



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

SUBJECT: Agenda for Board Meeting of the Authority December 9, 2008

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

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 12, 2008

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; James Kelly, representing the State Treasurer; Dan Ryan representing the Commissioner of the Department of Environment Protection; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; Marilyn Davis representing the Commissioner of the Department of Labor and Workforce Development; Public Members: Steve Plofker, Philip Kirschner, Thomas Manning, Richard Tolson and Raymond Burke, First Alternate Public Member; and Elliot M. Kosoffsky, Second Alternate Public Member.

Present via conference call: Angie McGuire representing the Governor's Office, and Public Member Timothy Carden.

Absent: Public Member Charles Sarlo, and Non-Voting Member Rodney Sadler.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Tim Lizura, Senior Vice President - Business Development; Bette Renaud, Deputy Attorney General; Robert Shane, Governor's Authorities Unit; and guests.

Chairman Van Horn called the meeting to order at 10 a.m.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the October 15, 2008 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Sheridan was approved by the 9 voting members present.

Joseph McNamara, Vice Chairman; and Public Members: Philip Kirschner, Thomas Manning, and Elliot M. Kosoffsky abstained because they were not present at the October 15, 2008 meeting.

The next item of business was the approval of the October 28, 2008 special meeting minutes of the Board. A motion was made to approve the minutes by Mr. Manning, seconded by Mr. Sheridan and was approved by the 9 voting members present.

Chairman Van Horn, Vice Chairman McNamara, Ms. McGuire, and Mr. Tolson abstained because they were not present at the October 28, 2008 meeting.

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

Marilyn Davis entered the meeting at this time.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Maryville, Inc. **APPL.#24105**
LOCATION: Monroe/Gloucester Cty.
PROCEEDS FOR: refinance existing debt
FINANCING: \$2,000,000 Tax-Exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Kirschner **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

PRELIMINARY RESOLUTIONS

PROJECT: Giordano Vineland Scrap Material, LLC **APPL.#24260**
LOCATION: Vineland/Cumberland Cty.
PROCEEDS FOR: property acquisition and building construction
MOTION TO APPROVE: Ms. Sheridan **SECOND:** Mr. Plofker **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Impex Corporation or LLC to be formed **APPL.#24167**
LOCATION: Jersey City/Hudson Cty.
PROCEEDS FOR: property acquisition and building construction
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Kirschner **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT:3

PROJECT: Tribeca Oven, Inc. **APPL.#24300**
LOCATION: Carlstadt/Bergen Cty.
PROCEEDS FOR: equipment purchase
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Kirschner **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT:4

PROJECT: Princeton Microwave Technology Incorporated. **APPL.#24164**
LOCATION: Hamilton/Mercer Cty.
PROCEEDS FOR: building acquisition
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Tolson **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PUBLIC HEARING ONLY

PROJECT: Longfield Brothers L.L.C. **APPL.#23936**
LOCATION: Vineland/Cumberland Cty.
PROCEEDS FOR: building expansion
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: DHI Property Inc. **APPL.#24134**
LOCATION: Camden/Camden Cty.
PROCEEDS FOR: building acquisition
FINANCING: \$900,000 Tax-Exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:6

PROJECT: DHI Property Inc. **APPL.#24087**
LOCATION: Camden/Camden Cty.
PROCEEDS FOR: building acquisition
FINANCING: \$300,000 Local Development Financing Fund loan
MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Manning AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

NEW MARKETS LOAN PROGRAM

Ms. Franzini stated that she had recused herself from discussions of the following project, as she has a personal relationship with the applicant's attorney. She introduced Tim Lizura, Senior Vice President of Business Development, to lead the discussion of the project.

PROJECT: AC Beach Development Partners LLC **APPL.#24092**
LOCATION: Atlantic City/Atlantic Cty.
PROCEEDS FOR: building renovation
FINANCING: \$4,200,000 New Market Tax Credit loan
MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Tolson abstained because Bricklayers and Allied Craftworkers of NJ represents the employees on the project.

Mr. Burke abstained because he has a banking relationship with the principal of the project.

Mr. Plofker and Mr. Kirschner voted no.

PROJECT: AC Beach Development Partners LLC

APPL.#24137

LOCATION: Atlantic City/Atlantic Cty.

PROCEEDS FOR: building renovation

FINANCING: \$3,000,000 Urban Plus loan

MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Tolson abstained because Bricklayers and Allied Craftworkers of NJ represents the employees on the project.

Mr. Burke abstained because he has a banking relationship with the principal of the project.

Mr. Plofker and Mr. Kirschner voted no.

Prior to voting, Mr. Plofker expressed concern over the EDA's exposure in this project, in that it is unusual for the Authority to lend to projects that are complete. He stated that in his view it is the EDA's role to assist projects at the outset when they have difficulty obtaining financing, not to bail out companies that have misjudged financing needs. Mr. Kirshner stated that he shared Mr. Ploker's concerns. Mr. Carden also voiced concerns, but added that he became more comfortable with the project after speaking extensively to EDA staff. He stated that the 500 jobs that will be created by this project and the maintenance of several hundred jobs already in existence were key reasons for going forward with it. Chairman Van Horn stated that is project is not be necessarily precedent setting as each project is judged on its own merits. Ms. McGuire asked if there was a general policy about what types of jobs the EDA would seek to maintain in projects impacted by the recession and if this project was considered for the Main Street program proposed in legislation. Ms. Franzini stated that EDA would be working with companies that have a strong track record but clearly have a credit or liquidity issue due to the current economic environment. Companies that show signs of trouble dating back some time will not be candidates for the program. Mr. Lizura stated that for this transaction the Main Street product was not considered as the NMTC and Urban Plus loans were more appropriate for the project.

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Greater Camden Partnership, Inc.

APPL.#21944

LOCATION: Camden/Camden Cty.

FINANCING: \$50,000 ERB Predevelopment recoverable grant

MODIFICATION: approve the funding authorization of the contingent predevelopment loan in the amount of \$50,000 to the Greater Camden Partnership, Inc (GCP).

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Kirschner AYES: 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Nueva Vida Homes, LLC **APPL.#23514**
LOCATION: Camden/Camden Cty.
FINANCING: \$50,000 ERB Predevelopment recoverable grant
REQUEST: approve the funding authorization for the proposed contingent predevelopment loan in the amount of \$50,000 to Nueva Vida Homes, LLC.
MOTION TO APPROVE: Ms. Davis **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

MOTION TO APPROVE: Mr. Kelly **SECOND:** Ms. Davis **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Clara's Coffee Shop **APPL.#21719**
LOCATION: Neptune/Monmouth Cty.
PROCEEDS FOR: site remediation
FINANCING: \$163,830 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Timothy Mimna and Shawne Mimna **APPL.#23862**
LOCATION: Springfield/Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$148,036 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Westmoor Gardens, Inc. (Site B) **APPL.#23709**
LOCATION: Englewood/Bergen Cty.
PROCEEDS FOR: site remediation
FINANCING: \$25,642 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Wholesale Flowers & Interior Design **APPL.#23717**
LOCATION: Howell/Monmouth Cty.
PROCEEDS FOR: site remediation
FINANCING: \$185,816 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Joseph Zipeto **APPL.#23937**
LOCATION: West Orange/Essex Cty.
PROCEEDS FOR: site remediation

FINANCING: \$137,259 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

**MOTION TO APPROVE: Mr. Manning SECOND: Mr. Sheridan AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:13**

PROJECT: Rockland Corporation **APPL.#23983**
LOCATION: West Caldwell/Essex Cty.
PROCEEDS FOR: remedial action
FINANCING: \$155,973 Hazardous Discharge Site Remediation Fund

PROJECT: Texas Eastern Terminal Company **APPL.#23390**
LOCATION: South Plainfield/Middlesex Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$1,000,000 Hazardous Discharge Site Remediation Fund

PROJECT: City of Salem (Tri County Oil) **APPL.#24162**
LOCATION: Salem/Salem Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$178,152 Hazardous Discharge Site Remediation Fund

PROJECT: Township of Southampton (Former Stokes Cannery) **APPL.#23395**
LOCATION: Southampton/Burlington Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$120,114 Hazardous Discharge Site Remediation Fund

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

EDISON INNOVATION FUND

PROJECT: Semptrae Laboratories, Inc. **APPL.#23834**
LOCATION: Paramus/Bergen Cty.
PROCEEDS FOR: growth capital
FINANCING: \$1,000,000 Edison Innovation Fund investment
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Plofker **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

INCENTIVE PROGRAMS

BUSINESS INCENTIVE EMPLOYMENT PROGRAM

PROJECT: AAF-McQuay Inc. **APPL.#24262**
LOCATION: Jersey City/Hudson **BUSINESS:** industrial/electrical equipment
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Kirschner **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: CGC Centro de Genetica Clinica, S.A. **APPL.#24392**
LOCATION: TBD **BUSINESS:** biotechnology
GRANT AWARD: 30% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Tolson **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Nephros Incorporated **APPL.#24275**
LOCATION: Hackensack/Bergen Cty. **BUSINESS:** medical device technology
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Progressive Casualty Insurance Company. **APPL.#24269**
LOCATION: South Plainfield/Middlesex Cty. **BUSINESS:** financial services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Tolson **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Mr. Kirschner abstained because his employer has an affiliate which is a competitor.

BRRAG

PROJECT: Progressive Casualty Insurance Company. **APPL.#24269**
LOCATION: South Plainfield/Middlesex Cty. **BUSINESS:** financial services
GRANT AWARD: \$128,700, 5 years
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Plofker **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16
Mr. Kirschner abstained because his employer has an affiliate which is a competitor.

UEZ/SALES TAX EXEMPTION

The next item was to approve the Urban Enterprise Zone (UEZ) Energy Sales Tax Exemption (U-STX) Renewal Application of Omni Baking Company, a contract baking manufacturer that is located in the Vineland UEZ. The estimated annualized U-STX benefit to Omni Baking Company is \$86,000.
MOTION TO APPROVE: Ms. Davis **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BROWNFIELD REIMBURSEMENT PROGRAM

The next item was to approve the Brownfield application of ProLogis Teterboro, LLC for reimbursement for clean-up costs for a Teterboro redevelopment project under a Redevelopment Agreement with the New Jersey Economic Development Authority and the State Treasurer, pursuant to the Brownfield and Contaminated Site Remediation Act, P.L. 1997, c. 278 (N.J.S.A.58:10B-1 et seq.). The recommended reimbursement is up to \$14, 184,150.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Manning **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

BOARD MEMORANDUMS

PROJECT: Marine Terminal Urban Renewal Associates **APPL.#013589**
LOCATION: Trenton/Mercer Cty.
FINANCING: \$1,651,620 Direct Loan
MODIFICATION: Extend and modify the terms of the existing restructure agreement, which expires January 1, 2009 for an additional 2 years with six month call provisions
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

The next item was an update on Fast Start & Urban Plus loan programs. **(For Informational Purposes Only)**

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

New Jersey Business Growth Fund: 1703 Valley Road, LLC, Bright Lights USA, Inc., Frank and Dolores Di Tillio, Micro Molding, Inc, Palasa , LLC, RLC Plus, Inc.

Preferred Lender Program: Arlington Machine and Tool Company, L&F Urban Renewal Properties, Respond, Inc.

Edison Innovation Fund Program: Prospect Biosystems, LLC

Fast Start Direct Loan Program: LLC to be Formed (The Oliver-Drake Company), Strauss Glass, LLC, Young's Westville Laundromat, LLC.

PROJECT: Ernst & Young U.S. LLP **APPL.#20939**
LOCATION: Secaucus/Hudson **BUSINESS:** financial services
GRANT AWARD: 60% Business Employment Incentive grant, 10 years

MODIFICATION: Modify the parameters of the BEIP grant to increase the New Employment Commitment (NEC) from 180 jobs to 270 jobs, for ten year grant term, with an aggregate value of \$9,656,887. The increase in jobs and estimated project cost from \$4.8 million to \$7 million will increase the grant award to 65%.

MOTION TO APPROVE: Mr. Plofker SECOND: Ms. Davis AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

URBAN & SITE DEVELOPMENT/REAL ESTATE

The next item was to approve the request to make two changes to the Fund for Community Economic Development to assist development of grocery stores and supermarkets in urban areas. The two changes include: 1) allowing up to \$4 million within the Loans to Lenders component to be used for supermarket and grocery store development, with a maximum of \$3 million per loan; and 2) reducing the interest rate for Loans to Lenders to 2%, fixed.

The motion was withheld from consideration.

The next item was to approve the request to enter into a lease with the Institute for Development of Education in the Arts for exclusive use of office space and non-exclusive use of the Black Box Theater at the Susquehanna Bank Center in Camden.

MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

The next item was to approve the request for the Authority to enter into a one-year lease with OmniCapital Fund, L.P. for one office unit (approximately 106 sf.) in the Commercialization Center for Innovative Technologies.

MOTION TO APPROVE: Mr. Ryan SECOND: Mr. Sheridan AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Kirschner, and seconded by Mr. Tolson, the meeting was adjourned at 11 a.m.

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

A handwritten signature in cursive script, appearing to read "Maureen Hassett", is written over a horizontal line.

Maureen Hassett, Assistant Secretary

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

RE: Chief Executive Officer's Report to the Board

NEW JERSEY URBAN FUND

Through November, the EDA closed 63 financings under the New Jersey Urban Fund in Atlantic City, Camden, Elizabeth, Jersey City, Newark, Paterson and Trenton, which provided financing and business incentives totaling nearly \$154 million in these cities. This more than doubles the \$75 million we were seeking to deploy in the Fund's nine targeted cities by the end of 2008 under our Strategic Plan. These projects are expected to result in total investment of more than \$547.5 million and the creation of almost 2,700 new jobs.

The Cooper Health System of Camden, one of the leading providers of comprehensive health services, medical education and clinical research serving southern New Jersey and the Delaware Valley, finalized \$50 million in tax exempt bond financing in November. The financing will enable Cooper to expand its Emergency Department and Trauma Intensive Care Unit and complete construction of a 312,000-square-foot, 10-story patient pavilion that will include operating suites, critical-care facilities, laboratory space and a community health resource center. The project is expected to create 237 new jobs and have an important impact on Camden's ongoing revitalization. A \$15-million New Markets Tax Credit allocation that would provide additional financial assistance for the expansion project also was approved by the EDA in October.

OTHER URBAN ACTIVITY

Through the first 11 months of 2008, the EDA finalized 68 projects in other Urban Aid cities, providing nearly \$69 million in bonds, loans, loan guarantees and environmental assistance grants for borrowers planning to invest over \$140.1 million in the state's economy. This support is expected to result in the creation of almost 900 jobs and the maintenance of more than 100 existing jobs.

The EDA recently closed \$2 million in tax-exempt bond financing and a \$2-million loan to enable Mizco International to acquire and renovate an 80,000-square-foot building in Avenel, Woodbridge Township. The bond is part of a funding package that also includes a loan from Capital One and will allow the company to relocate its electronics manufacturing business and 85 jobs from Brooklyn. The business has also been approved for a 10-year Business Employment Incentive Program grant worth an estimated \$357,000.

EDISON INNOVATION FUND

Overall, the EDA closed financings on 25 Edison Innovation Fund projects through November, totaling more than \$16.4 million. This assistance is expected to result in total project investments in excess of \$61.6 million in New Jersey, as well as the creation of an estimated 770 new jobs and support for 4,727 existing jobs. Nine of the projects involve direct, equity-like investments totaling \$4 million. The EDA has also approved 80 companies to participate as sellers in the \$60-million Technology Business Tax Certificate Transfer Program.

Critical Links, Inc., a spinout of Critical Software, a global software engineering company based in Portugal, executed a BEIP grant in late October worth an estimated \$139,000 to support the creation of 12 new jobs at a new East Coast headquarters in Fairfield. Critical Links is an international networking software company and provider of edgeBOX, a converged multi-function device or business gateway targeted to small and medium-size businesses.

CORE ACTIVITY

Through November, core financing totaling over \$122.7 million was finalized with 113 other projects that plan to make total investments of nearly \$374.8 million, create 1,222 new jobs and maintain 473 jobs.

The EDA closed \$64.8 million in tax-exempt bond financing in November with Fellowship Village, Inc., which owns and operates a life-care retirement community facility in Basking Ridge. The bond issue will refinance bonds previously issued by the EDA for initial construction, renovation and expansion of the facility and fund the installation of a 700 kW solar panel power system that will enable the nonprofit entity to realize environmental and energy-reduction benefits.

OTHER NEWS

EDA Assistance Supports Growth of New Jersey Technology Council Honorees

Three of the technology and life sciences companies honored recently at the New Jersey Technology Council's (NJTC's) annual Awards Gala in Somerset were able to support their growth with state financing incentives obtained through the EDA. L-3

Communications of Camden, named the NJTC's Public Company of the Year, executed a BEIP grant in 2004 worth nearly \$655,000. Voxware, Inc. of Hamilton Township was named the NJTC's Software/Information Technology Company of the Year. It finalized a BEIP grant worth almost \$142,000 in 2008 and has been an EDA approved seller in the Technology Business Tax Certificate Transfer Program. The Life Sciences Company of the Year was ImClone Systems, Inc., which has executed two BEIP grants totaling about \$3.6 million. These companies have so far created more than 700 jobs in New Jersey.

Three companies under consideration for awards in the NJBIZ 2008 Business of the Year competition also have received state incentives through the EDA. Global eProcure, Inc., a software services company located in Clark, was a finalist in the 101+ employees category. Executives of Eisai, Inc., a pharmaceutical company in Woodcliff Lake, and NRG Energy, an energy company headquartered in Princeton, were finalists in the Corporate Citizen of the Year category. The three companies have executed BEIPs with the EDA and plan to create a total of 225 new jobs under these agreements.

Speaking Engagements:

Throughout the month of November, EDA representatives participated as attendees, exhibitors or speakers at 28 events, including a New Jersey Business & Industry Association awards ceremony in Edison, the New Jersey Alliance for Action's 24th annual Construction Forecast in Trenton, Biotech 2008 in Philadelphia, the first Angel Venture Fair in North Brunswick, a Commerce and Industry Association of New Jersey Women of Influence program in Paramus, the New Jersey State League of Municipalities Annual Convention in Atlantic City, a Hispanic-American Chamber of Commerce of Essex County educational/networking program in Newark, and the South Jersey Banker Association fall meeting in Haddonfield. The EDA also held information workshops in the state's three Edison Innovation Zones in Camden, Newark and greater New Brunswick for technology and life sciences companies.



BOND RESOLUTIONS

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

APPLICANT: Atlantic City Sewerage Company

P22952

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Atlantic City (T)

Atlantic

GOVERNOR'S INITIATIVES:

(X) Urban Fund. () Other Urban () Edison () Core

APPLICANT BACKGROUND:

The Atlantic City Sewerage Company (ACSC) is an investor-owned public utility company that manages and operates a wastewater collection and pumping system servicing the franchised area of and within the city boundaries of Atlantic City. The actual sewerage treatment is provided by the Atlantic County Utilities Authority (ACUA). The company was founded in 1888 and presently has approximately 100 miles of sewers and seven pumping stations with a combined capacity of 40,000 gallons a day and serves 7,460 customers.

ACSC has prior outstanding tax-exempt bonds with the EDA:

1) \$6 million bond issued in 1998 for infrastructure improvements of various sections of the older sanitary sewer system. The 1998 Bond has a principal balance of \$5.3 million, a rate of 5.45% and matures in April 2028; and 2) \$5.695 million tax-exempt bond issued in 2002, utilized for the construction of a waste water pumping station and infrastructure sewer system improvements and to refund prior tax-exempt bonds from 1991. The 2002 bond issue, comprised of a Series A Bond in the amount of \$3.655 million and a Series B Bond in the amount of \$2.040 million, are at a variable interest rate based on 73% of 30-day LIBOR plus 75 basis pts. with final terms of 10 years and 20 years respectively. As of 12/31/07, the principal balance on the 2002 bonds was \$3.65 million. The bonds are in compliance.

This project qualifies as an Exempt Public Facility - Sewage project under Section 142(a)(5) of the IRS Code and therefore is exempt from the \$20 million capital expenditure limitation under Section 144 of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to implement the Southeast Inlet Sewer Improvement Project which includes replacing approximately 4,100 feet of existing sanitary sewer pipe on over 150 acres in Atlantic City. The most imminent development within the Southeast Inlet Sewer Improvement Project is the proposed Revel Hotel and Casino which, when completed, will include over 3,800 hotel rooms and associated facilities, scheduled to open in June of 2010. ACSC is currently in the permitting phase of the Southeast Inlet Sewer Improvement Project and anticipates initiation of construction during the fall/winter of 2008.

The Board of Public Utilities approved the financing on 10/23/08.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$6,000,000 (Tax-exempt bond)

TERMS OF BOND: 20 years; Variable interest rate based on the tax-exempt equivalent of 1-month LIBOR plus 210 basis points (estimated as of 10/30/08 at 4.90%), subject to call option on 10th anniversary. The Borrower has entered into a 10-yr. forward starting swap agreement to a fixed rate of 4.99% with an effective date of 1/2/2009.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of roads, utilities, etc.	\$6,000,000
Engineering & architectural fees	\$210,500
Legal fees	\$100,000
Finance fees	\$74,500
TOTAL COSTS	<u><u>\$6,385,000</u></u>

JOBS: At Application 38 Within 2 years 1 Maintained 0 Construction 180

PUBLIC HEARING: 12/09/08 (Published 11/25/08) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Longfield Brothers L.L.C.

P23936

PROJECT USER(S): Garden State Bulb Co., L.L.C. *

* - indicates relation to applicant

PROJECT LOCATION: 2720 Industrial Way

Vineland City (T/UA)

Cumberland

GOVERNOR'S INITIATIVES:

Urban Fund Other Urban Edison Core RFG

APPLICANT BACKGROUND:

Formed in 2004, Longfield Brothers L.L.C. owns a warehouse and distribution facility at the project location, which has been leased to Garden State Bulb Co., L.L.C., the operating company.

Headquartered in New Jersey, Garden State Bulb Co., L.L.C. has been a direct importer of Dutch bulbs for over fifty years. They are focused on providing top quality yet low cost bulbs exclusively to mass merchandising retailers within the United States. They have their own farms and packing facilities in Holland and a distribution plant in New Jersey. The combination of packing plants in the U.S. and Holland allow them to provide both low cost and top quality bulbs and perennials.

In 2004, Longfield Brothers L.L.C. received joint Authority and Cumberland Empowerment Zone Corporation (CEZC) assistance through a tax-exempt Federal Empowerment Zone (EZ) bond to refinance conventional debt in connection with an 80,000 sf warehouse, packing, and office facility for lease to the operating company on 11.98 acres of land as well as to finance the acquisition of packaging and shipping equipment. The outstanding balance on this original \$2,046,855.71 bond, which was bought by Minotola National Bank, now Susquehanna Bank, is about \$1,700,000 (P14701).

This project qualifies for tax-exempt bond financing as an Exempt Public Facility - Qualified "New" Empowerment Zone Facility - under Section 1394(f) of the Internal Revenue Code of 1986, as amended, and is not subject to the State Volume Cap limitation.

APPROVAL REQUEST:

Authority assistance will enable the expansion of the existing facility by 120,000 sf for coolers, warehouse and a new office area, and equipping of the same plus pay the cost of issuance. CEZC has approved a \$7,000,000 allocation from its EZ Bond cap for this project. A subordinate \$2,000,000 Enterprise Zone Development Corporation of Vineland-Millville (UEZ) Loan will be used to partially pay down the new bond upon completion of the new construction.

The difference between the project costs and the bond amount (approximately \$400,000 for coolers) will be funded by the Project User's equity.

FINANCING SUMMARY:

BOND PURCHASER: Susquehanna Bank (Direct Purchase)

AMOUNT OF BOND: \$7,000,000 (maximum) Tax-Exempt Bond

TERMS OF BOND: 20 year term; 4.35% fixed rate for the first 10 years; thereafter rate reset every 4 months based on a formula (30-day LIBOR plus 190 bps or 90% of WSJ Prime) chosen by the borrower with a floor of 4.35% and a ceiling not exceeding prior period's rate by 250 bps.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$6,180,000
Contingency	\$675,000
Purchase of equipment & machinery	\$400,000
Finance fees	\$75,000
Engineering & architectural fees	\$50,000
Legal fees	\$20,000
TOTAL COSTS	\$7,400,000

JOBS: At Application 6 Within 2 years 15 Maintained 0 Construction 185

PUBLIC HEARING: 11/12/08 (Published 10/29/08) **BOND COUNSEL:** Capehart & Scatchard, P.A.

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** D. Sucsuz

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

APPLICANT: R.N. Foster Associates, LLC

P18944

PROJECT USER(S): Trolex Corporation *

* - indicates relation to applicant

PROJECT LOCATION: 20 Bushes Lane

Edgewater Borough (N)

Bergen

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core

APPLICANT BACKGROUND:

R.N. Foster Associates, LLC, is a real estate holding company formed to acquire real estate for its operating company Trolex Corporation, a manufacturer of automatic dampers for HVAC systems. For over 40 years, Trolex dampers have been continually operating in homes and businesses throughout the world. Trolex manufactures a complete line of dampers for Original Equipment Manufacturers ("OEM"). The Company is currently operating from two buildings in Elmwood Park, NJ with 35 full-time employees.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire and renovate a 15,700 sq. ft. building on approximately 1 acre to consolidate its manufacturing operations into one building. The difference between the bond amount and the project costs will be funded by a line of credit provided by Capital One and the Applicant's equity.

This project is being presented at the December 9, 2008 Board meeting for a reallocation of its volume cap allocation until December 31, 2008.

FINANCING SUMMARY:

BOND PURCHASER: Capital One, N.A. (Direct Purchase)

AMOUNT OF BOND: \$2,200,000 (Tax-exempt bond)

TERMS OF BOND: 20 years; Variable interest rate based on the tax-exempt equivalent of 30-day LIBOR plus 225 basis points, subject to 10 year call option. On the closing date, the Applicant will enter into a 10 year swap agreement with an interest rate estimated at 4.60%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$1,845,000
Refinancing	\$450,000
Renovation of existing building	\$275,000
Legal fees	\$100,000
Finance fees	\$25,000
TOTAL COSTS	\$2,695,000

JOBS: At Application 35 Within 2 years 15 Maintained 0 Construction 8

PUBLIC HEARING: 09/09/08 (Published 08/26/08) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Boys & Girls Club of Camden County

P24302

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2 South Dudley

Camden City (T/UA)

Camden

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban () Edison () Core

APPLICANT BACKGROUND:

Boys & Girls Club of Camden County (BGC), which was incorporated in 1999, opened the Marjorie & Lewis Katz Parkside Clubhouse in January 2002. The purpose of the BGC is to promote the social, educational, health, leadership, and character development of boys and girls in a safe and educational environment when children are most at risk to become involved in dangerous activities. The Parkside Clubhouse boasts a membership of over 2,000 and features a state-of-the-art tech center with 26 computers, a gymnasium that will support two basketball games simultaneously, a six lane swimming pool, and a large education center with over 3,000 books. The Club opened a second Clubhouse in September 2007, a 24,000 s.f. facility in East Camden, next to the Catto Elementary School, as part of a demonstration project with the Camden Board of Education, and now welcomes over 1,000 Club Members.

