



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: July 10, 2007
SUBJECT: Agenda for Board Meeting of the Authority July 10, 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. **Authority Matters**
11. **Public Comment**
12. **Adjournment**



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 12, 2007

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Virginia Bauer, Secretary of the NJ Commerce, Economic Growth and Tourism Commission; Lopa Kolluri, representing the State Treasurer; Bernie Piaia representing the Commissioner of Education; Joseph Latoof representing the Commissioner of the Department of Labor and Workforce Development; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; Steve Plofker, Timothy Carden, Charles Sarlo, and Philip Kirschner, Public Members; Raymond Burke, Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Thomas Manning, Public Member and Carmen Twillie Ambar, Alternate Public Member.

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

Chairman Van Horn called the meeting to order at 10:04a.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.

Chairman Van Horn mentioned Carlos Median has resigned from the Board and thanked him for his service.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the May 8, 2007 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Piaia, seconded by Mr. Latoof and was approved by the 9 members present.

The next item of business was the approval of the May 8, 2007 Executive Session minutes. A motion was made to approve the minutes by Mr. Piaia, seconded by Mr. Latoof and was approved by the 9 members present.

Mr. Kirschner entered the meeting at this time.

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

Ms. Kolluri entered the meeting at this time.

BOND RESOLUTIONS

PROJECT: Hamilton Area Young Men's Christian Association **APPL.# 18304**
LOCATION: Hamilton Twp./Mercer Cty. **BUSINESS:** Not-for-profit community org.
PROCEEDS FOR: bldg. const.
FINANCING: \$5,500,000 Tax-Exempt Bond

PROJECT: Hamilton Area Young Men's Christian Association **APPL.# 18303**
LOCATION: Hamilton Twp./Mercer Cty. **BUSINESS:** Not-for-profit community org.
PROCEEDS FOR: refunding
FINANCING: \$4,500,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Plofker **SECOND:** Ms. Bauer **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Ranney School **APPL.# 18380**
LOCATION: Tinton Falls Borough/Monmouth Cty. **BUSINESS:** Not-for-profit independent prep. school
PROCEEDS FOR: bldg. constr.
FINANCING: \$17,000,000 Tax-Exempt Bond

PROJECT: Ranney School **APPL.# 18418**
LOCATION: Tinton Falls Borough/Monmouth Cty. **BUSINESS:** Not-for-profit independent prep. school
PROCEEDS FOR: refunding.
FINANCING: \$6,805,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Kirschner **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Mr. Sarlo entered the meeting at this time.

PROJECT: Visiting Nurse Association of Northern New Jersey, Inc. **APPL.# 18216**
LOCATION: Morristown Town/Morris Cty. **BUSINESS:** Not-for-profit home health care org.
PROCEEDS FOR: refinance
FINANCING: \$4,000,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Kirschner **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Cascade Corporation for the benefit of Courthouse **APPL.# 18549**
Convalescent and Rehabilitation
Eastern Shore Nursing and Rehabilitation Center
LOCATION: Middle Twp./Cape May Cty. **BUSINESS:** Not-for-profit health care org.
PROCEEDS FOR: refinancing
FINANCING: \$660,000 Tax-Exempt Bond \$1,780,000 Taxable Bond

PROJECT: Cascade Corporation for the benefit of Courthouse **APPL.# 18482**
Convalescent and Rehabilitation
Eastern Shore Nursing and Rehabilitation Center
LOCATION: Middle Twp./Cape May Cty. **BUSINESS:** Not-for-profit health care org.
PROCEEDS FOR: refunding
FINANCING: \$11,560,000
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Challenge Printing Company, Inc., The **APPL.# 18488**
LOCATION: Clifton City/Passaic Cty. **BUSINESS:** Pharmaceutical printer
PROCEEDS FOR: equip. purch.
FINANCING: \$2,200,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Plofker **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Harrogate, Incorporated **APPL.# 18495**
LOCATION: LakewoodTwp./Ocean Cty. **BUSINESS:** Not-for-profit continuing care
retirement community
PROCEEDS FOR: bldg. const. & renov./working capital
FINANCING: \$37,500,000 Tax-Exempt Bond (Est.)

PROJECT: Harrogate, Incorporated **APPL.# 18502**
LOCATION: Lakewood Twp./Ocean Cty. **BUSINESS:** Not-for-profit continuing care
retirement community
PROCEEDS FOR: refunding
FINANCING: \$16,000,000 Tax-Exempt Bond (Est.)
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Somerset Hills Learning Institute, Inc. **APPL.# 18563**
LOCATION: Bedminster Twp./Somerset Cty. **BUSINESS:** Not-for-profit private school
PROCEEDS FOR: refinancing
FINANCING: \$3,000,000 Tax-Exempt Bond
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Kirschner **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 7
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: Hatteras Press, Inc. **APPL.#18541**
LOCATION: Tinton Falls Borough/Monmouth Cty. **BUSINESS:** Printing company
PROCEEDS FOR: equip. purch.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

PROJECT: L.P. Thebault Company **APPL.#18545**
LOCATION: Parsippany-Troy Hills Twp/Morris Cty. **BUSINESS:** Printing company
PROCEEDS FOR: equip. purch.
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

PROJECT: Toscana Cheese Company, Inc. **APPL.#18550**
LOCATION: Secaucus/Hudson Cty. **BUSINESS:** Mfr. of cheese
PROCEEDS FOR: bldg. acqui./equip. purch.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

BOND RESOLUTIONS WITH AUTHORITY EXPOSURE

PROJECT: SRSB Holdings LLC for the benefit of **APPL.#18389**
Procedyne Corporation
LOCATION: New Brunswick City/Middlesex Cty. **BUSINESS:** Mfr. of engineering equip.
PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
FINANCING: \$3,300,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 11
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: SRSB Holdings LLC for the benefit of **APPL.#18388**
Procedyne Corporation
LOCATION: New Brunswick City/Middlesex Cty. **BUSINESS:** Mfr. of engineering equip.
PROCEEDS FOR: bldg. acqui. & renov./equip. purch.
FINANCING: \$750,000 Local Development Financing Fund
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

STATEWIDE LOAN POOL PROGRAM

PROJECT: Parra & Berry, LLC for the benefit of **APPL.#18501**
M&S Product Outlet, Inc.
LOCATION: Egg Harbor City/Atlantic Cty. **BUSINESS:** Retailer of fresh fruit & veg.
PROCEEDS FOR: build. purch.
FINANCING: \$1,700,000 bank loan with a 20.6% (\$350,000) Authority participation
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Kolluri **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

LOCAL DEVELOPMENT FINANCING FUND

PROJECT: A&H Products, Inc. **APPL.#18411**
LOCATION: Hillside Twp./Union Cty. **BUSINESS:** Provider of glatt kosher
meat products
PROCEEDS FOR: equip. purch./bldg. renov.
FINANCING: \$440,000 Local Development Financing Fund loan
MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Sol Chaimovits or designated nominee for the **APPL.#18484**
benefit of General Vy-Coat, LLC
A-One Laminating Corporation
Ardel Laminating Corporation
LOCATION: Paterson City/Passaic Cty. **BUSINESS:** Mfr. of vinyl and foam
PROCEEDS FOR: bldg. acqui. & renov.
FINANCING: \$500,000 Local Development Financing Fund loan
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

EDISON INNOVATION FUND

PROJECT: Agilence, Inc. **APPL.#18390**
LOCATION: Camden City/Camden Cty. **BUSINESS:** Distributor of video analytics
PROCEEDS FOR: working capital
FINANCING: \$1,000,000 Edison Innovation Fund Investment
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Rutgers, The State University of New Jersey **APPL.#18292**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: bldg. constr.
FINANCING: \$1,000,000 Economic Recovery Board for Camden grant program
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Bauer **AYES:** 11
Chairman Van Horn
recused himself because he
is an employee of Rutgers
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

FILM TAX CREDIT TRANSFER PROGRAM

The next item was the approval of the following Film Tax Credit projects (2008 Allocation subject to State Budget appropriation).

<u>App.</u> <u>#</u>	<u>Applicant Name</u>	<u>Tax</u> <u>Credit Amount</u>	
#17	Made for Each Other, LLC	\$ 117,099	

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

<u>App.</u> <u>#</u>	<u>Applicant Name</u>	<u>Tax</u> <u>Credit Amount</u>	
#15	Modern Horror Show, LLC	\$ 1,523,524	

MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

<u>App.</u> <u>#</u>	<u>Applicant Name</u>	<u>Tax</u> <u>Credit Amount</u>	
#16	Scroll Down Films, LLC	\$ 145,817	

MOTION TO APPROVE: Mr. Sheridan **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

FINANCING: \$2,166,873 NJDEP Hazardous Discharge Site Remediation grant
PROJECT: Township of Southampton (Former Stokes Cannery) **APPL.#17848**
LOCATION: Southampton Twp./Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$232,886 NJDEP Hazardous Discharge Site Remediation grant

The next item was the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of April 2007. **(For Informational Purposes Only)**

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: NeuroTrax Corporation **APPL.#18110**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Develop of computerized cognitive assessment products & services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 20
Subject to raising \$1,000,000 in equity.

