that affordable housing requirements for an Urban Hub project are to be determined in the sole discretion of the municipality; allowing mixed use projects to receive tax credits for both the residential component and the commercial components of a project; allowing the tax credits to be carried forward for up to 20 years; clarifying existing law that property located within an Urban Hub area, but adjacent to a rail spur for freight rail that is not within an Urban Hub area, is eligible; and providing new standards and procedures for the net benefit analysis for in-state job moves.

### **EDA Launches New Landing Pages and Newsletters Targeted to Bankers, Small Business Owners, Manufacturers, and Not-for-Profit Organizations**

Earlier this month, EDA launched new landing pages designed specifically for key audience segments including bankers, small business owners, manufacturers, and not-for-profit organizations. As part of an accompanying outreach through social media, online ads targeted to these audiences are now live on Facebook and LinkedIn that will drive users to these new pages.

<http://bankers.njeda.com> provides information to New Jersey bankers about EDA's available financing to support a bank's ability to make a business loan.

<http://businesslending.njeda.com> is focused on New Jersey's manufacturers and small business owners and provides information about EDA's ability to help the business purchase equipment, obtain working capital, purchase assets, or refinance debt.

Finally, <http://notforprofits.njeda.com> is targeted to New Jersey's not-for-profit organizations and includes information on how EDA can help these organizations grow and expand their services through our tax-exempt bond financing and other lending products.

In addition to these new landing pages, EDA has also launched corresponding e-mail newsletters that inform these key audiences of updates on our products, as well as success stories and related news from around the state that would be of interest.

We encourage you to visit and share these landing pages when speaking about EDA to relevant audiences. If you have any feedback or suggestions for how we can improve the pages, or if you would like to subscribe to any of the newsletters, please contact EDA Director of Marketing & Policy Nicole Royle at [nroyle@njeda.com](mailto:nroyle@njeda.com).

## **FINANCING ACTIVITY**

Through the month of July, EDA closed financing and incentives totaling nearly \$500 million for 112 projects that are expected to spur the creation of over 7,700 new, full-time jobs and leveraging over \$2.1 billion in total public/private investment.

- In lending activity, EDA closed financing totaling over \$197 million for 89 projects that are expected to spur the creation of just over 554 new, full-time jobs and leveraging over \$381 million in total public/private investment.
- Through our incentive programs, EDA closed on 23 projects totaling over \$302 million in estimated benefits that are expected to create just over 7,100 new, full-time jobs and leveraging over \$1.7 billion in total public/private investment.

Among the businesses assisted in July:

**Children's Aid and Family Services, Inc.**, which closed on just over \$1.9 million in tax-exempt bond financing. Children's Aid and Family Services is a Paramus-based not-for-profit human services organizations recognized as a leader in adoption and specialty therapeutic services for children who have been severely traumatized and abused. This assistance will enable the organization to refinance existing debt, supporting 62 existing jobs as well as the creation of an estimated 3 new jobs.

**RED Burlington LLC**, which closed on a ARRA Combined Heat and Power Grant for just over \$1.3 million to support the development of a combined heat and power (CHP) project at National Gypsum Company's (NGC) Burlington facility. The project will produce approximately 3.4

megawatts of clean electricity and deliver more than 210,000 MMBtu of thermal energy, resulting in an overall efficiency of greater than 90 percent.

**Camden Academy Charter High School**, which closed on just over \$2.4 million in Qualified School Construction Bond financing. Camden Academy Charter High School is a part of Camden's Charter School Network – a network of charter schools designed to provide a better educational opportunity for Camden's youth. This assistance will enable Camden Academy to renovate the former Camden City YMCA into a Science, Technology, Engineering, and Math (STEM) Center. This project will support 75 existing jobs, and create an estimated 10 new jobs within two years.

#### **EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH**

EDA representatives participated as speakers, attendees or exhibitors at 11 events in July. These included the 2011 National Venture Capital & Angel Investor Forum, EDANJ Summer Networking Social in Trenton, and Camden Charter School Workshop in Camden.



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## **BOND RESOLUTIONS**

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

**APPLICANT:** Congregation and Yeshiva Ohr Elchonon, Inc.

P35711

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 805 West Cross Street

Lakewood Township (T/UA)

Ocean

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

**APPLICANT BACKGROUND:**

Congregation and Yeshiva Ohr Elchonon, Inc. is a 501(c)(3) not-for-profit organization established in 2002 to operate the Talmud Torah Ohr Elchonon School for boys in grades kindergarten through 8th grade. The 13,000 sq. ft. school located in Lakewood, Ocean County, started with 17 students and now has an enrollment of 180 with 27 employees. Rabbi Menachem Spiegel is the President. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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 refinance conventional debt (from TD Bank, Bank of America and private loans), used to acquire, renovate and expand the School by adding a second floor and small addition to the existing building; plus pay costs of issuance fees.

**FINANCING SUMMARY:**

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

**AMOUNT OF BOND:** \$2,600,000 (Tax-exempt bond)

**TERMS OF BOND:** 25 years; Variable interest rate based on the tax exempt equivalent of 1 month LIBOR plus 250 basis points (indicative rate as of 7/22/11 is 2.04%); subject to call options every five years. On the closing date, the borrower may enter into fixed interest rate swap for 5 years at an indicative rate of 3.53% as of 7/22/2011.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$2,550,000
Legal fees	\$30,000
Finance fees	\$20,000
<b>TOTAL COSTS</b>	<b>\$2,600,000</b>

**JOBS:** At Application 27 Within 2 years 8 Maintained 0 Construction 0

**PUBLIC HEARING:** 08/16/11 (Published 08/02/11) **BOND COUNSEL:** Wolff & Samson

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Congregation Meoros Nosson Inc.

P36404

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 419 5th St.

Lakewood Township (T/UA)

Ocean

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

**APPLICANT BACKGROUND:**

Congregation Meoros Nosson Inc. is a 501(c)(3) not-for-profit organization established in 2002 to operate the Cheder Bnie Torah of Lakewood school for boys in grades kindergarten through 5th grade. The School located in Lakewood, Ocean County, has enrollment of 315 with 35 employees. Abraham Bursztyn is the Administrator. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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 refinance a portion of a \$2.6 million non-interest bearing private loan from the NJ Center of Judaic Studies, used to purchase and renovate the School and to pay costs of issuance. The remainder of the private loan not financed by the tax exempt bond will remain outstanding to the NJ Center of Judaic Studies.

**FINANCING SUMMARY:**

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

**AMOUNT OF BOND:** \$1,540,000 Tax-exempt bond

**TERMS OF BOND:** 20 years; Variable interest rate based on the tax exempt equivalent of 1 month LIBOR plus 325 basis points; subject to call option on the 10th anniversary. On the closing date, the borrower may enter into a fixed interest rate swap agreement (est. to be 4.35% as of 7/14/11) for 10 years.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$2,600,000
Finance fees	\$54,000
Legal fees	\$35,000
<b>TOTAL COSTS</b>	<u><u>\$2,689,000</u></u>

**JOBS:** At Application    35 Within 2 years    6 Maintained    0 Construction    0

**PUBLIC HEARING:** 08/16/11 (Published 08/02/11)    **BOND COUNSEL:** Wolff & Samson

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Saint Peter's College

P33686

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 780 Montgomery Street

Jersey City (T/UA)

Hudson

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

**APPLICANT BACKGROUND:**

Saint Peter's College is a 501(c)(3) not-for-profit organization founded in 1872 as a liberal arts college and is one of twenty-eight Jesuit colleges and universities in the U.S. The College is located on almost thirty (30) acres in two locations in Jersey City and Englewood Cliffs, New Jersey. The College has an enrollment of approximately 3,000 full-time and part-time students from across the country and offers over 40 undergraduate and pre-professional programs through the College of Arts and Sciences/School of Business Administration and the School of Professional and Continuing Studies as well as a graduate program. Saint Peter's fields 19 NCAA Division I intercollegiate athletic teams and more than 50 student-run organizations. Eugene J. Cornacchia, Ph.D. is the President.