At the January 2005 Board meeting, the Authority approved a \$1,000,000 grant (P16328), which closed February 2007, to assist BGC construct the clubhouse as part of the Catto Elementary School project. The grant was funded by the Demolition and Redevelopment Financing Fund, established through the Municipal Rehabilitation and Economic Recovery Act.

APPROVAL REQUEST:

The Authority's assistance will enable the applicant to refinance a \$2,200,000 mortgage with Commerce Bank that closed in January 2007 to finance the clubhouse at the Catto Elementary School project. The refinancing is projected to save BGC \$46,000, annually, based on the 10 year bond option.

FINANCING SUMMARY:

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

AMOUNT OF BOND: \$2,200,000 Tax-Exempt Bond

TERMS OF BOND: 20 years; variable interest rate based on the 30-day Libor plus 175 basis point. On the closing date the Applicant will enter into a swap agreement for either: A) a 5 year tax-exempt fixed rate of 4.23% subject to a call options every 5 years until maturity, or B) a 10 year tax-exempt fixed rate of 4.60% subject to 10 year call options until maturity.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing Building	\$2,200,000
Legal fees	\$30,000
Finance fees	\$10,350
TOTAL COSTS	\$2,240,350

JOBS: At Application 45 Within 2 years 6 Maintained 0 Construction 0

PUBLIC HEARING: 12/09/08 (Published 11/24/08) **BOND COUNSEL:** McManimon & Scotland
DEVELOPMENT OFFICER: M. Parker **APPROVAL OFFICER:** M. Krug

JOBS: At Application	0	Within 2 years	0	Maintained	0	Construction	0
Jobs on Related 22769	3,531		237		0		5,350

PUBLIC HEARING: 12/09/08 (Published 11/25/08) **BOND COUNSEL** McCarter & English
DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER:** M. Krug

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

APPLICANT: Moriah School of Englewood, The

P24620

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 40 & 53 South Woodland Street Englewood City (N)

Bergen

GOVERNOR'S INITIATIVES:

Urban Fund Other Urban Edison Core

APPLICANT BACKGROUND:

The Moriah School of Englewood is a 501(c)(3) not-for-profit corporation that owns and operates The Moriah School situated on a 10-acre campus in Englewood, New Jersey. Founded in 1964, The Moriah School offers education to children from grade levels Pre K to the 8th grade. The school has an enrollment of 966 students. The applicant has represented that the school has become one of the largest yeshivas in Bergen County, and the school's curriculum is a carefully blended program of Torah and secular studies. According to their Constitution and By-Laws, admission is open to students of any race, color, national and ethnic origin.

Moriah strives to impart to its children a strong sense of values and ethical standards, and to endow them with the skills they need to become knowledgeable, successful, and fully contributing members of the communities in which they live. The early childhood classroom provides an interactive environment that stimulates the social, emotional, cognitive and spiritual growth of each child while simultaneously promoting a cohesive, caring classroom community. The Middle School curriculum guides students to use spoken, written, and visual language to communicate effectively, and to apply their knowledge of language structure to create, critique, and discuss text.

In July 2008, the applicant purchased an existing 3,100 sf dwelling on a 1.1-acre parcel adjacent to the current campus with a bridge loan (\$1,825,000; 6-month term; floating rate at 1-month LIBOR+185bps) from TD Bank, N.A. In 2004, the school also incurred debt to Commerce Bank North (now TD Bank, N.A.), which was used to improve its facilities (\$2,050,000+\$1,550,000; 25 year terms; 6.00%-6.75%). The Moriah School of Englewood is seeking to refinance this existing debt.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance existing debt that was used to purchase an adjacent parcel with an existing building and improve its facilities plus pay the cost of issuance.

The difference between the project costs and the bond amount, if any, will be funded by the Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A.

AMOUNT OF BOND: \$5,500,000 (maximum) Tax-Exempt Bond

TERMS OF BOND: 25 year term w/call options every 5 years beginning at the end of the swap period; floating rate at tax-exempt equivalent of the 30-day LIBOR (30-day LIBOR rate as of 11/26/2008 is 1.43%) plus 210 basis points; On the closing date, the borrower will enter into a swap agreement to a fixed rate for the first 5 or 10 years (indicative t/e fixed swap rate as of 11/11/2008 is 4.42% or 4.85%, respectively).

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$5,400,000
Legal fees	\$55,000
Accounting fees	\$35,000
Finance fees	\$20,000
TOTAL COSTS	\$5,510,000

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

PUBLIC HEARING: 12/09/08 (Published 11/25/08) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: M. Abraham **APPROVAL OFFICER:** D. Sucsuz

PRELIMINARY RESOLUTIONS

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

APPLICANT: ACR Energy Partners, LLC

P24485

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Massachusetts Ave.

Atlantic City (T)

Atlantic

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban () Edison () Core () RFG

APPLICANT BACKGROUND:

ACR Energy Partners, LLC, a limited liability company consisting of Marina Energy LLC and DCO Energy as equal partners, is an energy project developer formed to design, develop, construct, own, operate and maintain the Inlet District Energy Center in the inlet area of Atlantic City.

The Inlet District Energy Center project being undertaken by ACR Energy will provide thermal energy in the form of chilled water and hot water from a central production facility and a distribution system consisting of pipelines to the Revel Entertainment complex and the Bella Condominium Association located near by. This production site is positioned to service the existing concerns in the area as well as future development.

Marina Energy, LLC received Authority assistance in 2001 for \$45,000,000 of taxable and tax-exempt bonds (P13011), used to construct the thermal production facility for the Renaissance Point area of Atlantic City; and in 2006 for \$16,400,000 in tax-exempt bonds (P16508), used to expand the original production facility. Both bond financings are in compliance.

This project qualifies for tax-exempt bond financing as an Exempt Public Facility - Local District Heating or Cooling Facility - under Section 142(a)(9) of the 1986 Internal Revenue Code as amended.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance a portion of the construction costs of the Inlet District Energy Center in Atlantic City.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$59,700,000
Construction of new building or addition	\$54,400,000
Construction of roads, utilities, etc.	\$23,100,000
Interest during construction	\$21,500,000
Development Cost	\$5,600,000
Engineering & architectural fees	\$5,500,000
Finance fees	\$3,000,000
Working capital	\$600,000
Environmental Remediation	\$600,000
Legal fees	\$500,000
Accounting fees	\$500,000
TOTAL COSTS	\$175,000,000

JOBS: At Application 0 Within 2 years 8 Maintained 0 Construction 500

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: T. Wells

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

APPLICANT: Halo Pharmaceutical Inc. (or LLC to be formed)

P24584

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 30 North Jefferson Rd

Hanover Township (N)

Morris

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban (X) Edison () Core () RFG

APPLICANT BACKGROUND:

Halo Pharmaceutical Inc., a specialty pharmaceutical portfolio company, established in 2006, manufactures various DEA controlled substance medications for Abbott Laboratories, Purdue Pharmaceuticals, GlaxSmithKline, Ranbaxy Pharmaceuticals and others.

In December 2007, Halo entered into an asset and transfer agreement with Abbott Laboratories to purchase a 167,000 sq. ft. pharmaceutical plant on 23 acres in Whippany, Hanover Twp., and certain other assets to continue operating as a contract manufacturer to the pharmaceutical industry. As Abbott Laboratories divested its operations at the Whippany facility during 2008, Halo began operating and manufacturing drugs for Abbott Laboratories and the other pharmaceutical companies in March 2008.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance the purchase of the manufacturing facility with a tax-exempt bond.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$10,000,000
Land	\$5,000,000
Working capital	\$5,000,000
Purchase of equipment & machinery	\$3,000,000
Renovation of existing building	\$600,000
Legal fees	\$100,000
Finance fees	\$100,000
Accounting fees	\$100,000
TOTAL COSTS	<u><u>\$23,900,000</u></u>

JOBS: At Application 20 Within 2 years 120 Maintained 0 Construction 18

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: T. Wells

PUBLIC HEARING ONLY

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

APPLICANT: EASCO Shower Doors Company

P23944

PROJECT USER(S): Mercer Glass Fab LLC *

* - indicates relation to applicant

PROJECT LOCATION: 600 Plum St

Trenton City (T/UA)

Mercer

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban () Edison () Core

APPLICANT BACKGROUND:

EASCO Shower Doors Company (EASCO), incorporated in 2001, is a custom shower enclosure manufacturer based in a 20,000 sf. facility in Vernon, NJ with approximately 35 employees. EASCO is a subsidiary of New Jersey Porcelain Co., Inc., a manufacturer and wholesale distributor of a line of porcelain bathroom accessories, electrical insulators, and cabinet hardware, which are sold nationwide. New Jersey Porcelain and its subsidiary, Lenape Products operate out of several buildings in Trenton, owned by NJ Porcelain.

EASCO has recently formed a new entity, Mercer Glass Fab LLC to fabricate and temper glass for use in EASCO's glass shower enclosures and to provide tempered glass to other tempered glass users in the tri-state area.

New Jersey Porcelain Co., Inc. has received prior Authority assistance under Appl. P9120, SLP participation of \$80,860 in 1996 to acquire a 40,000 sq. ft. facility in Trenton and a \$107,813 LDFF loan in 1998 for renovations to the Trenton manufacturing facilities. The loans have been paid in full.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to purchase machinery and equipment, which will be leased to Mercer Glass Fab LLC, needed to manufacture the glass shower enclosures and tempered glass.

THIS PROJECT IS BEING PRESENTED AT THE DECEMBER 9, 2008 BOARD MEETING FOR A PUBLIC HEARING ONLY.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$1,700,000
Working capital	\$250,000
Renovation of existing building	\$100,000
Construction of roads, utilities, etc.	\$80,000
Legal fees	\$60,000
Accounting fees	\$20,000
Finance fees	\$5,000
TOTAL COSTS	\$2,215,000

JOBS: At Application 0 Within 2 years 6 Maintained 0 Construction 5

PUBLIC HEARING: 12/09/08 (Published 11/25/08) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: P. Ceppi **APPROVAL OFFICER:** T. Wells

STATEWIDE LOAN POOL PROGRAM

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

APPLICANT: Spa San Marco at Hamilton LLC

P24160

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Shoppes at Hamilton

Hamilton Township (T)

Mercer

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core () RFG

APPLICANT BACKGROUND:

This project involves the relocation of an existing hair salon known as Salon Cusato from Mercerville, NJ to Hamilton, NJ and the expansion of the same into a full service spa and salon facility.

The new business will be known as Spa San Marco at Hamilton LLC. Services provided will include cutting and coloring of hair, skin and nail services, and the sale of tools and support products for all services provided.

APPROVAL REQUEST:

Approval of a \$337,500 participation loan is requested.

FINANCING SUMMARY:

LENDER: Roma Bank

AMOUNT OF LOAN: \$675,000 bank loan with a \$337,500 (50%) Authority Participation.

TERMS OF LOAN: Permanent financing to be reduced by Authority's exposure and fixed at 7.00% for five years. Ten year term with a 15 year amortization with a rate reset option at the five year anniversary. Rate to be reset at the prevailing FHLBNY rate plus 2.25% with a floor of 6.00%

TERMS OF PARTICIPATION: Fixed for five years at the time of closing at the five year US Treasury plus .50% with a floor of 3.00%. Ten year term with one call and rate reset option at the five year anniversary. Fifteen year amortization.

PROJECT COSTS:

Renovation of existing building	\$697,000
Working capital	\$50,000
Soft Costs	\$3,000
	<hr/>
TOTAL COSTS	\$750,000
	<hr/> <hr/>

JOBS: At Application 10 Within 2 years 50 Maintained 0 Construction 21

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: D. Lawyer

**RENEWAL COMMUNITY COMMERCIAL
REVITALIZATION DEDUCTION PROGRAM**



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

SUBJECT: 2008 Allocation - Commercial Revitalization Deduction Program

Background:

The Renewal Community Commercial Revitalization Deduction Program (CRD) was established under Section 14001 of the Internal Revenue Code. In accordance with this section, the Authority was designated the Community Revitalization Agency (CRA) for New Jersey with responsibility for developing a plan, mechanism and process for awarding and monitoring the annual allocations. A Renewal Community (RC), as defined by the US Department of Housing & Urban Development, is a community in need of increased opportunities for affordable housing, employment opportunities and economic revitalization. The designated RCs in New Jersey, Newark and Camden, are each qualified for a \$12 million allocation per year. Costs eligible for the CRD include new construction of a qualified building or the costs associated with substantial rehabilitation of an existing qualified building. The CRD may be claimed "up front" in year 1 for 50% of the qualified costs, or, 100% if claimed over 10 years. This deduction is considered accelerated depreciation as the costs are typically depreciated over a 40-year period.

The Authority received three applications for the 2008 round of allocations of the Commercial Revitalization Deduction, from Newark, for \$19,341,393, which is in excess of the \$12,000,000 allocation. Accordingly, the allocation will be awarded on a pro rata basis. Camden is presenting one application for \$718,500, well below the \$12,000,000 maximum per renewal community. Since inception of the program through 2007 Newark entities have been awarded \$28 million in CRD allocations and Camden entities have been awarded \$950,000. Applications scoring seven or more points out of a total of 13 will receive an allocation of the CRD. Please note, the scoring is comprised of two components: Threshold Criteria determined by the respective CRD community, and General Criteria determined by the Authority. The Threshold Criteria evaluates how the project fits in to the respective RC's development plan and when the project will be completed. The General Criteria focus is on creation of jobs and charitable giving in the past and anticipated in the future.

2008 CRD Allocation Request

Applicant	Project Cost	Requested CRD	% of Total Requests	Pro Rata	Score	Deduction
<u>NEWARK</u>						
Lincoln Park Redevelopment LLC 450 - 460 Washington Street	\$4,466,460	\$ 4,416,366	28%	\$ 3,393,132	9	10 years
Lincoln Park Redevelopment LLC 39 - 41 Beecher Street	\$11,256,207	\$ 7,583,634	49%	\$ 5,826,570	11	50% Year 1
G & S LLC	\$ 3,618,726	\$ 3,618,726	23%	\$ 2,780,298	8	10 years
NEWARK TOTAL	\$19,341,393	\$15,618,726	100%	\$12,000,0000		
<u>CAMDEN</u>						
1895 Federal Street Associates, Inc.	\$ 795,000	\$ 718,500	100%	\$ 718,500	8	50% Year 1

NEWARK

Lincoln Park Redevelopment, LLC, has presented two projects.

450-460 Washington Street, Newark

39 - 41 Beecher Street, Newark

Lincoln Park Redevelopment, LLC, wholly owned by Lincoln Park Coast Cultural District, Inc. (LPCCD), is transforming an 11 acre low-income neighborhood in Newark, New Jersey from blighted lots into an urban eco-village and cultural district. The project will be New Jersey's first mixed use U.S. Green Building Council Leadership in Energy and Environmental Design certified project. The project includes 300 LEED United States Green Building Council certified units, music festivals, historic restoration projects and the Museum of African American Music, a Smithsonian Affiliate.

Lincoln Park Redevelopment, LLC fulfilled Newark's requirements to be classified a Tier One project with the endorsement of Cory A. Booker, Mayor. The applicant has indicated charitable contributions in the past have been approximately 2 - 3% of net income and will continue to contribute on that basis. The two Lincoln Park projects are projecting 50% of the new jobs to be created by the tenants will be for Newark residents, all coming from the private sector.

450-460 Washington Street, Newark

Develop 6 attached mixed use buildings, to create 12 town houses (residential) and six commercial units for a total of 24,000 s.f. The buildings are expected to be ready for occupancy in early 2009, with prospective commercial tenants accounting for 5,800 s.f., including office space for LPCCD.

39 - 41 Beecher Street, Newark

Develop 7 unit mixed use residential and commercial building. It will be a 4 story building with one commercial unit on the first floor and two commercial units on all additional floors. Approximately 22% of the building will be commercial, with 78% residential, in compliance with RCD qualifications for maximum 80% residential use. The building will be mostly marketed to artists, engineers, architects and other creative firms to enhance the arts and cultural district being created in the Lincoln Park community.

G & S, LLC.

G & S, LLC. (G&S), formed in April 2002, is a real estate holding company for the benefit of its primary shareholders, Jose & Luisa Lopez. G&S acquired in March 2006 vacant land from the city of Newark, which they are developing into a 55,000 s. f. public warehouse. It is anticipated the property will be ready for use in April 2009. Mr. & Mrs. Lopez own 50% of 4 commercial properties in Newark. In addition to the warehouse project, Mr. Lopez owns 50% of Don Pepe Restaurant and two parking garages.

G&S fulfilled Newark's requirements to be classified as a Tier Two project with the endorsement of Cory A. Booker, Mayor. The applicant is projecting 30 new jobs to staff the warehouse, all coming from the private sector. Mr. & Mrs Lopez appear to be generous givers of their time and monetary donations to charitable causes. Mrs. Lopez is on the Board of Directors of the Newark Symphony Hall, active with the PTA and scholarship fund of Lope DeVega Spanish School in Newark and does hospital volunteer work. In addition, they donate food through Don Pepe Restaurant to food banks and Newark Veterans groups.

CAMDEN

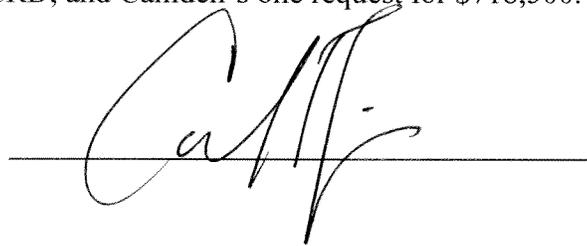
1895 Federal Street, LLC, is a public warehouse acquired in 2007, by Gary Mahon, Jeff Wheeler, and Michael Dougherty, principals in Camden International Commodities Terminal (CICT). The acquisition of 1895 Federal Street provides additional warehouse space to be used by CICT for their primary business, importing cocoa beans. The warehouse is close to the Camden Port, and sits on a 2 acre site, providing ample room for growth. As a result of CICT's cocoa bean importing over the past 15 years, Camden has become the largest cocoa port in the United States. CICT employs 85 people, full time, with approximately 50% Camden residents. CICT brings in

more than 30 ships per year to the Port of Camden, which generally carry other cargo, providing opportunities for other warehouse companies as well. Typically, when a ship comes in to Port, CICT will need 125 workers per hour, with the average of 50 hours of work per vessel, to unload the cargo.

1895 Federal Street, LLC fulfilled Camden's requirement to be classified a Tier Two project, with the endorsement of Judge Davis, Camden's Chief Operating Officer, and Mayor Gwendolyn Faison. The applicant is projecting creating 15 new jobs, all coming from the private sector, with 50% of the new jobs to be Camden residents. CICT appears to be a responsible corporate citizen, donating money and volunteer time with an aggregate value in excess of 3% of their net income.

Recommendation

As part of the application review process, the CRD Steering Committee, consisting of representatives from NJHMFA, NJDOL and Authority staff met on December 1, 2008 and reviewed the applications. Based on the Steering Committee's approval recommendation, staff recommends approval of the Newark applicants with the allocations on a pro-rata basis, as total requests exceed the \$12 million maximum CRD, and Camden's one request for \$718,500.

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be 'C. Krug'.

Prepared by: Michael Krug

**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: December 9, 2008
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. The scope of work is described on the attached project summaries:

Private Grants:

Domicile Amiano	\$159,070
Estate of William Jimolka	\$179,072

Total UST funding for December 2008.....\$338,142

Prepared by: Lisa Petrizzi

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

APPLICANT: Domicile Amiano

P23109

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 90 Stokes Street

Freehold Township (N)

Monmouth

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison () Core () RFG

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$159,070 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$15,907 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: \$159,070

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$159,070
NJDEP oversight cost	\$15,907
EDA administrative cost	\$250
TOTAL COSTS	\$175,227

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Estate of William Jimolka

P23492

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 164 Belshaw Ave.

Shrewsbury Township (N)

Monmouth

GOVERNOR'S INITIATIVES:

Urban Fund Other Urban Edison Core RFG

APPLICANT BACKGROUND:

Estate of William Jimolka is the owner of the project site and is seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation, as well as site restoration. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$179,072 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$17,907 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: \$179,072

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$179,072
NJDEP oversight cost	\$17,907
EDA administrative cost	\$250
TOTAL COSTS	\$197,229

APPROVAL OFFICER: L. Petrizzi



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 09, 2008

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

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

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

Below is a summary of the Delegated Authority approvals processed by Program Services for the period November 01, 2008 to November 30, 2008

Summary:	# of Grants	\$ Amount
Leaking tank grants awarded	53	\$892,645
Non-leaking tank grants awarded	188	\$478,604

Applicant	Description	Grant Amount	Awarded to Date
Alvarez, Vincent and Christine (P23387)	Initial grant for upgrade, closure and remediation	\$3,812	\$3,812
Assawi, Azzat and Sheri (P22389)	Initial grant for upgrade, closure and remediation	\$13,263	\$13,263
Bannon, James (P23696)	Initial grant for upgrade, closure and remediation	\$21,251	\$21,251
Beyerle, Sr., Gordon K. (P23786)	Initial grant for upgrade, closure and remediation	\$20,000	\$20,000
Boonham, Tom (P23980)	Initial grant for upgrade, closure and remediation	\$9,150	\$9,150
Buyuksal, Ayten, Ilyan and Robert (P23290)	Initial grant for upgrade, closure and remediation	\$15,140	\$15,140
Calderone, Rose and Ann Gebhardt (P24166)	Supplemental grant for upgrade, closure and remediation	\$2,704	\$12,472
Chiavarone, Joseph (P23288)	Initial grant for upgrade, closure and remediation	\$30,809	\$30,809
Christ, Richard H. (P23776)	Initial grant for upgrade, closure and remediation	\$2,410	\$2,410
Covington, Marc (P24075)	Initial grant for upgrade, closure and remediation	\$8,713	\$8,713

Applicant	Description	Grant Amount	Awarded to Date
Danley, Frank and Adele (P23393)	Initial grant for upgrade, closure and remediation	\$7,418	\$7,418
DeChellis, Kathy (P23384)	Initial grant for upgrade, closure and remediation	\$3,958	\$3,958
Dobzenicky, Emma (P23931)	Initial grant for upgrade, closure and remediation	\$20,353	\$20,353
Dudley, John and Sharon (P23996)	Initial grant for upgrade, closure and remediation	\$19,051	\$19,051
Fowler, Kenneth (P24131)	Initial grant for upgrade, closure and remediation	\$11,590	\$11,590
Harris, James and Mary Jo (P24079)	Initial grant for upgrade, closure and remediation	\$14,739	\$14,739
Hayes, James and Jean (P23202)	Initial grant for upgrade, closure and remediation	\$5,305	\$5,305
Heidenry, John (P23942)	Supplemental grant for upgrade, closure and remediation	\$5,684	\$42,743
Insinger, Ed (P24183)	Initial grant for upgrade, closure and remediation	\$12,120	\$12,120
Jarrett, Paul (P23382)	Initial grant for upgrade, closure and remediation	\$11,420	\$11,420
Jim's Auto Service (P22412)	Supplemental grant for upgrade, closure and remediation	\$84,375	\$198,469*
Johnston, Kevin and Kimberly (P23539)	Initial grant for upgrade, closure and remediation	\$27,612	\$27,612
Kurilla, Gloria (P24213)	Initial grant for upgrade, closure and remediation	\$3,673	\$3,673
Laney, Jim (P23562)	Initial grant for upgrade, closure and remediation	\$9,062	\$9,062
Litwin, Viola Ann (P23934)	Initial grant for upgrade, closure and remediation	\$22,325	\$22,325
Maack, Charles L. (P23673)	Initial grant for upgrade, closure and remediation	\$3,420	\$3,420
Macchia, Domenick (P24351)	Initial grant for upgrade, closure and remediation	\$17,909	\$17,909
McGuigan, John (P23592)	Initial grant for upgrade, closure and remediation	\$7,542	\$7,542
Meiners, Kevin C. and Susan (P24110)	Initial grant for upgrade, closure and remediation	\$4,270	\$4,270
Mitchell, Juanita (P23736)	Initial grant for upgrade, closure and remediation	\$16,208	\$16,208
Morodan, Joseph (P24118)	Supplemental grant for upgrade, closure and remediation	\$40,345	\$322,455*
Muriello, David (P23586)	Initial grant for upgrade, closure and remediation	\$7,335	\$7,335
Nevins, Janet (P24112)	Initial grant for upgrade,	\$17,279	\$17,279

Applicant	Description	Grant Amount	Awarded to Date
	closure and remediation		
Nixon, Ernest and Sharon (P22854)	Initial grant for upgrade, closure and remediation	\$9,055	\$9,055
Numair, Jon and Nancy (P23832)	Initial grant for upgrade, closure and remediation	\$6,190	\$6,190
O'Donnell, John F. and Addie L. (P23933)	Initial grant for upgrade, closure and remediation	\$5,498	\$5,498
Parzatka, Barbara (P24172)	Supplemental grant for upgrade, closure and remediation	\$1,157	\$20,511
Peckham, Marian (P23868)	Initial grant for upgrade, closure and remediation	\$3,735	\$3,735
Perrelly, Anthony (P24277)	Supplemental grant for upgrade, closure and remediation	\$59,944	\$91,814
Pope, Lily R. (P23773)	Initial grant for upgrade, closure and remediation	\$13,035	\$13,035
Quirk, Dennis (P24491)	Initial grant for site remediation	\$1,913	\$1,913
Quiroz, Gabino (P24248)	Initial grant for upgrade, closure and remediation	\$16,834	\$16,834
Rodriguez, Francisco (P23114)	Initial grant for upgrade, closure and remediation	\$1,500	\$1,500
Sabani, Sacir (P23591)	Initial grant for upgrade, closure and remediation	\$13,095	\$13,095
Sherry, Dolores (P24077)	Initial grant for upgrade, closure and remediation	\$9,927	\$9,927
Sigman, Marlene (P24243)	Supplemental grant for upgrade, closure and remediation	\$2,727	\$20,160
Solowill Enterprises, Inc. (P23713)	Supplemental grant for upgrade, closure and remediation	\$24,627	\$181,191*
Sousa, Deborah (P24355)	Initial grant for upgrade, closure and remediation	\$16,457	\$16,457
Willekes, Jacobus (P23469)	Initial grant for upgrade, closure and remediation	\$24,218	\$24,218
Williams, Goonawantee and Vaughn (P23681)	Initial grant for upgrade, closure and remediation	\$51,028	\$51,028
Williams, Shaheem (P23661)	Initial grant for upgrade, closure and remediation	\$12,531	\$12,531
Wright, Michael D. and Araceli Silva (P24091)	Initial grant for upgrade, closure and remediation	\$23,955	\$23,955
Zane, Robert and Jennifer (P23932)	Initial grant for upgrade, closure and remediation	\$94,974	\$94,974