PROJECT: New York Sample Card Company, Incorporated **APPL.#18526**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Mfr. of sample books
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

BOARD MEMORANDUMS

PROJECT: Latin American Economic Development Association, Inc. **APPL.#**
LOCATION: Camden City/Camden Cty.
MODIFICATION: approval to waive the request for a new appraisal and approval to extend the loan an additional 5 years at its existing interest rate of 5%
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Kolluri **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 21

The next item was to approve \$9.192 million in predevelopment funds for the Stem Cell Institute, New Brunswick to be utilized in accordance with P.L. 2006, c. 102.

MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Bauer **AYES:** 11
Chairman Van Horn
recused himself because he
is an employee of Rutgers.

RESOLUTION ATTACHED AND MARKED EXHIBIT 22

The next item was to approve a commitment of \$78,000 to support the Business Mentoring Program and extend existing contracts for the second half of 2007, ending 12/31/07. Any funds raised from foundations or partnerships provided through banks or state agencies will continue to reduce the amount of support actually provided through this commitment.

MOTION TO APPROVE: Mr. Sheridan **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 23

The next item was the approval of the following projects under Delegated Authority for the month of May 2007: **(For Informational Purposes Only)**

New Jersey Business Growth Fund: Acey Industries, Inc., Bannett Eye Center, LLC, Bright Lights USA, Inc., North Forty, LLC, Penn Pub, Inc. & WWSBF Inc., Sign Spec., Inc., and Village Capital & Investment.

Preferred Lender Program: County Road Realty, LLC, Piper Holdings, LLC, and Sarfati, LLC.

Fund for Community Economic Development Program: City of Newark, City of Newark and City of Pleasantville.

REAL ESTATE

The next item was the approval to execute the Authority's standard form of lease with Agilence for approximately 4,400 square feet of research and development space at the Waterfront Technology Center at Camden's Tech One building, and any and all other documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Authority's Chief Executive Officer.

MOTION TO APPROVE: Mr. Plofker **SECOND:** Ms. Bauer **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 24

The next item was the approval to execute the Authority's standard form of lease with myLeaderboard, Inc. for approximately 2,056 square feet of research and development space at the Waterfront Technology Center at Camden's Tech One building.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 25

AUTHORITY MATTERS

The next item was the approval to change the minimum number of hours of employment per week required for "full-time" status, as defined by the NJ State Health Benefits Program, to 35 hours per week and offer part time employment.

MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piaia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 26

PUBLIC COMMENT

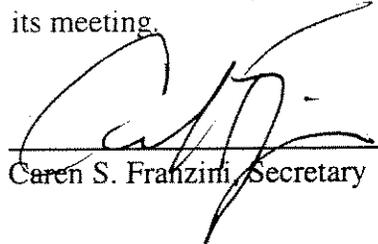
There was no comment from the public

Chairman Van Horn recognized Secretary Bauer for her work and public service to the State which is greatly appreciated. She is moving to the Port Authority, a sister agency that is key to implementing the goals of the Governor's Economic Growth Strategy and a great partner to the EDA in the Portfields effort with an extremely important roll in logistics.

There being no further business, on a motion by Mr. Carden, and seconded by Mr. Plofker, the meeting was adjourned at 11:14 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





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: Chief Executive Officer's Report to the Board

EDISON INNOVATION FUND

Since October 1, 2006 EDA has closed nine Edison Innovation Fund investments totaling \$8.25 million. These investments involve other funding sources totaling over \$41 million. Total investment associated with these projects is nearly \$50 million. These investments support the creation of 319 new jobs, and 298 existing jobs.

In addition, EDA has also executed BEIP grants worth over \$30 million to 16 technology and life sciences companies since 10/01/06. These grants support the creation of 1525 new jobs within two years, and involve total project investments of over \$120 million. These companies also reported a total of 5,844 jobs in New Jersey at the time of application.

In June 2007, the EDA closed a \$1-million Edison Innovation Fund investment in myLEADERBOARD, Inc., a provider of real-time event information transmitted to golf tournament spectators. The proceeds are being used to support the commercialization of its product, which will result in the creation of 21 new jobs. The company, currently operating out of a facility in Pennsylvania, will be relocating to the EDA's Waterfront Technology Center at Camden. Another \$1-million Edison investment was finalized with Corente, Inc. of East Brunswick, which supplies secure global delivery and management of business applications over the Internet. The funding will be used to expand its sales and channel operations in North America and Europe.

Additionally, the New Jersey Commission on Science and Technology (NJ CST) awarded more than \$10 million in Stem Cell Research Grants on June 19, including \$5.5 million for two core facilities and nearly \$5 million in individual grants.

Governor Corzine signed into law the New Jersey Stem Cell Research Bond Act in June, which directs that a referendum be placed on the November ballot asking voters to authorize the sale of \$450 million in general obligation bonds for stem cell research in New Jersey. Under the legislation, research grants would be distributed by the NJ CST, which would be required to adopt limitations on the amount of funding that could be directed to any one research institution. The EDA would be authorized to consult with the NJ CST on the commercial viability of eligible projects. Research institutions

receiving a grant and realizing a financial gain or benefit directly associated with the research funded by the grant would be required to make payments representing a reasonable return on the State's investment. The EDA would assist the State Treasurer in structuring the payment terms and conditions of the state return on investment. The payments would be deposited in a Stem Cell Research Fund and used to continue the grant program until all funds have been disbursed.

Below is an overview of EDA's activity under the Edison Innovation Fund since October 1, 2006:

	# of Projects	Current Jobs	Est New Jobs	EDA/CST Amount	Other Sources of Funding	Total Project Cost
Edison Innovation Fund	9	298	319	\$8,250,000	\$41,392,000	\$49,642,000
BEIP	16	5844	1525	\$30,110,296	NA	\$120,476,000
Loans/Bonds	5	100	31	\$18,064,938	\$5,909,794	\$23,974,732
Tax Certif Transfer (NOLs)	128	NA	NA	\$60,000,000	NA	NA
CST grants to companies	52	NA	NA	\$6,341,017	\$10,971,457	\$17,312,474
CST (Incubator Awards)	13	NA	NA	\$1,590,000	\$4,327,403	\$1,590,000
CST (Univ IP Awards)	5	NA	NA	\$1,598,546	\$2,587,132	\$4,185,678
CST (Stem Cell Grants)	18	NA	NA	\$10,274,685	NA	\$10,274,685
	246	6242	1875	\$136,229,482	\$65,187,786	\$227,455,569

NEW JERSEY URBAN FUND

Since October 1, 2006, EDA has closed 92 projects, providing over \$156 million in assistance to targeted projects in urban aid cities. This assistance, which supports over 2,583 current jobs, and the estimated creation of over 3,513 new jobs, will result in total project costs of \$376 million.

A \$248,750 participation in an \$888,000 loan from The Bank that closed in June is enabling a 60-year-old, family-operated manufacturing business to expand in Pennsauken. EDA assistance supports the maintenance of 29 full-time jobs and the expected creation of nine new jobs within two years.

Below is an overview of the EDA's activity under the New Jersey Urban Fund since October 1, 2006:

As of June 27, 2007

	# of Projects	Current Jobs	Est New Jobs	EDA Amount	Other Sources of Funding	Total Project Cost
Small Businesses	45	676	895	\$43,334,006	\$36,254,683	\$100,223,477
Medium-Sized Business	6	1028	765	\$22,384,443	\$50,000	\$103,000,000
Large Business	2	700	775	\$25,550,410	NA	\$23,700,000
Large-Scale, Commercial Redevelopment	1	0	1,000	\$22,500,000	\$50,877,000	\$73,377,000
Community Investments	37	179	78	\$41,845,203	\$35,328,715	\$75,673,918
Intermediaries	1	0	0	\$500,000	\$0	\$500,000
Total:	92	2583	3,513	\$156,114,062	\$122,510,398	\$376,474,395

CORE ACTIVITY

In June, the EDA closed a \$680,000 participation in a Sun National Bank loan to Jersey Partners, Inc. that will allow its operating company, East Rutherford Roofing to acquire a building in West Paterson to meet its expansion needs. The EDA also provided a \$480,000 direct loan that will enable Novel Box Company, Ltd., a manufacturer of jewelry boxes, displays and trays, to relocate to Union Township from Brooklyn, bringing with it 40 new jobs.

Below is an overview of core activity since October 1, 2006:

As of June 26, 2007

	# of Projects	Current Jobs	Est New Jobs	EDA Amount	Other Sources of Funding	Total Project Cost
Loans/Guarantees	19	455	208	\$5,837,067	\$11,687,334	\$17,524,401
Bonds	11	436	371	\$48,955,000	\$20,151,500	\$69,106,500
Structured Finance	1	0	30	\$125,000,000	\$260,657,305	\$385,657,305
BEIP	11	550	1038	\$5,804,077	NA	\$102,147,730
HAZ	18	0	0	\$7,132,120	\$354,101	\$7,486,221
Total:	60	1441	1647	\$192,728,264	\$292,850,240	\$581,922,157

Note: In addition to the projects noted above under core activity, EDA has also closed more than 370 Underground Storage Tank projects since January 1, 2007, providing almost \$3 million in assistance to businesses and homeowners, including those with leaking and non-leaking tanks.

Speaking Engagements:

Throughout the month of June, EDA representatives participated as attendees or speakers at 23 events, including the Chamber of Commerce Southern New Jersey Pinnacle Awards ceremony in Voorhees, the Newark Regional Business Partnership Insiders Forum, the New Jersey Technology Council CFO Awards in Jamesburg, the New Jersey Association of Women Business Owners Diversity Workshop in New Brunswick, and the Liberty Science Center Opening Celebration Gala in Jersey City.