St. Peter's College is undertaking the construction of an 88,000 sq. ft., six story student campus center on 1.5 acres on the Jersey City campus together with adjacent parking and landscaping; and additionally seeks financing for costs of issuance. The student center will provide multiple student uses, including dining areas, kitchen facilities, a fitness center, student activities areas, a radio station, performance space and several study and conference locations (the "Project").

St. Peter's College Realty Holding Corporation, recently formed, will hold fee title to the Project and lease it to St. Peter's College. The Realty Holding Corp. will be responsible for the construction phase of the Project. St. Peter's College will be the borrower and the obligor of the proposed EDA bond financing.

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 construct the Project plus pay costs of issuance. Other sources of funds include Applicant's equity and utilizing federal New Market Tax Credits.

**FINANCING SUMMARY:**

**BOND PURCHASER:** The Provident Bank (Direct Purchase)

**AMOUNT OF BOND:** \$24,925,000 Tax-exempt bond

**TERMS OF BOND:** 12 yrs (max.); Fixed interest rate not to exceed 3.5% for 7 years; Indicative rate as of 8/2/2011 is 3.5% based on the tax-exempt equivalent of 10 yr. U.S. Treasury Securities plus 185 basis points; subject to call option and option to extend the maturity date by 5 years after the 2 yr. interest only/construction period.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Construction of new building or addition	\$26,066,247
Engineering & architectural fees	\$4,535,000

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Interest during construction	\$3,300,000
Purchase of equipment & machinery	\$3,245,437
Finance fees	\$1,096,104
Legal fees	\$600,000
Environmental Investigation and Redit	\$549,370
Accounting fees	\$50,000
TOTAL COSTS	<hr/> <u>\$39,442,158</u> <hr/>

JOBS: At Application 1,000 Within 2 years 35 Maintained 0 Construction 225

PUBLIC HEARING: 08/16/11 (Published 08/02/11) BOND COUNSEL: McCarter & English

DEVELOPMENT OFFICER: M. Abraham APPROVAL OFFICER: T. Wells

**AMENDED BOND RESOLUTIONS**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - REFUNDING BOND PROGRAM**

**APPLICANT:** Cedar Crest Village, Inc.

P36863

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** One Cedar Crest Village Drive Pequannock Township (N) Morris County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Cedar Crest Village, Inc. is a 501(c)(3) not-for-profit organization that has leased and operated the Cedar Crest Village continuing care retirement community ("CCRC") consisting of approx. 1,500 independent living apartments, 980 assisted living units, a 113 bed skilled nursing facility and related common buildings and facilities, located on a 125 acre campus. Erickson Living, LLC, a Maryland limited liability company, manages the project under a management contract with the applicant.

The Applicant previously received Authority assistance in 2001 via tax exempt bond financing in the amount of \$78,905,000 ("2001 Bonds") to pay a purchase deposit, which provided the applicant with the exclusive and irrevocable right to purchase the Cedar Crest Village CCRC. In 2006, Cedar Crest Village exercised its option to purchase the community in conjunction with refunding the 2001 Bonds. The 2006 Refunding Bonds, underwritten by Ziegler Capital Markets Group, consisted of \$20,020,000 tax-exempt Series A Bonds and \$60,675,000 tax-exempt Series B Bonds, at a variable interest rate, reset weekly for 35 years. The 2006 Bonds are secured by a letter of credit provided by Sovereign Bank for 5 years.

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.

**REFUNDING REQUEST:**

Authority assistance will enable the Applicant to current refund the principal amount of the 2006 Bonds and pay costs of issuance, in an amount not to exceed \$85,500,000. The 2011 Refunding Bonds will replace the 2006 Bonds with direct purchase bonds as the Sovereign Bank letter of credit securing the 2006 Bonds expires on November 15, 2011 and will not be extended by the Bank.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Bank of America, NA (Series A)  
PNC Bank, N.A. (Series B)  
Branch Banking & Trust Company (Series C) (Direct Purchases)

<p><b>AMOUNT OF BOND:</b> up to \$25,000,000 Series A Tax-exempt Bond</p> <p><b>TERMS OF BOND:</b> Series A: 25 years (max.); Variable interest rate based on 67% of 1 month LIBOR plus 150 basis points (1.13%) swapped to a fixed interest rate of 2.20% for 3 yrs.</p>	<p>up to \$33,000,000 Series B Tax-exempt up to \$27,500,000 Series C Tax-exempt</p> <p>Series B: 25 yrs (max.); Variable interest rate based on 70% of 1 Month LIBOR plus 165 basis points (1.29%) swapped to a fixed interest rate of 2.90% for 5 yrs.</p> <p>Series C: 25 yrs. (max.); Variable interest rate based on 78% of 1 month LIBOR plus 185 basis points (1.59%) swapped to fixed interest rate of 3.70% for 7 yrs.</p>
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All interest rates are indicative as of

8/1/2011 and each series is subject to mandatory tenders and rate resets at the end of the respective swap term.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Principal amount of bond to be refunded	\$67,615,000
Swap Termination	\$12,500,000
Other/Contingency	\$3,755,125
Redemption premium	\$845,188
Finance fees	\$474,687
Legal fees	\$310,000
<b>TOTAL COSTS</b>	<b>\$85,500,000</b>

**PUBLIC HEARING:** 08/16/11 (Published 08/01/11) **BOND COUNSEL** McCarter & English

**DEVELOPMENT OFFICER:** K. Durand

**APPROVAL OFFICER:** T. Wells



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Caren S. Franzini, Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** Springpoint Senior Living, Inc. (“Borrower”) Obligated Group  
P10254 - 1998 Series A Tax Exempt Bonds \$29,600,000 (the “Bonds”)

### REQUEST

Consent to modifying the redemption fee provisions of the Bonds.

### BACKGROUND

Springpoint Senior Living, Inc., (“Springpoint”) formerly known as Presbyterian Homes and Services, Inc., was founded over 90 years ago and together with its affiliates operate not-for-profit senior housing and nursing care facilities throughout New Jersey.

In 1998, the Authority issued \$29,600,000 Series A tax-exempt bonds originally purchased by Summit Bank (now Bank of America) for 20 years at a fixed rate of 4.31%. The bond proceeds were used to finance or refinance various continuing care retirement communities and long term nursing facilities operated by the Obligated Group.

In 2010, in exchange for the modification of certain covenant provisions, the Bank of America (the “Bondholder” or the “Bank” as successor to Summit Bank) increased the interest rate on the bonds from 4.31% to 5.31%. In June 2010, the Members consented to the modification of the covenants and the interest rate increase on the bonds.

Since that time, Springpoint has been actively reviewing the terms of the Bonds with the Bank of America, as Bondholder, including a redemption fee provision originally negotiated by Summit Bank to cover their costs of funds obtained through the Federal Home Loan Bank (“FHLB”). In discussions, the Borrower and the Bank each reached significantly different prepayment amounts. After consultation with bond counsel, McCarter & English, and financial advisor, Fairmount Capital Advisors, Inc., the Borrower and the Bank have agreed to modify the Redemption Fee calculation which will now include a payment amount based on a present value formula that will cover the cost to retire the FHLB loan.