53 Grants

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

\$892,645

Applicant	Description	Grant Amount	Awarded to Date
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Ackerman, Kurt (P24314)	Grant to remove an underground storage tank	\$1,075	\$1,075
Altman, Howard and K. Alyson Balan-Altman (P24507)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,900	\$2,900
Anderson, Richard and Christina (P24141)	Grant to remove an underground storage tank	\$1,200	\$1,200
Ayers, George and Lillian M. (P23873)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Baldwin, Scott and Dena (P23821)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Banasiak, Edward (P24322)	Grant to remove an underground storage tank	\$1,200	\$1,200
Beveridge, Charlene (P24441)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bikofsky, Greg and Heather A. Cook (P24394)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bolinski, Bernard J. and Patricia R. (P22838)	Grant to remove an underground storage tank	\$1,200	\$1,200
Braga, William and Georgette (P23881)	50 % grant to remove an underground storage tank and install an above ground storage tank	\$1,500	\$1,500
Brown, Jonathan and Sherri (P24332)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Bucher, Marie (P24014)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Burigo, Oclesio (P23598)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Burkhardt, Jr., William T. and Christina Klausman (P24282)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Buttraum, James Houston and Judith Mary (P23760)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Calia, Yolanda and Marlene (P24058)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Calkin, Bruce and Erin	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
(P24238)	storage tank and install an above ground storage tank		
Campione, Carmen and Helen (P24185)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,704	\$2,704
Caruso, Marianne (P24569)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Casey, Francis A. (P23956)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Catalano, Margaret M. (P24234)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,772	\$2,772
Cheesman, Thomas Sr. and Catherine (P24440)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,999	\$2,999
Chlodnicki, Ken and Christine (P24111)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Christophe, Jean and Imma (P24084)	Grant to remove an underground storage tank	\$1,200	\$1,200
Christopher, Linda A. (P24383)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,125	\$2,125
Ciancio, Natalie (P23481)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Coleman, Dan and Eileen (P24297)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Conroy, James B. and Kristine M. (P24344)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,837	\$2,837
Corona, Jose (P23319)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Cramp, Steven and Diane (P24254)	50 % grant to remove an underground storage tank	\$600	\$600
Cullen, Keith A. and Donna M. (P24299)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,200	\$2,200
Czyzyk, Doris and Robert (P24313)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,808	\$2,808
Dahl, Jason and Erica (P24542)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Dalrymple, David C. and Barbara (P24562)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Dawson, John and Veronica (P24412)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
DeFrance, Richard and Meg (P24516)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
DeSimone, Jeffrey and Lisa (P24435)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
DiBenedetto, Gloria (P24034)	Grant to remove an underground storage tank	\$1,200	\$1,200
Domenic, Roseann (P24570)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,773	\$2,773
Dreyer, Michele (P24186)	Grant to remove an underground storage tank and install an above ground storage tank	\$1,862	\$1,862
Dubinski, Betty (P24027)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,400	\$2,400
Escalante, Cesar (P24456)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Esposito, Jacqueline M. and Patrick (P24222)	Grant to remove an underground storage tank	\$1,200	\$1,200
Fischer, Jack W. and Ruth E. (P24608)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Fleming, James and Bettina (P24326)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Forrester, Walter H. and Elizabeth (P24139)	Grant to remove an underground storage tank	\$1,200	\$1,200
Franko, Donald, Jr. and Lorrie Lynn (P24258)	Grant to remove an underground storage tank	\$3,000	\$3,000
Fullington, Timothy and Carolyn (P24568)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gallagher, John and Robyn (P24385)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gallo, Frank (P23608)	Grant to remove an underground storage tank	\$1,200	\$1,200
Gangemi, Antonino and	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Giuseppa Gazzara (P24417)	storage tank and install an above ground storage tank		
Garzino, John (P24317)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gil, Heidi (P24316)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gildea, John and Lucieann (P24336)	50 % grant to remove an underground storage tank and install an above ground storage tank	\$1,500	\$1,500
Gimbar, John and Marilyn (P24726)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,275	\$2,275
Guida, Caroline C. (P24395)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Gumann, William (P23410)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Haas, Raymond P. and Janet M. (P24397)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hadnagy, Paul and Mary Ann (P24503)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Haut, Sara L. (P22716)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hayes, Martin and Nancy (P24143)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Healy, Clinton and Elaine (P24722)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,875	\$2,875
Heggie, Gordon and Anailda (P24182)	Grant to remove an underground storage tank	\$1,095	\$1,095
Hershberg, Jay A. and Myra (P24295)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hyers, William and Ruth (P24233)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Hyslop, Audra and John (P24319)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,023	\$2,023
Janeiro, John and Fernando	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
Aquiles (P24284)	storage tank and install an above ground storage tank		
Joannides, Richlene (P24150)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Jobes, Mary K. (P24321)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,862	\$2,862
Kanunaido, Atchababu (P24032)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kappock, Kevin and Angela (P24231)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,616	\$2,616
Kapuscinski, Zdzislaw and Genowefa (P24283)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Karns, James A. and Faye H. (P24402)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kipper, Samuel and Zahava (P23605)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Klepp, Lisa Renee (P24229)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Knight, David and Anna (P23859)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,632	\$2,632
Kopec, William L. (P24357)	Grant to install an above ground storage tank	\$1,565	\$1,565
Koster, Liliana and Robert (P24593)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Krauer, Denise (P24360)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kuchta, Jeffrey R. and Patricia (P24501) Tank A	Grant to remove an underground storage tank and install an above ground storage tank	\$2,097	\$2,097
Kuhling, August R. and Carol A. (P24515)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Kyak, David and Tanny (P24256)	Grant to remove an underground storage tank	\$1,200	\$1,200
Kylis, Corinne (P23362)	Grant to remove an underground storage tank	\$1,130	\$1,130

Applicant	Description	Grant Amount	Awarded to Date
Kymer, Tammy (P24444)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lamb, Lawrence A. (P23901)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Leonard, Jr., James L. and Carole A. (P24389)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lewendoski, William (P24188)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lewis, Vernon L. (P24390)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,012	\$2,012
Li, Xiao and Yueling (P24425)	Grant to remove an underground storage tank	\$1,200	\$1,200
Liverakos, Angelina (P24341)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,700	\$2,700
LoBue, Carl L. and Loretta K. (P24464)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Lombardo, Giacomo (P24175)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Loquet, Peter J. and Susanne (P24196)	Grant to remove an underground storage tank	\$1,200	\$1,200
Lowe, Janine Savarese and Daniel (P24154)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,600	\$2,600
Maddy, Richard and Leslee (P24437)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Magnani, Sarah and Paul (P24399)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,300	\$2,300
Marchlewski, Thomas (P24203)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,253	\$2,253
Markese, Victor (P24042)	Grant to remove an underground storage tank	\$1,200	\$1,200
Martone, Richard and Betsy (P24265)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Maruska, Lisa (P24305)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,838	\$2,838

Applicant	Description	Grant Amount	Awarded to Date
Matakonis, Michael and Melanie (P24510)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,627	\$2,627
Mauser, Barbara (P24404)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Mazur, Evelyn M. (P24073)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,400	\$2,400
McClaren, Ellsworth and Priscilla M. (P24419)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
McGee, Jr. Michael G. and Monica A. (P24457)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
McKenzie Michael J. and Gail (P24214)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Michalski, Mark (P23883)	Grant to remove an underground storage tank	\$1,200	\$1,200
Miller, John H. and Karen (P24024)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,784	\$2,784
Mills, Richard J. and Denise M. Brennan (P24588)	Grant to remove an underground storage tank	\$1,200	\$1,200
Molion, William R. and Jodi M. Marione (P24365)	Grant to install an above ground storage tank	\$2,916	\$2,916
Monte, Frank (P24508)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Muller, Stephen B. and Marjorie H. (P24107)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Murphy Glen P. and Marie Christine (P24298)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,950	\$2,950
Murphy, Brian (P24142)	Grant to remove an underground storage tank	\$1,145	\$1,145
Mytnick, Irene R. and John F. (P24049)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,872	\$2,872
Nabrzeski, Mary K. (P23885)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Nardelli, Catherine (P24048)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,977	\$2,977

Applicant	Description	Grant Amount	Awarded to Date
Neice, Donald D. and Susan T. (P24311)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Nellen, Tanya (P24252)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Nielsen, Doug and Suzanne (P24414)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Nulty, Teruko (P24301)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
O'Brien, Jean K. (P24094)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,980	\$2,980
O'Connor, Andrew and Dianne (P24543)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,614	\$2,614
OPM Enterprises, LLC (P23908)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,800	\$2,800
Olexsak, Andrew P. (P24103)	Grant to remove an underground storage tank	\$1,200	\$1,200
Oliphant, Wilma J. (P24045)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Olson, Raymond (P24190)	Grant to remove an underground storage tank	\$1,200	\$1,200
Omstead, Elmer and Jean F. (P24205)	Grant to remove an underground storage tank	\$1,200	\$1,200
Orvetz, Gregory J. and Karen L. (P24306)	Grant to remove an underground storage tank	\$1,200	\$1,200
Papa, Mary Alice (P23010)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Parker, Cecilia M. (P24267)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Pascual, Victor S. and Raquel C. (P24219)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Pedersen, Eric and Linda (P24603)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,312	\$2,312
Peranio, Edward (P24320)	50 % grant to remove an underground storage tank	\$600	\$600
Perez, Alfred and Kathryn	Grant to remove an underground	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
(P24446)	storage tank and install an above ground storage tank		
Petillo, Joseph and Marygrace (P24067)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,836	\$2,836
Petras, Christine M. (P24030)	Grant to remove an underground storage tank	\$1,020	\$1,020
Prostak, Donald J. and Brenda J. (P24047)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,493	\$2,493
Quirk, George and Shirley (P24337)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Quirk, William and Jo-Ann (P24436)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Rafferty, Garrett and Alessandra (P24146)	Grant to remove an underground storage tank	\$1,200	\$1,200
Richards, D. G. and Joan A. (P24367)	50 % grant to remove an underground storage tank and install an above ground storage tank	\$1,500	\$1,500
Rodriguez, Ramon (P23653)	Grant to remove an underground storage tank	\$1,200	\$1,200
Romano, Kathleen and Thomas (P24180)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Romano, Louis and Margaret F. (P24366)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Rosario, Angel and Salvatrice (P23899)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,719	\$2,719
Rueck, Herbert and Suzanne (P24558)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Russo, James G. and Diane (P24051)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sabo, Tom and Monica (P24504)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Santangelo, Jon (P24309)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Scalia, Robert (P24335)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,700	\$2,700

Applicant	Description	Grant Amount	Awarded to Date
Scardilli, Arthur and Kathleen (P24310)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Schaflin, Ernest J. and Barbara (P24585)	Grant to remove an underground storage tank	\$1,200	\$1,200
Selepouchin, Valentine and Karen (P24391)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sher, Richard and Doris (P24307)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Shetty, Ahalya (P23856)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,910	\$2,910
Sista, Dina (P24318)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Smith, Eileen G. (P24406)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Smith, Kim E. (P24097)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,616	\$2,616
Snygg, John and Virginia (P24216)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Sonnentag, William D. and Gale M. (P24432)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Stein, Lisa W. (P24225)	Grant to remove an underground storage tank	\$1,035	\$1,035
Stizza, Lisa (P23668)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,897	\$2,897
Stokes, Edward W. and Sharon (P24071)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Stover, Stella (P24339)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,980	\$2,980
Strauss, Jessica J. (P24346)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,884	\$2,884
Stuiber, Caroline and Frank (P24340)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Taylor, Robert and Theodora (P24041)	Grant to remove an underground storage tank and install an above	\$3,000	\$3,000

Applicant	Description	Grant Amount	Awarded to Date
	ground storage tank		
Tedesco, Cathleen (P24235)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,750	\$2,750
Tierney, Mary Jane (P24517)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Trotta, Anna and Robert (P23659)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,102	\$2,102
Turano, Louis M. (P24151)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,710	\$2,710
Van Allen, Michael A. (P24155)	Grant to remove an underground storage tank	\$1,200	\$1,200
Van Exter, Eric and Janice (P24609)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Vandenberge, Donald and Elaine (P24384)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,999	\$2,999
Vilardo, Louis J. and Nikki A. (P24550)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,880	\$2,880
Vincent, Thomas K. and Mary (P24549)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,375	\$2,375
Vitale, Nancy (P24465)	Grant to remove an underground storage tank	\$1,166	\$1,166
Volandt, Michael H (P24095)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Volpe, Richard (P24443)	Grant to remove an underground storage tank	\$1,200	\$1,200
Wade, Rosalba (P24431)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Weber, Steve (P24363)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,978	\$2,978
Weinstein, Ronald G. (P24386)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,788	\$2,788
Wester, Christine H. (P24512)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000
Wilson, Blanche D. (P24206)	Grant to remove an underground	\$2,600	\$2,600

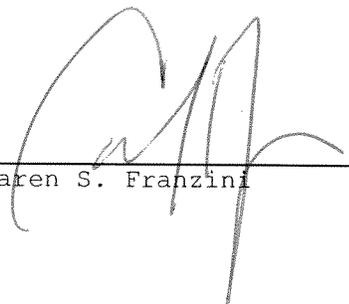
Applicant	Description	Grant Amount	Awarded to Date
	storage tank and install an above ground storage tank		
Winn, Susan J. (P24237)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,575	\$2,575
Zehnbauer, Paul and Merry (P24215)	Grant to remove an underground storage tank and install an above ground storage tank	\$2,786	\$2,786
Zevetchin, Daniel R. and Rosalba (P24438)	Grant to remove an underground storage tank and install an above ground storage tank	\$3,000	\$3,000

188 Grants

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

\$478,604

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


Caren S. Franzini

Prepared by: Lisa Petrizzi, Finance Officer

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: December 9, 2008
SUBJECT: Hazardous Discharge Site Remediation Fund Program

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

Private Grant:

Union Laboratories \$58,116

Municipal Grants:

Township of Berkeley (Bayview Park) \$186,663
Camden Redevelopment Agency (Former RCA Building 8) \$ 47,660
Camden Redevelopment Agency (Harrison Avenue Landfill) \$1,369,650
Harrison Redevelopment Agency (Spiegel Trucking, Inc) \$1,827,296
Rahway Redevelopment Agency (Hamilton Laundry Site) \$544,137
Sayreville Economic Redevelopment Agency (Former National Lead) \$3,757,897

Total HDSRF funding for December 2008 **\$7,791,419**

Prepared by: Lisa Petrizzi

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

APPLICANT: Union Laboratories

P23643

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 260 Tennent Road

Marlboro Township (N)

Monmouth

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core () RFG

APPLICANT BACKGROUND:

Union Laboratories was the owner of the project, which manufactured plastic adhesives and located in Marlboro Township, Monmouth County. The NJDEP Bureau of Case Management 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 in the amount of \$211,332 identified under P23642 (\$52,833) and adding the DEP oversight fees (\$5,283).

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$58,116 to perform the approved scope of work at the project site. The applicant is being considered concurrently for a 25% matching grant to achieve an unrestricted re-use classification in the amount of \$58,116 under P23642.

The NJDEP estimated oversight fee is \$5,283. 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: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$58,116 (25% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

NJDEP oversight cost	\$5,283
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$5,783</u></u> *

* - Indicates that there are project costs reported on a related application.

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Township of Berkeley (Bayview Park)

P24038

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 155 Butler Boulevard

Berkeley Township (T)

Ocean

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core () RFG

APPLICANT BACKGROUND:

The project site, identified as Block 1437, Lots 14-17 is a park which has potential environmental areas of concern (AOC's). The Township of Berkeley currently owns the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation and conservation.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and 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 Township of Berkeley is requesting grant funding to perform PA, SI and RI in the amount of \$186,663 at the Bayview Park Facility project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$186,663

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$108,591
Site investigation	\$57,561
NJDEP oversight cost	\$16,969
Preliminary assessment	\$3,542
EDA administrative cost	\$500
TOTAL COSTS	\$187,163

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Camden Redevelopment Agency (Former RCA Building 8) P23772

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

PROJECT LOCATION: Front and Cooper Streets Camden City (T/UA) Camden

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban () Edison () Core () RFG

APPLICANT BACKGROUND:

Camden Redevelopment Agency ("CRA") received grant funding to perform a Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) in the amount \$462,433 in January 2002 under P13572, \$334,126 in February 2005 under P15878, \$66,917 in August 2006 under P15878, \$61,668 in July 2008 under P21319 and \$35,029 in August 2008 under P20733. The project site, which was the historic former Radio Corporation of America (RCA) manufacturing facility, has suspected environmental areas of concern. CRA owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for "The Lofts" residential village development project.

NJDEP has approved supplemental 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:

CRA is now requesting supplemental grant funding to perform additional RI activities required by NJDEP in the amount of \$47,660 at the Frm. RCA Building 8 project site, for total funding to date of \$1,007,830.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$47,660

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$43,327
NJDEP oversight cost	\$4,333
EDA administrative cost	\$500
TOTAL COSTS	\$48,160

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Camden Redevelopment Agency (Harrison Avenue Landfill Park) P24794

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Harrison Avenue and State Street Camden City (T/UA)

Camden

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban () Edison () Core () RFG

APPLICANT BACKGROUND:

Camden Redevelopment Agency received grants totaling \$9,659,027 between 2005 and 2007 to perform Remedial Investigation (RI) and Remedial Action (RA) activities at the project site. The project site, identified as Blocks 809; 809.01; 810 and Lots 7-12; 18; 4, 5, 6, 18, located in a Brownfield Development Area (BDA), is a former landfill which has potential environmental areas of concern (AOC's). The City of Camden currently owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site into a recreation center.

NJDEP has approved this request for supplemental RI and RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA costs (\$35,900), adding the RI costs (\$1,212,500) and the DEP costs (\$121,250). According to the Legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The total annual amount allowed for a municipality, county or redevelopment entity that contains a BDA is \$5,000,000 per calendar year. This grant will not exceed this limit for Camden Redevelopment Agency for 2008.

APPROVAL REQUEST:

The applicant is requesting additional grant funding in the amount of \$1,369,650 for the approved project costs, for a total funding to date of \$11,028,677.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT \$1,369,650

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$1,212,500
NJDEP oversight cost	\$121,250
Remedial Action	\$47,866
EDA administrative cost	\$500
TOTAL COSTS	\$1,382,116

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Harrison Redevelopment Agency (Spiegel Trucking, Inc.) P24745
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 600 Cape May Street Harrison Town (T) Hudson

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core () RFG

APPLICANT BACKGROUND:

Harrison Redevelopment Agency received an approval for a grant in the amount of \$862,940 in October 2007 under P19800 to perform Remedial Investigation (RI) and Remedial Action (RA) activities and an approval for a grant in December 2007 in the amount of \$4,003,046 to perform additional RI and RA activities. The project site is a warehouse which has potential environmental areas of concern (AOC's). The Harrison Redevelopment Agency received a Brownfield Development Area designation which contains this project and currently owns the project site satisfying Proof of Site Control. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation.

NJDEP has approved this request for a RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA (\$1,661,178) plus the oversight costs (\$166,118).

A grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers for a project within a BDA up to 75% of the costs of the remedial action. The total annual amount allowed for a municipality, county or redevelopment entity that contains a BDA is \$5,000,000 per calendar year. This grant will not exceed this limit for Harrison Redevelopment Agency for 2008.

APPROVAL REQUEST:

The Harrison Redevelopment Agency is requesting grant funding to perform RA in the amount of \$1,827,296 at the Spiegel Trucking, Inc. project site, for a total funding to date of \$6,693,282.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$1,827,296

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$2,214,904
NJDEP oversight cost	\$166,118
EDA administrative cost	\$500
TOTAL COSTS	\$2,381,522

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Rahway Redevelopment Agency (Hamilton Laundry Site) P23401
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 276, 304, 350 Hamilton Street Rahway City (T/UA) Union

GOVERNOR'S INITIATIVES:

() Urban Fund (X) Other Urban () Edison () Core () RFG

APPLICANT BACKGROUND:

The project site, identified as Block 167, Lots 38, 39, 45 is a former laundry facility which has potential environmental areas of concern (AOC's). The Rahway Redevelopment Agency currently owns the project site and has satisfied Proof of Site Control. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as an amphitheater and performing arts center.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and 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 Rahway Redevelopment Agency is requesting grant funding to perform PA, SI and RI in the amount of \$544,137 at the Hamilton Laundry project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$544,137

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$456,004
NJDEP oversight cost	\$49,467
Site investigation	\$35,666
Preliminary assessment	\$3,000
EDA administrative cost	\$500
TOTAL COSTS	\$544,637

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Sayreville Economic Redevelopment Agency (Former National P24787

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 1000 Chevalier Avenue

Sayreville Borough (N)

Middlesex

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban () Edison (X) Core () RFG

APPLICANT BACKGROUND:

Sayreville Economic Redevelopment Agency received a grant approval in the amount of \$1,242,103 in August 2008 under P23276 to perform Remedial Investigation (RI) at the project site. The project site, consisting of 400 acres over various parcels has no current operations at the site, but historically as been used for industrial production and processing. Soil and groundwater contamination has been identified. The Sayreville Economic Redevelopment Agency ("SERA") owns the project site and has satisfied Proof of Site Control and received Brownfield Development Area (BDA) designation. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as a mixed-use community including office, retail and residential space along with various recreational opportunities.

NJDEP has approved this request for Remedial Action (RA) on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA costs (\$3,416,270) and adding the DEP costs (\$341,627). According to the Legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The total annual amount allowed for a municipality, county or redevelopment entity that contains a BDA is \$5,000,000 per calendar year. This grant will not exceed this limit for Sayreville Economic Redevelopment Agency for 2008.

APPROVAL REQUEST:

SERA is requesting grant funding to perform RA in the amount of \$3,757,897 at the Former National Lead project site, for a total funding to date of \$5,000,000.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT\$3,757,897

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$4,555,026
NJDEP oversight cost	\$341,627
EDA administrative cost	\$500
TOTAL COSTS	\$4,897,153

APPROVAL OFFICER: L. Petrizzi



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

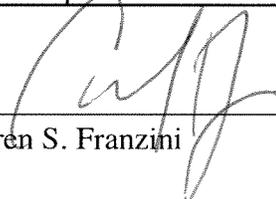
DATE: December 9, 2008

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

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

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of November, 2008.

Applicant	Description	Grant Amount	Awarded to Date
Union Laboratories P23642	Initial 25% matching grant to perform remedial action activities	\$58,116	\$58,116
City of Vineland (Landis Theater/Mori Building) P23394	Supplemental grant to perform remedial investigation activities to redevelop for mixed-use	\$20,633	\$157,668 *has not exceeded its supplemental aggregate delegated authority limit
2 Grants	Approved in November 2008	\$78,749	



 Caren S. Franzini

EDISON INNOVATION FUND

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - EDISON INNOVATION FUND PROGRAM**

APPLICANT: Evident Software Inc.

P22414

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 211 Warren Street

Newark City (T/UA)

Essex

GOVERNOR'S INITIATIVES:

(X) Urban Fund () Other Urban (X) Edison () Core () RFG

APPLICANT BACKGROUND:

Originally founded in 1996 (and known as Apogee Networks until 2002) Evident Software provides network monitoring and diagnostic solutions primarily to customers in the financial services industry. Evident's platform is centered around the new virtualization technology within real-time infrastructure whereby their usage reporting tool details who has used how much computing resources for how long and for what purposes, and the effects on network bandwidth, storage and system resources. Applicant's headquarters are located on the NJIT campus within the Newark Innovation Zone.

Evident completed a management buyout in May of 2007 and in September of 2008 restructured their existing debt and raised \$1.3 million from three venture capital firms.

APPROVAL REQUEST:

Approval is recommended for a \$1 million Edison Innovation Fund Investment. NJEDA assistance will be used to fund fixed and variable expenses over the next 12 months to enable the ramp up of activities to accelerate technology and product commercialization of new product offerings including paying salaries for new staff.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,000,000

TERMS OF LOAN: 5% fixed interest rate, during the first 12 months interest only will be paid and the following 48 months will require equal principal plus interest in amounts adequate to fully repay the investment.

PROJECT COSTS:

Growth Capital	\$1,000,000
Finance fees	\$10,500
TOTAL COSTS	<u>\$0</u>

JOBS: At Application 14 Within 3 years 21 Maintained 0 Construction 0

DEVELOPMENT OFFICER: S. Royster

APPROVAL OFFICER: M. Conte

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - EDISON INNOVATION FUND PROGRAM**

APPLICANT: Princeton Power Systems, Inc.

P23579

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 201 Washington Road

West Windsor Township (N)

Mercer

GOVERNOR'S INITIATIVES:

() Urban Fund () Other Urban (X) Edison () Core () RFG

APPLICANT BACKGROUND:

Princeton Power Systems, Inc. develops and manufactures efficient power electronics using its unique AC Link electric power conversion technologies. The Company's core product, a grid-tied inverter, is a necessary component of solar photovoltaic installations.

APPROVAL REQUEST:

A \$750,000 investment from the Edison Innovation Fund is recommended.

Our investment proceeds will be used to partially finance the purchase of inventory, support trade receivables, and provide general growth capital.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$750,000

TERMS OF LOAN: Five year term at a fixed interest rate of 6.00%. During the first six months, the loan will not require any principal or interest payments. Interest during this period will accrue and will be capitalized. Interest-only payments will then commence for the next six months. The remaining 48 months will require equal principal plus interest payments in amounts adequate to fully repay the investment.

