NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Agenda for Board Meeting of the Authority January 9, 2007

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. **BEIP**
8. **Board Memorandums**
9. **Real Estate**
10. **Public Comment**
11. **Adjournment**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
December 12, 2006

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Mike Sheridan representing the Commissioner of the Department of Banking and Insurance; Noel McGuire representing the Secretary of the NJ Commerce, Economic Growth and Tourism Commission; James Kelly, representing the State Treasurer; Joseph Latoof representing the Commissioner of the Department of Labor and Workforce Development; Bernie Piaia representing the Commissioner of Education; Timothy Carden, Carlos A. Medina, Charles Sarlo, Thomas Manning, and Steve Plofker, Public Members; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Philip Kirschner, Public Member; and Raymond Burke and Carmen Twillie Ambar, Alternate Public Members.

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

Chairman Van Horn called the meeting to order at 10:01 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 November 14, 2006 meeting minutes and Executive Session minutes, the November 6, 2006 special meeting minutes and the November 27, 2006 special meeting minutes of the Board. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Carden and was approved by the 10 Members present.

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

Mr. Piaia entered the meeting at this time.

AUTHORITY MATTERS

The next item was the approval of the 2007 Strategic Business Plan.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Manning **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 1

The next item was the approval of the 2007 Fiscal Plan.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. McNamara **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 2

The next item was the approval of the modifications for the Edison Innovation Fund.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 3

The next item was the approval of a commitment of $268,000 for Technical Assistance to support the Entrepreneurial Training Institute and small business development in New Jersey.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 4

PRELIMINARY RESOLUTIONS

PROJECT: 2 Fairfield Crescent, LLC **APPL.#17852**
LOCATION: West Caldwell Twp./Essex Cty. **BUSINESS:** Wholesale bakery
PROCEEDS FOR: equip. purch./bldg. renov.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 5

PROJECT: CGI North America, Inc. **APPL.#17836**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Provider of print and communications solutions
PROCEEDS FOR: equip. purch.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 6

PROJECT: Newark Downtown District Management Corp. **APPL.#17841**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Revitalize downtown Newark
PROCEEDS FOR: site improvements
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

BOND RESOLUTIONS WITH AUTHORITY EXPOSURE

PROJECT: Joseph P. Hayes Theatre, Inc. **APPL.#17761**
LOCATION: Beach Haven Boro./Ocean Cty. **BUSINESS:** Not-for-profit theater
PROCEEDS FOR: refunded bond
FINANCING: Series A: $2,110,000 Tax-exempt bond with a 18.96% EDA guarantee not to exceed $400,000 for 4 years; Series B-1: $1,500,000 Tax-exempt bond; Series B-2: $100,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Sheridan **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

AMENDED BOND RESOLUTIONS

PROJECT: Elizabeth Development Company **APPL.#17759**
LOCATION: Elizabeth City/Union Cty. **BUSINESS:** Not-for-profit economic development organization
AMENDED RESOLUTION TO: approve an amendment to the November 14, 2006 resolution to authorize the issuance of a taxable bond not to exceed $65,000 to pay costs of issuance associated with the refunding.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

DIRECT LOANS

PROJECT: ClassLink, Inc. **APPL.#17725**
LOCATION: Weehawken Twp./Hudson Cty. **BUSINESS:** Provider of software and services
PROCEEDS FOR: working capital
FINANCING: $750,000 Edison Innovation Fund Investment
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Plofker **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

PROJECT: VELOX Semiconductor Corporation **APPL.#17844**
LOCATION: Franklin Twp./Somerset Cty. **BUSINESS:** Developer of Gallium Nitride semiconductors
PROCEEDS FOR: working capital
FINANCING: $1,000,000 Edison Innovation Fund Investment
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

STATEWIDE LOAN POOL PROGRAM

PROJECT: Gloucester County Habitat for Humanity, Inc. **APPL.#17668**
LOCATION: Clayton Boro./Gloucester Cty. **BUSINESS:** Provider of low income housing
PROCEEDS FOR: bldg. acqui.
FINANCING: $337,500 bank loan with a $93,750 (27.8%) Authority participation.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

LOCAL DEVELOPMENT FINANCING FUND

PROJECT: Baker Boys, LLC **APPL.#17747**
LOCATION: Pleasantville City/Atlantic Cty. **BUSINESS:** Mfr. of Breads
PROCEEDS FOR: equip. purch.
FINANCING: $184,000 Local Development Financing Fund loan
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. McGuire **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

Mr. Latoof entered the meeting at this time.

RENEWAL COMMUNITY COMMERCIAL REVITALIZATION DEDUCTION PROGRAM

The next item was the approval of the application for Apple Food Service of Newark, LLC for an allocation of the Commercial Revitalization Deduction Program.
MOTION TO APPROVE: Mr. McGuire **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Neighborhood Housing Services of Camden, Inc. **APPL.#17412**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: engineering & architectural fees/land
FINANCING: $100,000 Economic Recovery Board for Camden recoverable grant program
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The next item was the Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of November 2006. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following projects presented were municipal loans under the Hazardous Discharge Site Remediation Fund Program. These loan approvals will be automatically converted to a grant approval for the same amount in the event that pending legislation regarding restriction on annual grant amounts is adopted.

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

PROJECT: Camden Redevelopment Agency **APPL.#17855**
(Harrison Avenue Landfill)
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: site remediation
FINANCING: $2,954,850 NJDEP Hazardous Discharge Site Remediation municipal loan

PROJECT: Milltown-Ford Avenue Redevelopment Agency **APPL.#17854**
(Milltown Ford)
LOCATION: Milltown Boro./Middlesex Cty.
PROCEEDS FOR: site remediation
FINANCING: $5,000,000 NJDEP Hazardous Discharge Site Remediation municipal loan

PROJECT: Palmyra Borough **APPL.#17856**
(Brownfield Development Area)
LOCATION: Palmyra Boro./Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: $1,929,470 NJDEP Hazardous Discharge Site Remediation municipal loan

The following project presented was a loan under the Hazardous Discharge Site Remediation Fund Program.

PROJECT: 53 Central Avenue Inc. **APPL.#17726**
LOCATION: Rochelle Park Twp./Bergen Cty.
PROCEEDS FOR: site remediation
FINANCING: $49,670 NJDEP Hazardous Discharge Site Remediation Fund loan

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Automatic Data Processing, Inc. or Nominee **APPL.#17824**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Provider of processing systems
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: BAE SYSTEMS Information and Electronic Systems Integration **APPL.#17847**
LOCATION: Totowa Boro./Passaic Cty. **BUSINESS:** Producer of electronic systems
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Henry RAC Holding Corporation **APPL.#17795**
LOCATION: Bayonne City/Hudson Cty. **BUSINESS:** Mfr. of rifles
GRANT AWARD: 15% Business Employment Incentive grant, 10 years
This matter has been held from consideration.

PROJECT: I.D. Systems, Inc. **APPL.#17362**
LOCATION: Montvale Boro./Bergen Cty. **BUSINESS:** Provider of wireless solutions for tracking assets
GRANT AWARD: 60% Business Employment Incentive grant, 7 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: Robert Burton Associates, Ltd. **APPL.#17754**
LOCATION: Fairfield Boro./Essex Cty. **BUSINESS:** Mfr. of tobacco accessories
GRANT AWARD: 45% Business Employment Incentive grant, 10 years
This matter has been held from consideration.

PROJECT: Summit Acquisition, LLC **APPL.#17829**
LOCATION: Swedesboro Boro./Gloucester Cty. **BUSINESS:** Food distributor
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: VectorMAX Corporation **APPL.#17325**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Software development company
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

BOARD MEMORANDUMS

The next item was the approval to make a $5,000,000 investment in SAS Investors II, L.P and to increase the Authority's investment up to $10,000,000 if the Fund's manager, SAS Investors Management, Inc. relocates to a New Jersey Innovation Zone and that the EDA investment represents no more than 15% of the total. The terms of the investment are as follows: 1) no more than 2.5% management fee; 2) no more than 20% carry; 3) the life of the fund is 10 years; 4) the EDA's investment will only be drawn down for specific projects; 5) the EDA is a member of the Advisory Board; and 6) any changes to the General Partner/Manager make up must be preapproved by the EDA.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

The next item was the approval to extend the maturity of the outstanding balance of $1,121,670 to Omni Baking Company for the remaining five years of the original amortization schedule.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

The next item was the approval of the following projects under Delegated Authority for the month of November 2006: **(For Informational Purposes Only)**

New Jersey Business Growth Fund: Buckholz and Biddle Corp., Central Sheet Metal Fabricators, Inc., G Cotter Enterprises Inc., and Ruby Real Estate & Management, Inc.

PROJECT: MSNBC Cable, L.L.C. and NBC, Inc.; CNBC, Inc.; CNBC.com, LLC **APPL.#09235 & 11113**
LOCATION: Secaucus/Hudson Cty. and Englewood Cliffs/Bergen Cty.
MODIFICATION: to approve the repayment of $2,300,000 in disbursements related to the MSNBC BEIP grant from the anticipated BEIP grant payments due to CNBC; and to accept a 22-percent value of the original cost for existing equipment and 25-percent of the original cost for new equipment purchased at lease termination in exchange for capping the Authority's overall exposure to $1,100,000.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 19

REAL ESTATE

The next item was the approval to enter into a lease with Advance Spine and Pain Physical Therapy, LLC who is a prospective tenant of the Trenton office Complex's retail space.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

The next item was the approval to execute contracts for security services with Bowles Corporate Serves, Inc. for a term of three years with an additional two year renewal term option, on terms acceptable to the Chief Executive Officer and the Attorney General's Office, for the NJEDA Headquarters and the Waterfront Technology Center in Camden.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 21

The next item was the approval of the 2007 Operating budget for the Technology Centre of New Jersey, L.L.C.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Manning **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 22

The next item was the approval to amend the 2007 program cost budget for an additional $310,000, and to enter into a contract with Economic Research Associates in the amount of $310,000 to assist the Authority in structuring and implementing a Ready for Growth initiative for New Jersey, with the option to request additional services from the consultants related to implementation of that initiative on terms acceptable to the Chief Executive Officer and the Attorney General's Office; or to enter into a contract with DCG Corplan, if Economic Research Associates is deemed non-compliant with relevant Executive Orders regarding procurement.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 23

PUBLIC COMMENT

There was no comment from the public.

There being no further business on a motion by Mr. Plofker, and seconded by Mr. Piaia, the meeting was adjourned at 11:42 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.

Caren S. Franzini, Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Chief Executive Officer's Report to the Board

NEW JERSEY URBAN FUND

EDA Closes Second Piece of Funding to Support Millville Development Project

The EDA closed $12.5 million in new financing with Goodmill, LLC in December that will support the continuing development of the 55-acre Union Lake Shopping Center in Millville, which is projected to provide 1,000 new jobs in this Cumberland County community. The loan was part of the EDA's commitment to close on the $42 million of New Markets Tax Credits funding approved in 2005 to support projects that create jobs in the state's economically distressed communities. The EDA previously had closed a $10-million EDA loan with Goodmill in August. Additionally, the EDA finalized a $10-million New Markets loan that will be used by Super Stud Building Products, Inc. to purchase equipment and cover other costs related to relocating its building components business and nearly 200 jobs from Queens, N.Y., to Edison.

EDISON INNOVATION FUND

Governor Signs Legislation Authorizing $270 Million for Stem Cell Research Centers

Strengthening New Jersey's status as a leader in the field of stem cell research, Governor Corzine this month signed legislation to provide $270 million in funding to build stem cell research facilities for cancer and biomedical research across the state. Bonds to be issued by the EDA will finance the construction of these facilities. This investment will help to advance the Governor's Economic Growth Strategy, which supports the continued funding of stem cell research as part of an overall strategic plan to enhance New Jersey's strong record of invention and innovation. This funding, combined with the $10 million in stem cell research grants appropriated to the New Jersey Commission on Science and Technology in the FY 2007 state budget, is designed to bolster New Jersey's status as the medicine chest of the nation and the world.

ENCOURAGING ENTREPRENEURSHIP AND SMALL-BUSINESS GROWTH

EDA Honored by Hispanic-American Chamber of Commerce of Passaic County

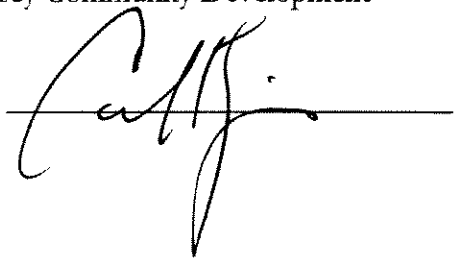
The state's commitment to supporting the success of New Jersey entrepreneurs, particularly women and minorities – a key priority of Governor Corzine's Economic Growth Strategy – was recognized December 20 when the Hispanic-American Chamber of Commerce of Passaic County presented the EDA with its Organization of the Year Award. The event, which was attended by Latino leaders from across New Jersey, honored organizations that have been active in supporting the Chamber's mission. The Latino business community remains a significant and growing part of New Jersey's economy, and the EDA looks forward to continue to work with the Chamber to increase and expand opportunities for Latino-owned businesses.

EDA Financings:

In December, the EDA closed nine financings totaling $25.3 million in assistance that will support the creation of nearly 1,200 full-time jobs and leverage more than $98 million in public/private investment in New Jersey.

Speaking Engagements:

Throughout the month of December, EDA representatives participated as attendees or speakers at nine events. These events included a Bio-Life Tech Early-Stage East program in Princeton, a Somerset County Business Partnership awards luncheon in Somerset, a New Jersey Entrepreneurial Network meeting in Long Branch, a New Jersey Business and Industry Association meeting in Iselin, and a New Jersey Community Development Corporation dinner in Paterson.



SUMMARY OF PROJECT REQUESTS
JANUARY 9, 2007

	NJ URBAN FUND	EDISON INNOVATION FUND	CORE: BUSINESS/NON-PROFIT FINANCING
BOND PROJECTS			
Bond Resolutions			
Advanced Drainage Systems			9,000,000
CGI North America, Inc.	8,250,000		
Converted Organics of Woodbridge, LLC	17,500,000		
Phoenix Container, Inc.			1,040,000
Preliminary Approvals			
Damascus Bakery	8,630,330		
Edward and David Koplowitz Partner	5,410,000		
Supreme Cuts, LLC			1,535,000
LOANS/GRANTS/GUARANTEES			
New Markets Tax Credits			
Vineland Adult Education/Aquatic Center	3,500,000		
Camden ERB			
Camden Law Building, LLC and Loughry and Lindsay, LLC	19,250		
Lotus Medicine d/b/a Westfield Family Pharmacy	20,000		
PUST Loans/Grants/Municipal - Delgated Authority Total			132,945
Ken Behr			132,900
BEIP			
CommVault Systems, Inc.		4,292,280	
Integrium, LLC		697,048	
NovaDel Pharma Inc.		212,250	
BOARD MEMOS			
Delegated Authority			
NJ Business Growth Fund			
Bright Lights USA, Inc.	33,188		
Leonard Katz	212,500		
TIPS/WCC Inc.	26,100		
TJLA Enterprises, LLC	125,000		
Village Capital and Investment, LLC	43,132		
Preferred Lender Program			
Chelton House Products, Inc.			375,000
Total Assistance	**43,769,500**	**5,201,578**	**12,215,845**
# of Projects	**12**	**3**	**22**

NJ Schools Construction Corporation
BUILDING 21ST CENTURY SCHOOLS FOR 21ST CENTURY LEADERS

MEMORANDUM

TO: Directors of the Corporation

FROM: Larry Hanover
Public Information Officer

DATE: December 12, 2006

SUBJECT: New Jersey Schools Construction Corporation (SCC)
November Progress Report

Introduction

During November, SCC representatives joined school district officials, students, parents and community supporters to celebrate three construction milestones:

- The opening of the new Science Park High School in Newark;
- The groundbreaking for a new elementary school in Elizabeth;
- Beam signings to mark progress of two schools in Egg Harbor Township.

Also in November, the SCC and New Jersey Department of Education (DOE) hosted a Symposium on Land Acquisition for Abbott School Construction. More than 100 people attended, including school and municipal representatives of the 31 Abbott districts and other education, planning and community advocates who provided input on proposals to reform and improve the process of identifying and acquiring land for school construction in their districts. Some of these proposals were introduced in the Interagency Working Group reports that have been released. Discussion topics included joint-use opportunities for school construction; the inclusion of schools in Municipal Master Plans; and the role of districts and municipalities in site selection and acquisition.

SCC, Elizabeth Educators Break Ground for Elementary School

Elizabeth School District and SCC officials held a groundbreaking ceremony November 1st to mark the start of construction of the Dr. Antonia Pantoja School No. 27, which will accommodate nearly 800 students from pre-kindergarten through 8th grade. Dr. Pantoja was a nationally renowned educator, community activist and a leading force behind the ASPIRA Association – a nonprofit organization dedicated to encouraging and promoting excellence from Puerto Rican and other Latino youth.

The 118,000-square-foot, three-story school is being built on a 2.4-acre site on Morris Avenue in this Union County community. The school will include general classrooms, a media center/library, science labs, a technology lab, choral and instrumental music classrooms and art rooms. It also will have a cafetorium, gymnasium and recreational areas that will be accessible to the community after school hours. The school is projected to be completed by summer 2008. The school was designed by Gilbert Architects, Inc. Prismatic Development Corporation is the general contractor for the construction. Bovis Lend Lease is managing the project for the SCC.

'Beam Signings' at Two New Egg Harbor Township Schools

Students took part in "Beam Signing" ceremonies November 3rd to mark the progress of construction of two new Egg Harbor Township elementary schools – C.J. Davenport and E.H. Slaybaugh. These schools will provide quality resources to enhance academic achievement, provide early childhood educational programs and meet the demands of increasing enrollment in the growing Atlantic County community. The students signed white-painted steel beams that will be hoisted into place to become permanent parts of the new schools. The SCC is managing the construction of the schools and funding a percentage of construction costs.

Newark Celebrates Opening of New Science Park High School

Governor Jon S. Corzine joined Newark school district and city officials November 20th to celebrate the grand opening of Science Park High School – the first new high school built here in 39 years. The facility incorporates a quality science high school curriculum for up to 1,200 students within the realm of college science and technology. Students, parents, teachers, community supporters, state officials and SCC representatives took part in the celebration at a ribbon-cutting ceremony to mark the realization of an academic dream years in the making.

Science Park High School was developed and designed in partnership with University Heights/Science Park, a science incubator that includes the New Jersey Institute of Technology, Essex County Community College, University of Medicine and Dentistry New Jersey and Rutgers-Newark – collectively known as CHEN. The high school is in the designated Science Park development area created in the early 1990s. The proximity will facilitate the planned close relationship between the high school and universities. The project, which broke ground in 2004, was funded and managed through the SCC.

The new 275,000-square-foot Science Park High School, located off Norfolk Street, will accommodate up to 1,200 students in grades 7 to 12. It includes a media/technology center with an instructional television lab (ITV), a long distance learning system and computer-aided design (CAD) classroom space. The facility includes "academic villages" – educational learning modules for interdisciplinary instruction – and lecture rooms;

fabrication room for robotics and other science-related activities; independent science research area; an auditorium, gym and cafeteria.

The school was designed by Einhorn Yaffee Prescott Architecture & Engineering and built by Hunt Construction Group, Inc. PB+3D/I managed the project for the SCC.

Construction Update

Construction Starts

As of November 30, 2006, the SCC has entered into construction contracts that total $2,889,247,405 since its inception in 2002.

Contractor Procurement

Three construction bids were advertised in November for school projects in Keansburg, Union City and West New York. (Exhibit A)

School District Grants

From its inception in 2002 through November 30, 2006, the SCC has executed 2,554 Section 15 grant agreements in all 21 counties with districts that receive less than 55% of their budget in state aid. To date, 1,428 schools in 471 districts have been impacted by the Section 15 grant program. Total project costs amount to $7,106,479,729 for which the state share totaled $2,206,055,570.