Bond counsel has also reviewed the transaction and advises that the supplemental loan and trust agreement will not affect the tax-exempt status of the 1998 Bonds.

### RECOMMENDATION

Consent to modifying the redemption fee provisions of the Bonds as referenced above.

Prepared By: Teresa Wells

## **PRELIMINARY RESOLUTIONS**

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

**APPLICANT:** Congregation Bnos Yaakov, Inc.

P36840

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 2 Kent Rd.

Lakewood Township (T/UA)

Ocean

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

**APPLICANT BACKGROUND:**

Congregation Bnos Yaakov, Inc. is a 501(c)(3) organization formed in 1999 to operate The Congregation Bnos Yaakov Elementary School in Lakewood, Ocean County. The School, located in three buildings totaling 38,000 sq. ft. on approx. 6 acres, has an enrollment of 587 students in grades K - 8th grade and 80 employees. Rabbi Yossi Herskovits is the Executive Director. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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 refinance existing debt (from Sovereign Bank in 2008 at 6% for 5 years with 20 year amortization) used to purchase the School plus pay costs of issuance.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$2,197,800
Legal fees	\$55,000
Finance fees	\$46,200
Accounting fees	\$1,000
<b>TOTAL COSTS</b>	<hr/> <b>\$2,300,000</b> <hr/>

**JOBS:** At Application    80 Within 2 years    2 Maintained    0 Construction    0

**PUBLIC HEARING:** 08/16/11 (Published 08/02/11)    **BOND COUNSEL:** Wolff & Samson

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Bais Rivka Rochel Inc.

P36763

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 285 River Avenue

Lakewood Township (T/UA)

Ocean

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

**APPLICANT BACKGROUND:**

Bais Rivka Rochel Inc. (Bais), established in 1985, is a Jewish school for girls, with classes from day care through high school. The school is open to students of all races, religions, cultures, special needs and backgrounds. Currently, the applicant has an enrollment of 250 children in the day care, 1,200 students in the K - 8 grades, 500 students in the Bais Shandel High School division, and 125 special needs students in the Stars Division, a program in coordination with the Lakewood Board of Education. Rabbi Shlomo Kanarek is the founder and President of the school. The project is being reviewed by the Attorney General's Office relating to the First Amendment's Establishment Clause.

The Authority approved at its June 2005 Board meeting a \$13.2 million, 25 year tax-exempt bond (P16514), at a rate of 4.36%, which closed in September 2005. The bond proceeds allowed the applicant to refinance debt used to acquire an 82,000 s.f. building on 6.13 acres and make renovations to house the Bais Shandel High School and Stars special needs program. At the September 2011 Board meeting, the applicant will be requesting approval to refund approximately \$11.7M of the original bond at lower rates to effect significant savings.

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 refinance approximately \$3.6 million in debt used to renovate the school(s) and purchase additional property next to the school for future expansion.

This project is being presented at the August 16, 2011 Board meeting for a Public Hearing to include the refinancing listed on this project summary (P36763) and a refunding of the Bais Rifka Rochel 2005 Bond Project (P34035), which will be presented to the Board once the financing terms have been finalized.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refunding	\$11,311,338
Refinancing	\$3,800,000
Closing Fees	\$300,000
Finance fees	\$36,000
Legal fees	\$30,000

TOTAL COSTS

\$15,477,338

**JOBS:** At Application    110    Within 2 years    10    Maintained    0    Construction    0

**PUBLIC HEARING:** 08/16/11 (Published 08/02/11)    **BOND COUNSEL:** Wolff & Samson

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

**PUBLIC HEARING ONLY**

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

**APPLICANT:** Ilan High School

P35701

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 1200 Roseld Avenue

Ocean Township (N)

Monmouth

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

**APPLICANT BACKGROUND:**

Ilan High School, was formed in 1995 with the mission to provide a girls high school with a strong college preparatory program and Jewish based education. The applicant offers a rigorous academic curriculum that exceeds New Jersey state requirements, including advanced placement and elective courses and a college partnership option through Fairleigh Dickinson University to students who wish to accelerate and earn college credits. The applicant's highly respected academic and comprehensive college guidance program ensures that 90% of the students are accepted into their first choice colleges and universities. The applicant's current enrollment is 120 students, with plans to increase to 250 students in its new facility. The principal is Rabbi Y.M. Jacobowitz. The project is being reviewed by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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 acquire a 2 acre site and renovate a 27,473 s.f. building that was previously used as a synagogue. The sanctuary, which currently accounts for approximately 20% of the building, will be converted into 3 additional classrooms, in addition to the 13 existing classrooms.

This project is being presented at the August 16, 2011 Board meeting for a Public Hearing only.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Acquisition of existing building	\$2,300,000
Renovation of existing building	\$500,000
Finance fees	\$36,000
Legal fees	\$31,000
Accounting fees	\$10,000
<b>TOTAL COSTS</b>	<hr/> <b>\$2,877,000</b> <hr/>

**JOBS:** At Application      40 Within 2 years      15 Maintained      0 Construction      15

**PUBLIC HEARING:** 08/16/11 (Published 08/02/11)      **BOND COUNSEL:** Wolff & Samson

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

## **DIRECT LOANS**

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

**APPLICANT:** The Learning Center for Exceptional Children, Inc.

P36849

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 199 Scoles Avenue

Clifton City (T/UA)

Passaic

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

**APPLICANT BACKGROUND:**

The Learning Center for Exceptional Children, Inc. ("TLCFECI" or "Company") is a not for profit corporation that was founded in 1978 by Linda Buonauro. The Company provides individualized educational programs ("IEP") for students with physical, emotional, social and/or intellectual needs for children ages 3-21 years old. In addition to classroom instructors, the Company has therapists, social workers and behaviorists on site. TLCFECI also operates Today's Learning Center, which is a private school created to cater to gifted and talented students.

This financing will supplement a \$4,050,000 term loan from The Bank of Princeton and equity to purchase the project site which includes a 7.18 acre parcel of property which has an existing 60,000 square foot building.

**APPROVAL REQUEST:**

Approve a \$1,000,000 direct term loan

**FINANCING SUMMARY:**

**LENDER:** NJEDA

**AMOUNT OF LOAN:** \$1,000,000

**TERMS OF LOAN:** 5-Year Term/15-Year Amortization  
Fixed rate of 5-Year UST + 100 bps, with a floor of 3% (indicative rate is 3%)

**PROJECT COSTS:**

Acquisition of existing building	\$6,000,000
Renovation of existing building	\$75,000
Finance fees	\$42,500
Legal fees	\$25,000
Engineering & architectural fees	\$20,000
Accounting fees	\$10,000
<b>TOTAL COSTS</b>	<u><u>\$6,172,500</u></u>

**JOBS:** At Application 71 Within 2 years 36 Maintained 0 Construction 1

**DEVELOPMENT OFFICER:** D. Johnson

**APPROVAL OFFICER:** J. Wentzel

**SMALL BUSINESS FUND LOAN PROGRAM AND  
MAIN STREET ASSISTANCE PROGRAM**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - SMALL BUSINESS FUND STATEWIDE LOAN POOL PROGRAM**

**APPLICANT:** Mars Direct, LLC

P36820

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 1 Deadline Drive

Westville Borough (T)

Gloucester

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

**APPLICANT BACKGROUND:**

Mars Direct, LLC ("MD") was formed in 2010 by Mark Smith to purchase the assets of Mars Graphics, Inc., a web printing company located in Westville, NJ. At this time, the company is restructuring their existing debt to help support a related request to increase their working capital line of credit.