PROJECT COSTS:

Growth Capital	\$750,000
Finance Fees	\$7,500
TOTAL COSTS	<u><u>\$757,500</u></u>

JOBS: At Application 14 Within 3 years 25 Maintained 0 Construction 0

DEVELOPMENT OFFICER: P. Durand

APPROVAL OFFICER: D. Lawyer

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: Linde, Inc., Linde North America, Inc., Linde Ener Energy

P24774

PROJECT LOCATION: 1 Greenwich Street

Greenwich Township (N) Warren County

GOVERNOR'S INITIATIVES:

Urban Fund Other Urban Edison Core

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Founded in 1879, Linde AG (Frankfurt: LIN) is a Munich, Germany based international industrial gases and engineering company. In the early 1870s, the founder of the Linde group, Carl von Linde, invented refrigeration and gas separation technologies and successfully commercialized these technics and patents. The company's gas and chemical products are used in the energy sector, in steel production, chemical processing, environmental protection, food processing, glass production, welding, electronics/thin-film solar cells, fuel cell and healthcare/pharmaceuticals fields. The engineering division designs and constructs turnkey industrial plants in the petrochemical, liquefied natural gas (LNG), chemical and fertilizer industries.

In 2006, Linde AG acquired its British competitor, The BOC Group plc. The Linde group's North American regional headquarters is based in Murray Hill, New Jersey. The BOC Group, Inc., an affiliated company, received a BEIP grant in 1997 (P09403, Lebanon Borough, Hunderdon County). In 2007, the group achieved sales of EUR12.3 billion (USD18.7 billion). The group is economically viable.

The Linde group (Linde, Inc., Linde North America, Inc., Linde Energy Services, Inc. and Affiliates) is considering the relocation of its national scheduling center to Stewartsville, New Jersey from Bethlehem, Pennsylvania.

MATERIAL FACTOR:

The applicants are seeking a BEIP grant to support creating 166 new positions in Warren County, New Jersey. The Linde group has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to relocate to New Jersey and therefore to pick New Jersey over Pennsylvania. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 50%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Linde, Inc., Linde North America, Inc., Linde Ener 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: \$ 1,139,175
 (not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 274

ELIGIBLE BEIP JOBS: Year 1 166 Year 2 0 Base Years Total = 166

ANTICIPATED AVERAGE WAGES: \$55,000

ESTIMATED PROJECT COSTS: \$3,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,278,350

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,278,350

PROJECT IS: () Expansion (X) Relocation Bethlehem, PA

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: () Domestic (X) Foreign Germany

DEVELOPMENT OFFICER: P. Ceppi

APPROVAL OFFICER: D. Sucsuz

FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: Greenwich Township	N/A
2. Job Creation 166	3
Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk: 0	0
4. Industry: other manufacturing	0
Designated : _____ Non-Designated : <u> X </u>	
5. Leverage: 3 to 1 and up	2
6. Capital Investment: \$3,000,000	1
7. Average Wage: \$ 55,000	3

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 : 0 %

Bonus Increases : 20 %

Total Score (not to exceed 80 %): 50 %

BROWNFIELD REIMBURSEMENT PROGRAM



MEMORANDUM

To: Members of the Authority

From: Caren S. Franzini
Chief Executive Officer

Date: December 9, 2008

Subject: Revel Entertainment Group, LLC (“Revel”) – Brownfield Contaminated Site Reimbursement

Summary:

The Members are asked to approve the brownfield application of Revel Entertainment Group, LLC for reimbursement of clean-up costs for an Atlantic City redevelopment project under a Redevelopment Agreement with the New Jersey Economic Development Authority (“Authority”) and the State Treasurer, pursuant to the Brownfield and Contaminated Site Remediation Act, P.L. 1997, c. 278 (N.J.S.A. 58:10B-1 et seq.) (the “Act”). The recommended reimbursement is up to \$4,253,390.

Project Description:

- The Project Site is approximately 20 acres in Atlantic City, NJ that Revel plans to develop into a world class casino resort.
- Revel plans to develop a diverse entertainment complex that will encompass more than 7,800,000 square feet. It will include approximately 130,000 square feet of restaurants and food/beverage outlets, approximately 75,000 square feet of high end retail space, a 150,000 square foot casino, and approximately 3,600 hotel rooms.
- Revel will be remediating all areas of concern, which will include soil hot spot removal contaminated with PAH, and PP-metals concentrations above the allowable standards.
- Revel has recently taken title to the properties and is not liable for any of the contamination as it has not previously owned or operated any of the properties nor has it discharged contaminants or contributed to the contamination of this property.
- The anticipated annual gross sales revenues from the retail portion of the project is estimated to be \$122,819,400, which is anticipated to generate \$8,597,358 in annual sales tax.
- The total development costs is estimated to be in excess of **\$2,000,000,000**.

Anticipated remediation costs: \$5,671,187

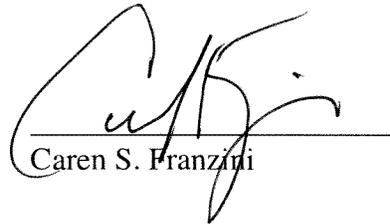
Recommended reimbursement: Up to \$4,253,390 (75% of \$5,671,187)

The Authority received an application for a Brownfield Redevelopment Agreement from Revel Entertainment Group, LLC requesting the reimbursement of up to 75% of approved remediation costs for a Redevelopment Project. In accordance with the Act, approval of the application by the Authority and the State Treasurer requires finding that the site, the redevelopment project and the clean-up meet statutory economic development and fiscal requirements. Reimbursement under the Redevelopment Agreement is contingent upon the Department of the Treasury (“Treasury”) finding that the Project generates sufficient tax revenue to exceed the reimbursement amount and upon the Department of Environmental Protection (DEP) determination that the remediation costs are eligible under the Act and the Agreement.

Reimbursement starts once the project has been constructed on the remediated site only after eligible costs have been approved by DEP and new tax revenues have been generated. Treasury annually tracks taxes received from the job site and remits reimbursement equal to a percentage of funds collected during the year.

Recommendation:

Authority staff has reviewed the Revel Entertainment Group, LLC application and finds that it is consistent with eligibility requirements of the Act. Treasury, in reviewing the application, has notified the Authority of the adequacy of the Project’s estimated tax revenues and specified the percentage reimbursement of remediation costs. Therefore, it is recommended that the Members approve the Revel Entertainment Group, LLC application and authorize the CEO of the Authority to execute a Brownfield Redevelopment Agreement with Revel Entertainment Group, LLC and the State Treasurer.



Caren S. Franzini

Prepared by: Alex Pavlovsky

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
BROWNFIELD AND CONTAMINATED SITE
REMEDIATION ACT PROGRAM (BCSRP)
PROJECT SUMMARY
Revel Entertainment Group, LLC
December 9, 2008**

Applicant:

- **Revel Entertainment Group LLC (“Revel”)** property located at Massachusetts Ave, Atlantic City, Atlantic County, NJ. Blocks 62 Lots 1, 2, Block 64 Lots 1 through 41, Block 66 Lots 1 through 58, Block 67 Lots 1 through 6, Block 69 Lots 1 & 2 and Block 68, Lots 3 through 13
- The site is a Brownfield property with contamination resulting from petroleum discharges from several former UST’s, and AST’s as well as PAH and PP-metals concentrations above the DEP standards. There is also historic fill that was used previously on the site.

Programs:

- The Brownfield and Contaminated Site Remediation Program (BCSRP). This benefit will be administered as a reimbursement of approved remediation costs based on the collection of applicable taxes from the project site. Total remediation costs eligible for reimbursement are estimated to be **\$5,671,187**.

Project:

- The Project Site is approximately 20 acres and is bounded by Massachusetts Ave. and Metropolitan Ave. in Atlantic City NJ.
- Revel plans to develop a diverse entertainment complex that will encompass more than 7,800,000 square feet. It will include approximately 130,000 square feet of restaurants and food/beverage outlets, approximately 75,000 square feet of high-end retail space, a 150,000 square foot casino, and approximately 3,600 hotel rooms.
- Revel has taken title to the property and has entered into a Memorandum of Understanding agreement with the DEP and will be implementing a permanent site wide remediation to obtain an unrestricted site wide No further Action Letter (NFA) and covenant not to sue.
- Revel will be remediating all areas of concern, which will include soil hot spot removal contaminated with PCBs, radiological isotopes, semi-volatile organic compounds, polycyclic aromatic hydrocarbons and total petroleum hydrocarbons.
- The anticipated annual gross sales revenues from the retail portion of the project is estimated to be \$181,000,000, which is anticipated to generate \$12,670,000 in annual sales tax.
- The total development costs is estimated to be over **\$2,000,000,000**

Description of Jobs:

- It is anticipated that the Project will create approximately **1036** temporary jobs related to the remediation and construction and an estimated **5457** permanent jobs related to the operation of the development.

Qualifications:

Revel Entertainment Group, LLC qualifies as an applicant for the Brownfield and Contaminated Site Remediation Program (BCSRP), pursuant to N.J.S.A. 58:10B-27, as the entity is not in any way responsible for causing the contamination at the site proposed to be in the redevelopment agreement, and is not a corporate successor to any entity that discharged any contaminant at the site. N.J.S.A. 58:10B-27 further requires the New Jersey Economic Development Authority (“Authority”) to consider seven statutory factors in determining whether or not to enter into a redevelopment agreement, and based upon the following consideration, it is recommended that the Authority enter into a redevelopment agreement:

1. The economic feasibility of the redevelopment project

- Revel’s management team represents some of the worlds most experienced gaming industry veterans.
- The Revel Team has worked on the MGM City Center project and the Mirage in Las Vegas, the Borgata in Atlantic City, and many other casino hotels.

2. The extent of the economic and related social distress in the municipality

- The casino resort will be located in an area of Atlantic City with a high incidence of poverty, unemployment and general economic distress.
- The thousands of construction and good quality, long term jobs that this project will create, coupled with the substantial new tax revenue that will be generated, will be a significant contribution to the economic revitalization of this distressed area.

3. The degree to which the redevelopment project will advance State, regional, and local development and planning strategies

- This Redevelopment Project is consistent with state, regional and local development and planning strategies.
- Atlantic City is an urban center and as such, is a focal point for urban development and smart growth.
- The Site is in Planning Area 1 and the Project is located in a state-designated Smart Growth Area.
- Redevelopment of this property will revitalize land within a previously developed area while taking advantage of existing infrastructure and avoiding sprawl. Redevelopment of the site advances the goals and objectives of the city’s master plan.

4. The likelihood that the redevelopment project shall upon completion be capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for the remediation costs as provided in the redevelopment agreement

- The Authority has received a letter from the Treasurer stating that an independent review of the **Revel Entertainment Group, LLC** application was completed with a focus on determining whether new tax revenues derived from the project site would be in excess of the requested reimbursement amount. The Division of Taxation has determined that the developers requested reimbursement of **\$4,253,390**, based on anticipated annual sales tax of \$8,597,358 is reasonable and economically feasible.
The projected payout period is less than 1 year.

5. The relationship of the development project to a comprehensive local development strategy, including other major projects undertaken within the municipality

- Redevelopment of the site advances the goals and objectives of Atlantic City's Master Plan and will complement other casino and retail developments in the immediate area by attracting entertainment business and additional tourism to the area.
- The city prioritizes redevelopment of the area to replace the underutilized and dilapidated commercial businesses and vacant lots that previously occupied this prime boardwalk location.

6. The need of the redevelopment agreement to the viability of the redevelopment project

- The Brownfield reimbursement agreement was an important factor in Revel's decision to commit to remediation of the property and assumption of the responsibility for the environmental cleanup.
- A financial analysis was performed by the company during its due diligence, one that included an estimate of remediation costs to be reimbursed as a result of successfully obtaining a Redevelopment Agreement with EDA and Treasury.
- The project team has still not secured permanent financing and the project budget still requires an offset of the remediation costs in order to ensure permanent funding.

7. The degree to which the redevelopment project enhances and promotes job creation and economic development.

- Revel projects that the Project will generate approximately **1036** temporary jobs in connection with the remediation and construction of the project.
- It is also projected that the operation of the development will create **5457** permanent jobs.

Recommended Reimbursement

After completing an independent review of the application, the Treasurer recommends authorizing **Revel Entertainment Group, LLC** to be eligible for reimbursement of up to **\$4,253,390** (75% of \$5,671,187) of approved remediation costs, pending the issuance of a No Further Action Letter (NFA) from the Department of Environmental Protection (DEP).

URBAN TRANSIT HUB TAX CREDIT PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Urban Transit Hub Tax Credit Program- SJP Properties Company

DATE: December 9, 2008

Request

The Members are asked to approve the Urban Transit Hub Tax Credit Program application for SJP Properties Company (SJP) as a developer of a proposed new office building at 221 River Street, Hoboken. This facility is in a designated urban transit hub and the qualified total capital investment is estimated at \$89,316,765. SJP is ground leasing the site for 98 years from the Port Authority of New York & New Jersey and the city of Hoboken. SJP is waiting for a tenant commitment to the building prior to commencing construction of the proposed 13 story office building which is to contain 520,000 Gross square feet and parking for 250 cars. The developer is applying under a section of the regulations that allows an owner/developer to pre-certify a building for this program. When they procure a tenant(s), it is anticipated that the tenant(s) will apply to the EDA for credit allocation related to their investment. The tenant(s) in the SJP building may be eligible under this program so long as they occupy space that represents at least \$25 million of the capital investment in the facility, and employ at least 250 full-time workers at the site. The total estimated tax credits for all the tenants in the building can be up to 100% of the capital investment, allocated over ten years.

Background

Earlier this year, Governor Corzine signed into law The Urban Transit Hub Tax Credit Act (P.L. 2007, c.346), which established a tax credit program for businesses making at least \$75 million in capital investments in a facility in an urban transit hub in an eligible city and employing at least 250 full-time employees at that facility. If the applicant for tax credits is a tenant in the facility, the tenant must occupy space that represents at least \$25 million of the capital investment in the facility.

A hub is defined as areas located within one-half mile of a NJ Transit, PATH and PATCO heavy rail commuter station. Currently, nine cities are designated: Newark, Elizabeth, Jersey City, Paterson, Hoboken, New Brunswick, East Orange, Trenton, and Camden.

The program allows the Authority to issue tax credit certificates to businesses to be applied against corporate business tax, insurance premium tax or gross income tax liability. Tax credits are equal to 100 percent of the qualified capital investment and businesses may apply ten percent of the total credit amount over a ten-year period. The credit will be reduced by twenty percent to eighty percent if in meeting the 250 full-time employee requirement, the applicant is not creating at least 200 new jobs at the site.

SJP Properties Company is a full service real estate firm involved in property management, development, and real estate investment. They employ approximately 65 workers themselves at their site in New Jersey and this proposed facility will contain enough office and retail space for up to 2,000 employees. The total capital improvements on the site are projected to be \$89,316,765. Their intention is to pre qualify this building for the Urban Transit Hub program so that once they have a tenant(s) commitment that meets the tenant(s) requirements of the act, the tenant may apply for the tax credit incentive. SJP has an agreement with the Port Authority and Hoboken to enter into a 98 year ground lease on the site. SJP is waiting on a tenant commitment on the building prior to exercising their right to enter into the ground lease.

Recommendation

Staff has reviewed the application for consistency with the Act and proposed regulations approved by the board and recommends approval of the Project Site as it has been verified to be within one-half mile of the Hub eligible Hoboken PATH Station and the estimated total qualified capital investment meets the minimum \$75,000,000 requirement. It is anticipated that prospective tenants will apply for incentives and final award of credits to tenants will be subject to the tenant's allocated capital investment meeting the minimum \$25,000,000 requirement and having more than 250 full time employees located at the site. This approval is subject to the proposed regulations approved by the Board in October 2008 becoming final and the applicant is at risk that the regulations will change before final adoption.



Caren S. Franzini

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

SUBJECT: Citigroup Global Markets, Inc./Citicorp N.A. Inc./
Citigroup Technology, Inc.
Warren Twp., New Jersey
BEIP Grant – P15955

Request:

1. Approve the addition of Citigroup Management Corp. and Citibank, N.A., Inc. to the Citigroup Global Markets, Inc., Citicorp N.A. Inc., and Citigroup Technology, Inc. (hereinafter collectively “Citi”); and
2. Advise the Members about a liability against Citigroup for violations of ERISA and request approval to continue the grant without disqualification. The members further acknowledge that pursuant to the continuation of the grants, pending due disbursements will be awarded to the grantee.

Background:

In July 2004 and July 2006, Citigroup executed BEIP agreements with the Authority, pursuant to the BEIP agreements; the company is required to present any legal matter that could possibly serve as the basis for disqualification.

In June 2008, the company submitted an application to add two subsidiaries to its BEIP, an action that falls within the parameters of a delegated authority approval to staff. In that application, Citigroup disclosed the following legal matter.

Litigation:

Beginning in June 2005, certain participants in the Citigroup Pension Plan (the "Plan") filed class action complaints against the Plan, Citigroup, and the Plans Administration Committee of Citigroup, alleging that certain aspects of the Plan violated provision of ERISA.

In December 2006, the District Court denied defendants' summary judgment motion; granted summary judgment to plaintiffs on their back-loading, age discrimination and notice claims; and ordered the Plan reformed to comply with ERISA.

Back-loading is the structuring of a pension plan so that it unfairly penalizes young employees by accelerating benefit levels only after a long period of time. ERISA contains three alternative "minimum benefit accrual" rules available to plan sponsors to prevent prohibited back-loading. Plaintiffs took the position that the rule Citi had used, the fractional rule, could not be used in cash balance plans, which is the type of plan Citi had.

In November 2007, the District Court: (i) ordered that defendants fix the Plan's unlawful back-loading by increasing certain pay credits in the amount of \$40 million, (ii) denied plaintiffs' request for additional relief on their back-loading claims, (iii) denied plaintiffs' request for relief on their notice claims, and (iv) reserved its rulings on the proper remedy, if any, for the Plan's violation of ERISA's ban on age discrimination.

In January 2008, the Court entered a partial final judgment on the back-loading and notice claims) and stayed the judgment pending appeal. Defendants filed a notice of appeal on January 22, 2008, and the plaintiffs cross-appealed on January 30, 2008. The matter is still undergoing the appeals process.

Analysis and Mitigating Factors:

Arguably, both the finding of age discrimination and back-loading could serve as the basis for disqualification.

Citigroup's counsel has explained, however, that the ongoing validity of the district court's findings has been called into question by subsequent legal events.

Age Discrimination

By the time of the court's assessment of remedy in November 2007, three federal circuit courts of appeals, (3rd, 6th and 7th Circuit courts) in unrelated cases, had held in favor of Citi's interpretation of the ERISA statute with respect to age discrimination.

As a result, the judge reserved further action on the age discrimination claim until the resolution of Hirt v. Equitable, which presented similar issues and was pending in the Second Circuit, where the district court is located. In July 2008, Hirt v. Equitable was decided in favor of the interpretation supported by Citi. It is therefore unlikely that any liability will be assessed on the

basis of the age discrimination. Citi may also seek to have this motion overturned pursuant to the Hirt v. Equitable decision.

Back Loading:

The district court held that because the fractional rule is applied using no more than the last 10 years of service, it could not as a matter of law be used in connection with any plan like Citi's that calculates the "normal retirement benefit" taking into account more than 10 years of service, and directed Citi to reform its plan.

On February 19, 2008, after the date of the district court's rulings, the IRS issued Revenue Ruling 2008-7, which contains an example showing the use and application of the fractional rule in the case of a plan participant with 11 years of service, all of which applied for purposes of computing the "normal retirement benefit," like Citi's plan. Based on this new legal authority (and other arguments), Citi believes that the finding of liability will be overturned.

Mitigants:

As noted above, the law in this area is in flux, thus making it difficult to determine whether the initial findings of liability will be sustained on appeal.

Traditionally, the Authority has been concerned about any finding of discrimination, but in light of the intervening case law, it appears that the validity of the determination of age discrimination has been called into question.

Further, Citi has indicated that the issues that have arisen will not recur, because Citi has suspended its pension plan and converted it into a 401 k plan.

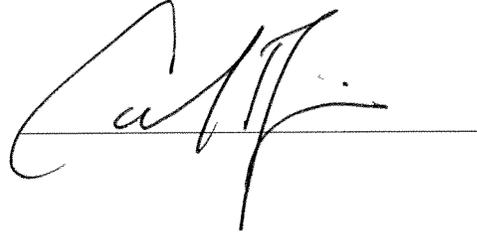
Citi further points out that to its mind, the assessment of \$40 million additional funding to the plan it was required to supplement is not material in light of the \$1.5 billion assets of the pension plan.

Conclusion:

1. Staff recommends the addition of Citigroup Management Corp. and Citibank, N.A., Inc. to the grant.
2. Staff also recommends continuing the grant without disqualification. Supporting this recommendation is staff's review with guidance from the Attorney General's Office wherein it has concluded that the violations and the mitigating factors presented by Citi, and do not warrant disqualification.

Of particular significance to staff is the evolution of the case law relating to age discrimination and the fact that the problems cannot be repeated because the plan no longer exists.

Based on the foregoing, the members are asked to waive disqualification and permit the grants to continue in good standing. The members also acknowledge that staff will, pursuant to the terms of the BEIP grant agreements disburse current pending amounts due to the grantees.

A handwritten signature in black ink, appearing to be 'C. J. Coane', written over a horizontal line.

Prepared by: Karen Gallagher/Lisa Coane



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

SUBJECT: The Gracie Movie, LLC
Princeton, Mercer County, NJ

P016511 – 33% Loan Guarantee	P016522 – Direct Loan
Original Loan Amount: \$4,500,000	Original Loan Amount: \$500,000
Principal Balance: \$4,500,000	Principal Balance: \$498,672
NJEDA Exposure: \$1,500,000 (33%)	NJEDA Exposure: \$498,672

NJEDA Total Exposure: \$1,998,672

Proposal:

Write off the subject loans with recourse.

Background:

Gracie Movie, LLC is a film production company formed in 2004 to produce a full length feature motion picture filmed in New Jersey. Gracie is owned by Andrew Shue, Elizabeth Shue, Davis Guggenheim and Jeffrey Arnold who also serve as directors, executive producers and producers of the film project.

The Authority approved a \$500,000 direct loan and a 33% guarantee of a \$4,500,000 loan from Octave Entertainment Fund, Ltd to fund a portion of the project to produce the full length feature motion picture, Gracie.

The loans are secured by a first and second security interest on corporate assets deemed to have no liquidation value. It is also guaranteed by Gracie Productions, Inc., a wholly owned subsidiary of Gracie Movie LLC, formed specifically to produce the film.

In August 2007, this credit was transferred to SLM due to payment default on the EDA direct loan and the poor box office performance of the film. Prior to transfer, the EDA was advised by Andrew Shue that the movie had not performed as anticipated and is not expected to generate sufficient revenue to service its debts.

The structure of the project financing is governed by an inter-party agreement. Under the agreement, each lender in the priority chain must be paid in full before the next lender may receive payment or initiate collection activities. Monthly interest payments on the EDA direct loan are permitted. Based on limited revenue generated to date, it is unlikely funds will be available to repay the guaranteed loan or the EDA direct loan which are second and third priority lenders respectively.

Goldman Sachs is first priority lender under the inter-party agreement. To date, there has been approximately \$3,400,000 in net proceeds generated by the film. These proceeds have been paid to Goldman Sachs to reduce its \$7,000,000 outstanding debt. It is not anticipated overall sales revenues will be sufficient to pay Goldman Sachs in full. Therefore, it is unlikely the EDA will realize any recovery of its outstanding debt.

In August 2008, the EDA guaranteed loan went into payment default and the EDA paid its guarantee of \$1,500,000 (33%) to Octave Entertainment Fund in October 2008.

The EDA will continue to monitor the sales performance of the Gracie Movie. However, as stated above, it is unlikely sufficient revenues will be generated to repay the guaranteed loan or EDA direct loan.

Recommendation:

Based on the above factors, approval is recommended to write off the subject loans with recourse. The loans were previously risk rated Loss, therefore, the write off will have no effect on the EDA's financial statements.



Prepared by: Jerome T. Stesney



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 9, 2008

SUBJECT: Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations
("HIT") – P13712
Cendant Car Rental Group, Inc. – P13025
Galileo International, Inc./Cendant Financial Holding – P13685
NRT Incorporated – P14232
Parsippany, New Jersey

Modification Request:

Approve name changes for the following four BEIP grantee companies:

- Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations to Wyndham Worldwide Corporation/Wyndham Worldwide Operations/Wyndham Hotel Group, LLC (hereinafter collectively "Wyndham Worldwide")
- Cendant Car Rental Group, Inc. to Avis Budget Car Rental, LLC ("Avis"); and
- Galileo International, Inc./Cendant Financial Holding to Travelport Inc. ("Travelport"); and
- NRT Incorporated to NRT, LLC ("NRT"); and

The members are asked to approve these name changes to these pre-cap BEIPs without imposing the 20% cap because the ministerial nature of these changes are not expected to generate unanticipated growth in employment above jobs projected at the time of approval.

Background:

Cendant Corporation, the parent company to the BEIP grantees ("Parent") was created in December 1997 through the merger of CUC International, Inc. and HFS Incorporated. Parent had four main operating segments: Real Estate, Hospitality Services, Travel Distribution Services and Vehicle Rental Business.

To improve efficiencies within the business, Parent restructured its operations in October 2005. Part of the restructure included the formation of four new holding companies and four new operating companies. After the restructure on July 31, 2006, the four operating companies changed their names as follows:

1. Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations to Wyndham Worldwide Corporation/Wyndham Worldwide Operations/Wyndham Hotel Group, LLC
2. Cendant Car Rental Group, Inc. to Avis Budget Car Rental, LLC
3. Galileo International, Inc. to Travelport Inc.
4. NRT Incorporated to NRT, LLC

A summary of each of the BEIP grants is detailed below:

Wyndham Worldwide Corporation/Wyndham Worldwide Operations/Wyndham Hotel Group, LLC (f/k/a Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations):

In November of 2001, the EDA provided a 60% grant for 8 years, to support the Company with its relocation efforts for their hotel information technology group from Phoenix, Arizona to Parsippany, New Jersey. The New Employment Commitment (“NEC”) at board approval was 200. Cendant Corporation satisfied its Minimum Eligibility Threshold of 75 on January 17, 2002. As of December 31, 2007, 89 eligible positions were created. To date, \$696,728 has been disbursed (through calendar year 2005).

Based on review of the 2005 annual progress report, the New Employment Commitment was reduced from 200 to 114. As a result of this reduction, their grant award percentage was also reduced from 60% to 50%.

Wyndham Worldwide Corporation/Wyndham Worldwide Operations/Wyndham Hotel Group, LLC has changed its name from Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations.

Avis Budget Car Rental, LLC (f/k/a Cendant Car Rental Group, Inc.):

In February of 2001, the EDA provided a 70% BEIP Grant for a term of 10 years with a New Employment Commitment (“NEC”) of 300. Cendant Car Rental Group (f/k/a Avis Group Holdings, Inc.) satisfied its Minimum Eligibility Threshold of 75 on June 18, 2001. As of December 31, 2007, 806 eligible positions have been created. To date, \$4,572,875 has been disbursed (through calendar year 2005).