MEMORANDUM

TO: Directors of the Corporation

FROM: Larry Hanover, Public Information Officer

DATE: June 15, 2007

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

Introduction

The SCC program was highlighted by several accomplishments during May, including:

- The unveiling of the agency's new 21st Century Schools Design Manual, which establishes design-performance standards for architects and engineers for the delivery of healthy, safe, cost-effective schools to enhance the educational environment for New Jersey students.
- The grand opening of the Wilbur Watts Intermediate School – the first new stand-alone school built in Burlington City in 43 years. The new facility will accommodate approximately 500 students in 3rd through 6th grades
- Earning a 2007 Smart Growth Award for Catto Community School – a project helping to revitalize an East Camden neighborhood – from New Jersey Future, the state's leading smart-growth advocacy group.

SCC Awards Contract for New H.B. Wilson School in Camden

The SCC Board of Directors awarded a \$21.9 million contract to Ernest Bock & Sons, Inc., of Philadelphia, to construct a new H.B. Wilson Elementary School in Camden at a special meeting May 21st.

This contract was originally awarded for \$21.4 million to SGRA Contractors, LLC, of Vineland, at the Board's April 25, 2007 meeting. The award was protested by Bock, the

second-lowest bidder. The SCC, acting on the advice of the Attorney General's Office, found SGRA's bid to be defective and upheld the protest. As a result, the SCC rejected the award to SGRA and made the new award.

The new H.B. Wilson Elementary School will accommodate up to 598 students in pre-kindergarten through 6th grades. It will help to ease overcrowding, enhance academic achievement and provide early childhood education for 3- and 4-year-olds.

The new H.B. Wilson Elementary at 8th and Woodland streets will be an 89,332-square-foot, two-story community-based facility with such features as a gym, library/media center and playground accessible to students and neighborhood residents alike. One wing of the school will be designated as an emergency shelter. During construction, students will continue to attend the existing H.B. Wilson School at nearby 9th and Florence streets. It will be razed after the new school is ready for occupancy, scheduled for early 2009.

Gensler Associates of Morristown is the design firm. The SCC will select a Construction Management Firm to oversee the day-to-day construction and building-related aspects that impact the cost, schedule and successful completion of the project. Those duties include contractor and design invoices, change-order submissions and payments.

Construction Update

Construction Status From its inception in 2002 through May 31, 2007, SCC has completed 32 new schools and 25 major additions/renovations. There are currently 29 projects under construction.

Contractor Procurement

Construction bids were advertised in May for school projects in Camden, East Orange, Harrison, Newark, Paterson, Trenton and West New York. (Exhibit A)

Construction Contracts

As of May 31, 2007, SCC has entered into construction contracts totaling \$3,038,117,471 since its inception in 2002.

School District Grants

From its inception in 2002 through May 31, 2007, the SCC has executed 2,565 Section 15 grant agreements in all 21 counties with districts that receive less than 55% of their budget in state aid. To date, 1,430 schools in 473 districts have been impacted by the Section 15 grant program. Total project costs amount to \$7,109,568,823, for which the state share totals \$2,205,245,119.

Conferences/Presentations

New Jersey Association of School Business Officials, 45th Annual Conference, 5/10/07,
Atlantic City

Launch of New SCC Design Manual, 5/15/07, New Brunswick

NJ Alliance for Action, 5/16/07, Edison

Opening of Wilbur Watts Intermediate School, 5/29/07, Burlington City

Larry Hanover





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

SUBJECT: NJEDA/Motor Vehicle Surcharges Revenue Bonds consisting of
Motor Vehicle Surcharges Revenue Bonds (Special Needs Housing Program),
2007 Series – Par Amount Not Exceeding \$160 Million
And
Motor Vehicle Surcharges Revenue Refunding Bonds, 2007 Series – Par Amount
Not Exceeding \$425 Million

BACKGROUND

P.L. 2005, c.163, the “Special Needs Housing Trust Fund Act” (the “2005 Act”), enacted on August 3, 2005, provides for funding the development of community residences and permanent supportive housing for individuals with special needs. The 2005 Act establishes the Special Needs Housing Trust Fund in the New Jersey Housing and Mortgage Finance Agency (“HMFA”) to receive up to \$200,000,000 in bond proceeds from bonds issued by the Authority pursuant to the Motor Vehicle Surcharges Securitization Act of 2004 (the “2004 Act”).

The Special Needs Housing Trust Fund, as administered by HMFA, provides capital financing in the form of loans, grants and other financial vehicles and investments to eligible not-for-profit or for-profit developers as well as government entities at the state, county and municipal levels, for special needs housing projects, including the acquisition of land, building(s), rehabilitation, new construction, or conversion of building(s) as permanent or trans-permanent rental apartment units and community residences for people with special needs. Individuals with special needs are individuals with mental illness, physical or developmental disabilities and other emerging special needs identified by State agencies.

On November 9, 2005, the Authority approved the adoption of the Second Supplemental Motor Vehicle Surcharges Revenue Bond Resolution authorizing the issuance of the Motor Vehicle Surcharge Revenue Bond (Special Needs Housing Program) 2005 Series A (Federally Taxable) (the “2005 Series A Bonds”) in an aggregate principal amount not to exceed \$60,000,000 (or such lesser amount as would be necessary so that a net amount of \$50,000,000 in proceeds of the 2005 Series A Bonds would be transferred to the HMFA for deposit into the Special Needs Housing Trust Fund) to fund the costs of special needs housing

projects as identified by HMFA and authorized pursuant to the 2005 Act. The 2005 Series A Bonds were issued on December 22, 2005 in an aggregate initial issuance amount of \$51,381,885.50.

The HMFA has adopted Special Needs Guidelines and has provided the Authority with a list of committed projects, projects currently under review by its staff and potential projects, representing over 1,028 beds, for funding under the Trust Fund. To date, HMFA has committed \$52,418,409 and the current pipeline totals \$57,568,329.

APPROVAL REQUEST

The Members are requested to approve the adoption of the Third Supplemental Motor Vehicle Surcharges Revenue Bond Resolution (the "Third Supplemental Resolution") authorizing the issuance of the Motor Vehicle Surcharges Revenue Bonds (Special Needs Housing Program) in one or more Series. The 2007 Special Needs Bonds (as hereinafter defined) will be issued in an aggregate principal amount not to exceed \$160,000,000 (or such lesser amount as shall be necessary so that the aggregate net proceeds of the 2007 Special Needs Bonds of up to \$150,000,000 shall be available to be transferred to the HMFA for deposit to the Special Needs Housing Trust Fund). The Third Supplemental Resolution contemplates, but does not require, that the 2007 Special Needs Bonds shall be issued as Motor Vehicle Surcharges Revenue Capital Appreciation Bonds (Special Needs Housing Program), 2007 Series A-1 (Federally Taxable), Motor Vehicle Surcharges Revenue Current Interest Bonds (Special Needs Housing Program), 2007 Series A-2 (Federally Taxable) and Motor Vehicle Surcharges Revenue Current Interest Bonds (Special Needs Housing Program), 2007 Series A-3 (Federally Taxable); and Motor Vehicle Surcharges Revenue Capital Appreciation Bonds (Special Needs Housing Program) 2007 Series B (Tax-Exempt) (collectively, the "2007 Special Needs Bonds").

Simultaneously with the issuance of the 2007 Special Needs Bonds, the Third Supplemental Resolution authorizes the issuance of Motor Vehicle Surcharges Revenue Refunding Bonds, 2007 Series C ("2007 Refunding Bond") to refund a portion of the Authority's outstanding Motor Vehicle Surcharges Revenue Bonds, 2004 Series A, (the "2004 Series A Bonds"), in the aggregate principal amount not to exceed \$425,000,000 for a total combined issue size not to exceed \$585,000,000 and collectively with the 2007 Special Needs Bonds known as the "2007 Bonds". If issued, the 2007 Refunding Bonds will be issued as current interest Tax-Exempt Bonds.

If issued, the 2007 Special Needs Bonds will be issued in one or more Series of Tax-Exempt Bonds, Federally Taxable Bonds, or combination. The 2007 Special Needs Bonds are expected to be issued as a combination of fixed rate capital appreciation and current interest bonds and will have a maximum maturity not exceeding 31 years. The true interest cost of the 2007 Special Needs Bonds issued as Tax-Exempt Bonds shall not exceed 7% and the true interest cost of the 2007 Special Needs Bonds issued as Federally Taxable Bonds shall not exceed 8%. The true interest cost of the 2007 Refunding Bonds, if issued, shall be such as to effect a net present value savings of at least 3%, and the 2007 Refunding Bonds shall have a final maturity not to exceed the final maturity of the bonds being refunded. The 2007 Bonds may be insured by a municipal bond insurance policy to be issued concurrently with the delivery of the 2007 Bonds, and the Authority may also obtain an insurance policy or surety bond to satisfy the Debt Service Reserve Requirement for the 2007 Special Needs Bonds.

The 2007 Bonds will be secured on a parity with the 2005 Series A and the 2004 Series A Bonds by a contract with the State Treasurer, as amended, pursuant to which all Dedicated Motor Vehicle Surcharges Revenues will be remitted by the State Treasurer to pay debt service on the 2004 Series A Bonds, the 2005 Series A Bonds, the 2007 Bonds and all other Bonds hereafter issued under the Resolution, if any, and other related expenses, subject to an annual appropriation by the State Legislature for this purpose.