Conferences/Presentations

Elizabeth School #27 Groundbreaking, 11/1/2006, Elizabeth
Design Ideas Group, 11/1/2006, New Brunswick
Davenport and Slaybaugh Schools Beam Signings, 11/3/2006, Egg Harbor Township
Alliance for Action 22nd Annual Construction Forecast Seminar, 11/9/2006, Trenton
Morgan Village Middle School Community Meeting, 11/14/2006, Camden
Thomas Dudley Elementary School Community Meeting, 11/15/2006, Camden
Science Park High School Ribbon Cutting, 11/20/2006, Newark
Land Acquisition Symposium, 11/28/2006, Monroe Township

Larry Hanover

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

SUBJECT: 2006 Carryforward Request

DATE: January 9, 2007

The State Treasurer allocated $125,183,300 to the New Jersey Economic Development Authority out of the State's 2006 Private Activity Bond Cap.

The Authority may elect to carryforward any unused portion of the above noted 2006 Private Activity Bond allocation with the U.S. Department of Treasury.

Out of the $125,183,300 allocation to the Authority, $46,450,190 closed against the Cap, resulting in $78,733,110 being unused and available for carryforward subject to the State Treasurer's approval.

The attached resolution approves the filing of the attached IRS Form 8328 by the Chief Executive Officer carrying forward unused 2006 Private Activity Bond Cap to be determined and approved by the State Treasurer for certain eligible exempt facility activities.

I recommend adoption of the attached Carryforward Resolution.

Prepared By: Lawrence G. Cier

RESOLUTION APPROVING CARRYFORWARD REQUEST

AUTHORIZING THE CHIEF EXECUTIVE OFFICER

TO MAKE CARRYFORWARD DETERMINATION

WHEREAS, the State Treasurer has confirmed allocating to the Authority $125,183,300 of the State's 2006 Private Activity Bond Volume Cap; and

WHEREAS, the Authority has issued $46,450,190 in private activity bonds in 2006 and would like to carryforward out of the statewide reserve the unused portion of the Authority's 2006 allocation together with any additional allocation which the State Treasurer may determine and make available to the Authority for carryforward purposes;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Authority hereby approves and ratifies the filing of the attached 2006 IRS Form 8328 entitled "Carryforward Election of Unused Private Activity Bond Volume Cap" by the Chief Executive Officer subject to the State Treasurer's approval of unused 2006 Volume Cap for carryforward purposes.

2. This resolution shall take effect immediately, but no action authorized herein shall take force and effect until 10 days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State of New Jersey for his approval unless during such 10-day period the Governor of the State of New Jersey shall approve the same in which case such action shall become effective upon such approval, as provided by the Act.

DATED: January 9, 2007

Form **8328**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

Carryforward Election of Unused Private Activity Bond Volume Cap

(Under Sections 146(f) and 142(k))

OMB No. 1545-0874

Enter the calendar year for which the election is made ▶ **2006**

Part I Reporting Authority

State name for qualifying public educational facility bond or issuer's name for all other bonds: **New Jersey Economic Development Authority**

Reporting Authority's EIN: **22 : 2045817**

Number, street (or P.O. box if mail is not delivered to street address): **36 West State Street, PO Box 990, Trenton, NJ 08625-0990**

Room/suite:

Report number: **9 -01**

City or town, state, and ZIP code

Caution: *Part II is* ***only*** *for section 146(f) filers. Part III is* ***only*** *for qualifying public educational facility bond filers.*

Part II Unused Volume Cap and Carryforward under Section 146(f)

Computation of Unused Volume Cap

1	Total volume cap of the issuer for the calendar year		1	125,183,300
2	Aggregate amount of private activity bonds issued to date that are taken into account under section 146 (see instructions)	2 46,450,190		
3	Total amount of volume cap exchanged for authority to issue mortgage credit certificates (see instructions)	3		
4	Total amount of volume cap allocated to private activity portion of governmental bonds (see instructions)	4		
5	Add lines 2 through 4		5	46,450,190
6	Unused volume cap (subtract line 5 from line 1)		6	78,733,110

Purpose and Amount of Each Carryforward

7	Qualified student loan bonds	7	
8	Qualified mortgage bonds or mortgage credit certificates	8	
9	Qualified redevelopment bonds	9	
10	Exempt facility bonds:	10a	
a	Mass commuting facilities (section 142(a)(3))	10b	25,000,000
b	Water furnishing facilities (section 142(a)(4))	10c	
c	Sewage facilities (section 142(a)(5))	10d	40,000,000
d	Solid waste disposal facilities (section 142(a)(6))	10e	13,733,110
e	Qualified residential rental projects (section 142(a)(7))	10f	
f	Facilities for the local furnishing of electric energy or gas (section 142(a)(8))	10g	
g	Local district heating or cooling facilities (section 142(a)(9))	10h	
h	Qualified hazardous waste facilities (section 142(a)(10))	10i	
i	25% of bonds for privately owned high-speed intercity rail facilities (section 142(a)(11))	10j	
j	Qualified enterprise zone facility bonds (section 1394)		
11	Total carryforward amount (add lines 7 through 10j) (not to exceed line 6)	11	78,733,110

Part III Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

12	Total volume cap for the calendar year	12	
13	Total amount of bonds issued under 142(k) for the calendar year	13	
14	Unused volume cap available for carryfoward (subtract line 13 from line 12)	14	
15	Amount elected to carryforward (not to exceed line 14)	15	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of authorized public official — Date

Caren S. Franzini, Chief Executive Officer
Type or print name and title.

For Paperwork Reduction Act Notice, see instructions on back. Cat. No. 13900J Form **8328** (Rev. 1-2003)

A Change To Note

Form 8328 has been revised for use by states to compute and carry forward unused volume cap for qualified public educational facility bonds. States will use **Part III** of Form 8328 to report under section 142(k)(5). Revised **Part II** of Form 8328 includes the computation of unused volume cap, and purpose and amount of each carryforward under section 146(f).

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8328 is filed by the issuing authority of private activity bonds to elect to carry forward its unused volume cap for one or more carryforward purposes (see section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

Also, Form 8328 is used by a state to carry forward the unused volume cap under section 142(k). A state may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f). However, this election can only be made for the issuance of qualified public educational facility bonds. For definitions related to qualified public educational facilities, see section 142(k).

When To File

Form 8328 must be filed by the earlier of: **(1)** February 15 of the calendar year following the year in which the excess amount arises, or **(2)** the date of issue of bonds issued pursuant to the carryforward election.

Once Form 8328 is filed, the issuer may not revoke the carryforward election or amend the carryforward amounts shown on this form.

Where To File

File Form 8328 with the Internal Revenue Service Center, Ogden, UT 84201.

Bonds Taken Into Account Under Section 146

All private activity bonds issued during a calendar year are taken into account under section 146 **except:**

1. Qualified 501(c)(3) bonds.

2. Exempt facility bonds for governmentally owned airports, docks and wharves, environmental enhancements of hydroelectric generating facilities, and solid waste disposal facilities.

3. 75% of any exempt facility bonds for privately owned high-speed intercity rail facilities; 100% if governmentally owned.

4. Qualified veterans' mortgage bonds.

5. Bonds issued pursuant to a carryforward election. See section 146(f)(3)(A).

6. Certain current refundings. See section 146(i).

7. Certain bonds issued by Indian tribal governments for tribal manufacturing facilities. See section 7871(c)(3).

8. Qualified public educational facilities.

In addition, the private activity portion of governmental bonds is taken into account to the extent that the nonqualified amount exceeds $15 million. See sections 141(b)(5) and 146(m).

Bonds Eligible for Elections

- An election under section 146(f) may be made by the issuing authority for only the following types of tax-exempt bonds:

1. Qualified student loan bonds.

2. Qualified mortgage bonds (or mortgage credit certificates).

3. Qualified redevelopment bonds.

4. Exempt facility bonds taken into account under section 146.

- An election under section 142(k) may be made by the state for qualified public educational facility bonds.

Specific Instructions

Parts I and II of this form must be completed to properly elect the carryforward provisions under section 146(f).

Parts I and III must be completed to properly elect the carryforward provisions under section 142(k).

Part I. Reporting Authority

Name. Enter the name of the state if filing under section 142(k). For all others, enter the name of the entity issuing the bonds.

Report number. After the preprinted **9,** enter two self-designated numbers. Number reports consecutively during any calendar year (e.g., 928, 929, etc.).

Part II. Unused Volume Cap and Carryforward Under Section 146(f)

Computation of Unused Volume Cap

Line 1. Enter the issuing authority's volume cap under section 146 for the current calendar year. Take into account any reduction in the amount of the volume cap under section 25(f) (relating to the reduction in the aggregate amount of qualified mortgage bonds where certain requirements are not met). See section 146(n)(2).

Line 2. Enter the total amount of private activity bonds issued by the issuing authority during the current calendar year that are taken into account under section 146. See **Bonds Taken Into Account Under Section 146.**

Line 3. Enter the total amount of qualified mortgage bonds the issuing authority has elected not to issue under section 25(c)(2)(A)(ii) during the current calendar year. See section 146(n)(1).

Line 4. Enter the total amount of volume cap allocated by the issuer to the private activity portion of governmental bonds. See sections 141(b)(5) and 146(m).

Purpose and Amount of Each Carryforward

Enter the amount of unused volume cap the issuer elects to carry forward for each carryforward purpose and the total carryforward amount.

Part III. Unused Volume Cap and Carryforward Under Section 142(k) (Qualifying Public Educational Facility Bonds)

Complete lines 12 through 15 to compute the amount elected to carry forward under section 142(k).

Signature

Form 8328 must be signed by an authorized public official responsible for carrying forward unused volume cap.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	7 hr., 24 min.
Learning about the law or the form	2 hr., 47 min.
Preparing and sending the form to the IRS	3 hr., 1 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **Where To File.**

BOND RESOLUTIONS

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

APPLICANT: Advanced Drainage Systems, Inc. P17774

* - indicates relation to applicant

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 300 Progress Court Logan Township (N) Gloucester

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Advanced Drainage Systems, Inc (ADS) is the world's largest producer of polyethylene pipe, fittings, and other accessories used in gravity flow water management. ADS was founded in 1966 with the introduction of a structurally enhanced polyethylene pipe that was perfectly suited for subsurface drainage systems. The many advantages of this material include lightweight construction, high resistance to corrosion, and overall durability. During the early years of the Company's existence, the pipe was of a single-wall corrugated variety used primarily in agricultural and residential markets. In the late 1980's, the Company introduced a dual wall pipe combining the structural strength and integrity of corrugated polyethylene pipe with a hydraulically superior smooth interior, to provide an alternative to concrete and steel pipe and open opportunities in the storm sewer market. ADS currently has 37 manufacturing plants and 30 distribution yards in the United States, and operates production facilities in Mexico, Chile, Costa Rica, and Puerto Rico.

ADS was approved for a $198,000 BEIP grant in November 2005 (Closed April 2006).

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct and equip a new 60,000 square foot manufacturing plant on a 30 acre site in Bridgeport, New Jersey (Logan Township). The plant will house four production lines manufacturing polyethylene drainage pipe and fittings. The new plant is necessary to meet continued demand for the Company's products. The plant will employ approximately 70 employees immediately upon opening in the Spring of 2007.

The difference between the maximum amount of the bonds and total project costs will be funded by applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: NatCity Investments, Inc. (Underwriter)

AMOUNT OF BOND: $9,000,000 (Max) (Tax-Exempt)

TERMS OF BOND: 12 years maximum; multi modal interest rate structure, initially a weekly variable rate. Estimated initial variable rate is 3.70%.

ENHANCEMENT: (L/C - National City Bank - 5.0 Yr.)

PROJECT COSTS:

Construction of new building or addition	$5,959,000
Land	$3,596,000
Purchase of equipment & machinery	$3,124,000
Construction of roads, utilities, etc.	$3,030,000
Engineering & architectural fees	$175,000
Finance fees	$127,750
Renovation of existing equipment & machi	$125,000
Legal fees	$47,500
TOTAL COSTS	$16,184,250

JOBS: At Application 0 Within 2 years 70 Maintained 0 Construction 270

PUBLIC HEARING: 01/09/07 (Published 12/22/06) **BOND COUNSEL:** Archer & Greiner

DEVELOPMENT OFFICER: L. Wallick **APPROVAL OFFICER:** K. DeLuca

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

APPLICANT: CGI North America, Inc. P17836

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

PROJECT LOCATION: 100 Burma Road Jersey City (T/UA) Hudson

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

CGI North America, Inc., formed in 2006 after acquiring ADP Graphic Communications, Inc., is a leading provider of print and communications solutions and is the largest producer of time-sensitive investment research, the fourth largest financial printer in the United States and one of the largest commercial printers in the Northeastern United States. CGI North America offers a wide array of technology and print based communications solutions to a large client base across the United States. CGI North America currently leases 167,000 sq. ft. in Jersey City and employs over 400 employees.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire machinery and equipment to update its current assets to become more competitive in the commercial printing market.

FINANCING SUMMARY:

BOND PURCHASER: GE Public Finance, Inc. (Direct Purchase)

AMOUNT OF BOND: $8,250,000 (Tax-exempt)

TERMS OF BOND: 8 years; Fixed interest rate based on an initial rate of 5.33% adjusted by 65% of the change in the 5 year Federal Interest Rate Swap Index from the time of commitment (10/17/2006) until closing. (Estimated rate as of 12/15/2006 is 5.09%)

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$7,500,000
Installation	$575,000
Engineering & architectural fees	$100,000
Finance fees	$75,000
Legal fees	$50,000
TOTAL COSTS	$8,300,000

JOBS: At Application 416 Within 2 years 6 Maintained 0 Construction 0

PUBLIC HEARING: 01/09/07 (Published 12/25/06) **BOND COUNSEL:** McManimon & Scotland

APPROVAL OFFICER: T. Wells

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

APPLICANT: Converted Organics of Woodbridge, LLC. P17429

PROJECT USER(S): Converted Organics, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 75 Crows Mill Rd. Woodbridge Township (T/UA) Middlesex

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Converted Organics of Woodbridge, LLC. (Converted) was formed recently as a wholly owned subsidiary of Converted Organics, Inc., a development stage company that will accept and recycle food waste as raw material to manufacture all-natural soil amendment products combining both disease suppression and nutrition characteristics. The applicant plans to sell and distribute product to the agribusiness, turf management, and retail markets. Revenue will be generated from tipping fees collected from waste haulers for Converted accepting food waste generated by food distributors such as grocery stores, produce docks, fish markets, food processors and hospitality venues such as hotels, restaurants, convention centers and airports. The applicant uses a technology known as Enhanced Autogenous Thermophilic Aerobic Digestion to quickly process organic wastes into biostimulants. The Woodbridge facility will be located in a special recycling zone and has been approved for inclusion in the Middlesex County Solid Waste Master Plan. Converted's primary market will be the New York - New Jersey metropolitan area. When fully operational, the facility is expected to process approximately 93,600 tons of organic food waste, and produce approximately 9,500 tons of dry product and 8,500 tons of liquid concentrate annually.

This project qualifies for tax-exempt bond financing as an Exempt Public Facility - Solid Waste Disposal - under Section 142(a)(6) of the 1986 Internal Revenue Code, as amended, and is not subject to the $10,000,000 capital expenditure limitation under Section 144 of the Code.

The $17,500,000 bond issue will be funded from the 2005 and 2006 Carryforward Bond Allocation.

APPROVAL REQUEST:

Authority assistance will enable the applicant to renovate a 60,000 square foot leased space in a 300,000 square foot building and to purchase equipment. In conjunction with this financing, the applicant is raising $4.5 million in equity.

FINANCING SUMMARY:

BOND PURCHASER: Ferris, Baker Watts (Placement Agent)

AMOUNT OF BOND: $17,500,000 (Tax-Exempt Bond)

TERMS OF BOND: Interest only for up to 18 months, 20 year term. Fixed interest rate not to exceed 10% (estimated at 8.20% based on current market conditions.)

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$11,574,719
Renovation of existing building	$2,300,000
Interest during construction	$2,032,917
Debt service reserve fund	$1,750,000
Construction Reserve	$1,289,131
Working capital	$1,063,765
Construction Management	$1,041,590

Finance fees	$767,878
Legal fees	$180,000
TOTAL COSTS	$22,000,000

JOBS: At Application 0 Within 2 years 18 Maintained 0 Construction 69

PUBLIC HEARING: 10/10/06 (Published 09/25/06) **BOND COUNSEL:** Cozen O'Conner

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

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

APPLICANT: Phoenix Container, Inc. P17729

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

PROJECT LOCATION: 1202 Airport Road North Brunswick Township (N) Middlesex

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Phoenix Container, Inc., formed in 1997, is a manufacturer of steel pails in various sizes from 2 gallons to 6.5 gallons for the chemical, paint and roof coating industries. The pails are produced from cold rolled steel ranging in thickness from 29 gauges to 24 gauges. The plant is capable of producing 60 to 70 thousand pails per day. To mitigate the price volatility of the steel market, Phoenix fixes a large portion of its steel prices with U.S. Steel on an annual basis, which locks in the price. Phoenix's competitive advantage over manufacturers of plastic pails is any solvent-based solution must be stored in a metal pail, due to the corrosive effect of solvents on plastic.

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase a new steel pail assembly line consisting of three Cepak single slitters, an automatic conveying system, a can body welder, a seam protection system, and a curing oven for their North Brunswick, NJ manufacturing facility. The project will significantly increase the quality of the product, while increasing the capacity of the operation.

The difference between the maximum amount of the bonds and total project costs will be funded by applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Sovereign Bank (Direct Purchase)

AMOUNT OF BOND: $1,040,000 (Max) (Tax-Exempt)

TERMS OF BOND: 10 years; Rate of interest fixed for 10 years at the tax-exempt equivalent of Libor plus 275 basis points. Estimated tax-exempt fixed rate is 5.5% as of December 14, 2006.

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$1,300,000
Legal fees	$18,000
Finance fees	$11,650
TOTAL COSTS	$1,329,650

JOBS: At Application 114 Within 2 years 4 Maintained 0 Construction 0

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Capehart & Scatchard, P.A.

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** K. DeLuca

PRELIMINARY RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BOND WITH AUTHORITY EXPOSURE

APPLICANT: Damascus Bakery, Inc. P17629

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

PROJECT LOCATION: 45 East Linden Avenue Jersey City (T/UA) Hudson

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Damascus Bakery, Inc (Damascus) was formed in 1930 in Brooklyn by Hussein Halaby to manufacture Pita bread. In 1990, Mr. Halaby's two grandsons took over control of the business. Today, the company manufactures for national distribution Pita, Lahvash wraps, Panini, Roll Ups, Bistro style pizza crusts and gourmet flat breads. Since installing a high speed production line in 2001 the company has increased revenues from $6 million to $15 million. Damascus' customer list includes Costco, BJs, Pepperidge Farm, Chick-fil-A, Pathmark, King Kullen, and Shop Rite.

In July of 2006 the Authority approved a BEIP grant for the applicant (P17378) to relocate and create 180 new jobs within the two year base period. The BEIP grant was approved at 50% for 10 years, $414,000 based on a location in Secaucus, Hudson County.