**APPROVAL REQUEST:**

Approval is recommended for a \$250,000 participation loan under the Small Business Fund Loan Program,

**FINANCING SUMMARY:**

**LENDER:** The Bank

**AMOUNT OF LOAN:** \$518,709 bank loan with a 48%, \$250,000, Authority participation.

**TERMS OF LOAN:** Five year loan, with repayment based on a ten-year amortization. Interest rate fixed at 6.0% for five years; thereafter, rate will be floating at WSJ Prime plus 1.0% with a floor rate of 5.0%

**TERMS OF PARTICIPATION:** Five year loan, with repayment based on a ten-year amortization. Borrower will have the option of a fixed rate at the 5-year Treasury plus 150 basis points with a floor of 3% or a floating rate at Prime minus 100 basis points with a floor of 3%. (Indicative rates as of 7/11/2011 are 3.17% and 3.00%, respectively)

**PROJECT COSTS:**

Refinancing	\$518,709
Finance fees	\$1,325
<b>TOTAL COSTS</b>	<u><u>\$520,034</u></u>

**JOBS:** At Application    55 Within 2 years    12 Maintained    55 Construction    0

**DEVELOPMENT OFFICER:** H. Friedberg

**APPROVAL OFFICER:** K. Tolly

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - MAIN STREET ASSISTANCE PROGRAM PROGRAM**

**APPLICANT:** Mars Direct, LLC

P36792

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 1 Deadline Drive

Westville Borough (T)

Gloucester

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

**APPLICANT BACKGROUND:**

Mars Direct, LLC ("MD") was formed in 2010 by Mark Smith to purchase the assets of Mars Graphics, Inc., a web printing company located in Westville, NJ.

The company has requested an increase in their existing \$1 Million line of credit to \$1.5 Million, to support the company's pursuit of new business requiring purchase of their own paper.

**APPROVAL REQUEST:**

Approval is recommended for a 50% guarantee not to exceed \$250,000 of a \$1,500,000 asset-based working capital line of credit from The Bank.

**FINANCING SUMMARY:**

**LENDER:** The Bank

**AMOUNT OF LOAN:** \$1,500,000 bank line of credit with a one year, 50% guaranty of principal outstanding not to exceed \$250,000.

**TERMS OF LOAN:** The Bank: Floating rate at WSJ Prime plus 50 basis points with a floor of 4.5%.  
Line is payable on demand

**PROJECT COSTS:**

Working capital	\$1,500,000
Finance fees	\$2,250
<b>TOTAL COSTS</b>	<u>\$1,502,250</u>

<b>JOBS:</b> At Application	Within 2 years	Maintained	Construction	<u>0</u>
Jobs on Related 36820	<u>55</u>	<u>12</u>	<u>55</u>	<u>0</u>

**DEVELOPMENT OFFICER:** H. Friedberg

**APPROVAL OFFICER:** K. Tolly

**PETROLEUM UNDERGROUND STORAGE TANK  
PROGRAM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Caren S. Franzini  
Chief Executive Officer

**DATE:** August 16, 2011

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

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

**Private Grants:**

Donald Nix .....	\$210,706
The Estate of Louis Spagnuolo... ..	\$662,979

**Total UST funding for August 2011..... \$ 873,685**

  
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Prepared by: Lisa Petrizzi

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

**APPLICANT:** Donald Nix

P36774

**PROJECT USER(S):** Nix Transportation Service, Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 359-369 Hamilton Avenue Paterson City (T/UA)

Passaic

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

**APPLICANT BACKGROUND:**

Donald Nix is the owner of the project site, which is leased to Nix Transportation Service, Inc., a bus company owned by the applicant. The applicant is seeking to perform soil and groundwater investigation as the result of the closure of two underground storage tanks (UST's) at the project site. The tanks were decommissioned 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 \$210,706 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$21,071 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:** \$210,706

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

**PROJECT COSTS:**

Upgrade, Closure, Remediation	\$210,706
NJDEP oversight cost	\$21,071
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$232,277</u></u>

**APPROVAL OFFICER:** L. Petrizzi

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

**APPLICANT:** The Estate of Louis Spagnuolo

P34212

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 325 Bloomfield Avenue

Newark City (T/UA)

Essex

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

**APPLICANT BACKGROUND:**

The Estate of Spagnuolo, owner of project site, Eddie Service Center is seeking to perform groundwater remediation for the closure of five - 1000 gallon USTs, soil remediation, groundwater investigation and vapor intrusion investigation. The tanks will be decommissioned 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 \$662,979 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$66,297 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** \$662,979

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

**PROJECT COSTS:**

Upgrade, Closure, Remediation	\$662,979
NJDEP oversight cost	\$66,297
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$729,776</u></u>

**APPROVAL OFFICER:** J. Niles

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND  
PROGRAM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Caren S. Franzini  
Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** Hazardous Discharge Site Remediation Fund Program

The following private and municipal grant and loan projects have been approved by the Department of Environmental Protection for a grant to perform remedial investigation and remedial action activities. The scope of work is described on the attached project summaries.

**Private Loan:**

RCJ, Inc. .... \$220,000

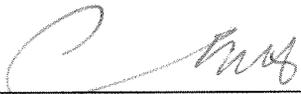
**Private Grants:**

RCJ, Inc. .... \$110,000  
RCJ, Inc. .... \$110,000

**Municipal Grants:**

Camden County Improvement Authority (Frm Pennsauken Mart) ..... \$250,000  
Borough of Keyport (Aeromarine) ..... \$342,923

**Total HDSRF funding for August 2011..... \$1,032,923**

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

**APPLICANT:** R.C.J., Inc. (RCJ, Inc)

P36848

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 2313-2325 Plainfield Avenue      South Plainfield Borough (N)      Middlesex

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

**APPLICANT BACKGROUND:**

RCJ, Inc. is a real estate holding company, that owns the property located at 2313-2325 Plainfield Avenue, South Plainfield, NJ. This property is the only asset of the company. Current ownership is Roseann Lozinski (30%), Joseph La Costa (30%) and five owners who each have an 8% stake. Both Ms. Lozinski and Mr. La Costa will be required to provide personal guarantees. This loan in conjunction with two, \$110,000 matching grants will be used to remediate the property for contaminated groundwater and an indoor air issue.

**APPROVAL REQUEST:**

Approval of a \$220,000 HDSRF term loan is recommended.

**FINANCING SUMMARY:**

**LENDER:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF LOAN:** \$220,000

**TERMS OF LOAN:** 5-Year Term/10-Year Amortization  
Fixed rate of 5%

**PROJECT COSTS:**

Remedial Action	\$440,000
Finance fees	\$1,500
<b>TOTAL COSTS</b>	<b>\$441,500</b>

**APPROVAL OFFICER:** J. Wentzel

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

**APPLICANT:** RCJ, Inc

P35511

**PROJECT USER(S):** Access Multi-Service Express \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 2313-2325 Plainfield Avenue      Manasquan Borough (N)      Monmouth

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

**APPLICANT BACKGROUND:**

RCJ, Inc. is the owner of Access Multi-Service Express and the project site located in South Plainfield Borough. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant has been calculated off 25% of the Remedial Action costs (\$110,000). The applicant is being reviewed for a loan for the balance of the project costs.

The scope of work includes remedial action activities utilized innovative technology. In addition, pursuant to the evaluation it has been determined that the applicant meets the Authority's standard guidelines under the program.