Based on historical collections data provided by the Motor Vehicle Commission and the Division of Revenue, receipts from existing surcharges are expected to pay debt service on the 2007 Bonds, the 2005 Series A Motor Vehicle Surcharge Bonds, the 2004 Series A Motor Vehicle Surcharge Bonds, the Authority's outstanding 2003 Series A Motor Vehicle Commission Bonds and the Authority's outstanding 2001 Series A Market Transition Facility Bonds.

The Authority has received the consent of the State Treasurer to adopt the Third Supplemental Resolution. Also in accordance with the initial 2004 Motor Vehicle Surcharges Revenue Bond Resolution, the Authority will receive verification from the State Treasurer and/or the Motor Vehicle Commission that the 2007 Special Needs Bonds meet the definition of the "Additional Bonds" under the Resolution which requires that Surcharge Revenues in any twelve (12) consecutive months within the twenty-four (24) months immediately preceding the proposed issuance of the 2007 Special Needs Bonds were not less than 150% of the maximum annual combined debt service due in any future year.

The Members of the Board are also requested to approve the execution by staff of a revision to the existing Memorandum of Understanding ("MOU") with the HMFA which effectuates the transfer of the bond proceeds from the sale of the Special Needs Housing Program Bonds to the HMFA to fund the costs of special needs housing projects authorized under the 2005 Act and in accordance with the provisions of the HMFA guidelines to Special Needs Housing. The revised MOU acknowledges that bonds issued under the Special Needs Housing Program may be tax-exempt or taxable and that the bonds will be issued under the Third Supplemental Resolution. Upon the issuance of the 2007 Special Needs Bonds, the full \$200,000,000 funding limit for the Special Needs Housing Trust Funds will be met, and no more bonds may be issued for such purpose pursuant to the 2005 Act, without further legislation.

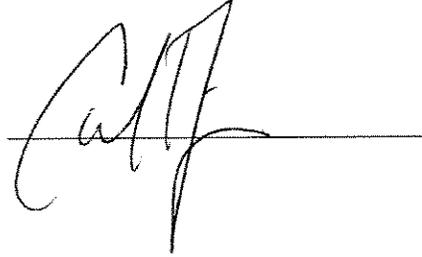
Professionals for this transaction were selected in compliance with Executive Order No. 26. McManimon & Scotland was selected as Bond Counsel through a competitive RFQ process performed by the Attorney General's office on behalf of Treasury for State appropriation backed transactions. Through Treasury's competitive RFQ process, the following professions were chosen for the 2007 Bonds: Morgan Stanley & Co., Incorporated as Managing Underwriter and Commerce Bank, N.A. as Trustee, Paying Agent, Registrar and Dissemination Agent. The Members are asked to approve the use of the aforementioned professionals and authorize Authority staff to take all necessary actions incidental to the issuance of the 2007 Bonds, subject to the Treasurer's approval, including, without limitation, selection of additional underwriters, bond insurers, financial advisors, and debt service fund surety bond providers, if any.

Staff conducted a public hearing on Tuesday, June 5, 2007 at 36 West State Street, Trenton, NJ for comment on specific projects that would be utilizing tax-exempt bond proceeds. No members of the public attended the hearing. The Authority's Audit Committee convened on July 3, 2007 to review this bond issuance.

Pursuant to Subchapter 67 (Fee Waiver) of the Authority's rules, the Chief Executive Officer, with the approval of the Members, may waive, postpone or decrease the Authority closing fees for State projects. Under existing regulations, the Authority bond closing fee on this transaction would be \$300,000. Staff recommends the bond closing fee for this transaction be reduced to no less than half the regulatory bond closing fee.

RECOMMENDATION

Based on the above, the Authority is requested to approve the adoption of the Third Supplemental Motor Vehicle Surcharges Revenue Bond Resolution authorizing the issuance of the 2007 Special Needs Bonds in an amount not to exceed \$160,000,000 (or such lesser amount as shall be necessary so that the net proceeds of up to \$150,000,000 of the 2007 Special Needs Bonds shall be available to be transferred to the HMFA for deposit to the Special Needs Housing Trust Fund) and the 2007 Refunding Bonds in an amount not to exceed \$425,000,000, provided the net present value savings is 3% or greater for a total issue not to exceed \$585,000,000, as well as other matters in connection with the issuance and sale thereof; authorize the use of aforementioned professionals; authorize Authority staff to take all necessary actions incidental to the issuance of the 2007 Bonds; approve the revised MOU with the HMFA; and approve the reduction of the Authority bond closing fee to no less than half the regulatory bond closing fee, all subject to the final review and approval of all terms and documentation by Bond Counsel and the Attorney General's office.

A handwritten signature in black ink, appearing to read 'L. Petrizzi', is written over a horizontal line.

Prepared by: Lisa Petrizzi, Finance Officer

BOND RESOLUTIONS

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

APPLICANT: 385 Hillside Avenue Realty, LLC/Beau Label Manufacturing, Inc. P17347

PROJECT USER(S): Beau Label Manufacturing, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 385 Hillside Avenue Hillside Township (T/UA) Union County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

385 Hillside Avenue Realty, LLC is a limited liability company recently formed as a real estate holding company. The related operating company, Beau Label Manufacturing, Inc. ("Beau Label") manufactures pressure sensitive labels and hanging tabs such as computer and laser printer labels, window decals, custom tags, bar coding, etc., for a variety of products. Originated in 1967 as a New York corporation, Beau Label has remained in the Melapioni family and is currently owned and operated by the founder's grandson, Vincent J. Melapioni.

The Applicants were approved for a 60% BEIP grant (P16966), estimated at \$182,516, on December 13, 2005.

APPROVAL REQUEST:

Authority assistance will enable the applicants to acquire approx. 1.5 acres of land, a 27,300 sq. ft. facility and new machinery and equipment in order to expand and more efficiently operate their label manufacturing business. The applicants will consolidate their operations, relocating from Belleville, NJ and New York City, creating 39 new full-time jobs at the project site.

Other sources of funds include approval of a \$565,750 LDFP loan (P17636) in conjunction with the bond financing, conventional financing from Sovereign Bank and the applicants' equity.

This project is being presented at the July 10, 2007 for re-authorization of 2007 volume cap. The project received final bond approval on April 10, 2007, however the Applicant needs more time to close due to the resolution of environmental issues at the project site.

FINANCING SUMMARY:

BOND PURCHASER: Sovereign Bank (Direct Purchase)

AMOUNT OF BOND: \$1,120,000 (Tax-exempt)

\$430,000 (Tax-exempt)

TERMS OF BOND: 20 years; Fixed interest rate based on the tax exempt equivalent of the Bank's 10 yr. cost of funds plus 2% for 10 years (estimated rate as of 6/27/07 is 4.94%); call option and rate reset on 10th anniversary based on the same index.

10 years; Fixed interest rate based on the tax exempt equivalent of the Bank's 5 yr. cost of funds plus 2% for 5 years (estimated rate as of 6/27/07 is 4.81%); call option and rate reset on 5th anniversary at the same index.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$1,120,000
Purchase of equipment & machinery	\$995,750
Land	\$280,000
Renovation of existing building	\$180,000
Refinancing	\$170,000
Moving Expenses	\$105,000
Closing Costs	\$75,000

TOTAL COSTS

\$2,925,750

JOBS: At Application 12 Within 2 years 39 Maintained 0 Construction 5

PUBLIC HEARING: 04/10/07 (Published 03/26/07) **BOND COUNSEL** Schenck, Price, Smith & King

DEVELOPMENT OFFICER: L. Richardson

APPROVAL OFFICER: T. Wells

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

APPLICANT: Hamilton Area Young Men's Christian Association P18304

PROJECT USER(S): Hamilton Area Young Men's Christian Assoc. * * - indicates relation to applicant
Princeton HealthCare System

PROJECT LOCATION: 1315 Whitehorse-Mercerville Hamilton Township (T) Mercer

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Hamilton Area Young Men's Christian Association ("Hamilton YMCA"), founded and chartered in 1965, is a 501(c)(3) not-for-profit organization that provides a variety of social, educational and recreational programs that promote good health, strong families, youth leadership, community development, and international understanding to residents of Hamilton Township and surrounding communities.

The Applicant received Authority assistance in 1991 consisting of \$3,100,000 in tax exempt bonds to construct and equip the applicant's main 34,000 sq. ft. building on 6 acres. The 1991 Bonds were refunded in 1996 and again in 2003. The proceeds of the 2003 tax exempt bond issue of \$5,685,000 were used to refund the \$2,015,000 outstanding balance of the prior bonds, refinance conventional debt associated with the main Hamilton facility and the 70 acre Saw Mill Day Camp and Facility Recreation Center and pay costs of issuance. The 2003 bonds were privately placed by Wachovia Bank for 20 years as weekly variable rate bonds secured by a letter of credit provided by Wachovia Bank for 10 years.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to (i) construct an expansion to include a 6,100 sq. ft. wellness center, 6,500 sq. ft. of meeting space and 8,000 sq. ft. of space to be leased to Princeton Healthcare Systems, a 501(c)(3) not-for-profit organization, which will provide a wider range of wellness programs, health screenings, and outpatient physical, occupational and speech therapies for adults, seniors, youth and teens; and (ii) pay costs of issuance.