APPROVAL REQUEST:

Authority assistance will enable the applicant to move from Brooklyn, N.Y., lease and renovate a 268,000 s.f. existing building on 3 acres, and purchase machinery and equipment to support product demand and growth at the new facility.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$5,675,330
Renovation of existing building	$1,500,000
Construction of new building or addition	$1,000,000
Engineering & architectural fees	$190,000
Finance fees	$150,000
Accounting fees	$70,000
Legal fees	$45,000
TOTAL COSTS	$8,630,330

JOBS: At Application 0 Within 2 years 180 Maintained 0 Construction 75

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: H. Friedberg **APPROVAL OFFICER:** M. Krug / M. Conte

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

APPLICANT: Edward and David Koplowitz Partner P17915

PROJECT USER(S): Perth Amboy Tire Company * * - indicates relation to applicant

PROJECT LOCATION: 449 Blair Road Woodbridge Township (T/UA) Middlesex

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Edward and David Koplowitz Partner ("Applicant") for the benefit of Perth Amboy Tire Company ("Company"), established its business in 1962 as a Firestone passenger tire dealership. The company's site is primarily used to retread tires. In addition, the company offers auto service and a complete line of quality tires. The Company is currently located in Perth Amboy and is looking to move to a 67,000 sf facility on 6.1 acres of land in Avenel.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire an existing 67,000 sf facility on 6.1 acres of land, perform necessary renovations, purchase machinery and equipment, as well as paying for costs of issuance, in order to maintain its current tire retreading operations.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	$4,350,000
Renovation of existing building	$750,000
Purchase of equipment & machinery	$250,000
Legal fees	$20,000
Finance fees	$20,000
Accounting fees	$20,000
TOTAL COSTS	$5,410,000

JOBS: At Application 32 Within 2 years 20 Maintained 0 Construction 23

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: M. Piliere **APPROVAL OFFICER:** L. Petrizzi

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

APPLICANT: Supreme Cuts, LLC. P17880

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

PROJECT LOCATION: 200 Corporate Drive Mahwah Township (N) Bergen

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Supreme Cuts, LLC (Supreme), formed in 2002, is a high quality pre-cut vegetable processor, currently located in Congers, New York. Although the brand name is new, the Supreme Cuts management team draws from over thirty years as a pre-cut vegetable processor. Distribution is to major supermarkets, national food service distributors and club stores, within a 1,500 mile radius. The customer list includes Wakefern, Sysco and Proact.

APPROVAL REQUEST:

Authority assistance will enable Supreme Cuts to purchase machinery and equipment to expand its business and make renovations to a 24,692 sq. ft. leased facility. At present Supreme employs 28 people, and expects to increase jobs to 52 positions within 2 years.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$1,000,000
Renovation of existing building	$405,000
Working capital	$100,000
Legal fees	$20,000
Finance fees	$5,000
Accounting fees	$5,000
TOTAL COSTS	$1,535,000

JOBS: At Application 0 Within 2 years 52 Maintained 0 Construction 12

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson

APPROVAL OFFICER: M. Krug

PUBLIC HEARING ONLY

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

APPLICANT: 2 Fairfield Crescent, LLC P17852

PROJECT USER(S): Original Bagel & Bialy Co., Inc. * * - indicates relation to applicant

PROJECT LOCATION: 2 Fairfield Crescent West Caldwell Township (N) Essex

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

2 Fairfield Crescent, LLC was formed in order to own assets which are to be leased to its related entity, The Original Bagel & Bialy Co., Inc. 2 Fairfield Crescent, LLC intends to acquire new production equipment and renovate their existing facility in Essex County.

Original Bagel is a wholesale bakery that has been in business since 1995. Original Bagel creates authentic, water boiled bagels, for in-store bakeries and food service distributors to bring "super-premium" to the bagel category.

APPROVAL REQUEST:

Authority assistance will enable 2 Fairfield Crescent, LLC to acquire new production equipment providing Original Bagel with increased manufacturing capacity for its existing products. In addition, it will allow Original Bagel to manufacture new products. The applicant anticipates employing 46 employees after completion of the project.

Public Hearing only will be on January 9, 2007.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	$2,100,000
Legal fees	$30,000
Finance fees	$30,000
Renovation of existing building	$15,000
Construction of roads, utilities, etc.	$15,000
Engineering & architectural fees	$10,000
Interest during construction	$1,750
TOTAL COSTS	$2,201,750

JOBS: At Application 40 Within 2 years 6 Maintained 0 Construction 0

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** K. DeLuca

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Three Woodbury Mews, LLC and Four Woodbury Mews, LLC
Refunding Application Number P16535
New Application Number P16534

Background:
Three Woodbury Mews, LLC and Four Woodbury Mews, LLC (the "Borrowers") were formed in 1999 to develop and own an independent living facility and an adjacent assisted living facility constructed with Authority assistance and completed in 2003. The managing members of the limited liability companies, Three Woodbury Mews General Manager, LLC and Four Woodbury Mews General Manager, LLC, each owned by Stuart D. Mills, Glenn Kaplan and Garry Hoffarth who together have over 35 years experience in the development and management of senior housing and the health care business.

Authority assistance in the aggregate amount of $27,990,000, in tax-exempt and taxable bond financing, enabled the Borrowers in 2001 to acquire land, construct and equip a 98 unit assisted living facility on 1.85 acres trading as The Gardens & Courtyards at Woodbury Mews (Three Woodbury Mews LLC), and an 130 unit independent living facility on 2.26 acres tading as The Crossings at Woodbury Mews (Four Woodbury Mews LLC). The assisted living facility includes an array of on-site comprehensive medical and social services, communal dining rooms, residential lounges, recreation space, a beauty salon, etc. and operates under an approved license from the NJ Department of Health and Senior Services. The independent living facility also provides numerous common space areas such as common living room areas, meeting space, exercise areas, game rooms and arts and crafts areas and a large dining room or private dining areas.

The 2001 bond financing, consisting of $21,125,000 Series A tax exempt bonds, $2,955,000 Series B taxable bonds and $3,910,000 Series C Subordinate tax exempt bonds, was underwritten by The GMS Group, LLC, for a maximum term of 30 years; the Series A and Series B Bonds at a variable interest rate (current rate 3.51% tax exempt and 5.67% taxable), interest only payments; and the Series C Bonds at a fixed rate of 11%. The Series A and B Bonds are secured by letters of credit

provided by The Bank of America (successor to Fleet National Bank) initially for five years (to May 1, 2006), with extensions to 2/9/2007.

The Projects qualified for tax exempt bond financing as Exempt Facility-Qualified Residential Rental Projects under Section 142(d) and 142(a)(7) of the Internal Revenue Code of 1986 as amended. The Borrowers have elected the "20 - 50" set aside test, requiring them to set aside 20% of the units in the Projects to individuals whose income does not exceed 50% of area median gross income. The Projects are in compliance with the set aside requirements through 2005, with 46 (47%) of the 98 assisted living units and 42 (32%) of the 130 independent living units, occupied by low-moderate income tenants.

Projects Current Status:

Due to construction delays and low occupancy rates since project completion in 2003, cash flow has been below projections, therefore payments to lenders and creditors became delinquent. Interest payments as due to bondholders on the 2001 Series A and B Bonds have been made by the letter of credit provider, Bank of America, and the Borrowers have reimbursed the Bank for interest paid on the Bonds. No principal has been paid. Bank of America is owed approximately $125,000 for extension fees to extend the letters of credit. However the Bank has not declared an event of default or pursued any remedies available under the loan documents.

The Series C Bonds, subordinate debt to the Series A and B Bonds, are a year in arrears in interest. The Series C Bondholder, The GMS Group, has also not declared a default and has not pursued any remedies available to them under the loan documents in anticipation of being paid in full with the restructuring of the Borrower's debt.

The Borrowers also received Authority assistance in the amount of $414,135 through a Hazardous Discharge Site Remediation Loan in May 2001 for soil removal, disposition and sampling, site excavation and remedial reporting. The Borrowers have not paid the loan as required, and there is due and owing the Authority principal and accrued interest in a total amount of $528,939.

In addition to the Letter of Credit Bank, the Series C Bondholder and the Authority, the Borrowers are also in arrears to repay an approximately $4 million line of credit provided by the University of Medicine and Dentistry of New Jersey ("UMDNJ") to pay for certain construction costs, management services and operating costs. UMDNJ has a 20% non-managing, ownership interest in each of the Borrowers.

Also due and payable for a total of $1,661,000, are several other working capital loans, advances and owners loans from: 1) Sovereign Bank ($700,000 at variable rate, currently 8.39%, which financed construction costs and development fees); 2) RFC/Mellon Bank (advance of $600,000 at 12%, which also financed construction costs and operating costs); 3) owners' loans (approximately $245,000 to Stuart Mills and approximately $116,000 to Gary Hoffarth) for operating costs and interest payments to lenders.

In May 2005, to increase the occupancy rates at the facilities and thereby increase revenues, the Borrowers changed management companies from Generation Management Services, L.L.C. to Senior Management, LLC. Senior Management is a wholly owned company of the Kaplan

Development Group, LLC, a company that has extensive experience in the development, planning, design, construction, oversight and management of new independent senior living facilities. Kaplan Development is also the parent of Kaplan Management Group, which together with Senior Management, LLC, own and manage senior housing facilities in New Jersey, Pennsylvania, Delaware, New York and Georgia. The principal of Kaplan Development is Glenn Kaplan. Mr. Kaplan has been involved in senior housing since 1972 and has extensive experience and knowledge of the industry. Mr. Kaplan and/or his companies also manage two prior Authority financed senior living facilities, Bear Creek Assisted Living and Fountains at Pennsauken. Since the change in management to Senior Management in May 2005, occupancy rates have increased over time from 82% to the current (December 2006) occupancy rate of 90% at the independent living facility and from 70% to currently 95% at the assisted living facility.

Approval Request:

Based on increased occupancy levels and a positive cash flow, the Borrowers have requested Authority assistance for a plan to restructure its debt with a current refunding of the outstanding 2001 Bonds, the refinancing of the prior debt and owners' loans, reimbursement for cost overruns on the projects, a debt service reserve fund and costs of issuance, in an amount not to exceed $44 million, to be comprised of Series A Tax-exempt Bonds (estimated $40 million) and Series B Taxable Bonds (estimated $4 million) ("2007 Bonds"). The bond proceeds will be used to refund $26,990,000 in principal of the outstanding 2001 bonds, plus accrued interest, costs of issuance, a debt service reserve fund and refinance the conventional debt described above, including the payment in full of the Authority's Hazardous Discharge Site Remediation Loan. The new money tax-exempt portion (representing loans and advances by creditors) of the financing estimated at $17,000,000 will be funded from 2004 Carryforward Allocation, based on bond counsel's determination of their eligibility for the tax exempt carryforward.

The 2007 Bonds will underwritten by Prager, Sealy & Co., which has offices in California, New York and Florida and has served as senior manager in connection with prior tax-exempt and taxable municipal financings exceeding $10 billion. The interest rates for the 2007 Bonds will be a fixed interest rate not to exceed 6.5% (tax exempt) and 8.5%, (taxable) and maximum 35 year maturity. (The estimated rates are 5.75% tax exempt and 7.75% taxable as of 12/21/06.)

The Underwriter will only market these unrated, uninsured bonds to sophisticated, institutional investors and the 2007 Bonds will be issued in minimum denominations of at least $100,000 or an integral multiple of $5,000 in excess thereof.

With the planned restructuring and issuance of tax exempt and taxable bond financing, all debt due and owing (approximately $44 million including reimbursement for costs overruns on the projects) will be paid with the proceeds of the bonds. This consolidation of debt will reduce the Borrower's interest exposure from interest rates ranging from 3.5% to 12% on 6 different bonds/loans for an average of 8%, to rates shown above. The restructuring financing plan includes interest only payments for 2 years and near level annual debt service payments (interest and principal) over the remaining term of the 2007 Bonds. As a result, combined annual debt service is anticipated to be reduced by approximately $4 million over the term of the 2007 Bonds.

An analysis of the proposed transaction prepared by the Authority's Credit Underwriting Division (copy attached) concludes that the 2007 Bonds are structured appropriately in proportion to the risk and that adequate cash flows to service bond payments should materialize, provided expenses are controlled to projected levels and occupancy remains at its current levels.

Summary:

Based on the above, Authority approval is being requested to issue up to $44,000,000 of conduit tax-exempt bonds to current refund the outstanding 2001 Bonds, the refinancing of the prior debt, reimbursement for cost overruns on the projects, funding a debt service reserve fund and costs of issuance, in order to assist the borrowers with restructuring debt and continued operations of The Gardens at Woodbury, an assisted living facility and The Crossing at Woodbury, an independent living facility, which includes current full time employment of 76 full time jobs and 33 part time jobs, in Woodbury City.

Caren S. Franzini

Prepared by: Teresa Wells, Finance Officer

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

APPLICANT: Three Woodbury Mews, LLC & Four Woodbury Mews, LLC P16534

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

PROJECT LOCATION: 122 / 124 Green Avenue Woodbury City (N) Gloucester County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Three Woodbury Mews, LLC and Four Woodbury Mews, LLC (the "Borrowers") were formed in 1999 to own the independent living facility and assisted living facilities constructed with Authority assistance and completed in 2001. The managing member of the limited liability companies, Three Woodbury Mews General Manager, LLC and Four Woodbury Mews General Manager, LLC is comprised of Stuart D. Mills, Glenn Kaplan and Garry Hoffarth who together have over 35 years in the development and management of senior housing and the health care business.

Authority assistance, via tax-exempt and taxable bonds, in the aggregate amount of $27,990,000, enabled the Borrowers in 2001 to acquire land, construct and equip a 98 unit assisted living facility on 1.85 acres known as The Gardens & Courtyards at Woodbury Mews and owned by Three Woodbury Mews, LLC and an 130 unit independent living facility on 2.26 acres known as The Crossings at Woodbury Mews and owned by Four Woodbury Mews LLC. The occupancy rate at the Crossing independent living facility is currently at 90% and at the Gardens assisted living facility at 95%. The facilities are currently managed by the Senior Management, LLC, a wholly owned company of the Kaplan Development Group, LLC, a company that has extensive experience in the development, planning, design, construction oversight and management of new independent senior living facilities. The principal of Kaplan Development is Glenn Kaplan. Mr. Kaplan has been involved in senior housing since 1972 and has extensive experience and knowledge of the industry.

The 2001 bond financing consisting of $21,125,000 Series A tax exempt bonds, $2,955,000 Series B taxable bonds and $3,910,000 Series C Subordinated tax-exempt bonds, were underwritten by the GMS group, LLC for maximum term of 30 years; the Series A and Series B Bonds at a variable interest rate (current rate 3.51% tax exempt and 5.67% taxable); and the Series C Bonds at a fixed rate of 11%. The Series A and B Bonds are secured by a letter of credit provided by The Bank of America (successor to Fleet Bank) initially for five years (to May 1, 2006), with extensions to 2/9/2007.

This project qualified for tax-exempt bond financing as an Exempt Facility - Qualified Residential Rental Project under Sections 142 (d) and 142 (a) (7) of the Internal Revenue code of 1986 as amended. The applicant will set aside 20% of the units in the project to individuals whose income does not exceed 50% of area median gross income. The project is in compliance with the set aside requirements.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to refinance existing debt to: (1) University of Medicine and Dentistry of New Jersey, who has a 20% interest in the Applicant and was a source of funding for the original financing: (2) Sovereign Bank working capital loan, (3) ISD,LLC, developer of the facilities for development fees, (4) Bank of America Loan and letter of credit fees from the 2001 Bonds, (5) repay owners loan for operating costs and interest payments to lenders, and (6) fund a debt service reserve fund and pay certain costs of issuance, in the estimated amount of $15 million.

This application is linked to Application P16535 in the amount not to exceed $29 million to refund the outstanding principal amount of the 2001 Bonds, fund a debt service reserve fund and to pay costs of issuance associated with the refunding bonds.

Approximately $17 million of tax exempt project costs, combined with Application P16535, will be funded from 2004 Carryforward Bond Allocation.

FINANCING SUMMARY:

BOND PURCHASER: Prager Sealy & Co., LLC (Underwriter)

AMOUNT OF BOND:	$11,000,000 (Est.) Series A (Tax-exempt) (Part of estimated $44 million tax- exempt and taxable bond issue with P16535)	$1,000,000 (est.) Series B (Taxable) (Part of estimated $44 million tax-exempt and taxable bond issue with P16535)
TERMS OF BOND:	35 years (maximum); Interest only first 2 years; Fixed interest rate not to exceed 6.5% tax exempt (Estimated rate as of 12/19/06 is 5.75%.)	35 years (max.) Interest only first 2 years; Fixed interest rate not to exceed 8.5% (Estimated rate 7.75% as of 12/19/06)

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$11,000,000
Finance fees	$514,250
Legal fees	$287,500
Contingency	$198,250
TOTAL COSTS	$12,000,000

JOBS: At Application 76 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson

APPROVAL OFFICER: T. Wells

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - REFUNDING BOND PROGRAM

APPLICANT: Three Woodbury Mews, LLC & Four Woodbury Mews, LLC P16535

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

PROJECT LOCATION: 122 / 124 Green Avenue Woodbury City (N) Gloucester County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Three Woodbury Mews, LLC and Four Woodbury Mews, LLC (the "Borrowers") were formed in 1999 to own the independent living facility and assisted living facilities constructed with Authority assistance and completed in 2001. The managing member of the limited liability companies, Three Woodbury Mews General Manager, LLC and Four Woodbury Mews General Manager, LLC is comprised of Stuart D. Mills, Glenn Kaplan and Garry Hoffarth who together have over 35 years in the development and management of senior housing and the health care business.

Authority assistance, via tax-exempt and taxable bonds, in the aggregate amount of $27,990,000, enabled the Borrowers in 2001 to acquire land, construct and equip a 98 unit assisted living facility on 1.85 acres known as The Gardens & Courtyards at Woodbury Mews and owned by Three Woodbury Mews, LLC and a 130 unit independent living facility on 2.26 acres known as The Crossings at Woodbury Mews and owned by Four Woodbury Mews, LLC. The occupancy rate at the Crossing independent living facility is currently at 90% and at the Gardens assisted living facility at 95%. The facilities are currently managed by the Senior Management, LLC, a wholly owned company of the Kaplan Development Group, LLC, a company that has extensive experience in the development, planning, design, construction oversight and management of new independent senior living facilities. The principal of Kaplan Development is Glenn Kaplan. Mr. Kaplan has been involved in senior housing since 1972 and has extensive experience and knowledge of the industry.

The 2001 bond financing consisting of $21,125,000 Series A tax exempt bonds, $2,955,000 Series B taxable bonds and $3,910,000 Series C Subordinate tax-exempt bonds, were underwritten by the GMS group, LLC for maximum term of 30 years; the Series A and Series B Bonds at a variable interest rate (current rate % tax exempt and % taxable); and the Series C Bonds at a fixed rate of 11%. The Series A and B Bonds are secured by a letter of credit provided by The Bank of America (successor to Fleet Bank) initially for five years (to May 1, 2006), with extensions to 2/9/2007.

This project qualified for tax-exempt bond financing as an Exempt Facility - Qualified Residential Rental Project under Sections 142 (d) and 142 (a) (7) of the Internal Revenue code of 1986 as amended. The applicant will set aside 20% of the units in the project to individuals whose income does not exceed 50% of area median gross income. The project is in compliance with the set aside requirements.

REFUNDING REQUEST:
Authority assistance will enable the Applicant to current refund the principal amount of the 2001 bonds, fund a debt service reserve fund, and pay costs of issuance in an amount not to exceed $29 million, to be underwritten by Prager Sealy & Co.