**APPROVAL REQUEST:**

The applicant is requesting grant funding in the amount of \$110,000 to perform the approved scope of work at the project site

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$110,000 (25% Matching Grant)

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial Action	\$440,000
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$440,500</u></u>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** RCJ, Inc

P35514

**PROJECT USER(S):** Multi-Service Express \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 2313-2325 Plainfield Avenue      Manasquan Borough (N)      Monmouth

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

**APPLICANT BACKGROUND:**

RCJ, Inc. is the owner of Access Multi-Service Express and the project site located in South Plainfield Borough. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant has been calculated off 25% of the Remedial Action costs (\$110,000). The applicant is being reviewed for a loan for the balance of the project costs.

The scope of work includes remedial action activities to achieve an unrestricted or limited restricted re-use classification. In addition, pursuant to the evaluation it has been determined that the applicant meets the Authority's standard guidelines under the program.

**APPROVAL REQUEST:**

The applicant is requesting grant funding in the amount of \$110,000 to perform the approved scope of work at the project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$110,000 (25% Matching Grant)

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

EDA administrative cost	\$500
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TOTAL COSTS	<u>\$500 *</u>
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\* - Indicates that there are project costs reported on a related application.

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Camden County Improvement Authority (Frm. Pennsauken Mart P30911)

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** Route 130 and Route 73 Pennsauken Township (T/UA) Camden

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

**APPLICANT BACKGROUND:**

Camden County Improvement Authority (CCIA) is the owner of project site, which housed a former retail outlet with many stores, located in Pennsauken. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant has been calculated off 25% of the Remedial Action costs (\$250,000). The balance of the project costs is being funded using a bond note totaling \$21,385,000.

The scope of work includes remedial action activities utilizing innovative technology. According to the Legislation, a municipality, county or redevelopment entity can be awarded a grant, not to exceed \$250,000, who propose a remedial action that uses an innovative technology.

**APPROVAL REQUEST:**

The applicant is requesting grant funding in the amount of \$250,000 to perform the approved scope of work at the project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$250,000 (25% Matching Grant)

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial Action	\$1,234,634
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$1,235,134</b>

**APPROVAL OFFICER:** L. Petrizzi

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

**APPLICANT:** Borough of Keyport (Aeromarine) P35559  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** 55 Walnut Street Keyport Borough (N) Monmouth  
**GOVERNOR'S INITIATIVES:** ( ) Urban (X) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

The project site identified as Block 141, Lots 14, 15 and 15.01, formerly used as an aeromarine and motor manufacturing facility, is located in a Brownfield Development Area (BDA) and has potential environmental areas of concern (AOC's). The Borough of Keyport intends to acquire the balance of the project site and has satisfied Proof of Site Control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreational and open space.

NJDEP has approved this request for 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 Borough of Keyport is requesting grant funding to perform RI in the amount of \$342,068 at the Aeromarine project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$342,923

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial investigation	\$342,923
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$343,423</u></u>

**APPROVAL OFFICER:** L. Petrizzi

# **INCENTIVES**

**BUSINESS EMPLOYMENT INCENTIVE PROGRAM**  
**BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT**  
**SALES AND USE TAX EXEMPTION**

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

**APPLICANT:** Celsion Corporation

P36821

**PROJECT LOCATION:** 997 Lenox Drive

Lawrence Township (N) Mercer County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

Celsion Corporation, founded in 1982, is an oncology drug development company focused on the development of therapeutics for those suffering with difficult to treat forms of cancer. The company is working to develop and commercialize more efficient and targeted chemotherapeutic drugs based on its proprietary heat-activated liposomal technology. Celsion's lead product, Thermodox, is currently being evaluated in a Phase III clinical trial for primary liver cancer. The company, which is headquartered in Columbia, Maryland, is listed on the NASDAQ under the symbol CLSN. The applicant is economically viable.

**MATERIAL FACTOR:**

Celsion's lease in Columbia, Maryland expired earlier this year and since then the company has been on a month-to-month basis. Celsion is seeking a new location to better position the company for growth, with access to a strong workforce and opportunities to build collaborative arrangements with larger pharmaceutical companies. Celsion currently has 16 employees, but has plans to grow to 35 employees in the next two years. The company is considering leasing space in Lawrence Township, New Jersey as well as in Philadelphia and Yardley, Pennsylvania. Management has indicated that the BEIP grant is a material factor in the company's decision to relocate to New Jersey.

**APPROVAL REQUEST:**

**PERCENTAGE:** 55%

**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Celsion 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:** \$ 1,122,275

(not to exceed an average of \$50,000 per new employee over the term of the grant)

**NJ EMPLOYMENT AT APPLICATION:** 1

**ELIGIBLE BEIP JOBS:** Year 1 25 Year 2 10 Base Years Total = 35

**ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM:** \$32,065

**ANTICIPATED AVERAGE WAGES:** \$130,000

**ESTIMATED PROJECT COSTS:** \$200,000

**ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10** \$2,040,500

**ESTIMATED NET NEW STATE INCOME TAX - DURING 15** \$1,938,475

**PROJECT IS:** ( ) Expansion (X) Relocation Maryland

**CONSTRUCTION:** (X) Yes ( ) No

**PROJECT OWNERSHIP HEADQUARTERED IN:** Maryland

**APPLICANT OWNERSHIP:** (X) Domestic ( ) Foreign

**DEVELOPMENT OFFICER:** P. Ceppi

**APPROVAL OFFICER:** K. McCullough

## FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: <b>Lawrence Township</b>	<b>N/A</b>
2. Job Creation <b>35</b> Targeted : <u>  X  </u> Non-Targeted : _____	<b>1</b>
3. Job at Risk: <b>0</b>	<b>0</b>
4. Industry: <b>Biotechnology</b> Designated : <u>  X  </u> Non-Designated : _____	<b>2</b>
5. Leverage: <b>3 to 1 and up</b>	<b>2</b>
6. Capital Investment: <b>\$200,000</b>	<b>0</b>
7. Average Wage: <b>\$ 130,000</b>	<b>4</b>

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 %



4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling at least as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before December 3, 2011.

<b>END OF APPLICANT'S FISCAL YEAR:</b>		December 31
<b>CAPITAL INVESTMENT MUST BE MADE BY:</b>		December 3, 2011
<b>TOTAL ESTIMATED GRANT AWARD OVER TERM:</b>	\$	225,000
<b>STATE FISCAL YEAR 1 APPROVAL (SFY 2013):</b>	\$	225,000
<b>ELIGIBLE BRRAG JOBS:</b>		100
<b>YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:</b>	\$	1,500
<b>BONUS AWARD PER EMPLOYEE:</b>	\$	750
<b>TOTAL YEARLY TAX CREDITS INCLUDING BONUS:</b>	\$	2,250
<b>ANTICIPATED AVERAGE WAGES:</b>	\$	35,000
<b>ESTIMATED TOTAL GROSS ANNUAL PAYROLL:</b>	\$	3,500,000
<b>ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:</b>	\$	360,000
<b>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</b>	\$	1,268,000
<b>OPERATED IN NEW JERSEY SINCE:</b>		1986
<b>PROJECT IS:</b> ( ) Expansion            ( X ) Relocation		
<b>CONSTRUCTION/RENOVATION:</b> ( X ) Yes                    ( ) No		
<b>DEVELOPMENT OFFICER:</b> P. Ceppi		<b>APPROVAL OFFICER:</b> D. Sucsuz

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

**APPLICANT:** Laureate Biopharmaceutical Services, Inc

P36841

**PROJECT LOCATION:** To be determined

Locations Unknown (N) Unknown County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

Laureate Biopharmaceutical Services, Inc. is a full-service biopharmaceutical contract development and manufacturing organization, serving a global client list from its Princeton, NJ facility since 1981. Laureate Biopharmaceutical's scientists are experts in process development and cGMP production of therapeutic proteins. In addition, the company's portfolio of services includes aseptic filling, cell line development, analytical and stability testing and regulatory support. The applicant is economically viable.