This Application is being presented in conjunction with Appl. P18303 to refund the \$4,500,000 outstanding balance of the 2003 bond financing, for a total tax-exempt bond financing not to exceed \$10,000,000.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank (Direct Purchase)

AMOUNT OF BOND: \$5,500,000 Tax-Exempt Bond (Part of a total \$10 million tax-exempt bond issue with P18303)

TERMS OF BOND: 25 years, fixed rate for 10 years at the tax-exempt equivalent of the 10-year US Treasury Note plus 190 basis points; Interest only for 2 years; (estimated rate as of 6/12/07 is 4.576%); subject to 10 and 20 year rate resets at the same index and call option at the end of yrs. 10 and 20.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$5,500,000
Finance fees	\$67,500
Legal fees	\$20,000
TOTAL COSTS	\$5,587,500

JOBS: At Application 18 Within 2 years 7 Maintained 0 Construction 165

PUBLIC HEARING: 06/12/07 (Published 05/29/07) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Hamilton Area Young Men's Christian Association

P18303

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Various

Hamilton Township (T)

Mercer

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Hamilton Area Young Men's Christian Association ("Hamilton YMCA"), founded and chartered in 1965, is a 501(c)(3) not-for-profit organization that provides a variety of social, educational and recreational programs that promote good health, strong families, youth leadership, community development, and international understanding to residents of Hamilton Township and surrounding communities.

The Applicant received Authority assistance in 1991 consisting of \$3,100,000 in tax exempt bonds to construct and equip the applicant's main 34,000 sq. ft. building on 6 acres. The 1991 Bonds were refunded in 1996 and again in 2003. The proceeds of the 2003 tax exempt bond issue of \$5,685,000 were used to refund the \$2,015,000 outstanding balance of the prior bonds, refinance conventional debt associated with the main Hamilton facility and the 70 acre Saw Mill Day Camp and Facility Recreation Center and pay costs of issuance. The 2003 bonds were privately placed by Wachovia Bank for 20 years as weekly variable rate bonds secured by a letter of credit provided by Wachovia Bank for 10 years.

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

REFUNDING REQUEST:

Authority assistance will enable the Applicant to refund the \$4,500,000 outstanding balance of the 2003 bond financing.

This Application is being presented in conjunction with Appl. P18304 to construct an addition to the existing facility, for a total tax-exempt bond financing not to exceed \$10,000,000.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank (Direct Purchase)

AMOUNT OF BOND: \$4,500,000 (Part of a total \$10 million tax-exempt bond issue with P18304)

TERMS OF BOND: 25 years, fixed rate for 10 years at the tax-exempt equivalent of the 10-year US Treasury Note plus 190 basis points; Interest only for 2 years; (estimated rate as of 6/12/07 is 4.576%); subject to 10 and 20 year rate resets at the same index and call option at the end of yrs. 10 and 20.

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	\$4,500,000
Legal fees	\$20,000
Finance fees	\$11,250
TOTAL COSTS	\$4,531,250

PUBLIC HEARING: 06/12/07 (Published 05/29/07) **BOND COUNSEL:** Wolff & Samson
DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** T. Wells

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

APPLICANT: Hatteras Press, Inc.

P18541

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 56 Park Road

Tinton Falls Borough (N)

Monmouth

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Hatteras Press, Inc. ("Hatteras"), established in 1983, is a full-service commercial sheet-fed printing company servicing the New Jersey-New York City region. From its facility in Tinton Falls, NJ and sales office in New York City, Hatteras offers state-of-the-art electronic pre-press services, all forms of sheet-fed printing and extensive finishing, fulfillment, distribution and direct mail services.

The project is related to P11364 for a \$2,244,000 tax-exempt bond issued in 2000 as well as P13404 for a \$2,012,000 tax-exempt bond issued in 2001. The proceeds of both bond issues were utilized to acquire printing presses and related printing equipment. These bonds were refunded in 2004 under P16260 in a \$2,885,247 tax-exempt bond issue and are in compliance.

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase a six-color offset press with coater, which will substantially increase its productivity thus improving its efficiency. The new press is expected to significantly decrease Hatteras' turn-around time, reduce costs to outside vendors and cut overtime costs. The difference between the project costs and the bond amount will be funded with applicant equity.

FINANCING SUMMARY:

BOND PURCHASER: North Fork Bank (Direct Purchase)

AMOUNT OF BOND: \$2,300,000 (Tax-Exempt Bonds)

TERMS OF BOND: 10 years; The variable rate equal to the tax-free equivalent of the 30 day Libor plus 150 bps (indicative rate as of 6/15/07 is 4.88%). On the closing date, the Borrower shall enter into an interest rate SWAP agreement in the notional principal amount equivalent to the principal amount of the Bonds.

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$2,568,000
Legal fees	\$25,000
Finance fees	\$25,000
Accounting fees	\$2,000
TOTAL COSTS	\$2,620,000

JOBS: At Application 212 Within 2 years 12 Maintained 0 Construction 0

PUBLIC HEARING: 07/10/07 (Published 06/26/07) **BOND COUNSEL:** Wolff & Samson

DEVELOPMENT OFFICER: R. Fischer **APPROVAL OFFICER:** L. Petrizzi



PRELIMINARY RESOLUTIONS

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

APPLICANT: Abrachem Group, LLC or nominee P18811
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 2 Peekay Drive Clifton City (T/UA) Passaic

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Abrachem Group, LLC ("Abrachem") was formed in 1998 to provide outsourcing solutions to the chemical, aroma, flavor and fragrance industry. Together with their strategic partners, they offer a full range of services to satisfy industry's extended manufacturing and logistical needs. Abrachem currently provides the following services specifically designed to reduce distribution and logistic costs: drum filling, de-drumming services, tote filling, packaging and repackaging services, de-lumping, grinding & screening services & ribbon blending formulations.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to acquire the leased 78,000 sf facility on 3.0 acres of land which they are currently occupying and perform necessary renovations, purchase machinery and equipment, as well as paying for costs of issuance.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$4,000,000
Renovation of existing building	\$470,000
Purchase of equipment & machinery	\$425,000
Legal fees	\$20,000
Finance fees	\$20,000
Accounting fees	\$20,000
TOTAL COSTS	\$4,955,000

JOBS: At Application 30 Within 2 years 15 Maintained 0 Construction 14

PUBLIC HEARING:

BOND COUNSEL: Wolff & Samson

DEVELOPMENT OFFICER: R. Gomez

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Blair Academy

P18803

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2 Park Street

Blairstown Township (N)

Warren

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Blair Academy, founded in 1848, is a 501(c)(3) not-for-profit secondary boarding/day school, which offers a comprehensive college preparatory education for approximately 435 students in grades nine through twelve. Blair Academy is situated on 312 acres with eight dormitories, faculty residences, several academic buildings, athletic facilities, dining room, performing and fine arts facility and a library.

Blair Academy received Authority assistance in 1995 in the aggregate principal amount of \$10,715,000 in tax-exempt bonds to finance the construction of a 34,000 sq. ft. arts building, a 23,000 sq. ft. dormitory and the renovation of an existing dormitory and dining room. The 1995 Bonds were underwritten by A.H. Williams consisting of a Series A Bonds in the amount of \$4,715,000 as serial and term bonds with interest rates ranging from 4.35% to 5.85% and having a final maturity of 2016; and Series B term bond in the amount of \$6,000,000 with an interest rate of 6% due 09/01/07. The \$6 million principal amount of the Series B Bond was advanced refunded in 1999, plus costs of issuance in the amount of \$6,290,000. The 1999 Bonds were privately placed by First Union Capital Markets at a variable interest rate (currently 3.73%), secured by a Wachovia Bank letter of credit with a 2021 final maturity.

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to (i) renovate and make improvements to the outdoor athletic facilities, including new synthetic turf field and running track and spectator seating for 700; (ii) construct and equip a 53,000 sq. ft. indoor athletic facility consisting of new recreational gyms, a wrestling room, squash courts, a fitness center and lockers; (iii) convert an existing 20,000 sq. ft. athletic facility into a bookstore and student center; (iv) construct two faculty residences of approx. 2,500 sq. ft.; and (v) pay costs of issuance.

This Application is related to Appl. P18805 to refund the approximately \$8.7 million outstanding balance of the 1995 and 1999 bond financings plus costs of issuance, for a total tax-exempt bond financing not to exceed \$27,000,000.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$14,500,000
Construction of roads, utilities, etc.	\$5,520,000
Renovation of existing building	\$2,600,000
Engineering & architectural fees	\$1,200,000

Interest during construction	\$634,265
Legal fees	\$125,000
Other	\$100,000
Finance fees	\$85,000
TOTAL COSTS	\$24,764,265

JOBS: At Application 131 Within 2 years 7 Maintained 0 Construction 679

PUBLIC HEARING: 07/10/07 (Published 06/26/07) BOND COUNSEL: Saul, Ewing, LLP

APPROVAL OFFICER: T. Wells



PUBLIC HEARING ONLY

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

APPLICANT: Blair Academy

P18805

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2 Park Street

Blairstown Township (N)

Warren

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Blair Academy, founded in 1848, is a 501(c)(3) not-for-profit secondary boarding/day school, which offers a comprehensive college preparatory education for approximately 435 students in grades nine through twelve. Blair Academy is situated on 312 acres, with eight dormitories, faculty residences, several academic buildings, athletic facilities, dining room, performing and fine arts facility and a library.