This application is linked to Appl. P16535 in the estimated amount of $15 million for the refinancing of prior debt, reimbursement for cost overruns on the projects, funding of a debt service reserve fund and costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER: Prager, Sealy & Co., LLC (Underwriter)

AMOUNT OF BOND:	$29,000,000 (Est.) Series A (Tax-exempt) (Part of estimated $44 million tax exempt and taxable bond issue with P16534)	$3,000,000 (Est.) Series B (Taxable) (Part of estimated $44 million tax-exempt and taxable bond issue with P16534)
TERMS OF BOND:	35 years (max.); Interest only first 2 years; Fixed interest rate not to exceed 6.5% (Estimated rate as of 12/19/06 is 5.75%).	35 years (max.); Interest only first 2 years; Fixed interest rate not to exceed 8.5% (Estimated rate 7.75% as of 12/19/06)

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	$26,990,000
Debt service reserve fund	$2,925,000
Contingency	$1,055,997
Finance fees	$514,250
Legal fees	$287,500
accrued interest	$227,253
TOTAL COSTS	$32,000,000

PUBLIC HEARING: 01/09/07 (Published 12/26/06) **BOND COUNSEL:** Wolff & Samson
APPROVAL OFFICER: T. Wells

CAMDEN ECONOMIC RECOVERY BOARD

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - CAMDEN ERB GRANT

APPLICANT: Cooper's Ferry Development Association, Inc. (Parking and P17891

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

PROJECT LOCATION: Various Camden City (T/UA) Camden

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

The CFDA is the applicant and will manage the development of the project. Created in 1984 as a private, not for profit economic development corporation, CFDA is dedicated to creating and implementing a vision for the City of Camden's downtown waterfront. Its goals are to establish economic activities that will rebuild the City's tax base, create jobs for the residents, and improve the City's image as a place to live, work, invest and visit. CFDA's services are focused on two areas of the city: the waterfront commercial corridors and neighborhood commercial districts. The agency recruits both public and private developers in assembling project financing and implementation. Over the years, CFDA has played a vital role in several well-known projects in Camden including the NJ State Aquarium, the Riverline Ferry, the Tweeter Center, Campbell's Field, the Battleship New Jersey and numerous public infrastructure and transportation improvements. Since its inception CFDA has successfully coordinated more than $400 million of private and public investment into the City's downtown and waterfront.

APPROVAL REQUEST:

The Members are asked to approve a $2,000,000 recoverable grant to Cooper's Ferry Development Association, Inc. ("CFDA") to fund parking and infrastructure improvements on several parcels of land owned by the Camden Redevelopment Agency ("CRA"), the City of Camden and the South Jersey Port Corporation ("SJPC"). These improvements will provide additional parking for the seasonal events as well as provide both short and long term solutions for the growing port operations. Funds will be provided from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Recovery Act" ("Act"). Repayment of the ERB grant will occur through federal grants appropriated in 2005 and 2006 for development of parking facilities on or near the Camden Waterfront.

FINANCING SUMMARY:

GRANTOR: Economic Recovery Board

AMOUNT OF GRANT: $2,000,000 Recoverable Grant

TERMS OF GRANT: Repayment from federal grants appropriated for parking in Camden.

PROJECT COSTS:

Other site improvement	$604,100
Other	$316,500
Demolition	$283,100
Construction Management	$250,000
Renovation of existing building	$200,000
Engineering & architectural fees	$150,000
Constr/improvement of infrastructure	$106,000
Stone Sub Base	$90,300
TOTAL COSTS	$2,000,000

JOBS: At Application 8 Within 2 years 0 Maintained 0 Construction 6

DEVELOPMENT OFFICER: L. Wallick **APPROVAL OFFICER:** L. Wallick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

RE: Cooper's Ferry Development Association, Inc.
Parking and Infrastructure Improvements
P017891

Request:

The Members of the Authority are asked to approve the funding authorization of a $2,000,000 recoverable grant to Cooper's Ferry Development Association, Inc. ("CFDA") to fund parking and infrastructure improvements on several parcels of land owned by the Camden Redevelopment Agency ("CRA"), the City of Camden and the South Jersey Port Corporation ("SJPC"). These improvements will provide additional parking for the seasonal events as well as provide both short and long term solutions for the growing port operations. Funds will be provided from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Recovery Act" ("Act"). Repayment of the ERB grant will occur through federal grants appropriated in 2005 and 2006 for development of parking facilities on or near the Camden Waterfront.

Background:

Over the last several years, the Camden Waterfront and the SJPC have continued to grow at an exceptional pace placing a strain on the City's existing parking inventory. Currently, the capacity needed to support concert events at the Tweeter Center and baseball games for the Camden Riversharks along with the expansion of the Camden Aquarium and the construction of the new Ferry Terminal building is insufficient.

In an effort to advance the development of permanent parking solutions, the Members approved a $300,000 ERB recoverable grant to NJEDA to fund the design and feasibility studies associated with the proposed 1,200+ space Downtown Parking Deck to be located on Martin Luther King Boulevard and 3rd Street (Block 150, p/o Lot 35) on a 1.55 acres site across from the YMCA abutting the County jail. As part of this December 2005 approval, the Members were advised that once the feasibility studies were complete, the EDA would submit a formal request for a $5,000,000 recoverable grant for a portion of the permanent financing on the project.

Re: Cooper's Ferry Development Association
Parking and Infrastructure Improvements
P017891

Based on land assessment records, the lot was presumed to be County-owned. A title search has now confirmed that the surface lot is owned by the Camden Redevelopment Agency, while the balance of Lot 35 is County-owned. The uncertainty of ownership delayed discussions with the County and CRA and impacted site access for the consultants.

Once access to the site was approved, the EDA engaged a consultant team led by Ballinger, an architectural firm, to conduct the feasibility study. The consultants have completed a geotechnical and environmental analysis of the site, along with a survey, a preliminary traffic study and a conceptual design. This work confirms the feasibility of locating a parking deck of up to 1,365± spaces on eight stories that can be entered and exited from up to three streets: Federal Street, Third Street and Martin Luther King Boulevard.

The final phase of the analysis entails three tasks: 1) developing construction cost projections; 2) determining parking rates required to cover debt service and operating expenses; and 3) meeting with prospective users (e.g. Camden County; Rutgers-Camden; Camden Parking Authority; and Camden Redevelopment Agency) to discuss sizing, usage, ownership, and funding.

Once the construction budget is finalized and other funding sources identified, the NJEDA expects to submit a formal request for a recoverable grant in the amount of $5 million. Current estimates indicate costs ranging $25,000 to $30,000 per space resulting in a total project cost of approximately $35 to $40 million.

Project Summary

The proposed project will be designed and constructed to result in approximately 1,500 new parking spaces south of Martin Luther King Boulevard. The project scope consists of demolition, removals, excavation, drainage, paving, line striping, stoning on geotextile, lighting, fencing, sidewalks and landscaping. Specifically, improvements will be made to the CRA/City owned VIP lots across from Tweeter. These improvements include the installation of storm drains, paving, striping and fencing and will add approximately 200 spaces. In addition, the SJPC has agreed to relocate the Champion Trucking operations from its current location on 2nd Street to a vacant and underutilized facility located on 2nd and Atlantic. Clearing and paving this site will result in approximately 900 additional spaces. Further, the SJPC will allow for one of its warehouse facilities at the Beckett Street terminal to be used for parking along with a lot next to the 20 Horse Tavern. The warehouse facility will need to have industrial fans installed to ventilate carbon dioxide exhaust. These sites will require minor paving improvements and fencing surrounding the exterior of the facilities. These sites combined will add approximately 400 spaces. Lastly, roadway, sidewalk and curbing improvement will be made along Front and 2nd. Streets including signage. Once completed, the required number of parking spaces for Tweeter will be accomplished while plans for the development of the parking deck continue.

Re: Cooper's Ferry Development Association
Parking and Infrastructure Improvements
P017891

Project Applicant and Development Team

The CFDA is the applicant and will manage the development of the project. Created in 1984 as a private, not for profit economic development corporation, CFDA is dedicated to creating and implementing a vision for the City of Camden's downtown waterfront. Its goals are to establish economic activities that will rebuild the City's tax base, create jobs for the residents, and improve the City's image as a place to live, work, invest and visit. CFDA's services are focused on two areas of the city: the waterfront commercial corridors and neighborhood commercial districts. The agency recruits both public and private developers in assembling project financing and implementation. Over the years, CFDA has played a vital role in several well-known projects in Camden including the NJ State Aquarium, the Riverline Ferry, the Tweeter Center, One Port Center, L3 Communications, the Camden Children's Garden, Campbell's Field, the Battleship New Jersey and numerous public infrastructure and transportation improvements. Since its inception CFDA has successfully coordinated more than $400 million of private and public investment into the City's downtown and waterfront.

CFDA's operating budget is funded by contributions from Camden County, the Delaware River Port Authority of Pennsylvania and New Jersey and various corporations and from project management fees. As of 12/31/05 CFDA's revenues amounted to $10.8 million with earnings of approximately $1.5 million.

The proposed project will accomplish three goals. First, it will maximize capacity at existing City/CRA owned lots. Second, it will enable the SJPC to relocate and expand operations within a contained area surrounding the port thus preserving jobs and creating opportunities for additional maritime related activities that will result in employment opportunities. Lastly, it will provide 1,500 temporary parking spaces needed to support the seasonal events at a cost of approximately $1,400 per space that will be repaid from federal funds.

Re: Cooper's Ferry Development Association
Parking and Infrastructure Improvements
P017891

Uses of Funds:

Renovation of Existing Building	$ 200,000
Demolition, Excavation and General Conditions	283,100
Stone Sub Base	90,300
Sewer Repairs and Storm Drainage	106,000
Electrical	75,150
Fencing and Gates	231,000
Concrete Sidewalks & Curbs	604,100
Engineering, Design & Inspection	150,000
Project Management	250,000
Signage & Equipment Removal	10,350
Total Project Cost:	$2,000,000

Sources of Funds:

Camden ERB Grant	$2,000,000
Total	$2,000,000

Disbursements:

The disbursement of ERB funds to the CFDA will be based on a cost reimbursement basis. This arrangement will ensure an effective coordination, monitoring and account of funds for this project. Construction inspections will be performed by the City.

Repayment:

The $2,000,000 recoverable grant will be repaid from $2 million in federal grants appropriated in fiscal years 2005 and 2006 for development of parking facilities on or near the Camden waterfront.

Re: Cooper's Ferry Development Association
Parking and Infrastructure Improvements
P017891

Project Eligibility and Benefits

This project is eligible for funding under the ERB's general criteria for project financing (#1a, b, c and d) and priority objectives (#2c,d and e). There are sufficient funds available for this $2,000,000 grant request through the Downtown Revitalization and Recovery Fund established by the Act. Further, the project is eligible for grant assistance as an infrastructure project under the ERB project assistance guideline #4, which defines eligibility for such projects and allows up to $50 million of ERB funds to be used for infrastructure projects.

The proposed project will promote the revitalization of Camden by solving current parking needs and expanding port operations. The project is consistent with the Municipal Rehabilitation and Recovery Act and is located within an "Employment Opportunity Area" per the Strategic Revitalization ("SRP") adopted by the ERB. The SRP calls for ERB assistance to projects in this and other "Opportunity Areas" in the City in order to attract private investment, create tax ratables, expand the local economy and produce jobs for Camden residents. The project is consistent with the Camden Capital Improvement and Infrastructure Master Plan adopted by the ERB.

The project will add approximately 1,500 additional parking spaces to the waterfront inventory thus increasing revenue for the City. Without additional parking inventory, there is a concern that visitors attending functions at the Camden Waterfront may become frustrated and possibly never return for a repeat visit. Since both the Tweeter Center and the Camden Baseball PILOT agreement are tied to the number of attendees, it is in the City's best interest to ensure that adequate parking reserves are provided.

Recommendation

Staff has reviewed the application for consistency with the Act and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting. It meets the eligibility and statutory requirements and will be a critical public investment in an Employment Opportunity Area in the process of an economic development transformation. It will increase public access to and encourage additional private investment in the port and waterfront areas of Camden.

The Members of the ERB approved this project at its meeting on December 19, 2006. Accordingly, the Members are asked to approve the funding authorization of the recoverable grant request for $2,000,000 to CFDA.

Prepared By: L. Wallick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Camden Redevelopment Agency - Planning Grant Phase 2
(P016904)
Camden Redevelopment Agency – Central Waterfront Housing and Parking
(P016137)

The Members are asked to amend the funding authorization for the above referenced projects to allow for up to $75,000 to be used for research and project management under a professional services agreement between the Camden Redevelopment Agency ("CRA") and the Trustees of the University of Pennsylvania. The professional services agreement outlines that John Kromer, Senior Consultant at Penn's Fels Institute of Government, will support the municipal rehabilitation and economic recovery activities in the City of Camden by providing interim executive leadership for the CRA and the City of Camden Department of Development and Planning. It is anticipated the CRA and the City of Camden will fulfill the related and required steps to authorize the Acting Executive Director appointment. This modification will be presented to the Members of the ERB at its next scheduled Board meeting on January 23, 2007.

Project Summary:

The professional services agreement will run through April 30, 2007 but can be terminated 30 days earlier if services are no longer required. Under the terms of the agreement, Mr. Kromer will direct the following research activities: the assessment of the future organization, mission and responsibilities of the CRA; development of a proposed vacant property land-banking model for Camden; proposed coordination of housing activities managed by several city agencies; and production of performance reports for City-supported housing activities in 2007. While the primary focus of Mr. Kromer's work will be project management of the research activities, he will also be involved in day to day project management and implementation of capital projects under development by the CRA and the City's Department of Planning and Zoning.

The CRA has been working with Mr. Kromer through a previous contract the CRA executed with the Fels Institute on a City-wide Housing Production Strategy. Funding resources applied to this contract came under a November, 2005 ERB grant approval for a $444,050 grant to the CRA from the Economic Recovery Planning Fund established through the"Municipal Rehabilitation and Economic Recovery Act" (Act) to help fund neighborhood plans and planning activities in the City of Camden ("City"). In addition to the City-wide Housing Production Strategy, this planning grant included 5 neighborhood plans for Gateway, Bergen Square, Central Waterfront, Cooper Plaza, and Marlton; a City-wide Industrial Site Inventory; and a Project Decision Model.

The City-wide Housing Strategy Report was completed in June, 2006 and includes a property information database that will be linked to the CRA's Geographic Information Systems ("GIS"). This report provides information about current and planned affordable housing activities in Camden neighborhood and shows how public resources are being used to stabilize and improve the city's residential communities. In addition, the report provides information on where housing units and businesses can be accommodated and will assist in answering relocation questions that arise as part of redevelopment project planning.

Mr. Kromer has extensive experience in Urban Reinvestment Policy and Planning, Housing and Community Development Administration, Development Financing and Management, and Program Management. For nine years, he served as the City of Philadelphia's Director of Housing, where he managed the allocation of more than $1 billion in public-sector investment. Working under the supervision of the Chief Operating Officer for Camden, Judge Theodore Z. Davis and in coordination with Mayor Faison and City Council, John Kromer will provide oversight management to advance these research activities along with other developments the CRA and the City Department of Development and Planning are working on in the Central Waterfront Redevelopment Plan.

To support the activities outlined in the professional services contract, the CRA is requesting the $57,300 previously approved project management fee under the Planning Grant Phase 2 project be used to fund Mr. Kromer's research activities and that $17,700 of the $454,546 project management fee under the Central Waterfront Housing and Parking Project be allocated to supervise the additional CRA staff time needed coordinate and implement housing activities in the Central Waterfront neighborhood and throughout the City. Below are the sources and uses of funds for the project:

Uses of Funds: (CRA Planning Grant Phase 2)

Original:	
$375,000	(5) Neighborhood Plans
115,000	City-wide Replacement Housing Strategy
68,000	City-wide Industrial Site Plan
57,300	Project Management of Planning
15,500	Project Decision Model
$630,800	

Sources of Funds: (CRA Planning Grant Phase 2)

$445,050	Camden ERB grant
100,000	City of Camden CDBG
50,000	HMFA/ABC grant
35,750	CRA grant
$630,800	

Uses of Funds: (CRA Central Waterfront Housing & Parking)

$1,287,400	Lot Construction
510,000	Demolition
369,031	Title work, appraisals, legal/closing costs
318,100	Relocation
2,039,410	Acquisition
454,546	Project Management
21,513	Contingency
$5,000,000	

Sources of Funds (CRA Central Waterfront Housing & Parking)

$5,000,000	ERB Grant

The disbursement of funds will be subject to the EDA's receipt and satisfactory review of invoices and the contracts for service, fee schedule and reports detailing the scope of work and related time schedule.

Recommendation:

Staff has reviewed the modification request and determined the project funding meets the eligibility and statutory requirements and will enhance the overall revitalization of the City of Camden.

The Members are asked to approve an amendment to the funding authorizations to the CRA Planning Grant Phase 2 and Central Waterfront Housing and Parking project to allow for up to $75,000 in project management fees to support the professional services agreement between the CRA and the Trustees of the University of Pennsylvania, Fels Institute of Government. This modification will be presented to the Members of the ERB at its next scheduled Board meeting on January 23, 2007.

Caren S. Franzini

Prepared By: L. Wallick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Amendment to ERB Guide To Program Funds

Request:

Pursuant to the endorsement of the ERB, the Members are asked to approve an amendment to the ERB Guide to Program Funds criteria on funding for affordable rental housing projects to allow for non-amortizing, non-recourse loans with an interest rate of 1% for a term of up to 30 years. The proposed terms and conditions are reflective of other subordinate financing resources utilized on affordable housing projects in Camden and throughout New Jersey.

Background:

On June 20, 2003, the Members of the ERB approved the Guide to Program Funds (the "Guide") which outlines the purpose of the ERB and the general criteria for project financing. The Guide also outlines the priority objectives for projects located in Key Opportunity Areas and the objectives to assist projects in Transitional/Future Development Areas that were defined in the Strategic Revitalization Plan ("SRP") and the Capital Improvement and Infrastructure Plan ("CIIP"). To achieve these objectives, the Guide sets forth project assistance guidelines that describe the types of projects that are eligible for assistance and specifies the funding limits for affordable housing, infrastructure, and for transitional/future development area projects. As part of its approval, the Board established an initial funding limit of $8,750,000 for affordable housing projects.

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Re: Amendment to ERB Guide to Program Funds

Per the Guide, the ERB may provide gap financing in the form of a "soft" loan of up to 40% of the total development costs for market rate housing projects. The loans will not bear interest, nor will they require principle repayment if either requirement makes the project infeasible. In addition, where the intent is to create market rate housing, the ERB will not allow deed restrictions to be placed on the housing that would limit the incomes of the applicants. Deed restrictions that require owner occupancy may be required for housing related project assistance. These loans are secured by subordinate mortgages on the residences that decline annually over a ten year period.

Housing projects (affordable and/or market rate) may receive ERB Funding as loans for up to $60,000 per unit not to exceed $5 million. ERB funding for housing projects may exceed these limits if it can be demonstrated that the project has exceptional circumstances, e.g. unusually high development costs, the ability to leverage significant other investment, will help create significant social, economic and other benefits and will establish the viability of the project as a whole. Further, the applicant for this exceptional ERB funding must demonstrate that other sources of funding are insufficient or unavailable for the project to proceed.

Loans for affordable housing are currently priced at half the Federal Discount Rate at the time of approval with a floor of 3% for a maximum term of 10 years with an amortization of up to 25 years and are secured by a subordinate mortgage on the property.

Over the past year, staff from the ERB, CRA and HMFA encountered affordable housing projects to be developed throughout the City of Camden that require non-traditional subordinate financing to complete the development. This type of financing is needed to absorb the cost to build the homes which exceeds the affordable housing market valuation. These projects are typically financed with low income housing tax credits (LIHTC) which provide equity to the project based on a percentage of eligible project costs. To maximize the equity from the LIHTC, there are limits on the amount of grant funding as well as restrictions on the terms and conditions of subordinate financing the project can utilize. Subordinate debt from Balanced Housing, NJHMFA, FHLB and others are structured as non-amortizing, non-recourse loans at 1% for terms up to 30 years. These terms and conditions are not consistent with the current terms of the ERB financing available to affordable housing projects.

Re: Amendment to ERB Guide to Program Funds

To enhance the availability of funding from the ERB to affordable housing projects, the terms and conditions will need to be approved in the form of a non-amortizing, non-recourse loans with an interest rate of 1%. The term of the ERB loan shall equal the term of the HMFA mortgage with a maximum term of 30 years. The ERB loan will be secured by a mortgage note on the project property and will be subordinate to all other government financing. Repayment of the ERB loan shall be made from 50% of the available cash flow remaining after payment of operating expenses, required reserves and amortized mortgage debt. Repayment shall be made pari passu with repayment of any other subordinate government financing. Upon maturity of the loan, the balance of any unpaid principal, together with all accrued interest, shall become due and payable.