In October 2002, Cendant Operations and Avis Rent A Car Systems were added to the grant as additional Grantees. In June 2004, the Members of the Authority approved the name change from Avis Group Holdings, Inc. to Cendant Car Rental Group.

This applicant has undertaken an integration of its truck subsidiary and has moved 40 full time employees of its truck division to its New Jersey headquarters operation. Accordingly, the total increase of full time employees is 40.

Avis Budget Car Rental, LLC has changed its name from Cendant Car Rental Group, Inc.

Travelport Inc. (f/k/a Galileo International, Inc.):

In October of 2001, the EDA approved a 55% grant for 10 years with a New Employment Commitment (“NEC”) of 75. Galileo satisfied its Minimum Eligibility Threshold of 75 on December 16, 2001. As of December 31, 2007, 182 eligible positions have been created. To date, \$1,216,972 has been disbursed (through calendar year 2005).

Travelport Inc. has changed its name from Galileo International, Inc./Cendant Financial Holding.

NRT, LLC (f/k/a NRT Incorporated):

In May of 2002, the EDA provided a 50% BEIP Grant for a term of 10 years to support the Company with its relocation efforts from California to Parsippany, New Jersey. The New Employment Commitment (“NEC”) at board approval was 155. As of December 31, 2007, 111 eligible positions have been created. To date, \$769,588 has been disbursed (through calendar year 2005).

NRT, LLC changed its name from NRT Incorporated.

Additional Information:

In January 2008, the members approved imposing a 20% cap in job growth to pre-cap BEIP companies when modifications to the existing grantees would result in unanticipated job growth.

The collective requests presented for approval herein are a) an consolidation of several existing entities (Cendant, et al, Galileo International, Inc., et al); b) simple name changes (Cendant Car Rental and NRT) that are ministerial in nature and are not expected to create unanticipated job growth. As a result, Staff is not recommending that the 20% cap be applied to these grants.

Prior Litigation involving a related entity:

The following information is provided to the Members as an update on a prior litigation matter which resulted in a criminal conviction. The matter was reported to the Board in 2000 for approval to continue a BEIP for PHH and again in 2005 for information purposes (reference: PHH Mortgage Company).

In 1997, CUC International Inc. (“CUC”) merged with HFS Incorporated to form Cendant Corporation, parent company of the four subject grantees. In 2000, civil and administrative proceedings were brought against former officers of CUC International Inc. charging them with fraudulent financial reporting that had resulted in substantial losses to investors. A cease and desist order was issued against Cendant Corporation.

Members were asked to consider whether the then criminal charges filed against those employees were grounds for debarment or disqualification. The members agreed to continue the BEIP because the employee(s) involved in the criminal investigation were not directly involved in the management or operation of the BEIP recipient company, PHH that had recently been acquired by Cendant Corp.

Subsequent to the 2000 Board's approval to continue the grant, a former Vice Chairman of Cendant was convicted of conspiracy, mail fraud, wire fraud, securities fraud and making false statements to the U.S. Securities and Exchange Commission and was sentenced to 10 years in prison in August of 2005. The individual was also ordered to pay full restitution (\$3.27 billion) for his role in the above matter.

The members were advised of this outcome in December 2005 for informational purposes in connection with the same PHH Mortgage BEIP grant.

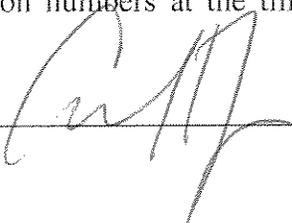
Because of the criminal activity of this former employee of the parent company (Cendant Corp.) this information is being shared with the members as information for these name change requests. Noted once again is that this employee had no direct management or operational involvement with any of the BEIP companies (Wyndham, Avis, Travelport or NRT) and did not in any way negatively impact the operations of those companies during his employment at Parent.

Recommendation:

Staff recommends that the Members of the Authority approve the following name changes of our BEIP companies as follows:

- Cendant Corporation/Cendant Finance Holding Corporation/Cendant Operations to Wyndham Worldwide Corporation/Wyndham Worldwide Operations/Wyndham Hotel Group, LLC (hereinafter collectively "Wyndham Worldwide"); and
- Cendant Car Rental Group, Inc. to Avis Budget Car Rental, LLC ("Avis"); and
- Galileo International, Inc./Cendant Financial Holding to Travelport Inc. ("Travelport"); and
- NRT Incorporated to NRT, LLC ("NRT").

Staff recommends the aforementioned approvals without imposing the 20% cap due to the ministerial nature of these changes that are not expected to create unanticipated growth in employment beyond originally projected job creation numbers at the time of their respective approvals.



Prepared by: Karen Gallagher



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: December 9, 2008

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in November 2008:

New Jersey Business Growth Fund:

- 1) Byram Laboratories, Inc. and Monte's Five Columbia (P24452) is located in Branchburg Township, Somerset County. Byram Laboratories, Inc. was established in 1945 as a manufacturer and wholesaler of electric meters. Monte's Five Columbia is the related real estate holding company. PNC Bank approved a \$775,000 loan with a five-year, 25% guarantee, not to exceed \$193,750. Loan proceeds will be used to refinance an existing mortgage and to improve cash flow. The company has 23 employees.
- 2) Exit Zero, Inc. t/a Fairthorne Bed and Breakfast and William and Diane Hutchinson (P24476), is located in Cape May City, Cape May County. William and Diane Hutchinson purchased the Fairthorne Bed and Breakfast in 1992. PNC Bank approved a \$593,000 loan with a five-year, 25% guarantee, not to exceed \$148,250. Loan proceeds will be used to refinance an existing mortgage and to improve cash flow. The company currently has ten employees and plans to create six new jobs over the next two years.
- 3) R. Rhee, MD & Gilson, MD, Partners (P24338), located in Neptune Township, Monmouth County, is a related real estate holding company that owns the operating company, Jersey Shore Neurology Associates, PA. The company was formed in 1975 as a neurological medical practice. PNC Bank approved a \$324,000 loan with a five-year, 25% guarantee, not to exceed \$81,000. Loan proceeds will be used to purchase a commercial building next to the operating company's current location. The company currently has fifteen employees and plans to create an additional six positions over the next two years.

- 4) Wolfe-Dan, LLC (P24135), located in Dennis Township, Cape May County, is a related real estate holding company that owns the project property.. The operating company, The Salsa Gang, Inc. dba Red Sky Café, was formed in 1998 as a southwestern theme restaurant. PNC Bank approved a \$345,000 loan with a five-year, 25% guarantee, not to exceed \$86,250. Loan proceeds will be used to refinance an existing mortgage and to improve cash flow. The company currently has eight employees and plans to create an additional four jobs over the next two years.

Fast Start Direct Loan Program:

- 1) RHB Acquisition LLC (P24312), located in Lambertville City, Hunterdon County, was formed in 1996 as a microbrewery. The NJEDA approved a \$250,000 loan to be used to refinance its working capital line of credit to improve cash flow. The company currently has nine employees and plans to create at least two additional positions within the next two years.

Preferred Lender Program:

- 1) 2 Bergen Turnpike, LLC (P24505), located in Ridgefield Park Village, Bergen County, is a newly created real estate holding company formed to own the project property. The operating company, C&A Marketing Inc., was founded in 2003 as a distributor of digital cameras, camcorders and related accessories. TD Bank approved a \$3,780,000 loan contingent upon a \$1,000,000 (26.5%) Authority participation. Loan proceeds will be used to purchase the commercial property. The company plans to move from Brooklyn, NY, which will create 75 new jobs over the next two years.
- 2) Flexabar Corporation, Flexdel Corporation, Flexabar-Aquatech (P24629) is located in Lakewood Township, Ocean County. Flexabar Corporation was formed in 1953, along with its other operating entities, as a manufacturer of specialty coatings and compounds used in marine applications. TD Bank approved a \$650,000 loan with a \$154,000 (23.69%) Authority participation. Loan proceeds will be used to refinance an existing loan and purchase new equipment. Currently, the company has 21 employees and plans to create two additional jobs within the next two years.

Camden ERB:

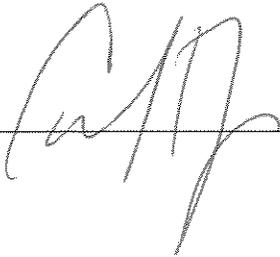
- 1) On Time Staffing, LLC (P24133), located in Camden City, Camden County, was formed in 1999 as a staffing agency. The company was approved for a \$73,245 Business Lease Incentive Grant. Loan proceeds will be used for headquarter relocation from Pennsauken to Camden. The project will result in the relocation of 20 jobs within the next two years.

Edison Innovation Fund Program:

- 1) The Talk Market, Inc. (P23555), located in Newark City, Essex County, was established in 2007 as a marketplace Web site that allows vendors to sell products and has developed automated television production software. A \$250,000 loan under the Edison Innovation Fund was approved. Loan proceeds will be used to support growth capital. Currently, the company has five employees and plans to create two new positions within the next two years.

New Jersey Business Growth Fund Modification:

- 1) 1703 Valley Road, LLC (P23910), located in Ocean Township, Monmouth County, was approved in October 2008 for a 25% guarantee of a \$1,102,000 PNC Bank loan. The applicant asked PNC Bank for an increase in the loan amount to \$1,460,000 for a second mortgage that was not previously included in the refinancing. This will increase EDA exposure from \$275,000 to \$365,000. All other terms and conditions remain unchanged.



Prepared by: S. Mania

REAL ESTATE



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Agreement to Terminate Leases and Assignment and Assumption of Subleases
between the City of Trenton and New Jersey Economic Development Authority
Trenton Marine Terminal Project

DATE: December 9, 2008

Summary

I am requesting the Members approve: (i) the termination of master leases between the Authority and the City of Trenton; and (ii) the assignment and assumption of four subleases from the Authority to the City of Trenton.

Background

The Authority and the City of Trenton entered into three long term master leases with regard to the development of the Trenton Marine Terminal project: (i) July 1983 for the premises located at 1501 Lambertson Road (the "First Leased Premises"); (ii) October 1984 for the premises located at 1545 and 1589 Lambertson Road (the "Second Leased Premises"); and (iii) December 1985 for the premises located at 1633 Lambertson Road, as amended (the "Third Leased Premises").

The Authority subleased the First Leased Premises by a certain: (i) Sublease Agreement dated December 1, 1985; (ii) First Option to Renew Sublease Agreement dated November 2, 1992; and (iii) Amendment to Sublease Agreement dated December 31, 1999 (collectively, the "First Sublease") to Trenton Marine Terminal Sales & Leasing Corp, who in April, 1994 assigned its interest in the Sublease to Trenton Marine Performance Group, Inc. (the "First Subtenant").

The Authority subleased a portion of the Second Leased Premises by a certain: (i) Sublease Agreement dated December 26, 1984; and (ii) First Sublease Amendment Agreement dated January 25, 2007 (collectively, the "Second Sublease - MTURA") to Marine Terminal Urban Renewal Associates; and subleased the remaining portion of the Second Leased Premises by a certain: (i) Sublease Agreement dated December 23, 1985; (ii) Amendment to Memorandum of Sublease Agreement dated June 1, 1990; and (iii) First Sublease Amendment Agreement dated January 25,

2007 (collectively, the "Second Sublease - MTURA II"), to Marine Terminal Urban Renewal Associates II (Marine Terminal Urban Renewal Associates and Marine Terminal Urban Renewal Associates II are collectively referred to as the "Second Subtenant").

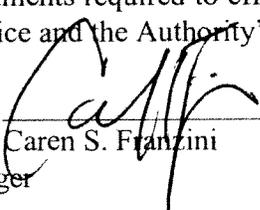
The Authority subleased the Third Leased Premises by a certain: (i) Sublease Agreement dated December 19, 1985; (ii) Amendment to Sublease Agreement dated January 16, 1986; and (iii) Second Amendment to Sublease Agreement dated March 20, 2000 (collectively, the "Third Sublease"), to Kayline Urban Renewal Development Corp. (the "Third Subtenant").

The development of the parcels has occurred as outlined in the master leases and there is no long-term role for the Authority at these sites. The City of Trenton is interested in taking a lead role in future improvements to the area, including site improvements and recreational enhancements. The Authority should annually net \$32,672.08 after its master lease payments to the City of Trenton. Due to rent delinquencies, the Authority's expected net for 2008 is less than \$10,000. Staff evaluated the project, taking into account the annual staff time to manage the asset, account for the properties, prepare and track tenant rent billing, collections and delinquencies, insurance premiums, etc. and determined that the value of the asset was minimal. Therefore, it is requested that the City and the Authority: (i) terminate the First Lease, the Second Lease and the Third Lease; and (ii) assign the First Sublease, Second Sublease and Third Sublease to the City of Trenton as further outlined in the attached Agreement to Terminate Leases and the respective Assignment and Assumption of Sublease agreements.

The Second Subtenant (MTURA & MTURA II) is approximately \$30,000 past due in its payment of rent to the Authority under both of its leases. In lieu of paying the past due ground rent, the Second Subtenant has verbally agreed to execute and deliver to the Authority a promissory note in the amount of the delinquent rent. The City of Trenton will be entitled to collect and retain any and all future rent accruing under the Second Sublease upon the effective date of the Agreement to Terminate Leases and the assignment of the Second Sublease. The First Subtenant and Third Subtenant are current in their rent payments.

Recommendation

In summary, I am requesting the Members' approval to: (i) terminate the master lease agreements with the City of Trenton as outlined in the Agreement to Terminate Leases; (ii) assign the subleases to the City of Trenton as outlined in the respective Assignment and Assumption of Sublease agreements; and (iii) execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Authority's Chief Executive Officer.


Caren S. Franzini

Prepared by: Donna Sullivan, Development Manager
Attachments

AGREEMENT to TERMINATE LEASES

This Agreement to Terminate Leases (the "Termination") is made as of the ____ day of _____, 2008, by and between the New Jersey Economic Development Authority, an instrumentality of the State of New Jersey (the "Authority"), and the City of Trenton, a municipality of the State of New Jersey (the "City").

WHEREAS, the Authority and the City entered into that certain Lease Agreement dated July 8, 1983 (the "First Lease") for the premises described in Exhibit A-1 (the "First Leased Premises") and located at 1501 Lambertson Road, Trenton, New Jersey;

WHEREAS, the Authority and the City entered into that certain Lease Agreement dated October 29, 1984 (the "Second Lease") for the premises described in Exhibit A-2 (the "Second Leased Premises") and located at 1545 & 1589 Lambertson Road, Trenton, New Jersey;

WHEREAS, the Authority and the City entered into that certain: (I) Lease Agreement dated December 19, 1985, (ii) First Amendment to Lease Agreement dated December 8, 1986, (iii) Second Amendment to Lease Agreement dated February 9, 1987, (iv) Third Amendment to Lease Agreement dated July 15, 1987, and (v) Fourth Amendment to Lease Agreement dated January 30, 1991, (collectively, the "Third Lease") for the premises described in Exhibit A-3 (the "Third Leased Premises") and located at 1633 Lambertson Road, Trenton, New Jersey;

WHEREAS, the First Leased Premises, the Second Leased Premises and the Third Leased Premises are collectively referred to herein as the "Entire Premises";

WHEREAS, by a certain: (I) Sublease Agreement dated December 1, 1985, (ii) First Option to Renew Sublease Agreement dated November 2, 1992, and Amendment to Sublease Agreement dated December 31, 1999 (collectively, the "First Sublease"), the Authority did sublease the First Leased Premises to Trenton Marine Terminal Sales & Leasing Corp, who in April, 1994 assigned its interest in the Sublease to Trenton Marine Performance Group, Inc. (the "First Subtenant");

WHEREAS, by a certain: (I) Sublease Agreement dated December 26, 1984, and (ii) First Sublease Amendment Agreement dated January 25, 2007 (collectively, the "Second Sublease - MTURA"), the Authority did sublease a portion of the Second Leased Premises to Marine Terminal Urban Renewal Associates; and, by a certain: (I) Sublease Agreement dated December 23, 1985, (ii) Amendment to Memorandum of Sublease Agreement dated June 1, 1990 and (iii) First Sublease Amendment Agreement dated January 25, 2007 (collectively, the "Second Sublease - MTURA II"), the Authority did sublease the remaining portion of the Second Leased Premises to Marine Terminal Urban Renewal Associates II (Marine Terminal Urban Renewal Associates and Marine Terminal Urban Renewal Associates II are collectively referred to as the "Second Subtenant");

WHEREAS, by a certain: (i) Sublease Agreement dated December 19, 1985, Amendment to Sublease Agreement dated January 16, 1986, and (iii) Second Amendment to Sublease Agreement dated March 20, 2000 (collectively, the "Third Sublease"), the Authority did sublease the Third Leased Premises to Kayline Urban Renewal Development Corp. (the "Third Subtenant");

WHEREAS, the Authority and the City have agreed to terminate the First Lease, the Second Lease and the Third Lease subject to the terms, conditions and covenants set forth below;

NOW, THEREFORE in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Authority and the City hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by reference herein.
2. The City and the Authority hereby agree that the First Lease, the Second Lease and the Third Lease are terminated and cancelled as of the date written above, except for the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of the Lease.
3. The Authority represents and warrants to the City that the Authority has not assigned, transferred, mortgaged or hypothecated the First Lease, the Second Lease or the Third Lease or any interest therein or subleased all or any portion of the Entire Premises except as stated above.
4. The City represents and warrants to the Authority that the City has not assigned, transferred, mortgage or hypothecated the Lease or any interest herein.
5. By signing below, the City hereby confirms that the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of the First Lease, the Second Lease and the Third Lease shall continue to be in full force and effect for the benefit of each and all of the First Subtenant, the Second Subtenant and the Third Subtenant (collectively, the "Subtenants") with the same force and effect as if the City had entered into agreements for such representations, warranties, covenants and obligations directly with each of the Subtenants. It is the intention of the City and the Authority that this Termination shall not substantially or adversely affect any of the Subtenants' interests under its Sublease, including but not limited to Section 7 of each Sublease that specifies that the First Lease, Second Lease and

Third Lease, respectively are incorporated into each of the Subleases. The City hereby agrees to indemnify and hold the Authority harmless against any and all claims that any of the Subtenants may raise against the Authority in connection with or arising out of any of the above specified provisions of the First Lease, the Second Lease, the Third Lease or its respective Sublease. The First Subtenant, the Second Subtenant and the Third Subtenant are intended to be third party beneficiaries of this Paragraph 5 so that each one of them, any of them or all of them may pursue the City directly for performance of the provisions of this Paragraph 5 and Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of the First Lease, the Second Lease and the Third Lease, respectively.

6. The City hereby releases and discharges the Authority from any claim whatsoever for payment of any sums or performance of any obligations under the Lease or any other matter involving, arising out of or related to the Lease; and the Authority hereby releases and discharges the City from any claim whatsoever for payment of any sums or performance of any obligations under the Lease or any other matter involving, arising out of or related to the Lease except the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of the Lease.
7. The effectiveness of this Termination is subject to and conditioned upon the simultaneous execution and delivery between the Authority and the City of: an Assignment and Assumption of Sublease (Trenton Marine Terminal), an Assignment and Assumption of Sublease (MTURA and MTURA II), and an Assignment and Assumption of Sublease (Kayline).
8. All capitalized terms used herein shall have the same meaning ascribed to them in the First Lease, the Second Lease and the Third Lease unless modified hereby.
9. This Termination may be executed in any number of counterparts and each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Termination Agreement as of the date first written above.

ATTEST:

NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

**ASSIGNMENT AND ASSUMPTION OF SUBLEASE
(TRENTON MARINE TERMINAL)**

This Assignment and Assumption of Sublease (the "First Assignment") is made as of this _____ day of _____, 2008, by and between the New Jersey Economic Development Authority, an instrumentality of the State of New Jersey (the "Authority"), and the City of Trenton, a municipality of the State of New Jersey (the "City").

WHEREAS, the Authority, as landlord, and Trenton Marine Terminal Sales & Leasing Corp., as subtenant (the "First Subtenant"), entered into that certain Sublease Agreement dated December 1, 1985, as extended by that certain First Option to Renew Sublease Agreement Concerning Real Property at Trenton Marine Terminal dated November 2, 1992 and amended by that certain Amendment to Sublease Agreement between Trenton Marine Performance Group, Inc. dated December 31, 1999 (collectively, the "First Sublease") for the premises described therein (the "First Leased Premises") and located at 1501 Lambertson Road, Trenton, New Jersey; and

WHEREAS, the Authority is currently landlord under the First Sublease;

WHEREAS, the Authority entered into the First Sublease in order to facilitate the development of City-owned property in order to promote and increase the creation of jobs in the City of Trenton; and

WHEREAS, the purpose and mission of the Authority entering into the First Sublease has been successfully completed in that the First Leased Premises has been operating as a business for more than a decade; and

WHEREAS, the Authority wishes to assign all of its right, title and interest in and to the First Sublease to the City and the City wishes to assume all of the Authority's obligations under the First Sublease.

NOW, THEREFORE in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Authority and the City hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by reference herein.
2. The Authority hereby assigns to the City all of its right, title and interest to the First Sublease from on _____ and after the date first above written.
3. The City hereby assumes all rights and obligations of the Authority as landlord under the First Sublease arising and accruing from on _____ and after the date first above written.

4. By signing below, the City hereby confirms that the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of that certain Lease Agreement between the City, as landlord, and the Authority, as tenant, dated July 8, 1983 shall continue to be in full force and effect for the benefit of the First Subtenant with the same force and effect as if the City had entered into an agreement for such representations, warranties, covenants and obligations directly with the First Subtenant. It is the intention of the City and the Authority that this First Assignment shall not substantially or adversely affect any of the First Subtenant's interests under the First Sublease, including but not limited to Section 7 of the First Sublease that specifies that said Lease Agreement dated July 8, 1983 between the Authority and the City is incorporated into the First Sublease. The City hereby agrees to indemnify and hold the Authority harmless against any and all claims that the First Subtenant may raise against the Authority in connection with or arising out of any of the above specified provisions of said Lease Agreement dated July 8, 1983. The First Subtenant is intended to be a third party beneficiary of this Paragraph 4 so that it may pursue the City directly for performance of the provisions of this Paragraph 4 and Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of said Lease Agreement dated July 8, 1983.
5. The City hereby acknowledges and confirms that it has received complete signed copies of all of the documents that comprise the First Sublease as described in the Recitals above.
6. The Authority represents and warrants to the City that there are no existing or claimed conditions which are or with the passing of time would constitute a default on the part of the Authority under the terms of the First Sublease. The Authority hereby stipulates that there are no defaults existing in the First Sublease and that all rent and any additional charges which may be due and owing to and including _____, 2008 including without limitation, any common area maintenance charges provided for in the First Sublease, have been paid in full.
7. The Authority has not assigned, transferred, mortgaged or hypothecated the First Sublease or any interest therein or subleased all or any portion of the First Leased Premises.
8. The Authority hereby assigns to the City the security deposit in the amount of \$ _____ currently being held by the Authority pursuant to the terms of the First Sublease. The City hereby consents to the assignment of the deposit and agrees that the security deposit shall be used by the City pursuant to the terms and conditions of the First Sublease.
9. The First Sublease constitutes the entire agreement between the First Subtenant and the Authority concerning the First Leased Premises and there are no other agreements, written or oral between the First Subtenant and the Authority relating thereto except as set forth in the First Sublease.

10. This instrument shall inure to the benefit of the parties hereto and to their respective successors and assigns.
11. This First Assignment shall be construed and enforced in accordance with the laws of the State of New Jersey. Any and all claims based in tort made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.). Any and all claims based in contract made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).
12. This First Assignment may be executed in any number of counterparts and any party hereto may execute any such counterpart each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This First Assignment shall become binding when one or more counterparts taken together shall have been executed and delivered (which deliveries may be by telefax) by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Lease (Trenton Marine Terminal) as of the dates set forth in their respective acknowledgments.

ATTEST:

NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

ATTEST:

CITY OF TRENTON

By: _____

**ASSIGNMENT AND ASSUMPTION OF SUBLEASE
(MTURA and MTURA II)**

This Assignment and Assumption of Sublease (the "Second Assignment") is made as of this day of _____, 2008, by and between the New Jersey Economic Development Authority, an instrumentality of the State of New Jersey (the "Authority"), and the City of Trenton, a municipality of the State of New Jersey (the "City").

WHEREAS, the Authority, as landlord, and Marine Terminal Urban Renewal Associates, as subtenant (the "Second Subtenant - MTURA"), entered into that certain Sublease Agreement dated December 26, 1984, as amended by that certain First Amendment to Sublease Agreement dated January 25, 2007 (collectively, the "Second Sublease - MTURA") for the premises described therein (the "Second Leased Premises - MTURA") and located at 1545 Lambertson Road, Trenton, New Jersey; and

WHEREAS, the Authority, as landlord, and Marine Terminal Urban Renewal Associates II, as subtenant (the "Second Subtenant - MTURA II"), entered into that certain Sublease Agreement dated December 23, 1985, as amended by that certain First Amendment to Sublease Agreement dated January 25, 2007 (collectively, the "Second Sublease - MTURA II") for the premises described therein (the "Second Leased Premises - MTURA II") and located at 1589 Lambertson Road, Trenton, New Jersey; and

WHEREAS, Second Subtenant - MTURA and Second Subtenant MTURA II are collectively herein referred to as the "Second Subtenant"; and, Second Sublease - MTURA and Second Sublease MTURA II are collectively herein referred to as the "Second Sublease"; and Second Leased Premises - MTURA and Second Leased Premises MTURA II are collectively herein referred to as the "Second Leased Premises"; and

WHEREAS, the Authority is currently landlord under the Second Sublease;

WHEREAS, the Authority entered into the Second Sublease in order to facilitate the development of City-owned property in order to promote and increase the creation of jobs in the City of Trenton; and

WHEREAS, the purpose and mission of the Authority entering into the Second Sublease has been successfully completed in that the Second Leased Premises has been operating as a business for more than a decade; and

WHEREAS, the Authority wishes to assign all of its right, title and interest in and to the Second Sublease to the City and the City wishes to assume all of the Authority's obligations under the Second Sublease.