Blair Academy received Authority assistance in 1995 in the aggregate principal amount of \$10,715,000 in tax-exempt bonds to finance the construction of a 34,000 sq. ft. arts building, a 23,000 sq. ft. dormitory and the renovation of an existing dormitory and dining room. The 1995 Bonds were underwritten by A.H. Williams consisting of a Series A Bonds in the amount of \$4,715,000 as serial and term bonds with interest rates ranging from 4.35% to 5.85% and having a final maturity of 2016; and Series B term bond in the amount of \$6,000,000 with an interest rate of 6% due 09/01/07. The \$6 million principal amount of the Series B Bond was advanced refunded in 1999, plus costs of issuance in the amount of \$6,290,000. The 1999 Bonds were privately placed by First Union Capital Markets at a variable interest rate (currently 3.73%), secured by a Wachovia Bank letter of credit with a 2021 final maturity.

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

REFUNDING REQUEST:

Authority assistance will enable the Applicant to current refund the approximately \$8,720,000 outstanding balance of the 1995 and 1999 bond financings plus pay costs of issuance.

This Application is related to Appl. P18803, to finance capital improvements to the Academy for a total tax exempt bond financing not to exceed \$27,000,000.

This Application is being presented at the July 10, 2007 Board meeting for a Public Hearing Only.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Principal amount of bond to be refunded	\$8,720,181
Legal fees	\$50,000
Finance fees	\$50,000
TOTAL COSTS	\$8,820,181

PUBLIC HEARING: 07/10/07 (Published 06/26/07) **BOND COUNSEL:** Saul, Ewing, LLP
APPROVAL OFFICER: T. Wells

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

APPLICANT: L.P. Thebault Company

P18545

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 249 Pomeroy Road

Parsippany-Troy Hills Township (N) Morris

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

L.P. Thebault Company (LPT), formed in 1954, is one of the nation's largest, family-owned commercial print and media services providers in the U.S. The business continues to be under family management with Brian Thebault as Chairman/CEO since 1982, and majority stockholder. LPT provides all forms of corporate printing on state of the art 6 and 8 color sheetfed and web printing equipment. The applicant's customer base includes Fortune 500 companies for which its print services range from annual reports, brochures and catalogs to corporate and social responsibility reports, point of purchase and posters. LPT is ISO 9001:2000 certified and operates three large manufacturing and fulfillment facilities in Parsippany, N.J.

The Authority closed a \$1.75 million tax-exempt bond in 1982 (P4419) that was used to construct an addition to LPT's facility and acquire equipment. The bond was paid-in-full according to terms.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire a new Heidelberg XL Sheetfed Press and prepare the site for equipment installation.

This application is being presented at the July 10, 2007 Board meeting for Public Hearing only.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

Purchase of equipment & machinery	\$4,917,115
Renovation of existing building	\$150,000
Finance fees	\$60,000
TOTAL COSTS	\$5,127,115

JOBS: At Application 234 Within 2 years 16 Maintained 0 Construction 5

PUBLIC HEARING: 07/10/07 (Published 06/25/07) **BOND COUNSEL:** McManimon & Scotland

DEVELOPMENT OFFICER: R. Gomez

APPROVAL OFFICER: M. Krug



LOCAL DEVELOPMENT FINANCING FUND

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

APPLICANT: Lindsay Properties, LLC

P18546

PROJECT USER(S): R & R Cosmetics, LLC *

* - indicates relation to applicant

PROJECT LOCATION: BUILDING # 1140

Rahway City (T/UA)

Union

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Lindsay Properties, LLC (Lindsay) is a real estate holding company that will purchase a 30,000 square foot property in Rahway, Union County. The property will be occupied by a related operating entity, R & R Cosmetics, LLC (R & R) which presently leases space in East Newark. Lindsay and R & R are both owned equally by Musthafa Kamal and Eranhikkal Haneef. R & R was founded in January of 2002 as a manufacturer and distributor of professional beauty products (namely skin care and hair care) aimed at the ethnic market place.

APPROVAL REQUEST:

Approval is recommended for a \$800,000 LDFF loan participation in a \$2.3 million loan from New Jersey Manufacturers Bank to purchase real estate.

FINANCING SUMMARY:

LENDER: NJM Bank, FSB

AMOUNT OF LOAN: \$2,300,000 bank loan with a 34.8% (\$800,000) Authority LDFF participation.

TERMS OF LOAN: Fixed for ten years at 7.375%. Ten year term with a twenty-five year amortization.

TERMS OF PARTICIPATION: Fixed at ½ of the Federal Discount Rate at closing, subject to a floor of 3% for five years (3.125% indicative as of 6/13/07). Ten-year term with a rate reset at the end of year five for an additional five years at the identical index, twenty-five year amortization.

PROJECT COSTS:

Acquisition of existing building	\$3,000,000
Renovation of existing building	\$25,000
Finance fees	\$5,000
TOTAL COSTS	\$3,030,000

JOBS: At Application 9 Within 2 years 9 Maintained 0 Construction 1

DEVELOPMENT OFFICER: R. Gomez

APPROVAL OFFICER: M. Conte



CAMDEN ECONOMIC RECOVERY BOARD



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: Camden Redevelopment Agency - Parkade Building/Roosevelt Plaza
P17939

Request:

The Members of the Authority are asked to approve a modification to the CRA Parkade/Roosevelt Plaza project to allow the \$3 million ERB infrastructure grant to be used exclusively for acquisition of the leasehold interest in the building contingent upon the CRA securing an amendment to the Downtown Redevelopment Plan and subdivision approval to allow for commercial development around the perimeter of the project site. The ERB grant will become recoverable from the proposed commercial development.

Background:

On February 27, 2007, the Members of the ERB Board approved a \$3 million non-recoverable infrastructure grant to fund the acquisition and demolition of the Parkade Building and the restoration of Roosevelt Plaza, which is adjacent to Camden City Hall in the Central Business District of Camden. At the time of approval, it was envisioned that the project would re-create Roosevelt Park and would be a catalyst to attract private investment along the commercial corridors that border the site including Market, Fifth and Federal Streets and create an attractive place to live, work and shop.

Project Update:

Recently, the CRA has been approached by a private company to consider the construction of two commercial buildings on the north and south ends of the Parkade Building/Roosevelt Plaza property, facing Market and Federal streets. At approximately 8,000 sq. ft. each, these two buildings are estimated to cost a total of \$4 million. Funded by the \$3 million ERB infrastructure grant and the remaining \$1 million would come from the Camden County Open Space Farmland, Recreation, and Historic Preservation Trust Fund.

The CRA is seeking to develop a master plan for the site, design and construct the park, and issue an RFP for a developer to construct the buildings. In order for the CRA to consider this request, the Downtown Redevelopment Plan will require an amendment to allow for commercial development on this parcel of land that was previously designated to be a park in perpetuity. The CRA anticipates receiving approval for this amendment from City Council at next month's meeting.

In addition, the DEP has requested that its funds be used only for the development of the park. The ERB funds would then be used toward the purchase of the leasehold interest. The EDA's Real Estate Division has reviewed two independent appraisals to determine if the acquisition price, negotiated by the CRA and the Receiver, is acceptable. Staff supports the payment of the \$4 million acquisition price for the property.

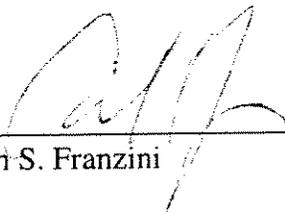
Security and Repayment

The ERB funding was approved as a non-recoverable infrastructure grant because the property was to remain a park in perpetuity. However, with the proposed amendment to the Downtown Redevelopment Plan to include commercial development on the site, the ERB grant will become recoverable and the NJEDA will file a mortgage on the property. Upon the sale of the subdivided parcels of the land for private development, the NJEDA/ERB will require 50% of the sales proceeds up to \$3 million.

Recommendation

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

The Members of the ERB approved the modification at its meeting on June 21, 2007. Accordingly, the Members of the Authority are asked to approve the funding authorization of the \$3,000,000 infrastructure grant for the project.



Caren S. Franzini

Prepared By: Mujiba Salaam Parker, Finance Officer





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

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

Request:

The Members of the Authority are asked to approve a modification to the project scope and increase the amount of the ERB recoverable infrastructure grant to Cooper's Ferry Development Association Inc. ("CFDA") from \$2,000,000 to \$2,042,000. 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 totaling \$2,042,000.

Background:

On December 19, 2006, the members approved a \$2,000,000 recoverable infrastructure grant to 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").

At the time of approval, design documents were not finalized however, it was envisioned the project would result in approximately 1,500 new parking spaces south of Martin Luther King Boulevard. The project scope consisted of demolition, removals, excavation, drainage, paving, line striping, stoning on geotextile, lighting, fencing, sidewalks and landscaping. Specifically, improvements were to be made to the CRA/City owned VIP lots across from Tweeter. These improvements included the installation of storm drains, paving, striping and fencing and result in approximately 200 spaces. In addition, the SJPC agreed to relocate the Champion Trucking operation 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 allowed 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 required industrial fans to ventilate carbon dioxide exhaust. These sites also required minor paving improvements and fencing surrounding the exterior of the facilities. Combined, these sites will add approximately 400 spaces. Lastly, roadway, sidewalk and curbing improvement will be made along Front and 2nd Streets including signage. Once completed, these improvements would provide additional parking for Tweeter's seasonal events while plans for the development of the parking deck continue.