To date, the ERB has approved 15 projects under the Residential Neighborhood Improvement fund totaling approximately $24 million. Of the 15 projects, 5 were related to affordable housing projects. Of these 5 projects, 3 projects were approved for grant funding for infrastructure improvements and 2 received funding for affordable housing improvements.

Recommendation:

To support the development of affordable housing projects in the City of Camden, the Members are asked to amend the Guide criteria on affordable housing projects to allow for non-amortizing, non-recourse loans with an interest rate of 1% for a term of up to 30 years with repayment based on 50% of the available net cash flow shared pari passu with any other subordinate government financing. This amendment will enable the ERB to continue supporting projects as intended by the Municipal Rehabilitation and Economic Recovery Act.

Caren S. Franzini

Prepared by: L. Wallick

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

RE: Boys & Girls Club of Camden County Clubhouse
Catto Elementary Demonstration School Project
P016328

Request

The Members are asked to approve a modification to the $1,000,000 public purpose grant to allow for the reimbursement of project related expenses incurred during construction of the Boys & Girls Club of Camden County (BGCCC) clubhouse as part of the Catto Elementary Demonstration School Project. These funds will be provided from the Demolition and Redevelopment Financing Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act").

Background

At its January 11, 2005 meeting, the Members approved a $1,000,000 public purpose grant for BGCCC to build its second clubhouse in the City of Camden. This approval required the ERB funds to reimburse project expenses upon receipt of the Certificate of Occupancy for the facility.

The project is under construction with an estimated May 2007 completion date. To date, the BGCCC has received at total of $1,790,000 in grant funding for the building and has used $824,249.61 in construction financing to pay towards the design and construction of the facility.

The BGCCC is requesting the ERB to allow funding of the public purpose grant during construction, which will reduce the amount of interest payments during this time. The interest rate for the construction line of credit from Commerce Bank is 9.250% and is 7.75% for the permanent mortgage. Reimbursing the organization for its expenses during construction would be save the BGCCC a total of $43,250 in interest payments that can be used to support programming.

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Project Summary

The BGCCC is participating in the construction of a demonstration school project sponsored by the New Jersey School Construction Corporation. The project will consist of a clubhouse attached to a new elementary school. The 24,000 square foot Marjorie & Lewis Katz Clubhouse will feature a swimming pool, computer lab, resource learning center, teen lounge, arts room, and a game room. Also, the Boys & Girls Club will share the school's cafeteria, auditorium spaces, an 8,000 sq. ft. gymnasium as well as other amenities such as the parking lot. The school, which replaces the existing off-site Catto Elementary School, is a $39.9 million project and will include a new 90,000 sq. ft. building for 540 students in Kindergarten through 6th grade. BGCCC has received funding commitments from the Camden City Board of Education ($300,000), the Boys & Girls Club of America ($200,000), and the Annie Casey Foundation ($200,000) for operations of the new clubhouse.

The project costs have increased slightly to $4,924,353 due to the increase in costs of construction materials. To offset the additional costs, the BGCCC raised more funds for the project. Below are the revised sources and uses of funds, detailing the difference in each line item for the project:

Uses of Funds

Original	Revised	
$4,104,000	4,375,346	Construction of New Building
200,000	200,000	Acquisition of Equipment & Machinery
328,000	349,007	Engineering & Architectural Fees
$4,632,000	**4,924,353**	**Total**

Source of Funds-Construction

Original	Revised	
$ 0	1,000,000	**ERB Public Purpose Grant**
1,000,000	970,000	Camden City HOPE VI Grant
500,000	250,000	Lewis Katz Donation
250,000	300,000	William Penn Foundation
1,882,000	2,109,353	Commerce Bank Mortgage
0	100,000	State of New Jersey (Dept. of Treasury)
0	145,000	City of Camden CDBG Grant
0	50,000	Danielle Foundation
$4,632,000	**4,924,353**	**Total**

Sources of Funds-Permanent

Original	Revised	
$1,000,000	1,000,000	**ERB Public Purpose Grant**
1,000,000	970,000	Camden City HOPE VI Grant
500,000	492,400	Lewis Katz Donation
250,000	300,000	William Penn Foundation
1,882,000	1,866,953	Commerce Bank Mortgage
0	100,000	State of New Jersey (Dept. of Treasury)
0	145,000	City of Camden CDBG Grant
0	50,000	Danielle Foundation
$4,632,000	**4,924,353**	**Total**

Security and Repayment

The NJEDA will require a performance mortgage on the property as security of the ERB funds. The mortgage will be forgiven by 10% each year for a total of (10) ten years.

Disbursement of Funds

The ERB funds will be disbursed to the BGCCC for the construction of the new clubhouse upon the receipt of paid invoices for work performed on the project that are approved by the Camden Redevelopment Agency.

Recommendation

Staff has reviewed the project for consistency with the Act, the Strategic Revitalization Plan, the Neighborhood Redevelopment Plan, and the City of Camden's Master Plan. The BGCCC Project meets all eligibility and statutory requirements and will enhance the Rosedale Dudley section of Camden. Accordingly, the Members are asked to approve the funding authorization request of a $1,000,000 public purpose grant prior to receipt of the Certificate of Occupancy.

Caren S. Franzini

Prepared By:

Mujiba Salaam Parker, Finance Officer

Reviewed By:

Laura L. Wallick, Assistant Director, Community Development-South

Lori Matheus, VP of Sales & Marketing

Preston D. Pinkett III, Senior Vice President

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

RE: Fairview Village Urban Renewal Associates, L.P. ("Fairview")
Fairview Village Phase II - P016486

The Members of the Authority are asked to approve a change in project scope from the development of 60 affordable rental units to 40 rental units and to rescind the $1,050,000 infrastructure grant and approve a $1,050,000 non-recourse, non-amortizing loan priced at 1% for a term of 30 years to allow Fairview to maximize the amount of equity from the Low Income Housing Tax Credits that will be utilized on the project.

Background

On July 28, 2005, the Members of the Economic Recovery Board approved a $1,050,000 grant from the Residential Neighborhood Improvement Fund established through the Municipal Rehabilitation and Recovery Act for infrastructure improvements related to the development of sixty (60) rental units in the Fairview section of Camden.

The Fairview Village Phase II is an affordable housing development project. When approved, the development consisted of five buildings containing 60 rental units. The project included two buildings, each containing 15 two-bedroom, two-story apartments that were to be rehabilitated as well as the construction of three buildings, each containing 4 two-bedroom, one-story townhouses and 6 three-bedroom, two-story apartments. Over the last year, the project encountered site control issues due to the unsuccessful condemnation process for a parcel that was slated for acquisition by Fairview. This was result of the property owner contesting the condemnation on technicalities. The outcome of this condemnation process is still under legal review.

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RE: Fairview Village Urban Renewal Associates, L.P. ("Fairview")
Fairview Village Phase II - P016486

Project Summary

The applicant is seeking to continue with the project and has modified the project scope to include three buildings totaling 40 apartments that are affordable to households with incomes at or below 60% of the area median, with one unit for the superintendent (unrestricted income). Eight of the 39 units will be set aside for homeless families in accordance with the Special Needs Housing Trust Fund guidelines and mortgage commitment. Two of the buildings, each being two-stories high, with 15 two-bedroom units, are located at 40 SW Merrimac Road & 73 S. Chesapeake and will be rehabilitated. Currently, thirteen families reside in these two buildings and are paying rents comparable to the new two-bedroom net rents ($600) proposed for this project. Initially, Fairview will rehabilitate 17 vacant units to permanently relocate these families. Relocation assistance will be available for families who do not qualify for the units, and/or choose to no longer reside at the project location. The third building will be newly constructed at 1250 Collings Road and will contain 4 two-bedroom units and 6 three-bedroom units ($750 monthly rent payment). Parking will be provided for all three buildings. The project has begun and should be completed by August 2007.

The project is being financed through a Low Income Housing Tax Credit structure which utilizes a percentage of eligible project costs to calculate the equity investment and limits the amount of grant funding on a project. As a result, Fairview is requesting that the $1,050,000 ERB Infrastructure Grant be rescinded and that a $1,050,000 non-recourse, non-amortizing loan priced at 1% for a term of 30 years be approved. The loan will be repaid from 50% of the available cash flow shared pari passu with other subordinate government financing. This change in funding structure will allow the infrastructure improvements to be included in the eligible basis of the tax credit partnership. The IRS will not provide the benefits of depreciation and tax credits for a housing project that has received mostly grants to fund it.

Due to the change in scope of the project, the budget has been reduced to a total of $9,446,356. Although the budget decreased, the debt service reserve fund increased. This increase is the result of less cashflow generated from this smaller project, which will have less rental income. Also, the architectural and engineering fees increased because the new building's foundation was redesigned to include pilings to elevate the building above the high water table. Below are the sources and uses of the project during construction and the permanent financing for the project, indicating the change in each line item:

RE: Fairview Village Urban Renewal Associates, L.P. ("Fairview")
Fairview Village Phase II - P016486

Uses of Funds:

Original	**Revised**	
$6,100,470	$4,797,286	Construction/Renovation of Buildings
1,286,000	600,000	Developer Fee
1,050,000	1,050,000	Construction of Roads, Utilities, etc
537,500	187,000	Acquisition of Land
500,000	500,000	Acquisition of Building
0	200,000	Relocation/Attorney Fees
453,500	497,095	Carrying Costs
469,173	953,518	Debt Service Reserve Fund*
337,342	116,457	Finance Fees*
370,000	505,000	Engineering & Architectural Fees
78,975	40,000	Marketing & Advertisement
$11,182,960	**$9,446,356**	**Total Project Costs**

Sources of Funds -Construction

Original	**Revised**	
$6,400,000	$5,500,000	North Fork Bank Construction Loan
1,364,975	640,000	Developer Fee
1,050,000	1,050,000	Camden ERB
900,000	450,000	Camden Home
300,000	736,381	DCA Balanced Housing
300,000	0	HMFA Special Needs Program
61,470	0	Sponsor Cash
$10,297,470	**8,376,381**	**Total Sources of Funds - Construction**
* **806,515**	***1,069,975**	**Post Construction Costs**

Sources of Funds - Permanent

Original	**Revised**	
$3,854,138	3,480,542	Tax Credit Equity
3,696,425	3,177,727	DCA Balanced Housing Loan
1,050,000	1,050,000	Camden ERB
900,000	450,000	Camden HOME Loan
720,927	277,714	NJHMFA Loan
600,000	0	Deferred Developer Fee
300,000	1,010,373	HMFA Special Needs Program Loan
61,470	0	Sponsor Cash
$11,182,960	**9,446,356**	**Total Sources of Funds – Permanent**

RE: Fairview Village Urban Renewal Associates, L.P. ("Fairview")
Fairview Village Phase II - P016486

Security and Repayment

The $1,050,000 ERB loan will be secured by a subordinate mortgage on each property. Repayment of the ERB loan will be made from 50% of the available cash flow remaining after payment of operating expenses, required reserves and amortized mortgage debt. Repayment shall be made pari passu with repayment of any other subordinate government financing. Upon maturity of the loan, the balance of any unpaid principal, together with all accrued interest, shall become due and payable.

Disbursement of Funds

ERB funds will be disbursed after receipt and satisfactory review of invoices that have been approved by North Fork Bank's construction manager, the builder's architect, and Camden City Inspection Officials. Prevailing wages will be paid on the infrastructure portion of the project, which will be provided under a separate contract with RPM Contracting.

Recommendation

Staff has reviewed the modification for consistency with the Act, the Strategic Revitalization Plan, and the City of Camden's Master Plan. The project meets all eligibility and statutory requirements and will enhance the overall revitalization of the Fairview section of Camden. The Members of the ERB approved this modification at its meeting on December 19, 2006. Accordingly, the Members are asked to approve the change in scope and amend the funding authorization to a $1,050,000 non-recourse, non-amortizing loan at 1% for 30 years.

Caren S. Franzini

Prepared by: M. Parker

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

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

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

Grants:
Ken Behr (Acrosstown, Inc.). $132,900

Total UST funding for January 2007 ..... $132,900

Prepared by: Lisa Petrizzi

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

APPLICANT: Ken Behr P17511

PROJECT USER(S): Acrosstown, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 288 Port Monmouth Road Middletown Township (N) Monmouth

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Ken Behr, owner of the project site, which is an automobile repair shop, is seeking to remove an underground storage tank and perform initial soil and groundwater remediation. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $132,900 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $13,290 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: $132,900

TERMS OF GRANT: No Interest; Repayment on a pro-rata basis

PROJECT COSTS:

Upgrade,Closure,Remediation	$132,900
NJDEP oversight cost	$13,290
EDA administrative cost	$500
TOTAL COSTS	$146,690

APPROVAL OFFICER: L. Petrizzi

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

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

Pursuant to the Board's approval on May 9, 2006, the Chief Executive Officer ("CEO") and the Senior Vice President ("Sr. VP") has 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.

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

Applicant	Description	Grant Amount	Awarded to Date
Heather Brown P17662	Initial grant for upgrade, closure and remediation	$5,721	$5,721
Jose & Ramona DaCosta / P17813	Initial grant for site remediation	$9,143	$9,143
Ida Degley / P17708	Initial grant for upgrade, closure and remediation	$33,951	$33,951
Pamela & Dennis Gianni / P17676	Initial grant for upgrade, closure and remediation	$6,445	$6,445

Michael Payne P17301	Supplemental grant for upgrade, closure and remediation	$30,682	$95,069
Alexander & Claire Pellerito / P17789	Initial grant for upgrade, closure and remediation	$9,143	$9,143
David Thoenig P14063s	Supplemental grant for site remediation	$4,459	$43,959
Louie & Joanne Vargas / P17720	Initial grant for upgrade, closure and remediation	$5,838	$5,838
Allen & Stephanie Yeager / P17394	Initial grant for upgrade, closure and remediation	$6,785	$6,785
9 Grants	**Total Delegated Authority funding for Leaking Tank applications in December 2006**	**$112,167**	

Dorothy Czyzewski P17830	Grant for removal and replacement of an underground storage tank	$2,091	$2,091
Dennis & Lynn Kephart / P17860	Grant for removal and replacement of an underground storage tank	$2,800	$2,800
Eric & Amy Lehne P17797	Grant for removal and replacement of an underground storage tank	$3,000	$3,000
Richard Maizell P17861	Grant for removal and replacement of an underground storage tank	$3,000	$3,000
Claudio Olivo P17799	Grant for removal and replacement of an underground storage tank	$3,000	$3,000
Jacquelyn Quilter P17791	Grant for removal of an underground storage tank	$1,200	$1,200
Mitchell & Wendy Schlesinger/P17838	Grant for removal and replacement of an underground storage tank	$2,925	$2,925
Barbara Sheridan P17859	Grant for removal and replacement of an underground storage tank	$2,762	$2,762
8 Grants	**Total Delegated Authority funding for Non-Leaking Tank applications in December 2006**	**$20,778**	

Caren S. Franzini

Prepared by: Lisa Petrizzi

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: CommVault Systems, Inc. P17896

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

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

CommVault Systems, Inc. ("CommVault), established in 1996, is a leading provider of data management software applications and related services. CommVault develops, markets and sells a unified suite of data management software applications. The applications are designed to protect and manage data throughout its lifecycle in less time, at lower cost and with fewer resources than alternative solutions. The Company is located in Oceanport, NJ and is looking to relocate its facility to a site to be determined in Middletown or Neptune, NJ or Pennsylvania. The company is economically viable.

MATERIAL FACTOR:

CommVault is seeking a BEIP grant to relocate to a leased site to be determined in Middletown or Neptune, NJ. Additional consideration is relocating to Pennsylvania. The benefit to New Jersey will be the creation of 288 jobs and the retention of 360 jobs. 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.

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 4,292,280
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 360

ELIGIBLE BEIP JOBS: **Year 1** 130 **Year 2** 158 **Base Years Total =** 288

ANTICIPATED AVERAGE WAGES: $86,500

ESTIMATED PROJECT COSTS: $4,000,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $8,584,560

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $8,584,560

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

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

APPROVAL OFFICER: L. Petrizzi

Applicant : CommVault Systems, Inc. **Project # : P17896**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Locations Unknown**	**N/A**
2. Job Creation	**288**	**4**
Targeted : X Non-Targeted :		
3. Job at Risk:	**360**	**3**
4. Industry:	**Advanced computing**	**2**
Designated : X Non-Designated :		
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$4,000,000**	**2**
7. Average Wage:	**$ 86,500**	**4**
	TOTAL:	**17**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	

Total Bonus Points: **0 %**

Total Score :

Total Score per formula:	**17 = 45 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**0 %**
Total Score (not to exceed 80 %):	**50 %**

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

APPLICANT: Integrium, LLC P17895

PROJECT LOCATION: 500 Hills Drive Bedminster Township (N) Somerset County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Integrium, LLC, founded in 1998, is headquartered in California. The Company is a full-service Contract Research Organization (CRO) exclusively dedicated to the management of cardiovascular and metabolic disease clinical trials. Integrium, LLC combines its focused clinical expertise with strong operational capabilities to seek to deliver the highest level of customer care. Integrium, LLC's customers are pharmaceutical, biopharmaceutical, and medical device companies. Integrium, LLC is economically viable.

MATERIAL FACTOR:

Integrium, LLC is requesting a BEIP grant to support the creation of 37 new jobs. Management believes the expansion in Bedminster, NJ (Somerset County) will allow the company to grow and respond to new demands by customers. The other locations under consideration are New York, Pennsylvania, Massachusetts, North Carolina or Montreal. Management has indicated a favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to expand within New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 70%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Integrium, LLC 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: $ 697,048
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 8

ELIGIBLE BEIP JOBS: **Year 1** 12 **Year 2** 25 **Base Years Total =** 37

ANTICIPATED AVERAGE WAGES: $82,081

ESTIMATED PROJECT COSTS: $1,130,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $995,783

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $796,626

PROJECT IS: (X) Expansion (X) Relocation Tustin, CA

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: California

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: L. Richardson **APPROVAL OFFICER:** K. DeLuca

Applicant : Integrium, LLC **Project # : P17895**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Bedminster Township**	**N/A**
2. Job Creation	**37**	**1**
Targeted : _____ Non-Targeted : X		
3. Job at Risk:	**8**	**0**
4. Industry:	**Pharmaceuticals**	**2**
Designated : X Non-Designated : _____		
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$1,130,000**	**1**
7. Average Wage:	**$ 82,081**	**4**
	TOTAL:	**10**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	_____
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	_____
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	_____
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	_____
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	15%
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	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: **30 %**

Total Score :

Total Score per formula:	**10 = 35 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**30 %**
Total Score (not to exceed 80 %):	**70 %**

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

APPLICANT: NovaDel Pharma Inc. P17893

PROJECT LOCATION: 25 Minneakoning Road Flemington Borough (N) Hunterdon County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

NovaDel Pharma Inc. (NovaDel) was originally incorporated as Pharmaconsult in 1982. Pharmaconsult consulted to the pharmaceutical industry, focusing on product development activities of various European pharmaceutical companies. In 1991, the name was changed to Flemington Pharmaceutical Corporation. The consulting revenues, together with the proceeds from offerings of equity securities funded the Company's own product development activities. In May, 2004 the common stock was listed for trading on the American Stock Exchange as NovaDel Pharma Inc., stock symbol (NVD). Consulting activities are no longer the focus of the Company's business.