**MATERIAL FACTOR:**

Laureate Biopharmaceutical Services, Inc. requests a BEIP grant to offset the costs of expanding its business in NJ. The company would like to expand by approximately 20,000 sq. ft. for an aseptic formulation and filling facility and cGMP warehouse and is considering this expansion in either NJ or PA. The applicant has indicated a BEIP award will be a material factor in the company's decision to remain in NJ. Based on certain smart growth criteria, the award percentage could go as high as 80% once the location is finalized for an estimated award of \$913,000.

**APPROVAL REQUEST:**

**PERCENTAGE:** 40%

**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Laureate Biopharmaceutical Services, 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:** \$ 456,500  
(not to exceed an average of \$50,000 per new employee over the term of the grant)

**NJ EMPLOYMENT AT APPLICATION:** 85

**ELIGIBLE BEIP JOBS:** Year 1 25 Year 2 25 Base Years Total = 50

**ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM:** \$9,130

**ANTICIPATED AVERAGE WAGES:** \$75,000

**ESTIMATED PROJECT COSTS:** \$15,000,000

**ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10** \$1,141,250

**ESTIMATED NET NEW STATE INCOME TAX - DURING 15** \$1,255,375

**PROJECT IS:** (X) Expansion ( ) Relocation \_\_\_\_\_

**CONSTRUCTION:** (X) Yes ( ) No

**PROJECT OWNERSHIP HEADQUARTERED IN:** New Jersey

**APPLICANT OWNERSHIP:** (X) Domestic ( ) Foreign

**DEVELOPMENT OFFICER:** P. Bagga

**APPROVAL OFFICER:** T. Wells

### FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	<b>Locations Unknown</b>	<b>N/A</b>
2. Job Creation	<b>50</b>	<b>1</b>
	Targeted : _____ Non-Targeted : <u>  X  </u>	
3. Job at Risk:	<b>0</b>	<b>0</b>
4. Industry:	<b>Pharmaceuticals</b>	<b>2</b>
	Designated : <u>  X  </u> Non-Designated : _____	
5. Leverage:	<b>3 to 1 and up</b>	<b>2</b>
6. Capital Investment:	<b>\$15,000,000</b>	<b>2</b>
7. Average Wage:	<b>\$ 75,000</b>	<b>3</b>

TOTAL: **10**

**Bonus Increases (up to 80%):**

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
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:**

**0 %**

**Total Score :**

**Total Score per formula:** 10 = 35 %

**Construction/Renovation :** 5 %

**Bonus Increases :** 0 %

**Total Score (not to exceed 80 %):** 40 %

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

**APPLICANT:** QualCare Alliance Networks, Inc.

P36835

**PROJECT LOCATION:** 501 Scarborough Drive

Egg Harbor City (T)

Atlantic County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

QualCare Alliance Networks, Inc. (QANI), formed in 1991, is the largest full service managed healthcare organization in NJ that offers self funded plans, third party administration services, provider network access, utilization management services, and a workers' compensation product. The applicant currently provides service to 750,000 subscribers through its 24,000 doctors and health care providers and over 108 acute care, specialty and rehabilitation hospitals provider network, primarily in NJ, NY, PA & DE region. In 2009 the applicant acquired Altera, Inc., a workers compensation company, with offices in NY, FL and PA as well as a physician network in FL. QANI has 626 employees, with 512 in NJ, including 403 in its Piscataway corporate headquarters. The applicant is economically viable.

**MATERIAL FACTOR:**

QualCare Alliance Networks, Inc. is seeking a BEIP grant to support creating 40 new jobs in Egg Harbor. In addition, the applicant will be requesting a BRRAG grant to move 109 jobs from a 22,000 s.f. facility in Somers Point to a 25,000 s.f. facility in Egg Harbor. Also under consideration is moving to PA, where they have 2 offices, or Delaware. The applicant is estimating project costs to be in excess of \$1.5 million. Management has indicated that a favorable decision by the Authority to award the BEIP grant is a material factor in the company's decision to expand in NJ.

**APPROVAL REQUEST:**

**PERCENTAGE:** 50%

**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage QualCare Alliance Networks, 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:** \$ 230,500

(not to exceed an average of \$50,000 per new employee over the term of the grant)

**NJ EMPLOYMENT AT APPLICATION:** 512

**ELIGIBLE BEIP JOBS:** Year 1 20 Year 2 20 Base Years Total = 40

**ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM:** \$5,762

**ANTICIPATED AVERAGE WAGES:** \$50,000

**ESTIMATED PROJECT COSTS:** \$1,503,450

**ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10** \$461,000

**ESTIMATED NET NEW STATE INCOME TAX - DURING 15** \$461,000

**PROJECT IS:** ( ) Expansion (X) Relocation Somers Point

**CONSTRUCTION:** (X) Yes ( ) No

**PROJECT OWNERSHIP HEADQUARTERED IN:** New Jersey

**APPLICANT OWNERSHIP:**(X) Domestic ( ) Foreign

**DEVELOPMENT OFFICER:** D. Bennis

**APPROVAL OFFICER:** M. Krug

## FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: <b>Egg Harbor City</b>	N/A
2. Job Creation <b>40</b> Targeted : _____ Non-Targeted : <u> X </u>	1
3. Job at Risk: <b>109</b>	1
4. Industry: <b>business management &amp; support services</b> Designated : _____ Non-Designated : <u> X </u>	0
5. Leverage: <b>3 to 1 and up</b>	2
6. Capital Investment: <b>\$1,503,450</b>	1
7. Average Wage: <b>\$ 50,000</b>	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 :**

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

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT**

**APPLICANT:** QualCare Alliance Networks, Inc.

**COMPANY ADDRESS:** 30 Knightsbridge Road Piscataway Middlesex County

**PROJECT LOCATION:** 501 Scarborough Drive Egg Harbor City Atlantic County

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

**APPLICANT BACKGROUND:**

QualCare Alliance Networks, Inc. (QANI), formed in 1991, is the largest full service managed healthcare organization in NJ that offers self funded plans, third party administration services, provider network access, utilization management services, and a workers' compensation product. The applicant currently provides service to 750,000 subscribers through its 24,000 doctors and health care providers and over 108 acute care, specialty and rehabilitation hospitals provider network, primarily in NJ, NY, PA & DE region. In 2009 the applicant acquired Altera, Inc., a workers compensation company, with offices in New York, Florida and Pennsylvania as well as a physician network in Florida. QANI is owned by 13 not for profit NJ hospitals and physician hospital organizations. QANI has 626 employees, with 512 in NJ, including 403 in its Piscataway corporate headquarters.

**MATERIAL FACTOR/NET BENEFIT:**

QualCare Alliance Networks, Inc. is seeking a BRRAG to support relocating 109 jobs from a 22,000 s.f. facility in Somers Point to a 25,000 s.f. facility in Egg Harbor. The applicant will also be requesting approval for a BEIP grant (P36835) at the August 2011 Board meeting to create 40 new jobs in Egg Harbor. Also under consideration is moving to PA, where they have 2 offices, or Delaware. The applicant is estimating project costs to be in excess of \$1.5 million. Management has indicated that a favorable decision by the Authority to award the BRRAG grants is a material factor in the company's decision to move. Staff employed the net benefit analysis model and determined that the grant of these tax credits will result in a net positive benefit to the State of \$6.5 million.