Following is the original and revised uses and sources of Funds:

Uses of Funds: Original

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
Pavement, Concrete Sidewalks & Curbs	604,100
Engineering, Design & Inspection	150,000
Project Management	250,000
Signage & Equipment Removal	<u>10,350</u>
Total Project Cost:	\$2,000,000

Sources of Funds: Original

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

Uses of Funds: Revised

Renovation of Existing Building	\$ 55,000
Demolition, Excavation and General Conditions	275,000
Sewer Repairs and Storm Drainage	108,500
Electrical	53,500
Fencing and Gates	82,600
Pavement, Concrete Sidewalks & Curbs	1,098,350
Engineering, Design & Inspection	161,525
Project Management	240,000
Signage	<u>3,750</u>
Total Project Cost:	\$2,078,225

Sources of Funds: Revised

Camden ERB Grant	\$2,042,000
Camden Redevelopment Agency	<u>36,225</u>
Total	\$2,078,225

Subsequent to approval, design documents were finalized and construction bids were secured. The revised budget totals \$2,078,225 which is substantially within the original estimate with some line item re-allocations. Some of the changes reflect efficiencies from improved design and previously installed work. The cost savings from these items were re-allocated to pavement, sidewalks and curbing to maximize the use of the lots and increase the parking supply by approximately 10%. To support the \$78,225 budget increase, CFDA is requesting the ERB increase the amount of the recoverable grant by \$42,000. This increase will be repaid from the 2005 and 2006 federal appropriations. The balance of funds, \$36,225, will be funded by the CRA with ERB funds previously approved for the Central Waterfront Temporary Parking project.

Disbursements:

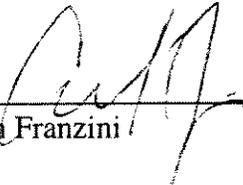
To date, approximately 80% of the work is completed and approximately \$1.4 million has been disbursed. Disbursement of ERB funds to the CFDA is based on a cost reimbursement basis. This arrangement ensures an effective coordination, monitoring and account of funds for the project. Construction inspections will be performed by the City.

Repayment:

The EDA has received confirmation from the NJ DOT that the federal grants appropriated in fiscal years 2005 and 2006 for the development of parking facilities on or near the Camden waterfront total \$2,042,000 and will be assigned to the EDA.

Recommendation

Staff has reviewed the modification for consistency with the Act and the Strategic Revitalization. The project meets all eligibility and statutory requirements and will be an important element in the revitalization of the City. Accordingly, the Members of the Authority are asked to approve the funding authorization for the modification as outlined herein.



Caren Franzini

Prepared By: Laura L. Wallick, Southern Regional Director





TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: New Jersey Housing and Mortgage Finance Agency ("HMFA")
P16969

Request:

The Members of the Authority are asked to approve a modification to the \$5,000,000 ERB loan to HMFA for the Citywide Home Improvement Program ("CHIP") to allow for up to \$30,000 in ERB funds to be used for life/safety concerns as well as exterior improvements and to allow for any earned interest and/or recovery of ERB grant funds to be reinvested in the CHIP as long as the program is operational.

Background:

On November 22, 2005 the Members approved a \$5,000,000 non-recourse loan to HMFA to fund a portion of the CHIP. The program was envisioned to support repairs of approximately 1,000 single family owner occupied homes located throughout the City of Camden over a five year period. ERB funds were approved to be used for Phase I to provide recoverable grants of up to \$20,000 per qualified home owner to upgrade major systems and fund exterior improvements. The program requires applicants to provide proof of occupancy of the premises as a principal residence for the last three years, certify that all taxes and utilities are current, meet the income eligibility test of 80% of area household median income, and agree to continue to occupy the property for at least five years after rehabilitation. In the event the homeowner sells the property within 5 years, the proportionate amount of the grant would be recovered and returned to the ERB.

The total project costs for Phase I was estimated at \$9,320,000 with leveraged funding from NJDCA Balanced Housing Program and Camden City Housing Assistance Program. It was anticipated that the NJDCA Balanced Housing Program participation would be utilized as a distinct program component that would solicit proposals from neighborhood non profits that identify two-three blocks for a focused home and street scape improvement project. In addition, financial commitments from the homeowners of approximately \$500 - \$1,000 along with financial commitments from local financial institutions were anticipated to support improvements beyond the scope of the program. Homeowner contributions could be waived in hardship cases.

Program Update:

During 2006, members of the Camden Churches Organized for People ("CCOP") with the support of the Camden Community Development Association ("CCDA") and the Concerned Black Clergy ("CBC") worked with HMFA to prepare a request for proposal to identify a qualified program administrator. On November 30, 2006, HMFA entered into an agreement with Cooper's Ferry Development Association, Inc. ("CFDA") to manage the CHIP. On February 28, 2007, HMFA executed the ERB Direct Loan Agreement and the first tranche of \$1,250,000 was disbursed.

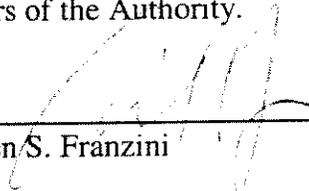
Per the program administration agreement, CFDA is be responsible for reviewing all applications for eligibility, coordinating the renovations and disbursing the funds to finance the repairs and improvements. The HMFA will disburse funds to CFDA who will provide the funding to the individual homeowners. The funding to the homeowners will be in the form of recoverable grants secured by subordinate performance mortgages on the improved residences filed by CFDA.

Based on the initial applications received and reviewed for eligibility, many homes need improvements in excess of \$20,000 in order to address all of the life/safety concerns and make improvements to the exterior of the homes. Although there are other funding sources committed to the CHIP, HMFA is requesting that each individual project have only one funding source and for the ERB funding per home be increased to a maximum of \$30,000. It is expected that during Phase I of the program, the ERB funding along with DCA and City resources will still be able to meet or surpass the goal of improving 250 homes through this approach as not all households are anticipated to have this level of need.

In addition, the HMFA is requesting that any interest income earned on the disbursements of ERB funds be reinvested into the administration of the program. Lastly, the HMFA is requesting that any funds recovered from homeowners who sell their residences within 5 years of the date of their mortgage with the EDA be reinvested into the CHIP if the program is still operational. This will allow for the program to continue and support improvements to additional qualified homeowners.

Recommendation

The CHIP is an important element in the rebuilding of neighborhoods throughout the City of Camden. This modification is consistent with the Act and the Strategic Revitalization Plan adopted by the Board at its June 20, 2003 meeting and is recommended for approval to the Members of the Authority.



Caren S. Franzini

Prepared By: Laura L. Wallick, Southern Regional Director



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**PETROLEUM UNDERGROUND STORAGE TANK
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: July 10, 2007
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

<u>Grant:</u>	
Ken Behr (Acrosstown, Inc.)	\$275,966
Toledo's Livery Service.	\$109,083
Total UST funding for July 2007	\$385,049

Prepared by: Lisa Petrizzi

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

APPLICANT: Ken Behr

P18694

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, received a grant in February 2007 in the amount of \$132,900 under P17511 to remove an underground storage tank and perform initial soil and groundwater remediation. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the additional project costs to perform additional soil and groundwater remediation 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 supplemental grant funding in the amount of \$275,966 to perform the approved scope of work at the project site, for a total funding to date of \$408,866.

The NJDEP oversight fee of \$27,597 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: \$275,966
TERMS OF GRANT: No Interest; 15 years repayment provision on a pro-rata basis

PROJECT COSTS:

Upgrade, Closure, Remediation	\$275,966
NJDEP oversight cost	\$27,597
EDA administrative cost	\$250
TOTAL COSTS	\$303,813

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Toledo's Livery Service

P17871

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 445 Broadway

Paterson City (T/UA)

Passaic

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Toledo's Livery Service, owned by Bernice Toledo and Marie Toledo, received a grant in April 2006 in the amount of \$73,335 under P16645 to close 3 underground storage tanks (UST's) at the project site, as well as perform soil sampling, classification and disposal. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the additional project costs to close another UST and perform associated soil excavation activities 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 \$109,083 to perform the approved scope of work at the project site, for a total funding to date of \$182,418.

The NJDEP oversight fee of \$10,908 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: \$109,083

TERMS OF GRANT: No Interest; 15 year repayment provision on a pro-rata basis

PROJECT COSTS:

Upgrade, Closure, Remediation	\$109,083
NJDEP oversight cost	\$10,908
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$120,491 <hr/>

APPROVAL OFFICER: L. Petrizzi



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 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 Vice-President ("VP") of Operations have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to \$100,000 and supplemental grants up to an aggregate of \$100,000.

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 June 2007.