NovaDel is engaged in the development of novel application drug delivery systems for presently marketed prescription, over the counter and veterinary drugs. The Company's patented and patent-pending delivery system is an oral spray, potentially enabling drug absorption through the oral mucosa and more rapid absorption into the bloodstream than presently available oral delivery systems. The Company believes that its proprietary drug delivery system potentially offers the following advantages: 1) more rapid delivery of drugs to the bloodstream allowing for quicker onset of therapeutic effects, 2) improved drug safety profile by reducing the required dosage, including possible reduction of side effects; 3) improved dosage reliability; 4) allows medication to be taken without water; and 5) improved patient convenience and compliance. The Company has six priority products/active ingredients for development: 1) nitroglycerin (treatment of angina due to coronary artery disease); 2) sumatriptan (treatment of migraines); 3) alprazolam (treatment of anxiety), 4) zolpidem (hypnotic to induce sleep), 5) ondansetron (anti-emetic/nausea), and 6) propofol (anesthetic). In addition to the current six priority products, the Company has and will be pursuing strategic alliances, entering into license and development agreements.

NovaDel's principal sources of capital since inception have been consulting revenues, private placements and public offering of its securities, as well as loans and capital contributions from the Company's principal stockholders. NovaDel Pharma Inc. is economically viable.

MATERIAL FACTOR:
NovaDel Pharma Inc. is requesting a BEIP grant to support the creation of 15 new jobs. Management believes the expansion in Flemington, NJ (Hunterdon County) will allow the company to grow and respond to new demands by customers. The other location under consideration is Pennsylvania. Management has indicated a favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to expand within New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 40%
TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 212,250
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 20

ELIGIBLE BEIP JOBS: **Year 1** 10 **Year 2** 5 **Base Years Total =** 15

ANTICIPATED AVERAGE WAGES: $95,000

ESTIMATED PROJECT COSTS: $2,500,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $530,625

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $583,687

PROJECT IS: (X) Expansion ( ) Relocation _____

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

APPROVAL OFFICER: K. DeLuca

Applicant : NovaDel Pharma Inc. **Project # : P17893**

FORMULA EVALUATION

Criteria		Score
1. Location:	**Flemington Borough**	**N/A**
2. Job Creation	**15**	**1**
Targeted : X Non-Targeted :		
3. Job at Risk:	**20**	**1**
4. Industry:	**Biotechnology**	**2**
Designated : X Non-Designated :		
5. Leverage:	**3 to 1 and up**	**2**
6. Capital Investment:	**$2,500,000**	**1**
7. Average Wage:	**$ 95,000**	**4**
	TOTAL:	**11**

Bonus Increases (up to 80%):

Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan	20%	
Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs	30%	
Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs	20%	
Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)	20%	
Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan	15%	
10% or more of the employees of the business receive a qualified transportation fringe of $ 30.00 or greater.	15%	
Located in an area designated by the locality as an "area in need of redevelopment"	10%	
Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site	10%	
Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development	10%	

Total Bonus Points: **0 %**

Total Score :

Total Score per formula:	**11 = 35 %**
Construction/Renovation :	**5 %**
Bonus Increases :	**0 %**
Total Score (not to exceed 80 %):	**40 %**

NEW JERSEY ECONOMIC DEVELOPMENT A

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Business Employment Incentive Program (BEIP) Modifications
(For Informational Purposes Only)

On September 11, 2001 and amended on September 16, 2003, the Members of the Authority approved a delegation of authority to the Chief Executive Officer with the Senior Vice President-Programs or Director-Business and Community Lending to approve certain BEIP modifications All modifications must be reported to the Members of the Authority on a quarterly basis. Below is a list of all BEIP modifications that were approved in the quarter ending December 31, 2006:

Name	Application #	Modification
ACS State Healthcare, LLC	P16320	Decrease in the New Employment Commitment from 278 to 225.
Adams Respiratory Therapeutics, Inc.	P15683	Project location change to 4 Mill Ridge Lane, Chester Boro, Morris County, New Jersey.
The Bank of New York - Lodi	P10553	Decrease in the New Employment Commitment from 130 to 124. Decrease in grant award from 70% to 60%.
Bed Bath and Beyond	P17286	Project location change to Port Reading Avenue, Woodbridge, Middlesex County, New Jersey
Berlex, Inc. and its divisions	P16747	Name changed to Berlex, Inc.
Cape May Foods, Inc.	P12477	Name changed to Cape May Foods, LLC.

Christmas Tree Shops, Inc.	P17285	Project location change to 270 Daniels Way, Haines Industrial Park, Florence, Burlington County, New Jersey
Echosphere Corporation	P13366	Name change to Echosphere LLC.
Jackson Hewitt Tax Service, Inc.	P11126	Added Jackson Hewitt Corporate Services, Inc., Tax Services of America (TSA) and Jackson Hewitt Technology Services, Inc. to the grant.
Jackson Hewitt Tax Service, Inc.	P11126	Name change to Jackson Hewitt Inc.
MD-X Solutions	P15638	Project location changes to: 725 Darlington Avenue, Mahwah Township, Bergen County, New Jersey. 750 Darlington Avenue, Mahwah Township, Bergen County, New Jersey.
Morgan Stanley D.W., Inc. a/k/a Dean Witter Reynolds Inc.	P13863	Decrease in New Employment Commitment from 264 to 99. Decrease in grant award from 75% to 65%.
XO New York, Inc.	P10175	Name change to XO Communications Services, Inc. Added XO Services, Inc. to the grant.

Prepared by: C. Craddock

BOARD MEMORANDUMS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Andrews Glass Co., Inc
P #09132
3740 Northwest Blvd
Vineland, Cumberland County, NJ

Modification Request:

The members are asked to extend the maturity date on the Borrower's outstanding principal balance of $158,978 for an additional five years. The loan will remain priced at the fixed rate of 5.00%.

Background:

Andrews Glass Co., Inc ("Andrews") was formed in 1948 and is a manufacturer of specialty glassware for environmental, industrial, telecommunications and laboratory applications. The present owners acquired the company in 1992 through an SLP loan that has since been paid in full. C&C Investments ("C&C") is a common ownership partnership that was formed for the acquisition and management of the project property and is a guarantor for the Authority's loan.

Over the next year, the company is planning to expend $150M to purchase a higher grade of equipment and machinery to maintain competitiveness and enhance their market share. Sun National Bank has agreed to extend their loan for an additional five years. Extending the term of the loan will allow the company to follow through on their plans for continued growth.

In March of 1997, the Authority provided a $250M LDFF loan at the fixed rate of 5% for a term of five years based on a 20 year amortization schedule, for the acquisition and renovation of a 29,000 sq. ft. facility situated on 7.5 acres in Vineland's Urban Enterprise Zone. The loan is secured by a second lien on the acquired property, subject to a first mortgage lien of $340M held by Sun National Bank. In 2002, the Authority approved a five year maturity extension to March 2007. To date,

Andrews has handled the loan as agreed. In 2005, the EDA consented to new debt ($150M from Sun National Bank) to replace the roof on the project property. The Borrower created 11 full-time jobs and will create an additional five full-time jobs in 2007 due to the expansion of the business.

Recommendation:

Approval is recommended for an extension of the loan maturity as proposed based upon the sufficient cash flow, satisfactory payment history and the guarantor's strong personal credit. The loan extension will be for the outstanding balance of $158,978 for an additional five years.

Prepared by: Tamekia Melton

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Pecaso Realty LLC
P #15336 (LDFF) and P# 15764 (SBA 504)
1405 North Broad Street
Hillside, Union County, NJ

Modification Request:

Subject (Pecaso Realty, LLC or "Realty") has requested the subordination of the Authority's existing $697,000 LDFF loan balance to a new loan from Crown Bank in the amount of $5 million (which represents a $2.8 million increase from our currently subordinated position with respect to loans with Banco Popular and the SBA which are being refinanced as part of this new proposal) and our consent to a new $2.5 million working capital facility.

Background:

Realty is a holding company formed by Jose Espinosa and Shlomo Shem-tov which purchased an 88,000 square foot project property in Hillside, Union County. The building is leased to Picasso Lighting, Inc. d/b/a Bernard Pecaso Lighting ("PLI"), an affiliated company with common ownership which is an assembler and wholesaler of crystal chandeliers and high-quality lighting systems. PLI was founded in 1993 in New York and has showrooms in Dallas, Las Vegas and North Carolina.

On 12/20/04, Realty closed on a $770,000 loan under the SBA 504 program (which was sponsored and processed by our sister agency, the Corporation for Business Assistance in New Jersey) which was used in conjunction with a $1,542,000 loan from Banco Popular, a $770,000 LDFF loan from the Authority (which closed on 5/28/04 @ 3% for a 10 year term amortized over 20 years) and $544,000 of equity to purchase the project property and complete renovations (which consisted

primarily of adding a retail showroom). This project resulted in the creation of 50 new jobs to the State of New Jersey (as the firm relocated from Brooklyn in 2003 when they executed a lease with purchase option on the current facility). Payment history on the LDFF is satisfactory.

The customer has been working with Banco Popular on new financing necessary to expand their business. Initially the structure included keeping the SBA 504 financing in place and the LDFF would be repaid, however, this option is not permissible under the SBA program. Realty is now requesting the subordination of the LDFF debt to a new $5,000,000 loan (available to Pecaso and PLI as co-borrowers) from Crown Bank to facilitate business expansion & refinance existing debts. The loan is for a 10 year term (interest is fixed at 7.75% for the first five years and reset for an additional five years) with up to twelve months as interest only based upon a twenty year amortization. The proceeds of the proposed loan will be used primarily for working capital (new display kiosks and catalogs for 45 Costco and 250 Lowes stores totaling $1.2 million), renovations to the Hillside facility of $1,000,000 and the refinancing of $2,678,000 in existing debt. These debts include four loans; two obligations of Realty (the SBA 504 loan which has a balance of $748,835 as of 12/1/06 and the Banco Popular mortgage loan with a balance of $1,480,000) and two obligations of the operating company (aggregating $491,000 which are owed to Banco Popular). The $1 million in renovations will be disbursed by Crown per invoices/documentation as presented to the bank with a maximum drawing period of twelve months.

Recommendation:

Approval is recommended for subordination to the proposed $5 million mortgage and consent to the $2.5 million working capital facility from Crown Bank due to the sufficient debt service coverage and adequate security.

Prepared by: Sean VM Brady/Michael Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Town of Phillipsburg
Phillipsburg, Warren County, NJ
P16396

Request

Approval is recommended to extend the commitment to provide for a closing by June 30, 2007.

Background

The Town of Phillipsburg seeks to have an industrial site off Route 22 developed by a prominent developer (Preferred Real Estate) who will renovate the existing structures and construct up to 1 million square feet in flex space for light industrial use. The developer has obtained $23 million in financing to renovate and buy the site for the first phase of the project. The project will redevelop a blighted area, increase ratables & create employment opportunities all of which will serve to improve the poor situation which exists within the town today. The town has a unique opportunity to complete a successful redevelopment of one of the few remaining large industrial parcels; the labor pool in the area is ethnically diverse, there is ample access to major forms of transportation in the area, there exists numerous companies interested as potential tenants/land acquirers in the nearby region and no businesses or people will be displaced as a result of the project. This project is the culmination of 7 years of intensive study and planning which includes an independent market analysis and redevelopment feasibility study. The Town Council of the Town of Phillipsburg has designated this specific site as an area in need of redevelopment. The Redevelopment area contains approximately 625,000 square feet of existing buildings (constituting the "campus" over 137 acres. The project is also known as Phillipsburg Commerce Park). Phillipsburg and Preferred agree that the connector road is a crucial part of the Town's redevelopment plan.

In October of 2004, Preferred closed on the acquisition of a 385 acre (the designated redevelopment area consists of 137 acres within the premises) parcel (formerly owned by Ingersoll Rand Company, "IR") which was for many years home to the pump manufacturing division and since 1996 when the closure was announced and massive layoffs took place, has been a severely underutilized facility. Phillipsburg designated this area in need of redevelopment and adopted a redevelopment plan on October 24, 2000 by ordinance. Approximately 140 acres of this site are located within the neighboring town of Lopatcong who is cooperating with Phillipsburg on this project.

On April 12, 2005, the Members of the Authority approved a $4,700,000 HUD section 108 loan to the Town of Phillipsburg as part of a $5,220,000 project (to construct a connector road on the 385 acre former Ingersol Rand industrial complex). This project also has approval from HUD and EDA for a corresponding Brownfields Economic Development Initiative (BEDI) grant for $500,000 to establish a debt reserve & to fund a portion of the soft costs associated with the project.

The Section 108 loan for this project was officially approved by HUD on March 31, 2006. Subsequently, the Town approved the special assessment ordinance and related documents (which serve as the principal security and repayment source for the loan). Loan documents were prepared by HUD and delivered to EDA and the Town in October of 2006. The Phillipsburg Town Counsel authorized the Mayor to execute these documents at the meeting held on December 19, 2006. The documents, along with our $23,500 closing fee check, are to be received by EDA shortly thereafter. EDA will then sign these documents and forward to HUD for their processing. HUD will not sign (which is the official loan closing trigger) until the initial disbursement has been requested and approved by EDA.

Currently, the Town, the developer, Triad Associates (consultants) and the EDA's Real Estate Division are collaborating to establish the time line, process and procedures for the disbursements of the funding for this project to meet the conditions of the EDA/HUD commitment. We anticipate an initial disbursement for incurred soft costs and engineering/design (see below for the allocation of the various project cost components) with the bid and award of the road contract to commence approximately nine months thereafter.

Below are the project costs and sources as developed in 2004 when financing was structured;

Construction of road	4,200,000
Engineering & Architectural Fees (*)	500,000
Interest reserve	400,000
Soft Costs and Finance Fees	120,000
Total	$5,220,000

(*) In December of 2006, the Township engaged French & Parello to a contract for $730,000. This will cause a $230,000 reduction in the funds available for construction of road. We are awaiting the updated cost estimate for the road as this figure has reportedly increased by approximately $1 million to $5.2 million. Per the redevelopment agreement, the developer is responsible for any cost over runs above the $4.7 million in budgeted hard project costs.

Summary of Project Financing:

Source	Amount	Security
HUD 108 Loan interest rate at Federal Treasury Rate now 2.5% plus 2%, floating (with fixed rate option per HUD annually), interest only until $400,000 of the BEDI grant is utilized, 20 year term and amortization.	$4,700,000	1st assignment of special tax assessment to be paid by property owner.
HUD BEDI Grant	500,000	None
Equity	20,000	
Total	$5,220,000	

An extension of the closing from December 31, 2006 until June 30, 2007 is recommended. Since the delay has been due to; a] obtaining HUD approval and documents and b] the timing needed by the EDA to put in place the necessary disbursement procedures and said delays were not caused by the applicant, a waiver of the $750 fee is requested.

Prepared by: M. Conte

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Vineland Adult Education/Aquatic Center
Entity to be formed
East Montrose Street and 6th Street
Vineland, Cumberland County
P017484

Request:

Approval is requested for a $3,500,000 NMTC allocation from NJCDE, LLC., (CDE) to newly formed NJCDE-2, LLC., (CDE-2) in support of a Demonstration School project in Vineland, NJ (School). The ultimate beneficiary of the NMTC allocation will be Albert Boscov or an affiliated group of investors (Boscov or the Investor) who will receive $1,365,000 (39% the $3.5 million allocation) in tax credits over seven years. Our allocation will provide the Investor an incentive to make a $1 million equity investment into the School project.

Background:

The City of Vineland Community School Project involves the construction of a School in Vineland, NJ. The Borough of Vineland was founded in 1861 by Charles K. Landis. In 1952, the Borough of Vineland and the Township of Landis consolidated to form the City of Vineland (Vineland). Vineland is an area of 69 square miles located in Cumberland County, NJ. In terms of geographical area, Vineland is the largest city in NJ. According to the 2000 census, Vineland has a population of 56,271.

Demonstration Projects are community schools that incorporate community service features and that are coordinated with a larger local economic development and/or redevelopment project(s). Under Section 6 of the Educational Facilities Construction and Financing Act, the New Jersey Schools Construction Corporation (SCC) is authorized to review and recommend up to six school facilities projects to the State Treasurer for designation as Demonstration Projects.

The School will be comprised of a 130,000 square foot pre-K through 5th grade elementary school to serve approximately 820 students, a 20,000 square foot Adult Education Center (Center), and community amenities including a swimming pool, playgrounds, and sports fields/gymnasium. A total of 170 full time and 76 part time jobs will be created from the demonstration project, including 25 new jobs for the Center alone. The Center will provide services such as adult literacy programs, job search services, and programs

to address relationships between women, infants, and children such as parenting skills, nutrition and lactation consulting. The project will also include swimming and water safety programs at the aquatics center.

The entire project will sit on approximately four acres of land. This project is part of a much larger redevelopment project currently in progress in Vineland to address illegal drug trafficking and other forms of crime in a certain neighborhood. An entire city block was demolished to allow the construction of the project.

Project costs amount to $62.77 million and are composed of construction costs ($49.82 million), land acquisition ($9 million), relocation costs ($1.4 million) and soft costs ($2.5 million). Note that the NMTC allocation to CDE-2 will not support the entire project, but a specific portion consisting of the Adult Education Center and community pool. Despite providing the majority of financing, the SCC will not finance the Center and community pool as it was deemed not to be part of a traditional School.

Vineland will be the owner of the land and a separate Local Development Corporation (LDC) owned by Vineland will be formed to own the building/improvements. The LDC will be incorporated under 501(c)(3) tax laws and also serve as the designated Qualified Active Low Income Community Business (QALICB). The board of the LDC has not been formally selected at the time of this underwriting, however, will most likely include the Mayor of Vineland, three Vineland UEZ Board members, and resident business owner(s).

Post construction, the Center will generate income through the lease revenue of three tenants expected to occupy office space in the Center under five year triple net leases payable to the LDC. The tenants will be the Vineland Board of Education, Tri Community Action Agency, and Community Health Care, Inc.

Sources and Uses and Project Timeline

Source	**Amount**
•SCC: Grant *(School)*	$54,761,210
•Cumberland County Improvement Authority (CCIA): 10-year amortization with 10% of principal balance forgiven each year. Fixed at 3.00% interest only on unforgiven principal balance. *(Center and Pool)*	$ 1,000,000
•Cumberland Empowerment Zone Corporation (CEZ): Grant *(Center and Pool)*	$ 1,520,000
•Cumberland Empowerment Zone Corporation (CEZ): 3.00% fixed, 30 year full amortization *(Center and Pool)*	$ 780,000
•Vineland Urban Enterprise Zone (UEZ): Non-interest bearing, 30-year full amortization. *(Center and Pool)*	$ 1,210,000
•Vineland Urban Enterprise Zone (UEZ): 2.00% interest only payments for seven years. $350,000 to be forgiven at maturity and balance refinanced at UEZ. *(Center Pool)*	$ 2,500,000
•Boscov: Capital contribution, forgiven at maturity. *(Center and Pool)*	$ 1,000,000
Total	$62,771,210

Use of Funds

Description	Amount
Acquisition of Land	$ 9,012,117
Construction Costs *(includes the School, Center, and community pool)*	$49,818,402
Relocation Costs	$ 1,402,143
Soft Costs	$ 2,538,548
Total	$62,771,210

- The Project is expected to be completed by November 2007. Post construction, the $1.21 million Vineland UEZ loan will continue to amortize fully over 30 years and the $2.5 million Vineland UEZ loan will be reduced to $2,150,000 reflecting the forgiveness of $350,000. This balance will then be refinanced by the Vineland UEZ. The $780,000 CEZ loan will continue to amortize over 30 years at 3.00% fixed and the $1 million CCIA loan will reduce by 10% (or $100,000) over the subsequent ten years. In all, total debt outstanding post construction will be $5.14 million. All other financing sources as described above will not require repayment, as it is a grant, forgivable loan, or equity investment.