NOW, THEREFORE in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Authority and the City hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by reference herein.
2. The Authority hereby assigns to the City all of its right, title and interest to the Second Sublease from on and after the date first above written.
3. The City hereby assumes all rights and obligations of the Authority as landlord under the Second Sublease arising and accruing from on and after the date first above written.
4. By signing below, the City hereby confirms that the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of that certain Lease Agreement between the City, as landlord, and the Authority, as tenant, dated October 29, 1984 and that certain Lease Agreement between the City, as landlord, and the Authority, as tenant, dated December 23, 1985 shall continue to be in full force and effect for the benefit of the Second Subtenant with the same force and effect as if the City had entered into an agreement for such representations, warranties, covenants and obligations directly with the Second Subtenant. It is the intention of the City and the Authority that this Second Assignment shall not substantially or adversely affect any of the Second Subtenant's interests under the Second Sublease, including but not limited to Section 7 of the Second Sublease that specifies those said Lease Agreements dated October 29, 1984 and December 23, 1985, respectively, between the Authority and the City is incorporated into the Second Sublease, respectively. The City hereby agrees to indemnify and hold the Authority harmless against any and all claims that the Second Subtenant may raise against the Authority in connection with or arising out of any of the above specified provisions of said Lease Agreements dated October 29, 1984 and December 23, 1985. The Second Subtenant is intended to be a third party beneficiary of this Paragraph 4 so that it may pursue the City directly for performance of the provisions of this Paragraph 4 and Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of said Lease Agreements dated October 29, 1984 and December 23, 1985.
5. As of _____, Second Subtenant - MTURA is \$ _____ past due (the "MTURA Past Due Rent") in its payment of rent under the Second Sublease - MTURA. In lieu of paying the MTURA Past Due Rent, Second Subtenant - MTURA has executed and delivered to the Authority a promissory note in the amount of the MTURA Past Due Rent. The City shall be entitled to collect and retain any and all rent accruing under the Second Sublease - MTURA after _____. The Authority does not assign to the City said promissory note for the MTURA Past Due Rent and nothing in this Second Assignment shall prevent

or restrict the Authority from receiving payments or collecting on said promissory note for the MTURA Past Due Rent.

6. As of _____, Second Subtenant - MTURA II is \$ _____ past due (the "MTURA II Past Due Rent") in its payment of rent under the Second Sublease - MTURA II. In lieu of paying the MTURA II Past Due Rent, Second Subtenant - MTURA II has executed and delivered to the Authority a promissory note in the amount of the MTURA II Past Due Rent. The City shall be entitled to collect and retain any and all rent accruing under the Second Sublease - MTURA II after _____. The Authority does not assign to the City said promissory note for the MTURA II Past Due Rent and nothing in this Second Assignment shall prevent or restrict the Authority from receiving payments or collecting on said promissory note for the MTURA II Past Due Rent.
7. The City acknowledges that the Authority holds a mortgage that encumbers the Second Subtenant's ownership of the building located on the Second Leased Premises (the "Authority Mortgage"). The City hereby agrees that in the event the Authority becomes successor in interest to the building located at the Second Leased Premises through foreclosure of the Authority Mortgage or deed in lieu of foreclosure, provided that there is no default in the payment of rent or other money owing under the Second Sublease (or any such default is cured by the Authority or its successor in interest, assignee or purchaser), the City will attorn to the Authority (or its successor in interest, assignee or purchaser) as replacement subtenant under the Second Sublease as long as the Authority (or its successor in interest, assignee or purchaser) continues to honor and abide by the terms of the Second Sublease. The City also agrees that the City will not evict the Second Subtenant or terminate the Second Sublease because of a default by Second Subtenant under the Second Sublease without first giving the Authority written notice of default and an opportunity to cure.
8. The City hereby acknowledges and confirms that it has received complete signed copies of all of the documents that comprise the Second Sublease as described in the Recitals above.
9. The Authority represents and warrants to the City that there are no existing or claimed conditions which are or with the passing of time would constitute a default on the part of the Authority under the terms of the Second Sublease. The Authority hereby stipulates that, other than the MTURA Past Due Rent described in Paragraph 5 above and the MTURA II Past Due Rent described in Paragraph 6 above, there are no defaults existing in the Second Sublease.
10. The Authority has not assigned, transferred, mortgaged or hypothecated the Second Sublease or any interest therein or subleased all or any portion of the Second Leased Premises.
11. The Authority hereby assigns to the City the security deposit in the amount of

\$ _____ currently being held by the Authority pursuant to the terms of the Second Sublease - MTURA. The Authority hereby assigns to the City the security deposit in the amount of \$ _____ currently being held by the Authority pursuant to the terms of the Second Sublease - MTURA II. The City hereby consents to the assignment of said deposits and agrees that said security deposits shall be used by the City pursuant to the terms and conditions of the Second Sublease - MTURA and the Second Sublease - MTURA II.

12. The Second Sublease constitutes the entire agreement between the Second Subtenant and the Authority concerning the Second Leased Premises and there are no other agreements, written or oral between the Second Subtenant and the Authority relating thereto except as set forth in the Second Sublease.
13. This instrument shall inure to the benefit of the parties hereto and to their respective successors and assigns.
14. This Second Assignment shall be construed and enforced in accordance with the laws of the State of New Jersey. Any and all claims based in tort made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.). Any and all claims based in contract made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).
15. This Second Assignment may be executed in any number of counterparts and any party hereto may execute any such counterpart each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Second Assignment shall become binding when one or more counterparts taken together shall have been executed and delivered (which deliveries may be by telefax) by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption

of Lease (MTURA and MTURA II) as of the dates set forth in their respective acknowledgments.

ATTEST:

NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

ATTEST:

CITY OF TRENTON

By: _____

**ASSIGNMENT AND ASSUMPTION OF SUBLEASE
(KAYLINE)**

This Assignment and Assumption of Sublease (the "Third Assignment") is made as of this day of _____, 2008, by and between the New Jersey Economic Development Authority, an instrumentality of the State of New Jersey (the "Authority"), and the City of Trenton, a municipality of the State of New Jersey (the "City").

WHEREAS, the Authority, as landlord, and Kayline Urban Renewal Development Corp., as subtenant (the "Third Subtenant"), entered into that certain Sublease Agreement dated December 19, 1985, as amended by that certain First Amendment to Sublease Agreement dated January 16, 1986 and further amended by that certain Second Amendment to Sublease Agreement dated March 20, 2000 (collectively, the "Third Sublease") for the premises described therein (the "Third Leased Premises") and located at 1633 Lamberton Road, Trenton, New Jersey; and

WHEREAS, the Authority is currently landlord under the Third Sublease;

WHEREAS, the Authority entered into the Third Sublease in order to facilitate the development of City-owned property in order to promote and increase the creation of jobs in the City of Trenton; and

WHEREAS, the purpose and mission of the Authority entering into the Third Sublease has been successfully completed in that the First Leased Premises has been operating as a business for more than a decade; and

WHEREAS, the Authority wishes to assign all of its right, title and interest in and to the Third Sublease to the City and the City wishes to assume all of the Authority's obligations under the Third Sublease.

NOW, THEREFORE in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the Authority and the City hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by reference herein.
2. The Authority hereby assigns to the City all of its right, title and interest to the Third Sublease from on and after the date first above written.
3. The City hereby assumes all rights and obligations of the Authority as landlord under the Third Sublease arising and accruing from on and after the date first above written.

4. By signing below, the City hereby confirms that the representations, warranties, covenants and obligations of the City under Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of that certain Lease Agreement between the City, as landlord, and the Authority, as tenant, dated December 23, 1985 shall continue to be in full force and effect for the benefit of the Third Subtenant with the same force and effect as if the City had entered into an agreement for such representations, warranties, covenants and obligations directly with the Third Subtenant. It is the intention of the City and the Authority that this Third Assignment shall not substantially or adversely affect any of the Third Subtenant's interests under the Third Sublease, including but not limited to Section 7 of the Third Sublease that specifies those said Lease Agreement dated December 23, 1985 between the Authority and the City is incorporated into the Third Sublease. The City hereby agrees to indemnify and hold the Authority harmless against any and all claims that the Third Subtenant may raise against the Authority in connection with or arising out of any of the above specified provisions of said Lease Agreement dated December 23, 1985. The Third Subtenant is intended to be a third party beneficiary of this Paragraph 4 so that it may pursue the City directly for performance of the provisions of this Paragraph 4 and Section 2 - City Covenants, Section 5 - Title, Section 12 - City Obligations and Section 18 - Indemnity of said Lease Agreement dated December 23, 1985.
5. The City hereby acknowledges and confirms that it has received complete signed copies of all of the documents that comprise the Third Sublease as described in the Recitals above.
6. The Authority represents and warrants to the City that there are no existing or claimed conditions which are or with the passing of time would constitute a default on the part of the Authority under the terms of the Third Sublease. The Authority hereby stipulates that there are no defaults existing in the Third Sublease and that all rent and any additional charges which may be due and owing to and including _____, 2008 including without limitation, any common area maintenance charges provided for in the Third Sublease, have been paid in full.
7. The Authority has not assigned, transferred, mortgaged or hypothecated the Third Sublease or any interest therein or subleased all or any portion of the Third Leased Premises.
8. The Authority hereby assigns to the City the security deposit in the amount of \$ _____ currently being held by the Authority pursuant to the terms of the Third Sublease. The City hereby consents to the assignment of the deposit and agrees that the security deposit shall be used by the City pursuant to the terms and conditions of the Third Sublease.
9. The Third Sublease constitutes the entire agreement between the Third Subtenant and the Authority concerning the Third Leased Premises and there are no other agreements, written or oral between the Third Subtenant and the Authority relating

thereto except as set forth in the Third Sublease.

10. This instrument shall inure to the benefit of the parties hereto and to their respective successors and assigns.
11. This Third Assignment shall be construed and enforced in accordance with the laws of the State of New Jersey. Any and all claims based in tort made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.). Any and all claims based in contract made by the City against the Authority for damages, including but not limited to damages, costs and expenses, shall be governed by and subject to the limitations of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.).
12. This Third Assignment may be executed in any number of counterparts and any party hereto may execute any such counterpart each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Third Assignment shall become binding when one or more counterparts taken together shall have been executed and delivered (which deliveries may be by telefax) by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Lease (KAYLINE) as of the dates set forth in their respective acknowledgments.

ATTEST:

NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

ATTEST:

CITY OF TRENTON

By: _____



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Technology Centre of New Jersey
Novo Nordisk, Inc. Lease Termination

DATE: December 9, 2008

Summary

I am requesting the Members' approval to terminate the lease between the New Jersey Economic Development Authority and Novo Nordisk, Inc. (Novo) at the Technology Centre of New Jersey (Tech Centre) for a termination payment of \$3,500,000.

Background

At the December, 2004 meeting, the Members approved a ten year lease (through October, 2015) with Novo for 32,646 square feet in Tech IV, a speculative 60,000 sf research and development building. The Authority funded \$5.6 million toward Novo's tenant improvements, which was amortized in the lease payments. Novo contributed \$3 million, for a total investment in the space of approximately \$8.6 million.

Novo had established their first ever U.S. research and development center focusing on hemophilia and homeostasis at this location. The venture was not successful, and therefore Novo has chosen to close the facility. The company's North American headquarters continue to be located in Princeton, NJ.

The proposed termination payment of \$3.5 million is approximately equal to half of the present value, discounted at 7%, of Novo's remaining lease obligation as of December 31, 2008, including an estimate for CAM, which is typical in the real estate market. In absolute dollars, the payment replaces lease revenue for the space for almost 34 months. Because of the large investment in tenant improvements and the outstanding condition of the space, staff estimates that it can be re-leased within a year to eighteen months with minimal cosmetic improvements, if any.

The attached Lease Termination document is in substantially final form. The final document may be subject to revisions, although the basic terms and conditions will remain consistent with those in the attachment. The final terms of the Lease Termination document will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to terminate the lease agreement with Novo Nordisk Pharmaceuticals, Inc. for a termination payment of \$3,500,000, and to execute any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Authority's Chief Executive Officer.



Caren S. Franzini

Attachment

Prepared By: Christine Roberts

LEASE TERMINATION

This Lease Termination (the "Termination") is made as of the ____ day of December, 2008, by and between Novo Nordisk, Inc. ("Tenant"), and the New Jersey Economic Development Authority ("Landlord").

WHEREAS, Landlord and Tenant entered into that certain Technology Centre of New Jersey Tech Four Lease Agreement dated April 25, 2003 (the "Lease") for the premises described therein (the "Leased Premises") and located in the Tech Four Building at the Technology Centre of New Jersey, North Brunswick, New Jersey;

WHEREAS, Tenant has requested and Landlord has agreed to terminate the Lease subject to the terms, consideration and covenants set forth below;

NOW, THEREFORE in consideration of the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the "Termination Price") paid by Tenant to Landlord and other good and valuable consideration paid, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, Tenant and Landlord hereby agree as follows:

1. The Recitals set forth above are true and correct and are incorporated by reference herein.
2. Landlord and Tenant hereby agree that the Lease is terminated and cancelled as of the date written above, except for the contingent indemnification obligations of Tenant under Section 9.7 (Alterations, Additions and Improvements), Section 10.4 (Affirmative Covenants of Tenant), Sections 15.1 and 15.6 (Tenant Work), Sections 16.1 and 16.5 (Landlord Work), Sections 22.1, 22.4 and 22.8 (Environmental), Article 44 (Roof Rights) and Article 45 (Security Devices) of the Lease, which contingent indemnification obligations shall survive this Termination.
3. Tenant represents and warrants to Landlord that Tenant has not assigned, transferred, mortgaged or hypothecated the Lease or any interest therein or subleased all or any portion of the Leased Premises.
4. Landlord represents and warrants to Tenant that Landlord has not assigned, transferred, mortgage or hypothecated the Lease or any interest herein.
5. Tenant hereby confirms that any and all Tenant Work, Landlord Work and Tenant Improvements installed or constructed at the Leased Premises do legally belong to and are owned by Landlord, including but not limited to portable laboratory casework located at the Leased Premises as of the date of this Termination.
6. Tenant hereby releases and discharges Landlord from any claim whatsoever for payment of any sums or performance of any obligations under the Lease or any

other matter involving, arising out of or related to the Lease or the Leased Premises; and Landlord hereby releases and discharges Tenant from any claim whatsoever for payment of any sums or performance of any obligations under the Lease or any other matter involving, arising out of or related to the Lease or the Leased Premises except the contingent indemnification obligations of Tenant under Section 9.7 (Alterations, Additions and Improvements), Section 10.4 (Affirmative Covenants of Tenant), Sections 15.1 and 15.6 (Tenant Work), Sections 16.1 and 16.5 (Landlord Work), Sections 22.1, 22.4 and 22.8 (Environmental), Article 44 (Roof Rights) and Article 45 (Security Devices) of the Lease.

7. Tenant hereby represents and warrants to Landlord that: (i) Tenant has complied with the Industrial Site Recovery Act, N.J.S.A. 13:6 et seq. in connection with its surrender of the Leased Premises and the termination of the Lease; and (ii) as of the date of this Termination, the Leased Premises were free of any and all Hazardous Substances, and in compliance with all environmental laws.
8. Tenant represents that Tenant has dealt with no real estate broker in connection with this Termination. Tenant shall indemnify and hold Landlord harmless from any and all claims by Newmark, Knight, Frank for real estate commission or listing agreement in connection with the Leased Premises.
9. The effectiveness of this Termination is subject to and conditioned upon the simultaneous payment of the Termination Price by Tenant to Landlord.
10. All capitalized terms used herein but not otherwise defined shall have the same meanings ascribed to them in the Lease.
11. This Termination may be executed in any number of counterparts and each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.
12. This Termination shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Termination as of the date first written above.

ATTEST:

LANDLORD:
NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
RE: The Technology Centre of New Jersey Operating Budget – 2009
DATE: December 9, 2008

Summary

I am requesting the Members' approval of the attached 2009 operating budget (the 2009 budget) for the Technology Centre of New Jersey, L.L.C. (LLC).

Background

The LLC is the entity formed by the Authority's joint venture with the AFL-CIO Building Investment Trust (BIT). The Authority, through its Real Estate Division, is the LLC's managing member. As managing member, the Authority is charged with the day-to-day operations of the Technology Centre, including the preparation of an annual operating budget.

Attached, for your review and approval, is the Technology Centre's 2009 budget, which includes projected revenues and budgeted expense categories. The 2009 budget is based on projections using 2008 actual costs and revenues with inflationary adjustments where anticipated.

The attached budget includes the forecasted year-end 2008 results, which indicate that the project will have sufficient revenue to support the 2009 budget. Since its inception, the Centre has not missed a preferred return payment to its LLC partner. The Technology Centre's 2009 projected Return on Investment is estimated to be approximately 8%. The Authority's 2009 annual total Return on Equity is estimated to be 3%. Please note that the EDA equity includes the Authority's direct resources, as well as non-cash items and third party grants. Pursuant to the Operating Agreement, implementation of the annual budget is subject to approval by the BIT.

Recommendation

I am requesting that the Members approve the attached 2009 budget for the Technology Centre of New Jersey, L.L.C.

Caren S. Franzini

Attachment
Prepared by: Vince Wardle

**Technology Centre of New Jersey
2009 Operating Budget**

	2009 Budget	2008 Budget
INCOME:		
<i>Rental Income & Reimbursables</i>		
Rutgers/White House		
Chubb	429,000	\$425,000
Merial	1,281,000	\$1,246,000
Tech III: Rutgers	957,000	\$934,000
Tech III: Vacant	0	\$76,000
Medpointe	680,000	\$672,000
Cambrex	1,434,000	\$1,507,000
Tech IV: Ground Lease (to EDA)	221,000	\$219,000
Tech IV: Advance Care Bldg	0	\$0
Commercialization Center	294,000	\$293,000
Commercialization Center (Expansion)	316,000	\$322,000
Total Rental Income	5,612,000	5,694,000
<i>Interest Income</i>	52,000	111,000
Total Income	5,664,000	\$5,805,000
 EXPENSES:		
Utilities	\$63,000	\$61,000
Maintenance	\$204,000	\$300,000
Landscaping/Snow Removal	\$435,000	\$400,000
Waste	\$18,000	\$18,000
Management	\$177,000	\$271,000
Insurance	\$145,000	\$135,000
Marketing	\$10,000	\$25,000
PILOT	\$1,126,000	\$1,089,000
Annual Audit	\$20,000	\$20,000
Consulting (A&E, Environmental, Appraisal)	\$29,000	\$18,000
Contingency/Miscellaneous	\$30,000	\$30,000
Total Expenses	\$2,257,000	\$2,367,000
 NET CASH FLOW:	 \$3,407,000	 \$3,438,000

AUTHORITY MATTERS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Marketing Services – Division of Business Retention and Attraction Division

DATE: December 9, 2008

Request:

The Members are requested to approve entering into a contract with The Fort Group (“Fort”) to provide marketing services to the Authority’s newly created Business Retention and Attraction Division (the “Division”), the former New Jersey Commerce Commission - Division of Business Assistance, Marketing and International Trade. This initiative allows the Authority, through the Division, to market New Jersey to prospective businesses, as well as to promote the benefits of New Jersey to existing business presences, which may be entertaining expansion.

The cost of the proposed contract is based on an estimated one million (\$1,000,000) dollar total annual marketing budget including production, media expenses, subcontractor services and other third party entities needed to complete the scope of the marketing program. Utilizing this budget amount and based on the proposal submitted by the Vendor, contract year agency services and media placement costs are estimated to be approximately \$285,000 for project-by-project scopes of work with the remaining estimated \$715,000 passed through the vendor for expenses for production / media purchases, such as collateral printing, print advertising, and Internet advertising.

The Vendor shall bill the Authority for subcontractors and other third party entities for actual core production / media costs, without additional mark-up fees. Actual costs will be based on project-by-project scopes of work to be issued and monitored by the Division.

The contract allows for two (2) one (1) year extension options, to be exercised at the sole discretion of the Authority at the same prices, terms and conditions with the same annual budget allocation as outlined above.

The Port Authority of New York & New Jersey has awarded a grant to the New Jersey Commerce Commission for economic development and promotion. These monies will be used to fund the first year of the contract. Further, the Division expects to complete additional marketing projects for items that fall outside of the agreement with the Port Authority of New York & New Jersey. These additional funds, which are part of the Division’s operating budget, may also be utilized under this contract to market to New Jersey businesses.

Background:

As the Members are aware, in July 2008, Governor Corzine abolished the New Jersey Commerce Commission and re-distributed its functions to a variety of existing agencies. The Commerce Commission's Business Assistance, Marketing and International Trade personnel and functions were integrated into the Authority and is now known as the Authority's Business Retention and Attraction Division. Further, all Commerce Commission's existing contracts and agreements were transferred to the Authority.

The Division requires the assistance of an outside marketing firm, to assist in the day-to-day functions (i.e. design and production services, media placement and buying, translation services, etc.) required to implement and monitor a variety of domestic and international marketing programs (i.e. print, radio and Internet advertisings) directed toward industry specific audiences, as well as international audiences.

RFQ/P for Marketing Services:

The Authority issued a Request for Qualifications and Proposals (RFQ/P), in September 2008, on behalf of its newly created Business Retention and Attraction Division, for marketing services. The Division's objectives to attract new businesses to the State and encouraging existing businesses to remain and expand, in New Jersey requires the use of an outside marketing firm to assist with the day-to-day functions indicated above.

The RFQ/P was duly advertised, posted on both the Authority's website and the State's Business Portal site and distributed to potentially interested Bidders, identified by the Division, via broadcast e-mail. A mandatory pre-bid conference was held on October 3, during which the RFQ/P specifications were reviewed with interested Bidders and questions and answers were addressed and documented. In response to this solicitation, four (4) proposals were received. An Evaluation Committee (the "Committee") comprised of cross-functional Authority staff reviewed the four (4) proposals. Pursuant to the RFQ/P, the Committee interviewed the four (4) Bidders, on November 19. Following the interviews, Committee members then scored and ranked each proposal.

Based on a thorough review of the proposals, the Evaluation Committee recommends the selection of The Fort Group (Ridgefield, NJ). Price and other factors considered, The Fort Group offers the experience, depth of staff, as well as the appropriate number of allocated hours required annually to successfully assist the Division in its marketing mission, to both domestic and international audiences. Additionally, this Bidder has been effectively providing similar marketing services to the Authority, under a separate RFP solicitation and contract. The Evaluation Committee Summary matrix form is attached.

Recommendation:

The Members' approval is requested to enter into a one (1) year contract, with two (2) one (1) year extension options, to be exercised at the sole discretion of the Authority, at the same prices, terms and conditions, with The Fort Group, to provide these marketing services. Pricing, as indicated in The Fort Group's "*Fee Schedule – Hourly Rates*," shall remain firm throughout the term of the contract and any extensions, thereto. The contract also allows for the scope of work and budget allocation to be reduced at any time at the sole discretion of the Authority. The final contract will be subject to approval of the Chief Executive Officer and the Attorney General's Office.





NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY INDIVIDUAL MEMBER EVALUATION COMMITTEE SCORES

RFP / BID # 2008-RFQP-012
 Title: Marketing Services - Div. of Business Assistance, Marketing & International Trade
 Requestor: Cathy Scangarella / Sr. Director Marketing & Communications

EVALUATION CRITERIA	Weight (percentage of total score)	PROPOSER # 1		PROPOSER # 2		PROPOSER # 3		PROPOSER # 4		
		Briechele - Fernandez		The Fort Group		Harte Hanks		Winning Edge Communications		
		TOTAL Score (sum of all Evaluation Committee members)	TOTAL SCORE (weighted with percentages indicated)	TOTAL Score (sum of all Evaluation Committee members)	TOTAL SCORE (weighted with percentages indicated)	TOTAL Score (sum of all Evaluation Committee members)	TOTAL SCORE (weighted with percentages indicated)	TOTAL Score (sum of all Evaluation Committee members)	TOTAL SCORE (weighted with percentages indicated)	
The Bidder's GENERAL APPROACH & PLANS in meeting the requirements of the RFQP	5.0%	7	0.35	16	0.8	11	0.55	10	0.5	
Bidder's DETAILED APPROACH & PLANS to perform the services required, including, but not limited to CREATIVITY & CLARITY expressed in visuals, messages & media in relaying information to target audiences outlined AND the Bidder's VISUAL & VERBAL EXCELLENCE, VERSATILITY, INNOVATIVENESS, APPROPRIATENESS & overall APPEAL of the creative offerings	20%	10	2	17	3.4	11	2.2	14	2.8	
Bidder's DOCUMENTED EXPERIENCE in successfully completing CONTRACTS of SIMILAR Size & SCOPE to the work required	20%	8	1.6	15	3	11	2.2	11	2.2	
QUALIFICATIONS & EXPERIENCE of the Bidder's MANAGEMENT, SUPERVISORY or other KEY PERSONNEL ASSIGNED to the CONTRACT, with emphasis on documented experience in successfully completing work on contracts of similar size & scope to those required	15%	10	1.5	17	2.55	14	2.1	12	1.8	
Overall ABILITY of the Bidder to MOBILIZE, UNDERTAKE & successfully COMPLETE the CONTRACT within the proposed schedule. This judgement will include, but not be limited to, the NUMBER and QUALIFICATIONS of MANAGEMENT, SUPERVISORY & other STAFF proposed to complete the contract; the AVAILABILITY & COMMITMENT to the CONTRACT of the Bidder's managements, supervisory & other staff proposed; the Bidder's CONTRACT MANAGEMENT PLAN, including the ORGANIZATIONAL CHART	10%	10	1	17	1.7	12	1.2	11	1.1	
PRICE: Core Marketing Services Fee	15.0%	20	3	8	1.2	4	0.6	20	3	
PRICE: Media Placement Markup Percentage	10%	13	1.3	16	1.6	12	1.2	13	1.3	
PRICE: Blended Hourly Rates	5%	15	0.75	12	0.6	12	0.6	16	0.8	
TOTAL	100%									
		TOTAL PROPOSER		2.86		3.71		2.66		3.38

On a scale of 1 - 5, evaluate and score the above proposal as follows: 1 - Poor 2 - Fair 3 - Good 4 - Very Good 5 - Excellent



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: 2009 – 2010 Strategic Business Plan

DATE: December 9, 2008

I am pleased to share with the Members the attached 2009-2010 Strategic Business Plan that has been discussed with the Policy Committee and Audit Committee and referred to the full Board for its review and approval. The plan reflects our core mission to broaden New Jersey's economic base by providing New Jersey businesses with the necessary financial and technical support to grow, create jobs and renew communities.

2008 Accomplishments

As I reflect on the past year, Governor Corzine's leadership to streamline the state's economic development platform by consolidating the Commerce Commission's programs in the Authority was a significant milestone. The organizational work of the last two years provided the foundation that allowed us to seamlessly integrate programs and staff by the deadline prescribed by the enabling legislation, and to begin to focus the activities of the new Business Retention and Attraction Division to complement our mission.

Other select notable achievements for the year include:

Core Financing - Interest rate reduction, creation of FastStart program for small businesses; significant increase in new banks to Preferred Lender program and increased volume through program.