**APPROVAL REQUEST:**

**TAX CREDIT TERM:** 1 year

**COMMITMENT DURATION:** 6 years

The Members of the Authority are asked to approve the proposed BRRAG benefit to QualCare Alliance Networks, Inc. to encourage the company to relocate within New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award amount and the term. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount and the term that corresponds to the actual criteria, provided the grant amount does not exceed the amount listed in this grant request.

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in NJ unless the applicant had a pre-application meeting with the Authority during the grandfathering period.
2. If the applicant enters into a lease for the project site, the term of the lease will be no less than 8 years, exclusive of any renewal options.
3. Expenditures totaling at least twice as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 3/31/2012 in order to remain eligible for the bonus award.
4. No employees subject to a BEIP grant or another BRRAG are eligible for calculating the benefit amount of this BRRAG.
5. If the applicant remains in a location at which it currently operates, expenditures totaling as much as the BRRAG award must meet the statutory definition of Capital Investment and must be made on or before 3/31/2012.

<b>APPLICANT'S FISCAL YEAR ENDS:</b>	December 31
<b>CAPITAL INVESTMENT MUST BE SPENT BY:</b>	March 31, 2012
<b>TOTAL ESTIMATED GRANT AWARD OVER TERM:</b>	\$ 245,250
<b>STATE FISCAL YEAR 1 APPROVAL (SFY2013)</b>	\$ 245,250
<b>ELIGIBLE BRRAG JOBS:</b>	109
<b>YEARLY TAX CREDIT AMOUNT PER EMPLOYEE:</b>	\$ 1,500
<b>YEARLY BONUS TAX CREDIT AMOUNT PER EMPLOYEE:</b>	\$ 750
<b>YEARLY TAX CREDIT &amp; BONUS</b>	\$ 2,250
<b>ANTICIPATED AVERAGE WAGES:</b>	\$ 50,000
<b>ESTIMATED TOTAL GROSS ANNUAL PAYROLL:</b>	\$ 5,450,000
<b>ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 6 YRS:</b>	\$ 753,735
<b>ESTIMATED ELIGIBLE CAPITAL INVESTMENT:</b>	\$ 1,503,450
<b>APPLICANT HAS BEEN IN NJ SINCE:</b>	1991
<b>PROJECT IS:</b>	<input checked="" type="checkbox"/> Expansion <input checked="" type="checkbox"/> Relocation
<b>CONSTRUCTION:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>BUSINESS DEVELOPMENT OFFICER:</b>	D. Benms <b>APPROVAL OFFICER:</b> M.Krug

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

**APPLICANT:** Tercica, Inc., Ipsen S.A. and Affiliates

P36828

**PROJECT LOCATION:** TBD

Locations Unknown (N)      Unknown County

**GOVERNOR'S INITIATIVES:**

Urban    Edison    Core    Clean Energy

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

Based in Brisbane, California and established in 2002, Tercica, Inc. was primarily a manufacturer and marketer of growth hormone and growth hormone like drugs. For example, in that area, it has been working on certain drugs licensed from Genentech, Inc. In 2008, it became a part of the Ipsen group, and today it is involved in more specialties than hormones. Since the acquisition, it has been transformed into the US division of this Paris-based, global biopharmaceutical group. The Applicant is economically viable.

Based in Paris, France, and listed on the NYSE Euronext Paris Stock Exchange (IPN.PA), Ipsen S.A. is a global biopharmaceutical specialty care group with total sales exceeding \$1.5 billion in 2010. Ipsen's goal is to become a global leader in the treatment of certain debilitating diseases. The group focuses on four main areas: neurology, endocrinology, uro-oncology, and hemophilia. It has many active strategic partnerships. With core R&D facilities in Paris, Boston, Barcelona, and London, in 2010, R&D expenditure totaled more than \$310 million; above 20% of its group sales. The group is currently marketing more than 20 drugs and employing nearly 4,000 people (700 of those in R&D) around the world. For the last several years, the group has been going through organizational changes, many of which were a result of mergers and acquisitions. The group's American Depository Receipts (ADRs) are traded on the over-the-counter market in the United States under the symbol IPSEY.

The Ipsen group is contemplating moving their current US headquarters from Brisbane, California to the East Coast. According to the group, Northern New Jersey is competing with the suburban Boston area.

In the event that this business chooses a certain smart growth area, the BEIP score may increase to 80%, at which percentage an estimated amount of the grant would be \$4,550,000 over the term of the grant.

**MATERIAL FACTOR:**

The Applicant is seeking a BEIP grant to support creating 91 permanent full-time positions in 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 decision to go forward with the project. The Authority staff recommends the award of the proposed BEIP grant.

**APPROVAL REQUEST:**

**PERCENTAGE:** 40%  
**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Tercica, Inc., Ipsen S.A. and Affiliates 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:** \$ 2,981,160  
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

**NJ EMPLOYMENT AT APPLICATION:** 0

**ELIGIBLE BEIP JOBS:** Year 1 85 Year 2 6 Base Years Total = 91

**ESTIMATED COST PER ELIGIBLE BEIP JOB OVER TERM:** \$32,760

**ANTICIPATED AVERAGE WAGES:** \$165,000

**ESTIMATED PROJECT COSTS:** \$1,578,000

**ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10** \$7,452,900

**ESTIMATED NET NEW STATE INCOME TAX - DURING 15** \$8,198,190

**PROJECT IS:** ( ) Expansion (X) Relocation Brisbane, California

**CONSTRUCTION:** (X) Yes ( ) No

**PROJECT OWNERSHIP HEADQUARTERED IN:** \_\_\_\_\_

**APPLICANT OWNERSHIP:** ( ) Domestic (X) Foreign France

**DEVELOPMENT OFFICER:** D. Johnson

**APPROVAL OFFICER:** D. Sucsuz

## FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	<b>Locations Unknown</b>	N/A
2. Job Creation	<b>91</b>	<b>2</b>
	Targeted : <u>  X  </u> Non-Targeted : _____	
3. Job at Risk:	<b>0</b>	<b>0</b>
4. Industry:	<b>Biotechnology</b>	<b>2</b>
	Designated : <u>  X  </u> Non-Designated : _____	
5. Leverage:	<b>3 to 1 and up</b>	<b>2</b>
6. Capital Investment:	<b>\$1,578,000</b>	<b>1</b>
7. Average Wage:	<b>\$ 165,000</b>	<b>4</b>

TOTAL: **11**

**Bonus Increases (up to 80%):**

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
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:** **0 %**

**Total Score :**

**Total Score per formula:** **11 = 35 %**

**Construction/Renovation :** **5 %**

**Bonus Increases :** **0 %**

**Total Score (not to exceed 80 %):** **40 %**

## **BOARD MEMORANDUMS**



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**TO:** Members of the Authority

**FROM:** Caren S. Franzini, Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** Bluenog Corporation  
East Brunswick, Middlesex County, NJ  
\$807,062 Edison Innovation Loan with warrants (P22018)

**Request:**

Consent to up to a \$1,100,000 asset-based working capital line of credit from Square 1 Bank ("Square 1") and increase EDA's subordination from \$250,000 currently to \$1,100,000 on corporate assets and shared lien on intellectual property (IP).

**Background:**

Formed in April 2006, Bluenog is an enterprise software and consulting services company that has designed a software product that integrates content management, portal and business intelligence software.

In December 2008, the Members approved a \$1,000,000 Edison loan to provide growth capital to the company. EDA received a 10-year warrant for 525,000 preferred stock shares at \$0.29 per share as additional consideration. \$900,000 was disbursed for achieving milestones. The remaining \$100,000 availability was not disbursed due to the company not obtaining disbursement milestones. \$807,062 is currently outstanding and payments are made as agreed.