- As stated earlier, SCC did not size its loan to cover the construction costs of the community pool and Center, as the amenities were not considered part of a traditional School. The total cost to construct the Center and community pool is $8.01 million. To cover such costs, Vineland has arranged for additional financing of $8.01 million from CCIA, CEZ, Vineland UEZ, and Boscov. A total $3.5 million of financing from the Vineland UEZ and Boscov will be structured and disbursed as a NMTC loan. The involvement of CDE in this transaction is to provide CDE-2 a tax credit allocation, which allows the entity to make a NMTC loan. The disbursement of the NMTC loan will be structured as follows:

1. The Vineland UEZ will loan $2.5 million and Boscov will make a $1 million capital contribution respectively to a newly formed Investment Fund, LLC, (the Fund). The Vineland UEZ will have a .1% ownership in the Fund and Boscov will own the remaining 99.99% interest in the Fund. Aggregate monies in the Fund will total $3.5 million. The UEZ loan will require interest only payments at 2.00% fixed for seven years. Boscov's equity investment does not have any formal investment return terms.

2. The Fund will take the entire $3.5 million of proceeds and make a Qualified Equity Investment in a newly formed CDE-2. CDE-2 will be owned 99.99% by the Fund, which in turn is owned by Boscov. The remaining .1% of CDE-2 will be owned by CDE, a related entity of the Authority. At this point, CDE-2 will pay a sponsor fee equal to 3.5% (or $122,500) of the $3.5 million investment to CDE.

3. Concurrent with the above, CDE will allocate $3.5 million of NMTC to CDE-2. The Fund's investment in CDE-2 entitles it to the new market tax credit. Since Boscov owns the Fund, he will be entitled to a tax credit equal to 39% of the $3.5 million investment (or $1.365 million).

4. NJCDE-2, LLC will make a $3.35 million NMTC loan ($3.38 million less the 3.5% fee) to a newly formed LDC owned by Vineland. As stated earlier, the LDC will be the developer and owner of the building/improvements. The LDC in terms of NMTC laws will also be the QALICB. Payments on the loan will be interest only fixed at 2.00% for seven years. At the end of the seven year period,

NJCDE-2, LLC will be eliminated. The $1 million equity component of the NMTC loan derived from Boscov will be forgiven. The $2.5 million Vineland UEZ loan will be forgiven down to $2.15 million and refinanced by the Vineland UEZ.

- Note that the site was acquired by Vineland via negotiated agreements with the prior residents versus eminent domain. Construction costs include approximately $1.4 million in relocation expenses for residents that were living on the property needed for the school.

New Markets Tax Credit (NMTC) Discussion:

There are ten specific criteria that are used to determine a project's eligibility, of which a project must meet at least one. Listed below are the criteria and determination of which criteria this project meets.

	Specific Criteria		
1.	Located in census tract with a poverty rate greater than 30%	No	25%
2.	Located in census tract with median family income of less than 60% of State median income: $75,311 x 60% = $45,187	Yes	41%
3.	Census tract has unemployment rate at least 1.5 times the national average (as of 12/06: 4.5% x 1.5 = 6.75%)	Yes	19%
4.	Is located in a CDFI Hot Zone	No	
5.	Is located in a federally designated Empowerment Zone, Enterprise Community or Renewal Community	Yes	
6.	Is located in a Hope VI redevelopment area	No	
7.	Is located in an SBA HUB Zone	Yes	
8.	Brownfield redevelopment area	No	
9.	Locally designated redevelopment area	Yes	
10.	NJ Urban Enterprise Zone	Yes	

As a result of the above qualifications, this project works in concert with Federal, State and Local goals and objectives, which is to bring economic, and employment opportunities to the members of the community.

Cash Flow:

During the construction of the School, Vineland will service the debt payments, which amount to $160,129 per year. The writer reviewed Vineland's audited Fiscal 2005 financial statement and determined that the municipality has more than adequate cash flow to service the debt. Post construction, debt service will be covered by the LDC. Cash flow of the LDC will be generated by three triple net leases totaling $170,000 per year. As such, debt coverage amount to 1.06x.

Strengths:

- The Authority will not have any financial exposure in this Project. Our $3.5 million allocation is composed solely of tax credits versus tax credit dollars. The allocation will result in $1.365 million ($3.5 million times 39%) of tax credits to be used by Boscov to offset taxable income. Also, the Authority will not be subject to any recapture risk to the Investor.
- The Authority's approval of the $3.5 million NMTC allocation provides Mr. Boscov the incentive to invest in the Project. It is through this medium the Authority is supporting the construction of a Demonstration School in the Urban Aide community of Vineland, NJ.

- A total of 25 full-time jobs will be created from the adult education, pool and women, infants and children's programs.
- Vineland has more than adequate cash flow to service the annual debt service during construction. Post construction, lease income generated by the School is sufficient to cover annual debt service.

Recommendation:

Based on the above, approval of a $3.5 million NMTC allocation is recommended.

Prepared by David A. Lawyer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: January 9, 2007

SUBJECT: Projects Approved Under Delegated Authority
For Informational Purposes Only

The following projects were approved under delegated authority in December 2006:

New Jersey Business Growth Fund:

1) Bright Lights USA, Inc. (P17867) located in Barrington Borough, Camden County was formed in 1990. The company operates as a manufacturer of electrical and mechanical parts for aeronautical, automotive and marine equipment. The company also acts as a distributor of instrumentation gauges. PNC has approved a $132,750 loan with a 25% ($33,188) five year guarantee. Proceeds will be used to purchase equipment. The company currently has 40 employees.

2) Leonard Katz (P17903) for the benefit of Katz Pierz Inc., is located in Cherry Hill Township, Camden County. The company formed in 1987, provides insurance and sales services. PNC has approved an $850,000 loan with a 25% ($212,500) five year guarantee. Proceeds will be used to purchase real estate. The company currently has nine employees and anticipates creating an additional six employees within the next two years.

3) TIPS/WCC Inc. (P17886) located in Shamong Township, Burlington County was formed in 1986. The company is an equipment/warehousing rental company. PNC has approved a $104,400 bank loan with a 25% ($26,100) five year guarantee. Proceeds will be used for the purchase of machinery and equipment. The company currently has two employees and anticipates creating an additional job within the next two years.

4) TJLA Enterprises, LLC (P17863) located in Mount Laurel Township, Burlington County was formed in 2006. The company manufactures medical device equipment. PNC has approved a $500,000 loan with a 25% ($125,000) five year guarantee. Proceeds will be used to refinance real estate. The company currently has 22 employees and anticipates creating an additional two employees within the next two years.

5) Village Capital and Investment, LLC (P17884) located in Mount Laurel Township, Burlington County was formed in 2004. The company provides retail and wholesale mortgage broker services. PNC has approved a $172,530 loan with a 25% ($43,132) five year guarantee. Proceeds will be used for the purchase of machinery and equipment. The company currently has 110 employees and anticipates creating an additional 50 employees within the next two years.

Preferred Lender Program:

1) Chelton House Products, Inc. (P17900) located in Logan Township, Gloucester County was formed in 1940. The company is a manufacturer of all-natural and organic salad dressings and marinades. Commerce Bank has approved a $750,000 loan with a 50% ($375,000) Authority participation for the purchase of equipment and machinery. The company currently has 80 employees and anticipates creating an additional five employees within the next two years.

Camden ERB:

1) Camden Law Building, LLC and Loughry and Lindsay, LLC (P17788) located in Camden was formed in 2002 for the acquisition, renovation and management of the property located at 330 Market Street. The company was approved for a $19,250 Business Improvement Incentive Grant. Proceeds will be used for renovations (primarily the installation of interior storm windows to improve the efficiency of the building), updating the plumbing and improving the HVAC system. The company currently has four employees and anticipates creating an additional job within the next two years.

2) Lotus Medicine d/b/a Westfield Family Pharmacy (P17567) located in Camden was formed in 2004. The company is a full service pharmacy. The company was approved for a $20,000 Business Improvement Incentive Grant. Proceeds will be used for renovations which consist primarily of replacing the roof, updating the HVAC system, improving the lighting in the parking lot and having a mural painted on the facade of the building. The company currently has three employees and anticipates creating an additional four employees within the next two years.

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: The Technology Centre of New Jersey
Commercialization Center for Innovative Technologies
Corporate Spin-out Companies and Projects

DATE: January 9, 2007

Summary
I am asking the Members to revise its delegation of leasing authority for the Commercialization Center for Innovative Technologies (CCIT) to allow for the lease of space to established, larger technology companies seeking to create spin-out businesses focused on the development and marketing of new technologies. At the January 2002, the August 2004 and the February 2005 Meetings, the Members approved the delegation of leasing authority for CCIT to senior staff.

Background
The CCIT serves as an incubator for Life Science/Biotechnology start-up businesses within the Technology Centre of New Jersey campus. CCIT, although still relatively new when compared to other State incubators, has an established track record of success relative to the growth and development of start-up businesses in this strategic market segment. As much as CCIT will continue to focus on attraction and development of start-up businesses from New Jersey, the region, the nation at large, and international start-ups seeking a "soft-landing," future growth can also be realized through support of corporate spin-outs and special projects. This new dimension advances the goals of the Authority's Edison Innovation Fund Initiative by fostering ties with corporations in the private sector in order broaden our overall technology bases, create "public/private" sector synergy, and to create more high paying jobs.

Today's technology businesses (especially pharmaceutical and life science companies) utilize cross-functional teams and/or independent small businesses for research, product development and product support. Large companies routinely create small "spin-out" businesses to act

independent of the parent company as they focus on development of new technology and explore new markets. This outsourcing of special projects which ultimately leads to new products, increased sales and new jobs, provides new opportunities for incubators. An incubator, such as CCIT, can provide a temporary "satellite" location for concentrated, focused work in a controlled environment within a scientific setting ideal for corporate spin-outs. Not only does this help support general business growth in the State, but also provides a unique opportunity to leverage the knowledge and resources of larger companies within an incubator setting. Benefits through tenant interaction, collaborations, site programs, and networking can be invaluable to the growth, reputation, and image of an incubator such as CCIT. Moreover, this "value-added" concept further distinguishes the Tech Centre and CCIT as the hub for innovative activity within the Greater New Brunswick Innovation Zone.

The current leasing delegation for CCIT requires that prospective tenants be operating less than five years and be developing proprietary technology which contributes significantly to the company's operating revenue. Established, larger companies will more than likely have been operating for more five years. While spin-out companies do develop proprietary technology, they do not contribute significantly to the parent company's operating expenses. I am asking that these two criteria be waived for established, larger life science and biotechnology companies that wish to establish a temporary location for its spin-out company or special project at CCIT. Other leasing criteria (i.e. developing proprietary technology, being a 'for-profit' enterprise, being approved by the CCIT Advisory Board, having a business plan in final form and not presenting a debarment issue) will continue to apply. Leases for temporary spin-out space will be subject CCIT"s standard size and length of term limitations.

Merial (a global leader in animal health and the first Tech Centre tenant) is the first corporation to request use of a laboratory at CCIT to support development of a new compound which will allow them to expand into a new market. This new product is of strategic importance to Merial and, going forward, they are looking to expand their building, add a large back-up generator, sign a new long term lease, and potentially put a new building on the site's last remaining undeveloped pad. Support of this project will serve to build a stronger relationship with an important Tech Centre tenant while providing a model for public/private sector interaction outlined in the Governor's Economic Growth Strategy.

Recommendation

In summary, I am asking the Members to revise its delegation of leasing authority for the CCIT as described above to allow for the limited utilization of CCIT incubator space by established, larger companies for either spin-out companies or special projects as a means to promote public/private sector collaborations, enhance the ability of CCIT to leverage corporate resources in support of the incubation process, and access a new revenue stream.

Prepared by : Donald Shatinsky

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: License Agreement

DATE: January 9, 2007

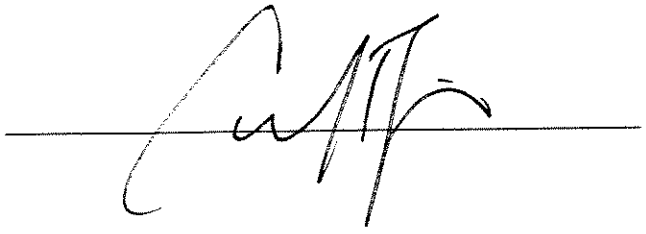
Summary
I am requesting the Members' approval to enter into a License Agreement with the State of New Jersey, Division of Property Management & Construction (DPMC) for space at Renaissance Place at the Trenton Office Complex.

Background
The Authority financed and developed the Trenton Office Complex for lease to the State of New Jersey. Completed in 1992, the complex includes 23,000 sf of ground floor retail space (Renaissance Place) in the Motor Vehicles Commission headquarters on East State Street that DPMC subleases back to the Authority. DPMC currently requires additional office space for use by various state agencies and departments on a temporary basis. Suite #2 (1,950 square feet) is currently available at Renaissance Place to accommodate DPMC's needs. DPMC has requested use of this space on a month to month basis for general office use by state employees during normal business hours. DPMC will be responsible for maintaining and insuring the space and will reimburse the Authority for all reasonable and customary operating expenses but will have no obligation to pay rent. The Authority, in its sole discretion, has the ability to terminate the License Agreement upon twenty (20) days notice to DPMC.

The attached specimen form of License Agreement is in substantially final form. The final document will be subject to revision, although basic terms and conditions will remain consistent with those in the attachment. Final terms of the License Agreement 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 enter into a License Agreement with the State of New Jersey, Division of Property Management & Construction for use of space at Renaissance Place on a month to month basis, on terms acceptable to the Chief Executive Officer and the Attorney General's Office.



Attachment

Prepared by: Donna Sullivan

LICENSE AGREEMENT

THIS LICENSE AGREEMENT is made this _____ day of _____, 200_, by and between THE STATE OF NEW JERSEY, DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION (hereinafter DPMC - NJ)

and

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (hereinafter NJEDA);

WITNESSETH

WHEREAS, NJEDA, pursuant to a master lease agreement, leases certain retail office space located at 225 E. State Street, Retail Units #1 through #13, Trenton, New Jersey, from the State of New Jersey, Department of Treasury, as shown on the drawing attached hereto as Exhibit "A" (herein referred to as the "Leased Premises"); and

WHEREAS, DPMC-NJ requires the use of additional office space for use by various agencies and departments of the State of New Jersey; and

WHEREAS, NJEDA is willing to permit DPMC-NJ short-term, exclusive use of a portion of the Leased Premises (Suite #2 @ 1,950 Square Feet) for the purpose of providing temporary office space to the DPMC-NJ for use by various agencies and departments of the State of New Jersey.

NOW, THEREFORE, the Parties hereto, for and in consideration of the foregoing premises and of the mutual promises set forth below, with the intention of being legally bound, agree as follows:

1. Right of Entry and Use: NJEDA does hereby grant a right of ingress and egress to Suite #2 (defined below) and a license for month to month, exclusive use of a portion of the Leased Premises, as shown on the drawing attached hereto as Exhibit "B" (herein referred to as "Suite #2") for the purpose of general office use by State employees, Monday through Friday, during normal business hours. DPMC-NJ will not allow others to occupy or use Suite #2 or any part thereof for any purposes other than as specified herein. The parties agree that this License is not intended to and does not create a leasehold interest in Suite #2.

2. Term: Suite #2 will be available to DPMC-NJ for the purpose set forth herein from the date of execution of this License Agreement and continuing on a month to month basis, at the sole discretion of the NJEDA.

3. Rent, Operating Expenses: During the term of this License, DPMC-NJ will have no obligation to pay rent to NJEDA. During the term of this License, DPMC-NJ will be responsible to reimburse NJEDA for all reasonable and customary operating expenses for Suite #2, and shall remit payment of operating expenses monthly to the NJEDA without notice or demand promptly each month. For the 2006 calendar year, operating expenses are $6.25 per sf./yr. increased annually based on the rate of change in the Consumer Price Index (CPI). Operating expenses include dry trash removal, building maintenance, common area charges, snow removal, and exterior window cleaning, thermal and chilled water to supply heating ventilation and air conditioning (HVAC system) but does not include the electric for blowers, preheat, etc. on DPMC-NJ's electric meter not included in CAM expenses. DPMC-NJ is responsible for electricity (separately metered), association fees (i.e., Trenton Downtown Association), office cleaning, and any other DPMC-NJ specific utilities (i.e., gas, telephone, etc.). The provisions of this Paragraph 3 shall survive the expiration or earlier termination of this License Agreement.

4. Condition of the Premises: During the term of this License, DPMC-NJ will take good

care of Suite #2 and maintain Suite #2 in good condition and state of repair, and at the end or other expiration of the term hereof, will deliver up Suite #2 in good order and condition, wear and tear from a reasonable use thereof, and damage by elements not resulting from the neglect or fault of DPMC-NJ, excepted. DPMC-NJ shall be responsible for the cost of maintenance and any and all repairs required to be made to Suite #2 as a result of damage to Suite #2 caused by DPMC-NJ, its agents, employees, contractors, invitees, and patrons or the various agencies and departments of the State of New Jersey that occupy Suite #2.

5. Alterations/Signs: No alterations, additions or improvements will be made to Suite #2 by DPMC-NJ. DPMC-NJ may not place nor allow to be placed any signs upon, in or about the Leased Premises or Suite #2.

6. Liability: During the term of this License, DPMC-NJ assumes all risks and liability associated with use of Suite #2 and NJEDA shall have no responsibility in this regard.

7. Legal Compliance: DPMC-NJ shall comply with all applicable laws, regulations, and ordinances associated with its use of Suite #2.

8. Indemnification: To the extent permitted by the NJ Tort Claims Act (N.J.S.A. 59:1-1 et seq.), DPMC-NJ hereby agrees to indemnify, save, defend, and hold harmless the NJEDA and its officers, members, and employees from and against any and all liabilities, penalties, damages, claims, costs, charges, and expenses, including without limitation, court costs and reasonable attorney's fees which may be imposed or asserted against NJEDA from any cause or in any manner whatsoever from DPMC-NJ and its agents, employees, contractors, invitees, and patrons use and operation of Suite #2. The provisions of this Paragraph 8 shall survive the expiration or earlier termination of this License Agreement.

9. Insurance: DPMC-NJ will be required to provide insurance of the prescribed types and minimum amounts set forth below. All insurance policies required shall be maintained in full force during the term of this License Agreement. Each policy shall contain the provision that no cancellation or material change in the policy shall be effective unless and until thirty (30) days prior written notice of such cancellation or change has been given to the NJEDA.

Prior to entering into and occupying Suite #2 under this License Agreement, DPMC-NJ shall furnish the NJEDA with insurance certificates evidencing that the required coverage is in force. The NJEDA shall not be liable for the payment of any premiums under the foregoing. The insurance companies indicated on the certificates shall be authorized to do business in the State of New Jersey and shall be reasonably acceptable to the NJEDA.

Neither approval by the NJEDA nor failure to disapprove insurance certificates furnished by DPMC-NJ shall release DPMC-NJ of full responsibility for all liability as set forth in the indemnification clause stated in Paragraph 8, entitled Indemnification.

The minimum requirements of insurance to be carried by DPMC-NJ shall be as follows:

A. Commercial General Liability Insurance:

Commercial General Liability Insurance shall be in an amount not less than Five Million Dollars ($5,000,000) combined single limit, or equivalent, for Bodily and Personal Injury and Property Damage in any one occurrence. Coverage shall include contractual liability for the liabilities assumed under Paragraph 8, entitled Indemnification, above. NJEDA shall be named as an Additional Insured on all Commercial General Liability and Umbrella policies.

B. Workers Compensation Insurance:

1) Statutory benefits as required by the Workers Compensation Laws of the State of New Jersey, each certificate of Insurance shall indicate that the insurance company is qualified to issue insurance pursuant to the laws of the State of New Jersey.

2) Employers Liability Insurance in the amount of Five Hundred Thousand Dollars ($500,000) or as otherwise required by law.