Edison Innovation Fund - Launched new Edison R & D WrapAround and Clean Energy Manufacturing products; partnered with Commission on Science and Technology to create new Clean Energy R & D grant

Urban - Successful deployment of New Markets Tax Credit Loan program; establishment of new Urban and Site Solutions unit to assist municipalities and developers in advancing transformative real estate projects; creation of new Urban Plus

product to address financing gap for urban development projects; increased commitment by Fund for Community and Economic Development partners for urban projects.

Other highlights against the 2008 plan are noted in our new Strategic Plan format that provide specific performance metrics as well as an overview of challenges and opportunities that will shape our implementation efforts in the days ahead.

2009-2010 Strategic Business Plan

The 2009 – 2010 Strategic Business Plan reaffirms our key business objectives to grow New Jersey’s economy and enhance the EDA’s financial strength. This plan outlines the key strategies we will focus on in 2009 –2010, which include a continued focus on core financial products, the NJ Urban Fund and Edison Innovation Fund, and new areas of emphasis for Business Retention and Attraction, Clean Energy, and enhancing our internal management capability. To this end, our strategic planning exercise resulted in a revised mission for the Authority to reflect our new responsibilities for business retention and advocacy, international trade and marketing of the State as a competitive place to do business: *The mission of the New Jersey Economic Development Authority is to strengthen New Jersey’s economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State’s strategic advantages to attract domestic and international business.*

I also note that this plan differs from previous years’ plans in that it is a multi-year plan that reflects the substantive work done towards our asset allocation review and related fiscal planning.

Highlighted initiatives include:

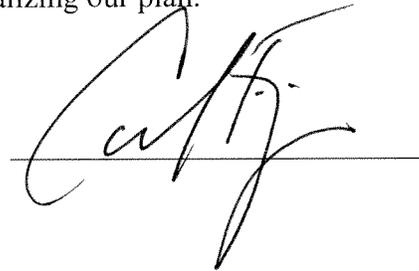
- Establish the EDA’s Business Attraction/Retention Team to include strategic outreach efforts, as well as service delivery that allows for staffing that responds to business preference for single point of contact.
- Market the State “brand” as well as the EDA’s individual financial products to the industry sectors vital to the State’s economy through a comprehensive and coordinated marketing effort.
- Commit \$100 million to be deployed (measured against closed transactions) by Year End 2009 in the nine targeted cities and an additional \$100 million in other urban aid cities.
- Commit \$110 million (measured against closed transactions) in core business areas
- Deploy an estimated \$13 million in new direct investments (approximately 15 companies) through the Edison Innovation Commercialization and Growth Fund
- Position New Jersey as “best in class” in programs and incentives that focus on implementing the NJ Energy Master Plan and catalyzing the clean energy sector by utilizing Board of Public Utilities (BPU) Clean Energy program funds and

anticipated proceeds from the Regional Greenhouse Gas Initiative (RGGI) auctions to develop energy assistance programs that supplement the spectrum of assistance provided by BPU and the private sector for renewable/energy efficiency, cogeneration, and energy technology commercialization that provide opportunities to create green collar jobs

- Implement and deploy economic stimulus programs announced by Governor Corzine in Fall 2008 to maintain employment in NJ during a deepening recession, including Invest NJ and Main Street NJ.
- Develop a high performance leadership team and talent pool to enable the EDA to continue to fulfill its mission and to meet increasing future demands
- Implement the Information Technology strategic plan in support of EDA's business objectives and improve client satisfaction
- Enhance the overall financial strength of the EDA through sound investment and risk management practices, as well as through internal controls ensuring compliance with policies, practices and procedures

Our plan is a blueprint for service delivery based on customers' needs, targeted application of resources to achieve the State's economic growth strategies, and strong fiscal and performance-based management. The plan is additionally supported by operational plans generated by our divisions. Our individual goal setting and performance measurement process is aligned with the strategic business plan so that compensation is tied to individual's achievement of goals that support the EDA's business objectives. Our success will be reflected in the financial performance and progress reporting that we will review with the Audit, Director's Loan Review, Real Estate and Policy Committees on a quarterly basis and share with the Office of Economic Growth in an annual assessment of the Economic Growth Strategy's achievements.

The management of the EDA is strongly committed to achieving our objectives and will look to the Board for guidance as we move forward. Accordingly, we recommend the plan to the full Board for its review and approval and look forward to providing the Members with regular reports on our progress in realizing our plan.



Prepared by: Maureen Hassett
Attachment

NJEDA STRATEGIC PLAN 2009 – 2010

OUR MISSION:

The mission of the EDA is to strengthen New Jersey's economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State's strategic advantages to attract domestic and international businesses.

OUR VISION:

To be a leading economic development organization nationally recognized for supporting the achievement of a vibrant State economy, productive businesses and successful communities.

KEY BUSINESS OBJECTIVES:

- Grow New Jersey's economy
- Enhance EDA's Financial Strength

KEY STRATEGIES:

- Business Retention and Attraction
- Urban Fund
- Edison Innovation Fund
- Core financial products
- Clean Energy
- Enhance EDA's Internal Management Capability

Challenges and Opportunities

The EDA has made significant strides against the measurements set out in the 2008 Strategic Plan and will build on these successes as we move into 2009. For the 2008 plan year, as of November 26, the Authority has assisted 270 projects providing \$366 million in assistance that leveraged \$1.2 billion in public/private investment and created more than 5,880 jobs in New Jersey.

While achieving these goals, we are aware of numerous challenges that the Authority will face in 2009 and 2010, as well as many opportunities to make a positive impact on New Jersey's economy. The Strategic Goals and Objectives for each Key Strategy presented in the 2009-2010 Strategic Plan addresses these Challenges and makes use of these Opportunities.

Challenges:

- A slowing economy and tight capital markets
- Modest EDA financial resources to support participation in significant urban real estate development projects
- Need for patient capital restricts availability of EDA resources
- Length of time from commitment to closing and number of commitments that do not close presents challenge to customers and reputation
- Competition from other states' for business opportunities

Opportunities:

- Authority enjoys excellent reputation in State among government and business leaders due to strong, consistent leadership and responsiveness
- Commitment of employees to excellence and service
- Strong functional expertise in EDA products and processes
- Enhanced more resilient organizational structure
- ITS Strategic Plan deployment to enhance customer relationship and advance process improvements
- Creation of new Urban and Site Solutions group allows focus of resources on urban strategies
- New funding tools: Urban Transit Hub Tax Credit Act, New Jersey Urban Fund, Regional Greenhouse Gas Initiative Funds/BPU funds for clean energy programs
- Provision of technical assistance services to local governments to advance site development and create new fee for service business for EDA
- Integration of Business Development, Business Advocacy and International Trade to optimize customer experience and increase lead generation
- Integration of Brownfields, Energy Sales Tax Exemptions, BRRAG programs to catalyze development and sustain businesses
- Combined state marketing/messaging through new Business Retention and Attraction Division with targeted product marketing to capture all opportunities in an organized and coordinated fashion

KEY STRATEGY I: BUSINESS RETENTION AND ATTRACTION

With Governor Corzine's strategic plan for economic growth in place, the State can more efficiently provide businesses with the assistance and financial tools they need to grow and succeed. Under the new organizational model, EDA will also work with the Governor's Office to advance policies in the State that will positively impact business growth opportunities. Measures regarding the commitment of resources are included in Key Strategies II-IV.

Current status and previous year's results:

New Jersey has taken steps to spur business growth and capitalize on the advantages that make our state a destination for businesses across all industry sectors. Advantages such as a highly skilled and well educated workforce and our strategic location have been supplemented by a several pro-growth initiatives designed by Governor Corzine to ensure that New Jersey continues to build a foundation that is conducive to economic growth and prosperity. One notable step taken was the consolidation of the EDA and the New Jersey Commerce Commission, which streamlines the state's economic development strategies.

Strategic Goals:

- 1) Enhance the EDA's Business Retention /Attraction Division to include strategic outreach efforts, as well as personnel to act as the single point of contact for businesses requiring assistance.
- 2) Advance the EDA's advocacy role in interagency permitting and regulatory assistance.
- 3) Advance the EDA's International Trade Team to encourage increased foreign direct investment in the State and to provide export support to New Jersey businesses.
- 4) Under a coordinated, comprehensive Marketing effort, the EDA will more aggressively market the "State brand" as well as the EDA's individual financial products to the industry sectors vital to the State's economy.
- 5) Implement and deploy economic stimulus programs announced by Governor Corzine in Fall 2008 to maintain employment in NJ during a deepening recession
- 6) Enhance partnerships with local economic development partners and service providers to increase awareness of state assistance and cross sell EDA products

2009 Objectives:

- 1) Establish a Tier 1, Tier 2 and Tier 3 calling plan supported by appropriate corporate briefings
- 2) Engage in-country agencies to support foreign direct investment
- 3) Solidify business advocacy role as part of a business retention effort

- 4) Through marketing tactics and coordinated strategic press events, including sponsorships, event participation, speaking engagements, ads, direct mail and web, to communicate the benefits of locating in New Jersey
- 5) Explore models for public/private partnerships to raise NJ visibility as preferred place to do business

2009 Measures:

- 1) The generation of 10 calls per week utilizing tiered calling plans to connect with the in-state and out-of-state business community and identify assistance required for their success.
- 2) Establishment of four international offices through contractual relationships
- 3) Host five international delegations and facilitate one trade mission

2010 Objectives:

- 1) Realize robust lead generation from international offices
- 2) Review calling plan results from 2009 and refine outreach activities accordingly.

KEY STRATEGY II: THE NJ URBAN FUND

The vision of the NJ Urban Fund is to provide a set of tools focused on the 9 designated urban centers that will unlock the economic potential of these communities to bring about revitalization, employment creation, improved standards of living and increased access to capital for businesses. Strategies are focused on small business growth, real estate development projects that catalyze revitalization and significant job creation, and nonprofit organizations that advance neighborhood development initiatives.

Current status and previous year's results:

Assistance through NJUF 2008	
Projects Assisted	63
Total Assistance	\$154 million
Public/Private Investments	\$547.5 million
% Against Plan	205%
Estimated New Permanent Jobs	2700
Estimated Construction Jobs	4000

Other Urban Assistance 2008	
Projects Assisted	68
Total Assistance	\$69 million
Public/Private Investments	\$140.1 million
% Against Plan	69%
Estimated New Permanent Jobs	900
Estimated Construction Jobs	900

As of 11/26/2008

Strategic Goals:

- 1) Utilize all available redevelopment tools in the State's nine urban centers to attract private sector investment and to build upon existing assets such as well-developed infrastructure, and renowned educational, medical and cultural institutions to spur revitalization
- 2) Launch new funds and leverage existing funds to attract private investment with emphasis on the nine cities, to attract companies and spur business growth and advance redevelopment planning, commercial, mixed-use and grocery store development.
- 3) Increase the amount of capital available for projects in communities through aggressive outreach to equity partners.

2009 Objectives:

- 1) Deploy focused marketing and communications plan to increase awareness of product offerings designed to attract private investment and retain and grow jobs in designated urban areas with staff point person in each of the nine cities.
- 2) Deploy new tax incentive, technical and financial assistance programs in order to provide enhanced benefits to the nine designated urban centers.
- 3) Revitalize and refocus the Fund for Community Economic Development by attracting new partners to the Fund in order to increase available capital and by making changes to the Fund to increase its usefulness to the market.
- 4) Apply for next round of New Markets Tax Credit allocation and attract investors to strengthen application.
- 5) Create State Urban Grocery Store Fund under Fund for Community Economic Development

2009 Measures:

- 1) Commit \$100 million to be deployed (measured against closed transactions) by Year End 2009 in the nine targeted cities.
- 2) Commit \$100 million to be deployed (measured against closed transactions) by Year End 2009 in Urban Aid cities, excluding the nine targeted cities.
- 3) Initiate or advance two new real estate projects in the nine targeted cities
- 4) Finalize two Urban Transit Hub Tax Credit project agreements or \$250 million in committed credits.
- 5) Close on investment and invest in at least one grocery store development in an urban community
- 6) Prepare and submit a successful New Markets Tax Credit application
- 7) Approve one partner's continued and expanded commitment to the Fund for Community Economic Development and attract one new Fund partner.

- 8) Commit \$10 million to an equity investment fund oriented to New Jersey distressed areas with an emphasis on the nine cities. Leverage this investment by at least 3:1. Raise an additional \$25 million in investment capital from socially minded and market-oriented investors. Capital will be used to make real estate project investments through the Fund in distressed areas
- 9) Identify vehicle and other partners and investors to leverage a \$3 million EDA investment in a Grocery Store Fund

2010 Objectives:

- 1) Identify and close on projects to deploy Urban Grocery Store Fund and Fund for Community Economic Development
- 2) Sign project agreements for two Urban Transit Hub Tax Credit projects
- 3) Continue to seek additional sources of capital to assist urban projects
- 4) Communicate success through marketing and communications plan

KEY STRATEGY III: THE EDISON INNOVATION FUND

The Edison Innovation Fund is an integrated set of resources to support technology and life science initiatives throughout the stages of discovery, development, and commercialization. Implementation has been advanced by the NJ Economic Development Authority and the Commission on Science and Technology, in consultation with the Commission on Higher Education. Resources from the Fund are focused on information technology/communications/new media, life science, stem cell, and clean energy. Through the State's effort, the Fund addresses the need for early stage capital for emerging technology businesses and the desire to increase patent generation and technology transfer from NJ's public research institutions to these businesses.

Current status and previous year's results:

Edison Innovation Fund 2008	
Projects Assisted	25
Total Assistance	\$16.4 million
Public/Private Investments	\$61.6 million
Direct Investment	\$ 4.0 million
% Against Plan	26.6%
Estimated New Permanent Jobs	770
Estimated Construction Jobs	128

As of 11/26/2008

Strategic Goals:

- 1) Provide the highest risk/early stage capital to the market in an easy to access (for the customer) and easy to process (for the EDA) vehicle, which leverages the skills and capital of the private capital markets and increases early stage funding

- 2) Support life science and technology companies in NJ through the provision of flexible work and lab space that addresses gap in marketplace and advances efforts to conduct cutting edge research aligned with Governor's strategic initiatives
- 3) Marketing and communications plans that increase the visibility of the Edison Fund through the statewide and international program

2009 Objectives:

- 1) Continue to improve and refine processes and products to best fit customer needs.
- 2) Build out enhanced incentives for businesses locating in Innovation Zones
- 3) Advance Edison Innovation Fund real estate solution strategy through strategic alliances in Fort Monmouth, Aviation Research and Technology Park, and Innovation Zones and maximize the occupancy in EDA owned and managed Innovation Zone facilities
- 4) Coordinate materials, events, sponsorships, web tools that build awareness, educate, and generate appropriate business leads for the TLS group, including targeted marketing to international technology companies.

2009 Measures:

- 1) In 2009, EDA will continue to execute investment transactions within the Edison Innovation Fund. This will include new direct investments in 15 companies (approximately \$13 million) through the Edison Innovation Commercialization and Growth Fund
- 2) \$10 million of venture investments will be deployed in an opportunistic manner that aligns with the EDA's investment strategy
- 3) Realize returns in excess of capital contribution for the \$2.5 million investment in Edison IV.
- 4) Advance the fit out plan for Tech 3 in North Brunswick and initiate planning for WTCC Building 2 in Camden

2010 Objectives:

- 1) Begin construction of WTCC Building 2 in Camden
- 2) Identify and deploy capital to meet market demands

KEY STRATEGY IV: CORE BUSINESS AREAS

The EDA's Core Financing programs and related products annually assist hundreds of businesses, manufacturers, health and social service agencies and other nonprofit organizations through bonds, loan financing and guarantees. Additionally, the EDA provides grant and incentive funding to businesses for environmental investigation, remediation to municipalities and for employment creation and retention.

Current status and previous year's results:

Core Activity Assistance 2008	
Projects Assisted	113
Total Assistance	\$122.7 million
Public/Private Investments	\$374.8 million
Estimated New Permanent Jobs	1222
Estimated Construction Jobs	5134

As of 11/26/2008

Strategic Goals:

- 1) Support customer success, stimulate business growth and retain and expand employment opportunities for NJ residents by focusing resources on manufacturers, medium/large-sized businesses and nonprofit organizations.
- 2) Ensure the delivery of quality technical assistance to small businesses through strategic partnerships.
- 3) Establish, maintain and deepen relationships with economic development professionals, organizations and financial institutions to generate new business
- 4) Develop highly skilled professional business development officers with customer responsibility through to product closing
- 5) Support brownfields redevelopment throughout the State to stimulate employment creation and revitalization

2009 Objectives:

- 1) Develop marketing and communications plan to targeted customer segments and key market areas through the deployment of appropriate tactics resulting in increased awareness and production.
- 2) Maximize cross selling opportunities and product bundling by developing and implementing staff training on product offerings while coordinating with state agencies.
- 3) Ensure EDA's core assistance products and activities are customer-driven, responsive to changing market conditions and managed through closing
- 4) Designate Business Development Officers to specialize in bond production.

- 5) Strengthen the business generated by the community and regional bank industry through concentrated outreach efforts to community banks, including calling plans that provide collaboration between regional and industry sales force.
- 6) Identify redevelopment projects in need of assistance with the aim of entering into project agreements and acquiring strategic property, as necessary.
- 7) Rationalize the EDA's oversight of technical assistance programs and optimize resources.
- 8) Engage in continued dialogue with accountants, attorneys and our banking partners regarding how the EDA can best work with them in the changing economy and to develop solutions to new financing obstacles.

2009 Measures:

- 1) Commit \$110 million (measured against closed transactions) in core business areas
- 2) Initiate or advance two new real estate projects in non-urban and non-Edison Innovation Zone areas
- 3) Increase the amount of production from the Preferred Lender program by 20%.

2010 Objectives:

- 1) Continue to drive production through PLP program and other affinity programs
- 2) Continue to refine products and processes to best fit customer needs

KEY STRATEGY V: CLEAN ENERGY

The State of New Jersey Energy Master Plan aims to meet 20% of its energy needs through Class I renewable energy, such as photovoltaic, solar, wind energy, renewably fueled fuel cells, wave, tidal, renewably generated hydrogen, sustainable harvested biomass, and methane gas from landfills, by 2020 and reduce electricity and heating consumption 20% by 2020. The EDA's goals are to create and deploy incentives that will make New Jersey the top state for Clean Energy Companies to locate and to encourage businesses to become more energy efficient by providing financial assistance.

The EDA will strive to lower demand by encouraging the use of existing energy efficiency technologies by the business community by creating incentives that complement those already offered by sister state agencies. Further, the EDA will strive to increase energy supply, in an environmentally friendly manner, through incentives for cogeneration facilities, financing for renewable energy manufacturers and investment in new renewable energy technologies.

Current status and previous year's results:

Approval of new Clean Energy Master Plan with BPU, authorization of \$75 million/ 5-year CEP budget to be administered by EDA, partnership with CST under CEP and the approval of a new MOU with BPU.

Strategic Goals:

- 1) Support the Energy Master Plan goal of securing NJ's role as besting class for alternative energy R&D, commercialization and job creation
- 2) Continue to identify opportunities to utilize internal financial resources and RGGI auction proceeds in creative ways to address unmet needs in this sector. This may include the support of incubators aimed at clean technology entrepreneurs and research and development, as well as vehicles to attract socially minded angel investors to invest in this sector.
- 3) Become a 'leader by example' in implementing energy efficiency measures in EDA's real estate assets.
- 4) Develop a focused marketing and communications plan to increase awareness of State programs

2009 Objectives:

- 1) Utilizing RGGI proceeds, develop and implement clean energy funding programs that supplement the spectrum of assistance provided by BPU and the private sector, particularly in creation of incentives for cogeneration and energy technology commercialization and the creation of green collar jobs
- 2) Implement, deploy and deliver new BPU Clean Energy Manufacturing Program
- 3) Maintain strong relationships with BPU/OCE, CST, DEP and other key state agencies to ensure agencies efforts complement each other and co-market programs/products
- 4) Develop/reinforce relationships with other energy stakeholders: Power companies, environmental groups, major business users, real estate developers, etc. to ensure that the State continues to meet customers' needs
- 5) Implement Real Estate program guidelines encouraging sustainable business construction when utilizing EDA assistance
- 6) Drive messaging around Clean Energy and new technologies to promote job growth in NJ. Product innovation to support attraction of companies to New Jersey for incentive and loan opportunities.
- 7) Train staff in green financing products and to encourage energy efficient upgrades in Core transactions.

2009 Measures:

- 1) Successful deployment of \$24 million Clean Energy Manufacturing Program
- 2) Establish cogeneration product to support industry
- 3) Establish a Clean Technology R&D wraparound product

- 4) Increase in EDA owned, managed, and financed sustainable buildings
- 5) Successfully deploy 50% of 2009 RGGI funds as available in cogeneration, energy efficiency and energy technology commercialization projects

2010 Objectives:

- 1) Build on 2009 product innovations to market bundling of new green programs to attract companies to New Jersey
- 2) Deploy balance of 2009 RGGI funds and 60% of 2010 funds

KEY STRATEGY VI: ENHANCE EDA'S INTERNAL MANAGEMENT CAPABILITY

In order to achieve the strategic goals set out in Key Strategies I-V, the EDA will need to rely on internal strengths: Human Resources, Information Technology and Financial Resources.

Current status and previous year's results:

In 2008, the EDA advanced many of its goals to enhance management capacity. Successes include: Leadership development program, creation of IPM department, Asset Allocation plan, Creation of a IT strategic plan, Hiring of EDA's first CIO

Strategic Goals:

- 1) Develop a high performance leadership team and a robust leadership talent pool to enable the EDA to continue to fulfill its mission and to meet increasing future demands
- 2) Implement the ITS strategic plan in support of the EDA's business objectives and improve client satisfaction by providing best practice solutions in acceptable time frames
- 3) Enhance the overall financial strength of the EDA through sound investment and risk management practices, as well as through internal controls over compliance of policies, practices and procedures

2009 Objectives:

- 1) Ongoing product program assessment/continuous improvements (re: pricing, features, retirements, etc) in alignment with the Strategic Plan, with particular emphasis on developing programs focused on an access to capital model versus low cost of borrowing model
- 2) Create new revenue sources for EDA revolving loans by monetizing assets
- 3) Develop risk management guidelines that will enable the EDA to fulfill its mission while maintaining asset quality
- 4) Continue focus on internal controls that will maintain the Authority's fiscal strength and ethical integrity
- 5) Cascade leadership development processes and programs, targeted at the senior team in 2008, down through the organization by providing multi-source feedback on leadership behaviors for Directors to identify areas of strength and areas for development based on the EDA Leadership Profile
- 6) Create and launch a talent review process (incorporating the multi-source feedback) that will yield potential talent pools, inform succession plans, and target development planning to increase readiness for expanded roles
- 7) Design and deliver core leadership learning events based on the EDA Leadership Profile
- 8) Complete roll out of a customer relationship management system that will enable our business units to more effectively manage their pipelines and report on essential sales data, giving them easy access to forecast revenue and follow trends in the market and drive ROI models on marketing programs to support business development
- 9) Install new computers, operating systems, applications and VoIP technology to provide more productivity and tighter security.
- 10) Begin research and requirement gathering efforts for LMS replacement system

2009 Measures:

- 1) Comprehensive reporting on asset quality and exposure
- 2) Monitor conformance with asset allocation guidelines, cash flows and compliance with policy, practice, guidelines, EO's, etc.
- 3) Completed leadership feedback process and an annual talent review process
- 4) Succession plans for all SVP positions
- 5) Design and deliver 4 of the 8 core leadership learning events
- 6) Successfully complete rollout of CRM
- 7) ITS will begin to be viewed as a valued asset to business and the place to go for solutions, not road blocks

2010 Objectives:

- 1) Design and deliver the remaining 4 core leadership learning events
- 2) Enhance cash flow monitoring methods
- 3) Develop new/enhance existing compliance monitoring processes
- 4) Develop mechanism to enable data sharing between the website, the LMS replacement and CRM, eliminating most of the need for manual work or duplicate entry, as well as finalizing the data sharing of products in use in real estate and accounting.



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: December 9, 2008

SUBJECT: 2009 Fiscal Plan

The following is the proposed Fiscal Plan for 2009. This Plan is the result of a collaborative effort by management and staff. Collectively, we believe our planning process has yielded a fiscally responsible plan that supports the proposed 2009 Strategic Business Plan. It has been reviewed by the Audit Committee and recommended for Board approval.

Our proposed Fiscal Plan reflects operating revenues, personnel strength, administrative expenses and program costs commensurate to the expansion of our Edison, Urban, Clean Energy and Core Program Initiatives. These projects align with the Governor's Economic Assistance and Recovery Plan and the Main Street and Invest NJ programs currently being considered by the Legislature as economic stimulus incentives. In light of the current economic environment, we have controlled costs by decreasing the number of approved positions, holding operating expenses level, and realizing efficiencies where they exist.

Please note the proposed Strategic Business Plan details several strategies in support of our two key business objectives to grow New Jersey's economy and enhance the financial strength of the EDA. One such strategy is to enhance EDA's internal management capability. The goals and objectives of this strategy will be primarily realized in the areas of Human Resources, Information Technology, Marketing and back-office business support. We believe this proposed Fiscal Plan supports endeavors that will be critical for the successful implementation of the programmatic strategies detailed in the Business Plan.

Revenues and Operating Earnings

With Net Operating Earnings of \$3,591,900, before credit loss provisions of \$8,746,200, the 2009 Fiscal Plan continues to align with the Authority's fundamental asset allocation premise: current year revenues will fund current operational expenses and program costs.

At \$19,385,400, and 9.5% under Plan, 2008 Operating Revenues unfortunately reflect the downturn in the economy coupled with specific program endeavors taking longer than anticipated to bring to fruition. As new urban initiatives are implemented, existing initiatives are enhanced and real estate development initiatives are retooled, the 2009 Plan projects Operating Revenues of \$22,285,700: a 15.0% increase over current year and 4% over the 2008 Plan.

2008 Non-operating Revenues (primarily investment interest income) of \$17,180,000 are projected to be 23.0% under 2008 Plan primarily due to the steep reduction in interest rates across the board. Utilizing projected production assumptions, capital inflows and outflows, and a blended 2% interest rate on approximately a \$510 million investment base, 2009 Non-operating Revenues are projected to be \$11,834,200 and are 31.1% under current year and 47.0% under the 2008 Plan.

Personnel

At present, the 2008 approved personnel count of 172 has 17 vacant positions, which accounts primarily for being \$623,000, 5.1%, under Plan. With a reduction of positions to 164, the 2009 Plan demonstrates the Authority's commitment to remain fiscally prudent. Management believes this proposed staffing level continues to align with the Strategic Business Plan.