In 2010, the company experienced significant growth attributed to a licensing agreement with Oracle that allows Bluenog to provide integration support and consulting to Oracle customers. As a result of the growth, the company is in need of short-term working capital. Square 1 and Bluenog have negotiated a \$1,000,000 asset based line of credit to be secured by a first lien on business assets and shared lien on intellectual property. The Borrower is requesting EDA consent to increase its subordination on corporate assets from \$250,000 to \$1,100,000, and grant a shared pari passu lien on IP, as required for the current line of credit and to allow for an additional \$100,000 for future needs.

Staff has reviewed the terms of the line of credit and is negotiating an intercreditor agreement with Square 1 in conjunction with this request.

**Recommendation:**

Consent to up to a \$1,100,000 credit line and both an increase of EDA's subordination on its lien on business assets and the sharing of IP collateral. EDA's support increases the likelihood of the company's continued growth, repayment of EDA's loan as agreed, and sharing of any future upside in EDA's warrant position.

**Prepared by:** Heather M. O'Connell, Sr. Portfolio Officer/Michael Wiley, Sr. Venture Officer



## MEMORANDUM

**TO:** Members of the Authority

**FROM:** Caren S. Franzini, Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** RadPharm, Inc. - West Windsor Twp., New Jersey

**Modification Request:**

Consent to the merger of Radpharm, Inc. (“RadPharm”) and Medifacts International, Inc. (“Medifacts”), and subsequent name change to CoreLab Partners, Inc.

The requested approval will not affect the grant award percentage or the New Employment Commitment as this grant is capped.

**Background**

RadPharm is a leading imaging core lab, managing the complete imaging segment of clinical trials for the global pharmaceutical, biotechnology and medical device industries. RadPharm’s expertise spans early stage through phase IV studies and all major therapeutic areas. The company specializes in oncology trials, cardiovascular, musculoskeletal, CNS, diagnostic contrast imaging agents and medical device studies.

The above BEIP recipient was approved for 10 year/60% grant on December 13, 2005 to assist with the company’s expansion to support the addition of 62 new positions. The Minimum Eligibility Threshold of 10 was reached in February 2006. Current employment as of 2010 is 94 and \$139,749 of BEIP payments have been disbursed through 2008.

In February 2010 RadPharm merged with Medifacts, a Maryland based company, to expand its client base and scope of services. Medifacts offers science, service and technology on a global basis in support of high-quality cardiovascular safety and efficacy data collection. Medifacts provides a full range of consultancy and analysis services throughout the development lifecycle and beyond. Subsequent to the merger, and in an effort to rebrand the company and increase sales, RadPharm also changed its name to CoreLab Partners, Inc. The company continues to remain economically viable.

**Recommendation:**

The Members are asked to approve the merger of Radpharm, Inc. and Medifacts International, Inc., and subsequent name change to CoreLab Partners, Inc.

A handwritten signature in black ink, appearing to read 'Caren S. Franzini', is written over a horizontal line.

Prepared by: Karen Gallagher



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**TO:** Members of the Authority

**FROM:** Caren S. Franzini, Chief Executive Officer

**DATE:** August 16, 2011

**SUBJECT:** X-Factor Communications, LLC (“XFC”)  
South Hackensack, Bergen County, New Jersey  
\$486,750 Edison Innovation Loan with warrants (P25138)

**Request:**

Consent to the company’s request for second 6-month principal moratorium through November 30, 2011. In consideration for this approval, EDA will file its springing liens on intellectual property (“IP”), including with the United States Patent Office (“USPTO”).

**Background:**

Formed in July of 2005, XFC is a software and communications solutions company that specializes in digital signage solutions, enterprise and event webcasting, digital media communications (web and mobile), and advertising and creative services. XFC also holds strategic relationships with industry leaders that include Cisco, NEC Digital Signage, and Verizon Business Partners.

In May 2009, the Members approved a \$500,000 loan to XFC to fund the commercialization of a new software product. The loan is secured by a second lien on all corporate assets, subject to a first lien of \$100,000 by JPMorgan Chase and a springing lien on IP. EDA received a 10-year warrant for 28,900 shares of preferred stock as additional consideration.

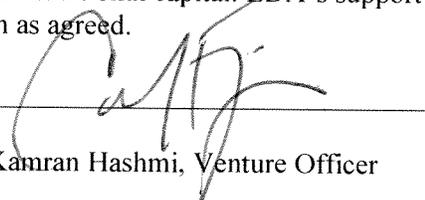
In December 2010, staff consented to a 6-month principal moratorium through May 31, 2011, pursuant to delegated authority, to provide financial relief until the company could close an equity raise, which was expected to be complete by the end of Q1 2011. Because the company was unable to subscribe new investors, XFC has a strained cash position, and the company was exploring ways to conserve liquidity including working with EDA to restructure principal payments, until such time as they could raise equity or sign a significant new contract that would replenish the company’s cash and allow it to resume scheduled principals.

Recently XFC signed an original equipment manufacturing contract with Cisco, a leading hardware and software provider. This contract, if successful, is expected to help the company with both cash flow and access to capital, as XFC will have more credibility as a result of this partnership with Cisco. The company is in negotiations with current investors for bridge financing totaling \$500,000 to provide working capital until additional equity is raised and cash flow from the Cisco contract is realized. The company has asked EDA to provide a principal moratorium (retroactive to June 1 – November 1) to allow it to conserve its cash until bridge financing and receivables from the Cisco contract are collected. In October 2011, staff will advise DLRC members if the loan will be restructured after the principal moratorium has ended.

**Recommendation:**

Consent to a second 6-month principal moratorium to provide continued payment relief as this technology company realizes cash flow from the new Cisco contract and attempts to raise additional capital. EDA’s support increases the likelihood of the company’s success and repayment of EDA’s loan as agreed.

**Prepared by:** Heather M. O’Connell, Senior Portfolio Officer/Kamran Hashmi, Venture Officer



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Caren S. Franzini, Chief Executive Officer  
**DATE:** August 16, 2011  
**SUBJECT:** Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in July 2011:

**New Jersey Business Growth Fund:**

- 1) Adamus Media LLC (P36833), located in Monroe Township, Gloucester County, provides the latest technology-based marketing and communication services including website, social media and mobile devices. PNC Bank approved a \$180,000 loan with a five-year, 50% guarantee of principal outstanding, not to exceed \$90,000. Loan proceeds will be used to purchase commercial real estate. Currently the company has three employees and plans to create two new jobs over the next two years.
- 2) RJ Medical Holdings LLC (P35631) located in Keyport Borough, Monmouth County, is a newly formed real estate holding company created to purchase the project property. The operating company, Healthpoint Medical Group of Keyport, is one of three medical practice locations of Dr. Roger Lallemand, who specializes in internal medicine, orthopedic surgery, clinical pain management and ambulatory surgery procedures. PNC Bank approved a \$630,000 loan with a five-year, 25% guarantee of principal outstanding, not to exceed \$157,500. Loan proceeds will be used to purchase commercial real estate. The company currently has seven employees and plans to create four additional jobs within the next two years.

**Small Business Fund Program:**

- 3) Formed in 2006, Crazy Susan's Cookie Company, LLC (P36587), located in Ocean City, Cape May County, creates and sells cookies at two locations in Ocean City, NJ and nationally via the internet. The company was approved for a \$150,000 loan used to refinance existing debt, purchase equipment and fund working capital needs. The company currently has five employees and plans to create twelve new positions within the next two years.

**Prepared by:** D. Lawyer

DL/gvr

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