10. Default: If DPMC-NJ shall fail to comply with any of the terms, covenants, conditions, or agreements to be performed by DPMC-NJ pursuant to the terms of this License Agreement for a period of ten (10) days following written notice, an event of default ("Event of Default") by DPMC-NJ shall have occurred. Upon any Event of Default, NJEDA will have the right to do once and more often any one or more of the following:

(i) declare this License Agreement ended; and

(ii) lease all or any part of Suite #2 to any other entity.

11. Termination By NJEDA: It is understood and agreed that the NJEDA hereby reserves unto itself the right to terminate this License Agreement at any time, for any reason whatsoever, upon giving not less than twenty (20) days prior written notice to DPMC-NJ. In the event of NJEDA exercising such right of termination, the NJEDA shall be without further liability whatsoever to DPMC-NJ under this License Agreement except for those provisions that expressly survive the expiration or earlier termination of this License Agreement.

12. Termination By DPMC-NJ: It is understood and agreed that the DPMC-NJ hereby reserves unto itself the right to terminate this License Agreement at any time, for any reason whatsoever, upon giving not less than twenty (20) days prior written notice to NJEDA. In the event of DPMC-NJ exercising such right of termination, the DPMC-NJ shall be without further liability whatsoever to NJEDA under this License Agreement except for those provisions that expressly survive the expiration or earlier termination of this License Agreement.

13. Assignment: DPMC-NJ shall not assign this License Agreement, not any interest herein, in whole or in part, without prior written approval from the NJEDA.

14. Application of Laws and Regulations: This License Agreement shall be interpreted under the laws of the State of New Jersey.

15. Notices: All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when mailed by certified mail, return receipt requested, addressed to the intended recipient as follows:

If to DPMC-NJ:

_____

Sate of New Jersey – Division of Property Management

Trenton, NJ 08625

With a copy to:

If to NJEDA:

David E. Nuse, Director, Real Estate Development Division
New Jersey Economic Development Authority

P.O. Box 990
Trenton, NJ 08625-0990

With a copy to:

Edward G. Pillsbury, DAG
Department of Law & Public Safety
Division of Law - Treasury Section
Hughes Justice Complex
P.O. Box 106
Trenton, NJ 08625-0106

16. Amendment: This License Agreement may not be amended except upon written consent of both parties hereto.

17. Incident Reporting: All accidents or injuries to persons, or any damages, occurring as a result of DPMC-NJ use of Suite #2 shall be reported promptly to the Director of the NJEDA Real Estate Development Division.

18. Claims: Notwithstanding any provision in this License Agreement to the contrary, the parties hereto agree that any and all claims based in tort made by DPMC-NJ or anyone else against NJEDA for damages, including, but not limited to costs and expenses, shall be governed by and subject to the limitations of the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 et seq.) and that any and all claims based in contract made by DPMC-NJ or anyone against NJEDA for damages, including, but not limited to costs and expenses, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq).

19. Waiver: A waiver by any party of a breach or default by the other party of any provision of this License Agreement shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.

20. Captions: All headings preceding the text of the several sections and paragraphs

hereof are inserted solely for the convenience and reference of the parties and shall not constitute a part of this License Agreement, nor shall they affect the meaning or interpretation thereof.

21. Severability: In any provision of this License Agreement shall be invalid or unenforceable, in whole or in part, such provision and this License Agreement shall be deemed and construed to be modified or restricted to the extent that and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this License Agreement as the case may require.

22. NJEDA Representations: NJEDA hereby represents and warrants to DPMC-NJ that (i) NJEDA is the lessor of the Leased Premises, (ii) NJEDA has full right, title and authority to grant the rights to DPMC-NJ as set forth in this License Agreement without the necessity of obtaining any approvals, consents or taking any other action (including, without limitation, and public or administrative hearings or actions), (iii) this License Agreement is legally binding on NJEDA, (iv) the rights granted herein will not violate any applicable laws, codes, rules, orders, or zoning of any governmental authority, and (v) the rights granted herein will not violate any contractual or other agreements (including, without limitation, leases) between NJEDA and any third party.

23. DPMC-NJ Representations: DPMC-NJ hereby represents and warrants to NJEDA that DPMC-NJ has full right, title and authority to enter into this License Agreement without the necessity of obtaining any approvals, consents or taking any other action.

IN WITNESS WHEREOF, and intending to be bound hereby, the parties hereto

have caused this License Agreement to be duly executed, effective as of the day and year first above written.

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

_____

By:_____

ATTEST:

STATE OF NEW JERSEY, DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION

_____

By:_____

EXHIBIT "A"

EXHIBIT "B"

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Amendment to Sublease Agreement with Greater Camden Partnership
NJEDA Camden Office

DATE: January 9, 2007

Summary
I am asking the Members to approve an amendment to our sublease agreement with The Greater Camden Partnership ("GCP") for office space the Authority currently leases from Victor Associates, L.P. ("Victor"). The amendment will allow GCP to satisfy a rent arrearage by providing in-kind services to the Authority's Camden Waterfront Technology Center.

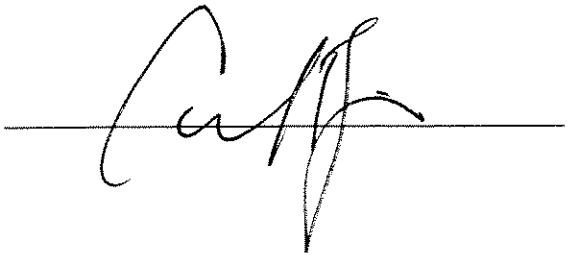
Background
At the March 2004 meeting, the Board approved a sublease agreement with GCP for 1,000 square feet within the Authority's leased space at One Market Street in Camden. The GCP is a non-profit group dedicated to Camden's revitalization. The GCP operates the Camden Special Services District, a program to bring enhanced maintenance and security to downtown Camden.

As of December 2005, GCP had an accumulated balance due to the Authority of $50,640.50 for rental arrearage, furniture purchases and utilities. The GCP has made current monthly rent payments during 2006. The proposed lease amendment allows GCP to satisfy its 2005 rent balance by providing security and landscaping services to the Authority's Waterfront Technology Center. The Authority would otherwise need to procure these services through an outside vendor. We anticipate that, by mid-May 2007, the credit GCP earns for the additional services provided in accordance with the lease amendment will offset GCP's rent balance.

The attached amendment to the sublease is in substantially final form. The final form of the amendment may be subject to revision, although the basic terms and conditions will remain consistent with its current form. The final terms of the amendment will be subject to approval of the CEO and the Attorney General's Office.

Recommendation

In conclusion, I am requesting the Members' approval to enter into an amendment to our sublease agreement with The Greater Camden Partnership to allow GCP to satisfy a rent arrearage at One Market Street by providing in-kind services to the Authority, on terms generally consistent with the attached document.



Attachment

Prepared by: Christine Roberts

LEASE AMENDMENT AGREEMENT

THIS LEASE AMENDMENT AGREEMENT (the "Lease Amendment"), made the _____ day of _____, 2007 is by and between THE GREATER CAMDEN PARTNERSHIP ("Tenant"), and THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("Landlord").

WHEREAS, Tenant and Landlord entered into a certain Lease Agreement (the "Lease") dated May 5, 2004 for a portion of certain space located in Retail Unit 1-1C at The Victor Building in Camden, New Jersey (the Premises); and

WHEREAS, by mutual mistake of Tenant and Landlord, Tenant has not paid any Base Rent or Additional Rent for the year 2004 or the year 2005 and there is currently $50,640.50 of accrued but unpaid Rent and Additional Rent (the "Rental Arrearage") owed by Tenant to Landlord in connection with the Lease; and

WHEREAS, Landlord is the owner of a certain 4.2 acre parcel of land and building in the City of Camden bounded by Delaware Avenue, Federal Street, Third Street and Mickle Boulevard (excluding the YMCA property) and commonly know as the Camden Waterfront Technology Center (the "WTCC"); and

WHEREAS, Tenant has requested that Landlord allow Tenant to satisfy the Rental Arrearage by performing certain landscaping and ambassador services for Landlord at the WTCC; and

WHEREAS, Landlord and Tenant wish to amend certain provisions contained in the Lease more fully set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties amend the Lease as follows:

Paragraph 1. The recital clauses set forth above are hereby deemed to be a part of this Lease Amendment as though set forth verbatim at length herein.

Paragraph 2. Landlord and Tenant hereby confirm and agree that as of December 31, 2006, Tenant has satisfactorily performed _810.83_____ hours of Tenant's Services. Accordingly, as of December 31, 2006, Tenant has earned a credit against Rental Arrearages in the amount of $_24,315_____ (i.e. 810.50_____ hours x $30.00 per hour) and the remaining balance of Rental Arrearage (as of December 31, 2006) is $___26,325.50_____.

Paragraph 3. Tenant shall continue to perform Tenant's Services described in Section 38 (set forth below) until the entire Rental Arrearage has been satisfied. Tenant's Services performed and reported in accordance with Section 38 shall be credited against Rental Arrearage at the rate of thirty ($30.00) dollars per man-hour of Tenant's Services. In the event that any Rental Arrearage remains

unsatisfied as of October 31, 2009, Tenant shall, on November 1, 2009, pay to Landlord the full amount of the remaining Rental Arrearage.

Paragraph 4. Tenant's Services shall be applied to and credited against only the Rental Arrearage described above; and, in no event shall Tenant's Services be applied to or credited against any Rent, Additional Rent or other charges that accrue on or after January 1, 2006. Tenant shall continue to pay the full amount of Rent and Additional Rent for 2006 and subsequent years of the Term of the Lease.

Paragraph 5. A new Section 38 is added to the Lease as follows:

38. TENANT'S SERVICES.

38.1 Tenant's Services. Tenant shall continue to perform landscaping services and ambassador services at Landlord's WTCC (the "Tenant's Services") as follows:

(i) During the period of April 1st through October 31st of each year until the Rental Arrearage is completely satisfied, Tenant shall perform eight (8) man-hours per week of landscaping, weeding and litter patrol services.

(ii) During the period of November 1st through March 31st of each year until the Rental Arrearage is completely satisfied, Tenant shall perform three (3) man-hours per week of landscaping, weeding and litter patrol services.

(iii) During each year until the Rental Arrearage is completely satisfied, Tenant shall provide forty (40) man-hours per week of ambassador services. Ambassador services shall consist of workers who wear distinct yellow vests while walking and riding bicycles through the WTCC parking lot and around the WTCC building to monitor areas, improve safety and reduce incidents of graffiti. Ambassador services shall be provided from 8 am to 4 pm each business day.

(iv) Until the Rental Arrearage is completely satisfied, Tenant shall provide such additional man-hours of landscaping, weeding, litter patrol and ambassador services requested of Tenant by Landlord via letter or e-mail.

38.2 Anticipated Credits Against Rental Arrearage. It is anticipated that Tenant will earn credit against the Rental Arrearage as follows:

(i) An Initial credit of $2,160 for 72 man-hours of landscaping and weeding services performed by Tenant in June, 2006 has been included in the credit calculated in Paragraph 2, above.

(ii) During the period from April 1st through October 31st, $1,440.00 per week by providing forty eight (48) man-hours of Tenant's Services per week for

thirty-one (31) weeks,

(iii) During the period from November 1st through March 31st, $1,290.00 per week by providing forty three (43) man-hours of Tenant Services per week for twenty-one (21) weeks,

(iv) It is anticipated that by May 18, 2007, the entire Rental Arrearage will be satisfied and reduced to $0.00.

38.3 Tenant's Services Reporting. Tenant shall provide to Landlord a monthly certificate stating Tenant's Services rendered during the previous month and the total amount of the credit against Rental Arrearage that Tenant seeks for work preformed during the previous month, which Landlord will have thirty (30) days to review.

38.4 Indemnification. Tenant hereby agrees to indemnify, save, defend, and hold harmless the Landlord and its officers, members, and employees from and against any and all liabilities, penalties, damages, claims, costs, charges, and expenses, including without limitation, court costs and reasonable attorney's fees which may be imposed or asserted against Landlord from any cause or in any manner whatsoever from or related in any way to Tenant's Services.

38.5 Insurance. Until the Rental Arrearage is fully satisfied, Tenant shall maintain in full force at its' sole cost and expense the following types and minimum amounts of insurance:

(i) Commercial General Liability and, if necessary, Commercial Umbrella insurance with a combined limit of not less than one million dollars ($1,000,000) each occurrence. Insurance shall be written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) and shall cover liability arising out of, occasioned by or resulting from, products, completed operations, personal injury and advertising injury, premises, operations, independent contractors, and liability assumed under an insured contract. Any deductible, or self-insured retention, applicable to the aforementioned insurance shall be approved by Landlord, such approval not to be unreasonably withheld or delayed, and written using ISO endorsement CG 03 00 (or a substitute providing similar terms and conditions) which otherwise requires the Tenant to be responsible for the deductible or retention. Landlord shall be included as an additional insured under the Tenant's Commercial General Liability policy using ISO additional insured endorsement CG 20 11 (or a substitute form providing similar coverage), and under the Commercial Umbrella, if any. Coverage shall include contractual liability for the liabilities assumed under Section 38.4, entitled "Indemnification", above.

(ii) Workers' Compensation , and Employers' Liability covering all of it's employees performing Tenant's Services on, in, or about WTCC in accordance with applicable statutes of the State of New Jersey and endorsed to include coverage for

any federal or other state law that may be found to have legal jurisdiction. The Employers' Liability limits shall not be less than the amount statutorily required.

38.6 Landlord Termination of Tenant's Services. If, in Landlord's sole discretion, Tenant does not provide Tenant's Services in a manner satisfactory to Landlord, Landlord will provide Tenant with a notice of termination of Tenant's Services and the balance of the Rental Arrearage will become due and payable to Landlord within sixty (60) days of Landlord's notice of termination to Tenant.

Paragraph 7. Miscellaneous

a. Except as expressly modified hereby, all terms, conditions, definitions, undertakings and covenants of the Lease shall remain in full force and effect, are hereby ratified and confirmed by the parties hereto and are in no way abrogated by this Lease Amendment.

b. Capitalized terms used within this Lease Amendment but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

c. This Lease Amendment reflects the entire agreement of the parties with respect to Tenant's Services and supersedes all prior letters or understandings with respect thereto in their entirety.

d. This Lease Amendment may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

e. By signing below, each person represents and warrants, on behalf of the entity for which he or she signs that the execution and delivery of this Lease Amendment and the performance of the obligations created hereby have been duly and properly authorized.

f. If any provision of this Lease Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or of the Lease.

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

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, LANDLORD

_____

By:_____
NAME: Caren S. Franzini
TITLE: Chief Executive Officer

ATTEST:

THE GREATER CAMDEN PARTNERSHIP, TENANT

_____

By:_____
NAME:
TITLE:

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Amendment to Professional Services Agreement with RealVest Capital Corp.
L-3 Communications Project (Camden)

DATE: January 9, 2007

Summary
I am requesting the Members' approval to amend the Authority's professional services agreement with RealVest Capital Corporation to pay a supplementary advisory fee for arranging reduced letter of credit fees in connection with the L-3 bond financing.

Background
In 1993, the Authority financed the Camden Aerospace Center Project through $46 million of taxable variable rate bonds secured by AAA-rated letters of credit (LOCs) from BNP Paribas. The project was a built to suit research and development facility for GE Aerospace that retained over 1,000 jobs in the City of Camden. Through a series of sales and mergers, GE Aerospace 's Camden operations are now owned by L-3 Communications Corporation (L-3).

The project lease and the AAA credit supporting it expired in 2003, replaced by L-3's BB credit. RealVest, which served as Project Finance Coordinator and worked on the original issuance, sale and remarketing of the 1993 bonds, was reappointed as Placement Agent in 2002 and worked with the Authority to restructure the bonds and extend the lease through 2018. As part of this function, RealVest re-procured LOCs and obtained a seven year credit facility from Fleet Bank (now Bank of America) for an annual fee of 1.37%.

Over the past year, L-3's credit perception has improved. At the Authority's request, RealVest contacted several major banks, including Bank of America, to determine whether we could obtain more favorable pricing on a new LOC. Initially, Bank of America indicated it would require the Authority to extend the LOC term and pay significant transaction fees in return for

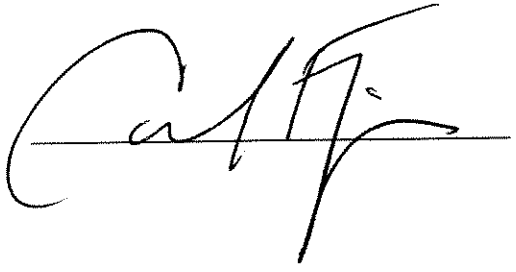
more favorable pricing. After extensive negotiations with RealVest, Bank of America agreed to reduce the annual LOC fee for the remaining three years of the original seven year term from 1.37% to 1.00% of the principal amount of outstanding bonds, plus accrued interest. This equates to an annual savings to the Authority of approximately $160,000. In order to maximize the Authority's savings, RealVest recommended that the Authority execute an LOC amendment agreement prior to 2006 year-end, which did not require Board approval, and seek modification of RealVest's professional services agreement at a subsequent meeting of the Board.

Based on prior discussions with Authority staff, for its services in arranging the reduced LOC fee RealVest has asked to be paid a supplementary financial advisory fee of 7.4 basis points (approximately $32,000 annually), equal to 20% of the 37 bps reduction in the annual LOC fees. This fee will be payable annually along with RealVest's present remarketing and indexing fees for the duration of any such annual savings from the original base LOC fee of 1.37%.

The revised fee will be memorialized through an amendment to RealVest's existing professional services agreement with the Authority. The final document will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.

Recommendation

In conclusion, I am requesting the Members' approval to execute an amendment to RealVest Capital Corporation's professional services agreement to pay a supplementary financial advisory fee in connection with RealVest's work in arranging reduced letter of credit fees on the L-3 bond financing.



Attachment
Prepared by: David E. Nuse

Realvest

REALVEST CAPITAL CORPORATION
708 THIRD AVENUE, 6TH FLOOR
NEW YORK NY 10017
TEL. 212.362.4400
FAX. 212.209.7135
INFO@REALVESTCAPITAL.COM

December 22, 2006

Mr. David Nuse, Director
Real Estate Division
The New Jersey Economic Development Authority
36 West State Street
Trenton NJ 08625

RE: NJEDA Variable Rate Lease Revenue Bonds (Camden Aerospace Center Project):
Supplemental Financial Advisory Fee -

Dear David:

As you now, we have been working for several months on a plan to reduce the Letter of Credit (LOC) fees on the above Bonds. We had first reviewed the various alternatives with Mr. Tim Lizura, then head of the Real Estate Division, and subsequently, with Mark Cowin, in Investment Management.

Our plan was to approach several highly-rated banks to obtain preliminary indications of competitive pricing on these LOC fees, and either re-procure the LOCs at a lower rate or negotiate a lower fee structure with the Bank of America, N.A. (the "Bank"), the current LOC provider. In order to minimize the upfront costs to the Authority, we proposed a Supplemental Financial Advisory Fee equal to 20% of any reduction in the annual LOC fees from the current 1.37% annual fee. This fee would be payable annually in advance, at the same time as our present remarketing and indexing fees, for the duration of any such annual savings from the original base LOC fee. After checking internally with other staff members, Mr. Lizura authorized us to proceed on that basis.

We have since negotiated with the Bank to obtain a reduction in the LOC fees from 1.37% times the principal amount of outstanding Bonds, plus accrued interest at the rate specified in the Bond Indenture, to 1.00% of that amount through the current LOC expiration date of December 30, 2009. On or before that date, the Authority will determine its preferences and may authorize us to re-procure or renegotiate an extension of the term of the LOCs. The present reduction offered by the Bank does not require an extension of the present interest-rate swap or any new hedge agreement.

We understand that this Supplemental Advisory Fee arrangement requires Board approval, and would appreciate its presentation to the Board at the earliest practicable time.

Thank you for your assistance.

Very truly yours,

Gilbert Sandler
Managing Director
REALVEST CAPITAL CORPORATION