At a count of 164, 2009 projected personnel and benefits expense of \$16,675,000 are 1.5%, \$253,500, under the 2008 approved Plan and 5.9%, \$934,000 over 2008 projected. Salary expense reflects an aggregate 3.5% merit pool. The significant increase in pension expense is because the State's 5-year phase-in assessment increased from 80% to 100%, the full pension obligation. Health related benefits reflect a moderate aggregate increase from 2008 projected because rates actually declined with the State's realignment of offered plans.

Administrative Expense

At \$3,631,000, the 2008 general administrative expense projection reflects a moderate, \$18,500, .5%, increase over the 2008 Plan primarily due to fit-out of the new Newark office space and a satellite office in Camden; additional janitorial and maintenance costs; and major HVAC repairs this Summer. 2009 planned expenses of \$4,748,000 are \$1,135,500, 31.4%, over the 2008 Plan solely due to major IT upgrades and enhancements as follows:

- \$150,000 Doc Management Upgrade to P8
- \$115,000 Office 2007 software
- \$105,000 new CPU's
- \$200,000 Customer Relationship Management licensing and customization
- \$200,000 assessment phase of Loan Management System restructure
- \$250,000 SAN/Disaster Recovery replication
- \$300,000 Voice Over Internet Protocol

Management had retained the Northhighland Group, an IT consultant, for the purpose of assessing the current state of our IT system, define the optimal framework for our business, and chart an implementation process. This study was completed and management has determined it is necessary to implement certain recommendations and to commence the evaluation phase of the disposition of the existing Loan Management System.

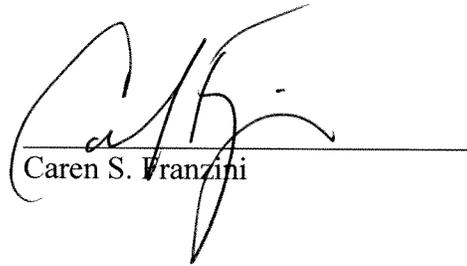
Program Costs

Program Costs represent expenditures that closely align with the various program initiatives or a specific project. Although certain costs are projected to increase (e.g. Asset Management), the revenues (e.g. Operating Lease) associated with these projects are also expected to proportionally increase. Other costs, such as feasibility expenditures, are the precursor to project development and are expected to generate revenues in the future. At \$6,859,600, the 2008 projection is \$1,739,700, 20.2%, under the 2008 Plan because many contingent projects simply did not commence and will be carried over into the 2009 Fiscal Plan.

2009 projected expenditures of \$7,827,500 align with our proposed business strategies and are expected to contribute to our revenue stream either in 2009 or later. The significant items follow:

- **Asset Management Costs:** At \$3.9 million, reflect relatively level tenant occupancy at the Camden Waterfront Technology Center, the Tech Center, and the Trenton Office Complex. These costs are offset by lease rental income.
- **Legal:** Management does not anticipate the need for special counsel in 2009, nor full utilization of DAG contracted services.
- **Outreach:** The marketing plan launched this year will continue at a level rate and be refined to align with the 2009 Strategic Business Plan. The projected plan of \$1.2 million will be utilized to support our three key areas: Core, Urban/Site, and Life Sciences/Tech, in addition to our new Clean Energy segment. Major emphasis will be placed on two step distribution with our CPAs, lawyers and bankers to drive meaningful ways for businesses and nonprofits to use EDA resources to grow and expand in the state of New Jersey. Continued focus and support of urban centers; partnerships with chambers of commerce, mayors and trade organizations, as well as sponsorships, educational seminars and events will be used. Included in the budget are funds to enhance and refresh our web-based tools using the latest technologies to drive messaging about state products and services for business managed by the EDA.
- **Feasibility Consultation:** Of the \$850,000 planned for 2009, \$200,000 is projected for the Portfields initiative, which was previously approved by the Board. Management anticipates an analysis for the development of a 2nd technology building in Camden; the need for urban development advisory services; and a contingency provision to fund new program/project development such as the Aviation Research & Technology Park.

Recommendation: I recommend approval of this Plan as a fiscally responsible means by which to accomplish the Authority's responsibilities under the Governor's Economic Assistance and Recovery Plan and the key business objectives articulated in the accompanying 2009 Strategic Business Plan.



Caren S. Franzini

Prepared by: Greg Ritz, Chief Financial Officer

Attachments

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2009 FISCAL PLAN

	2008 Fiscal Plan	2008 Projected Actual	Actual Over/(Under) Plan	% Variance	2009 Fiscal Plan
Operating Revenue:					
Financing Fees	\$3,526,900	\$3,156,000	(\$370,900)		\$4,603,700
Lease Revenue	5,511,300	5,229,800	(281,500)		5,884,500
Interest from Notes	8,424,400	7,467,000	(957,400)		8,090,500
Agency Fees	1,084,100	1,063,700	(20,400)		731,000
Program Services	1,285,400	1,149,000	(136,400)		1,513,700
Real Estate Development Fees	1,483,600	1,164,900	(318,700)		1,362,300
Loss recoveries	75,000	120,000	45,000		75,000
Late Fees and Other	22,000	35,000	13,000		25,000
Total Operating Revenue	<u>21,412,700</u>	<u>19,385,400</u>	<u>(2,027,300)</u>	-9.5%	<u>22,285,700</u>
Non Operating Revenue:					
Interest from Investments	20,501,300	15,530,000	(4,971,300)		10,184,200
Service Fees/Surcharges	1,820,500	1,650,000	(170,500)		1,650,000
Total Non Operating Revenue	<u>22,321,800</u>	<u>17,180,000</u>	<u>(5,141,800)</u>	-23.0%	<u>11,834,200</u>
Total Revenue	<u>43,734,500</u>	<u>36,565,400</u>	<u>(7,169,100)</u>	-16.4%	<u>34,119,900</u>
Administrative Expenses					
Personnel and Benefits	16,928,500	15,741,000	(1,187,500)		16,675,000
General and Administrative	3,612,500	3,631,000	18,500		4,748,000
Total Administrative Expenses	<u>20,541,000</u>	<u>19,372,000</u>	<u>(1,169,000)</u>	-5.7%	<u>21,423,000</u>
Costs & Losses					
Interest	1,725,000	1,474,200	(250,800)		1,277,500
Program	8,599,300	6,859,600	(1,739,700)		7,827,500
Total Costs	<u>10,324,300</u>	<u>8,333,800</u>	<u>(1,990,500)</u>	-19.3%	<u>9,105,000</u>
Total Expenses & Costs	<u>30,865,300</u>	<u>27,705,800</u>	<u>(3,159,500)</u>	-10.2%	<u>30,528,000</u>
Net Operating Earnings	<u>\$12,869,200</u>	<u>\$8,859,600</u>	<u>(\$4,009,600)</u>	-31.2%	<u>\$3,591,900</u>
Credit Loss Provisions		<u>\$8,728,600</u>	<u>\$8,728,600</u>		<u>\$8,746,200</u>
Sale of Assets		<u>\$2,500,000</u>	<u>\$2,500,000</u>		

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2009 FISCAL PLAN

Revenue Detail

	2008 Fiscal Plan	2008 Projected Actual	Actual Over/(Under) Plan	% Variance	2009 Fiscal Plan
Financing Fees					
Application Fees	\$771,800	\$1,428,000	\$656,200		\$1,740,700
Bond Closing Fees-Private	1,425,000	700,000	(725,000)		1,260,000
Bond Closing Fees-State		300,000	300,000		300,000
Bond refunding Fees-Private	302,500	200,000	(102,500)		360,000
Bond refunding Fees-State					
Commitment Fees	287,000	223,000	(64,000)		564,000
Guarantee Closing Fees	415,900	200,000	(215,900)		99,000
Loan Closing Fees	314,700	90,000	(224,700)		270,000
Other	10,000	15,000	5,000		10,000
Total Financing Fees	3,526,900	3,156,000	(370,900)	-10.5%	4,603,700
Lease Revenue					
NY Daily News	102,400	102,400			102,600
Commercialization Ctr & Expansion	947,400	1,064,600	117,200		1,052,000
Technology Centre of NJ	2,697,500	2,452,300	(245,200)		3,130,900
Trenton Marine Terminal	73,000	73,000			
TOC-Renaissance Place	323,300	282,300	(41,000)		298,900
Waterfront Tech Ctr at Camden	1,367,700	1,255,200	(112,500)		1,294,100
Institute for Dev. of Educ. in Arts (IDEA)					6,000
Total Lease Revenue	5,511,300	5,229,800	(281,500)	-5.1%	5,884,500
Agency Fees					
Board of Public Utilities Clean Energy		100,000	100,000		120,000
Commercial Revitalization	5,000	5,000			5,000
Corporation for Business Assistance NJ	50,000	2,900	(47,100)		
DEP Recycling	6,000	2,000	(4,000)		5,000
Historic Trust Fund	1,000	1,000			1,000
Intergovernmental Services (MTF)	5,000	5,000			
NJ Development Authority	367,100	183,600	(183,500)		
NJ Local Development Financing Fund	450,000	450,000			450,000
New Markets Tax Credit	150,000	150,000			150,000
Section 108 - Whiteco		139,200	139,200		
Office of Sustainable Business	50,000	25,000	(25,000)		
Total Agency Services	1,084,100	1,065,700	(20,400)	-1.9%	731,000
Program Services					
BEIP Service Fees	1,023,200	785,500	(237,700)		1,296,000
Energy Services	100,000	100,000			100,000
Structured Financing Fees	75,000	30,000	(45,000)		15,000
Tech Ctr Allocation	87,200	120,000	32,800		87,200
SWM Business Service Fees					15,500
Venture Fund Distributions		113,500	113,500		
Total Program Services	1,285,400	1,149,000	(136,400)	-10.6%	1,513,700
Real Estate Developmnt and Mgt Fees					
Development Fees					
Camden State Office Building	25,000		(25,000)		411,500
Bayonne Peninsula					20,000
Digital Century	250,000		(250,000)		
Greystone	634,600	745,800	111,200		166,800
Hammonton	100,000		(100,000)		100,000
Higher Education Student Assist (HESA)	25,000		(25,000)		
Montclair University					25,000
LIBDTKA (SIPC)	25,000		(25,000)		
Newark State Office Building	25,000		(25,000)		
Portfields Joint Venture					167,000
University Heights	1,000	1,000			
State Police Barracks					50,000
Total Development Fees	1,085,600	746,800	(338,800)	-31.2%	940,300
Management Fees					
Commerc Center-Comm on Science	5,000	5,000			4,000
NJ Performing Arts Center	25,000	25,000			25,000
State Office Buildings	73,000	63,000	(10,000)		63,000
Technology Center of NJ	265,000	295,100	30,100		300,000
Waterfront Parking Lot	30,000	30,000			30,000
Total Management Fees	398,000	418,100	20,100	5.1%	422,000
Total RE Developmnt&Mngt Fees	1,483,600	1,164,900	(318,700)	-21.5%	1,362,300
Hazard Surcharges	1,820,500	1,650,000	(170,500)	-9.4%	1,650,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**2009 Fiscal Plan
Administrative Expenses**

	2008 Approved Plan	2008 Projected Actual	Actual Over/(Under) Plan	%	2009 Fiscal Plan
				Variance	
SALARY EXPENSE	\$12,140,000	\$11,517,000	(\$623,000)	-5.1%	\$11,975,000
FRINGE BENEFITS					
Social Security	882,500	830,000	(52,500)		882,600
Pension Costs	549,500	549,500			743,700
Non-health related Ins.	168,000	155,000	(13,000)		164,000
Health Insurance	1,879,400	1,439,500	(439,900)		1,587,000
Post-employment benefits obligation	633,700	633,000	(700)		633,700
Prescription Ins.	504,400	469,000	(35,400)		519,000
Dental Care Ins.	150,700	130,000	(20,700)		150,500
Vision Care	20,300	18,000	(2,300)		19,500
TOTAL FRINGE BENEFITS	<u>4,788,500</u>	<u>4,224,000</u>	<u>(564,500)</u>	-11.8%	<u>4,700,000</u>
TOTAL PERSONNEL AND FRINGE	<u>\$16,928,500</u>	<u>\$15,741,000</u>	<u>(\$1,187,500)</u>	-7.0%	<u>\$16,675,000</u>
% Total Fringe/Salaried Employees	39.4%	36.7%			39.2%
% Total Fringe/Total Personnel & Fringe	28.3%	26.8%			28.2%
Total Salaried Employees	172	155	17		164

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
2009 Fiscal Plan
Administrative Expenses

	2008 Approved Plan	2008 Projected Actual	Actual Over/(Under) Plan	% Variance	2009 Fiscal Plan
PERSONNEL RELATED					
Part-time Employees	\$75,000	\$75,000			\$78,500
Temporary Agencies	100,000	63,000	(\$37,000)		63,000
Publications & Subscriptions	13,500	11,000	(2,500)		12,500
Automobile	43,300	49,000	5,700		8,000
Local Travel & Meetings	60,000	70,000	10,000		70,000
Personal Automobile Allowance	15,000	11,000	(4,000)		10,000
Conference	27,000	27,000			27,000
Professional Training	235,000	140,000	(95,000)		225,000
Parking	126,000	120,000	(6,000)		139,700
TOTAL PERSONNEL RELATED	694,800	566,000	(128,800)	-18.5%	633,700
CONTRACT SERVICES					
Financial Audit	112,000	104,000	(8,000)		114,000
OPEB Actuarial Assessment					15,000
Organizational Consultation	175,000	175,000			
Governor's Authorities Unit Assessment	37,500	26,500	(11,000)		26,500
TOTAL CONTRACT SERVICES	324,500	305,500	(19,000)	-5.9%	155,500
INFORMATION SYSTEMS					
System Maintenance	339,500	339,500			321,000
System Supplies	15,000	15,000			15,000
System Software	65,000	65,000			315,000
System Hardware	99,000	99,000			205,500
Major Projects	90,000	90,000			950,000
Disaster Recovery	26,000	26,000			25,000
Dedicated Phone Trunk Lines	35,000	35,000			30,000
Online Subscriptions	101,000	101,000			116,000
External Services Providers	107,000	107,000			120,000
TOTAL INFORMATION SYSTEMS	877,500	877,500			2,097,500
OFFICE OPERATIONS					
Telephone	200,000	206,000	6,000		216,000
Utilities	249,500	263,000	13,500		276,500
Postage & Delivery	50,100	49,500	(600)		70,800
Rent	126,000	120,000	(6,000)		175,300
Insurance-liability & property	310,000	275,000	(35,000)		290,000
Equipment Maintenance	37,500	21,000	(16,500)		34,000
Furniture/Equipment lease/purchase	222,400	343,000	120,600		158,700
Stationary & Supplies	99,000	88,000	(11,000)		97,000
TOTAL OFFICE OPERATIONS	1,294,500	1,365,500	71,000	5.5%	1,318,300
BUILDING MANAGEMENT					
Facility Management	99,800	107,800	8,000		91,000
Buiding Security Guard	71,800	71,200	(600)		76,600
Janitorial	79,000	160,000	81,000		203,400
Taxes/PILOT	52,000	52,500	500		54,800
Grounds	6,000	4,000	(2,000)		6,000
Mechanical Maintenance	48,600	76,500	27,900		56,700
TOTAL BUILDING MANAGEMENT	357,200	472,000	114,800	32.1%	488,500
GENERAL	64,000	44,500	(19,500)	-30.5%	54,500
TOTAL GEN'L & ADMIN. EXPENSE	\$3,612,500	\$3,631,000	\$18,500	0.5%	\$4,748,000
TOTAL ADMINISTRATIVE	\$20,541,000	\$19,372,000	(\$1,169,000)	-5.7%	\$21,423,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2009 FISCAL PLAN

Program Cost Detail

	2008 Fiscal Plan	2008 Projected Actual	Actual Over/(Under) Plan	% Variance	2009 Fiscal Plan
Asset Management					
Maintenance and Repair	\$1,076,800	\$903,800	(\$173,000)		\$1,225,600
Property Management	301,600	186,300	(115,300)		187,900
Rent	1,243,400	1,099,700	(143,700)		1,099,000
Taxes and PILOT	479,200	455,700	(23,500)		578,300
Utilities	758,500	725,500	(33,000)		830,300
Total Asset Management	3,859,500	3,371,000	(488,500)	-12.7%	3,921,100
Legal					
Deputy Attorney General Contracted Fees	1,197,600	920,000	(277,600)		1,007,000
Special Counsel:					
Technology/Financing	150,000	25,000	(125,000)		
Real Estate	573,200	573,000	(200)		
Other Litigation	25,000		(25,000)		10,000
Total Legal	1,945,800	1,518,000	(427,800)	-22.0%	1,017,000
Outreach					
Media Buying	312,000	312,000			374,000
Creative Development	255,000	255,000			255,000
Marketing Outreach	167,000	167,000			177,000
Creative Production	266,600	266,600			214,000
Website	129,400	129,400			129,400
General	42,500	42,500			85,000
Public Affairs	55,000	15,000	(40,000)		10,000
Total Outreach	1,227,500	1,187,500	(40,000)	-3.3%	1,244,400
Feasibility Consultation					
Digital Century	50,000	27,300	(22,700)		
Port Authority Portfields Initiative	127,000		(127,000)		200,000
Ready for Growth	212,500	62,200	(150,300)		
Waterfront Tech Center II					250,000
New Project Development/Environmental	205,000	100	(204,900)		200,000
Urban/Real Estate Advisory Services	160,000	100,000			200,000
Total Feasibility Consultation	694,500	189,600	(504,900)	-72.7%	850,000
Technical Assistance					
	350,000	125,000	(225,000)	-64.3%	300,000
Services					
Appraisals	25,000	20,000	(5,000)		20,000
BEIP Analysis Rutgers	22,000		(22,000)		
DoL Prevailing Wage Monitoring	99,000	99,000			99,000
Credit Reporting Services	35,000	20,000	(15,000)		30,000
Realtor Commissions	5,000		(5,000)		
Total Services	186,000	139,000	(47,000)	-25.3%	149,000
Insurance					
Property & Liability Insurance	195,000	190,000	(5,000)		195,000
Total Insurance	195,000	190,000	(5,000)	-2.6%	195,000
Other					
Filing Fees	6,000	5,500	(500)		6,000
Program Related Travel & Meetings	65,000	60,000	(5,000)		68,000
Searches-Titles, Leins, Property	3,000	2,000	(1,000)		2,000
Debt Servicing	22,000	22,000			20,000
Camden Waterfront Landscaping	30,000	30,000			35,000
Other	15,000	20,000	5,000		20,000
Total Other	141,000	139,500	(1,500)	-1.1%	151,000
Total Program Costs	\$8,599,300	\$6,859,600	(\$1,739,700)	-20.2%	\$7,827,500



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Fund for Community Economic Development Amendments - Supermarkets

DATE: December 9, 2008

Summary

The Members are requested to make two changes to the Fund for Community Economic Development to assist development of grocery stores and supermarkets in urban areas. The two changes include: 1) allowing up to \$4 million within the Loans to Lenders component to be used for supermarket and grocery store development, with a maximum of \$3 million per loan; and 2) reducing the interest rate for Loans to Lenders from 3% and two step-up periods of 4% and 5% to 2%, fixed for the term of the loan.

Background

In April of 1997, the Fund for Community Economic Development (Fund) was created through a partnership with public utility companies, the New Jersey Economic Development Authority and the State of New Jersey. The purpose of the Fund was to provide a new source of flexible financing to support urban community development, revitalize local economies and provide employment for urban residents. To accomplish these goals, the Fund targeted two important needs for capital in urban markets – those of small businesses and real estate development. Specifically, the Fund makes capital available to micro-lenders and other intermediary organizations, who effectively can reach small businesses in local markets (Loans to Lenders). For community development projects, the Fund provides predevelopment assistance and permanent financing with flexible terms to assist often difficult-to-fund projects.

The Fund has been remarkably successful in achieving its two goals to provide capital for small businesses and community projects. From inception to June 2008, it has closed on 58 financings, providing \$12.6 million to micro-lenders and community development projects. These funds have leveraged another \$30 million from other public and private sources and it is estimated that approximately 900 full-time, permanent jobs have been created. More specifically, the Fund has

provided 8 Loans to Lenders totaling \$3.4 million, 21 predevelopment loans totaling nearly \$1 million and 29 real estate loans totaling \$8.2 million. These components together with the funds leveraged from other public and private sources have resulted in approximately \$42 million in total financing. The Fund has a current balance of \$6,698,800.

The Authority has long recognized a need to expand the number of supermarkets operating in urban areas in New Jersey. Now, research is connecting the lack of food quality and fresh produce to the increased incidence of certain diseases, such as diabetes and heart disease, among urban residents. An opportunity exists to provide low cost capital to help supermarket developers and operators overcome the increased costs of operating in urban areas. This financing also is greatly needed due to current market conditions where the supply of available capital is shrinking and the cost of capital is increasing.

For these reasons, staff is recommending that the Fund make up to \$4 million available to intermediary organizations with track records of financing successful grocery stores and supermarkets. To provide a meaningful amount of funding for this purpose, a maximum of \$3 million per loan will be made available. While the Authority has experience lending to grocery stores in urban markets, there are organizations that have greater market knowledge, operator and developer networks and more extensive track records lending to this segment. This is why we are recommending an intermediary approach, though direct loans to operators and developers will remain available through the real estate loan component of the Fund. Loans to Lenders funds under this proposal will be lent to intermediary organizations who will, in turn, make loans to supermarket and grocery store developers and operators in urban areas. The Fund investors also have reviewed these changes and agree to this use of funds.

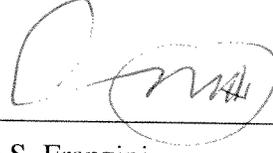
Recently, a \$50,000 predevelopment loan was approved for The Food Trust to conduct research in New Jersey on the connection of grocery store location and health conditions. The Food Trust also will suggest locations for needed stores and recommend policy and additional funding mechanisms to address barriers to store development. We expect this research to provide a basis for additional commitment of Authority resources and investment to address this need.

In recognition of the current interest rate environment, the Authority also has lowered both its variable and fixed interest rates. We request that the Fund's rate be lowered to a flat 2% in the Loans to Lenders component of the Fund for the term of the loan. The current interest rate is 3% for the first 3 years, 4% for years 4 through 7, and 5% for years 8 through 10. The lower rate is consistent with NJEDA's rates, which recently we lowered to a floor of 2% for our core lending programs. Attached, please find draft regulations which address these changes. The Fund Business Plan also will be amended to reflect these changes as well as simplify and update it.

Recommendation

The Members are requested to make two changes to the Fund for Community Economic Development: 1) to allow up to \$4 million within the Loans to Lenders component to be used for supermarket and grocery store development, with a maximum of \$3 million per loan; and 2) to reduce the interest rate for Loans to Lenders from 3% and two step-up periods of 4% and 5% to 2%, fixed for the term of the loan. The Members also are requested to approve the draft

rules and authorize staff to submit them to the Attorney General's Office and the Office of Administrative Law (OAL) for promulgation in the New Jersey Register subject to final rule approval by OAL. The Authority will implement the program and process applications with applicants at risk if the rules are not adopted as proposed herein.

A handwritten signature in black ink, appearing to read 'C. Franzini', is written over a horizontal line. The signature is stylized and cursive.

Caren S. Franzini

Attachments: Draft Regulations

Prepared by: Gina Behnfeldt

**OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**Authority Assistance Programs
Fund for Community Economic Development
Proposed Amendment: N.J.A.C. 19:31-3.1**

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

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

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

Proposal Number: PRN 2008-

Submit written comments by _____, 2009 to:

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

The agency proposal follows:

Summary

In 1997, the New Jersey Economic Development Authority (“EDA” or “Authority”) created the Fund for Community Economic Development (Fund) through a partnership with public utility companies to provide a new source of flexible financing to support urban community development, revitalize local economies and provide employment for urban residents.

Specifically, the Loans to Lenders component of the Fund makes capital available to micro-lenders and other intermediary organizations, which effectively can reach small businesses in local markets. For community development projects, the Fund provides predevelopment assistance and permanent financing with flexible terms to assist often difficult-to-fund projects.

The Fund has been remarkably successful in providing capital for small businesses and community projects. Since inception, 58 financings have been closed, providing \$12.6 million to micro-lenders and community development projects. These funds have leveraged another \$30 million from other public and private sources and it is estimated that approximately 900 full-time, permanent jobs have been created. Also, the Fund has provided 8 Loans to Lenders totaling \$3.4 million, 21 predevelopment loans totaling nearly \$1 million and 29 real estate loans totaling \$8.2 million. These components together with the funds leveraged from other public and private sources have resulted in approximately \$42 million in total financing.

Accordingly, the Authority is proposing a rule amendment to make up to \$4 million available to intermediary organizations with track records of financing successful grocery stores and supermarkets with a maximum of \$3 million per loan.

As the Authority has provided a 60-day comment period in this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

In recent years, research has connected the lack of food quality and fresh produce to the increased incidence of certain diseases, such as diabetes and heart disease, among urban residents. The proposed rule amendment is intended to have a positive social impact by expanding the number of grocery stores and supermarkets operating in urban areas in New Jersey.

Economic Impact

The proposed rule amendment will provide low cost capital to help grocery store and supermarket developers and operators overcome the increased costs of operating in urban areas. This financing also is greatly needed due to current market conditions where the supply of available capital is decreasing and the cost of capital is increasing.

Federal Standards Statement

A Federal standards analysis is not required because the proposed rule amendment is not subject to any Federal requirements or standards.

Jobs Impact

The Authority believes that the proposed rule amendment will result in stimulating the creation of new, full-time private sector jobs, as well as supporting growth in construction industry jobs needed for the development and redevelopment of properties for grocery stores and supermarkets in urban areas.

Agriculture Industry Impact

The proposed rule amendment may have a positive impact on the agriculture industry by increasing retail distribution of fresh produce at new grocery stores and supermarkets in New Jersey.

Regulatory Flexibility Statement

The proposed rule amendment does not impose reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is not required.

Smart Growth Impact

The proposed rule amendment, intended to assist development of grocery stores and supermarkets in urban areas, will have a positive impact on smart growth and implementation of the State Development and Redevelopment Plan.

Housing Affordability Impact

The proposed rule amendment will not impact the amount or cost of housing units, including multi-family rental housing and for-sale housing, in the State.

Smart Growth Development Impact

The proposed rule amendment will not impact the number of housing units, nor any increase or decrease in the average cost of housing in Planning Area 1 of the State Development and Redevelopment Plan.

Full text of the proposal follows (addition indicated in boldface **thus**):

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program Description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of \$ 1,250,000 for fixed asset financing and \$ 750,000 for working capital.

1.-6. (No change.)

7. For the Loans to Lenders component of the Fund for Community Economic Development, the maximum loan amount will be \$3 million and will be used to develop grocery stores and supermarkets. No more than \$4 million will be used for this purpose under the Loans to Lenders component.

(c)-(l) (No change.)