Applicant	Description	Grant Amount	Awarded to Date
Tariq Baskerville P18022	Initial grant for upgrade, closure and remediation	\$7,100	\$7,100
Curtis & Melissa Berry / P18377	Initial grant for upgrade, closure and remediation	\$6,568	\$6,568
June Cunningham P18218	Initial grant for upgrade, closure and remediation	\$30,627	\$30,627
Robert Eaton P18434	Initial grant for upgrade, closure and remediation	\$2,327	\$2,327

George Enslin P17823	Supplemental grant for site remediation	\$34,437	\$97,127
Estate of Eileen Smith P18335	Initial grant for upgrade, closure and remediation	\$94,355	\$94,355
Edward Gavin P18449	Initial grant for upgrade, closure and remediation	\$10,190	\$10,190
Dennis & Pamela Gianni / P18329	Supplemental grant for upgrade, closure and remediation	\$715	\$7,160
Debbra Gulotta P18217	Initial grant for upgrade, closure and remediation	\$8,627	\$8,627
John & Josephine Hulyo / P18047	Initial grant for upgrade, closure and remediation	\$10,221	\$10,221
William Johnson P18213	Initial grant for upgrade, closure and remediation	\$5,665	\$5,665
Michael Kirby P18555	Initial grant for upgrade, closure and remediation	\$17,172	\$17,172
Lawrence & Renee McCleery / P18543	Initial grant for upgrade, closure and remediation	\$11,950	\$11,950
Michael & Carol McGreal / P17990	Initial grant for upgrade, closure and remediation	\$8,045	\$8,045
Craig Nicholas P18426	Initial grant for upgrade, closure and remediation	\$12,404	\$12,404
Edward Pax P18581	Initial grant for upgrade, closure and remediation	\$8,356	\$8,356
Rose Reilly P18204	Initial grant for upgrade, closure and remediation	\$8,175	\$8,175
Eileen Rivera P18206	Initial grant for upgrade, closure and remediation	\$2,737	\$2,737
Elizabeth Schatz P18450	Initial grant for upgrade, closure and remediation	\$3,063	\$3,063
Beatrice Smith P18459	Initial grant for upgrade, closure and remediation	\$8,695	\$8,695

Solowill Enterprises, Inc. / P18634	Supplemental grant for upgrade, closure and remediation	\$42,830	\$156,564 **\$79,749 aggregate delegated authority supplemental approval
Albert & Tommie Vero / P18220	Initial grant for upgrade, closure and remediation	\$7,428	\$7,428
Frank & Joan Vissagio / P18367	Initial grant for upgrade, closure and remediation	\$3,663	\$3,663
James Williams P18333	Initial grant for site remediation	\$2,078	\$2,078
Ku Yun-Yao P18466	Initial grant for upgrade, closure and remediation	\$25,568	\$25,568
Radislav & Ziatica Zelenkov / P18324	Initial grant for upgrade, closure and remediation	\$16,220	\$16,220
26 Grants	Total Delegated Authority funding for Leaking Tank applications in June 2007	\$389,216	

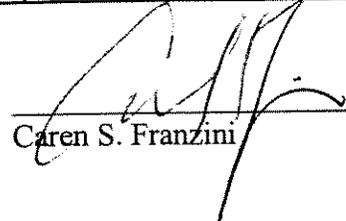
Hugo Alfaro P18616	Grant to remove an underground storage tank	\$1,200	\$1,200
Dina Bazelyuk P18646	Grant to remove and replace an underground storage tank	\$2,885	\$2,885
Wilson Beebe & Anne Torre / P18735	Grant to remove an underground storage tank	\$1,200	\$1,200
Ruth Belfiore P18677	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Mark & Karen Beriault / P18668	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Ernest Borsellino P18074	Grant to remove an underground storage tank	\$1,200	\$1,200
Stephanie Cadogan P18717	Grant to remove and replace an underground storage tank	\$2,523	\$2,523

Jason & Melissa Carey / P18645	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Nancy Caruso P18614	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Angela Cazzola P18758	Grant to remove and replace an underground storage tank	\$2,750	\$2,750
Steven Celentano P18778	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Thomas Cerutti P18732	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Joseph Charleman P18656	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Paul & Linda Costa P18633	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Fred Cutts P18398	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Linda & Richard DaSilva P18619	Grant to remove an underground storage tank	\$1,200	\$1,200
Linda Davidoff P18674	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Willy Ditmar P18516	Grant to remove and replace an underground storage tank	\$2,942	\$2,942
Mary Ann Dorio P18675	Grant to remove an underground storage tank	\$1,200	\$1,200
Mahmoud Duab P18510	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
William Dutton P18666	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Robert Fawcett P18676	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Peter Francescutto P18624	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Kenneth Frattini P18404	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Rodney Gates P18271	Grant to remove and replace an underground storage tank	\$2,599	\$2,599

Kami Guetherman P18415	Grant to remove and replace an underground storage tank	\$2,175	\$2,175
Robert Harmon P18669	Grant to remove an underground storage tank	\$1,200	\$1,200
Mark & Alice Harrison / P18741	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Moshe & Shoshanna Hirsch / P18711	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
George & Viktoria Hochschwender	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Tony Johnson P18620	Grant to remove and replace an underground storage tank	\$2,500	\$2,500
Michael & Violet Koehler / P18513	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Joanne Montgomery P18610	Grant to remove an underground storage tank	\$1,200	\$1,200
Rocco Motto P18718	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Albert Mrozik P18405	Grant to remove and replace an underground storage tank	\$2,727	\$2,727
Jack & Denise Negast P18738	Grant to remove and replace an underground storage tank	\$2,700	\$2,700
Daniel & Alberta Nolan / P18604	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Stanley Nowicki P18514	Grant to remove an underground storage tank	\$1,200	\$1,200
Rachel Ojani P18396	Grant to remove and replace an underground storage tank	\$2,400	\$2,400
Daniel Owens P18509	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Earl Ownes P18715	Grant to remove and replace an underground storage tank	\$2,600	\$2,600
Yehoshua Parnes P18599	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
JM Rodriguez Pereira P18455	Grant to remove and replace an underground storage tank	\$2,761	\$2,761

George Petrask P18493	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Louis & Sara Piserchia P18713	Grant to remove and replace an underground storage tank	\$2,580	\$2,580
Elizabeth Plum P18613	Grant to remove an underground storage tank	\$1,200	\$1,200
Violet & Frank Reid P18642	Grant to remove and replace an underground storage tank	\$2,450	\$2,450
Ephraim Reischer P18605	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Dana Savino P18603	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Richard & Janice Saylor / P18402	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Peter & Alicia Scalesci / P18596	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Zvi Scheiner P18602	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Blake Scholey P18608	Grant to remove and replace an underground storage tank	\$2,320	\$2,320
George & Kristen Scillia / P18773	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
William & Florence Schmitt P18518	Grant to remove an underground storage tank	\$1,200	\$1,200
Isabelle Senteneri P18505	Grant to remove and replace an underground storage tank	\$2,270	\$2,270
Shlomo Silverman P18600	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Lisa Taliercio P18006	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Wallace Vetri P18705	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Matthew Weismantel P18643	Grant to remove and replace an underground storage tank	\$2,867	\$2,867

Gloria Williams P18451	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Lillian Woienski P18443	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
William Wood P18419	Grant to remove and replace an underground storage tank	\$2,800	\$2,800
63 Grants	Total Delegated Authority funding for Non-Leaking Tank applications in June 2007	\$163,849	



 Caren S. Franzini

Prepared by: Lisa Petrizzi



**HAZARDOUS DISCHARGE SITE REMEDIATION FUND
PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: July 10, 2007
SUBJECT: Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection to perform preliminary assessment, site investigation, remedial investigation and remedial action. The scopes of work are described on the attached project summaries.

Municipal Grant:

City of Vineland (Cedarwood Drive Landfill)	\$264,664
Township of West Orange (549 Valley Road)	\$425,019
Total HDSRF funding for July 2007	\$689,683

Prepared by: Lisa Petrizzi

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

APPLICANT: City of Vineland (Cedarwood Drive Landfill)

P18746

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Cedarwood Drive

Vineland City (T/UA)

Cumberland

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

The City of Vineland received a grant approval to perform a Preliminary Assessment (PA) in the amount of \$2,000 under P17201 in March 2006.

The project site, identified as Block 1071, Lot 7.02, is a former landfill with potential environmental areas of concern (AOC's). The City of Vineland currently owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial re-use.

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

APPROVAL REQUEST:

The City of Vineland is requesting additional grant funding to perform PA, SI and RI in the amount of \$264,664 at the Cedarwood Drive Landfill project site, for a total funding to date of \$266,664.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$264,664
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Site investigation	\$121,869
Remedial investigation	\$104,735
NJDEP oversight cost	\$24,060
Preliminary assessment	\$14,000
EDA administrative cost	\$500
TOTAL COSTS	\$265,164

APPROVAL OFFICER: L. Petrizzi

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

APPLICANT: Township of West Orange (549 Valley Road)

P18695

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 549 Valley Road

West Orange Township (N)

Essex

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

The project site, identified as Block 27, Lot 47 is a former gas station located in a Brownfield Development Area which has potential environmental areas of concern (AOC's). The Township of West Orange intends to acquire the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site as a mixed-use development.

NJDEP has approved this request for Remedial Investigation (RI) and Remedial Action (RA) on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

The Township of West Orange is requesting grant funding to perform RI & RA in the amount of \$425,019 at the 549 Valley Road project site.

Any expenditure for a RA in a BDA in which the applicant does not have an ownership interest, shall constitute a debt of the property owner to the fund. The lien that is filed on real property shall be removed upon transfer of ownership of the property to the applicant. The RA project costs plus its associated 10% oversight costs, which amounts to \$37,280, totals \$410,077.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$425,019

TERMS OF GRANT: No Interest; A lien in the amount \$410,077 will be placed on the property and constitute a debt of the property owner. In the event, the property is transferred to the applicant, the lien will be removed.

PROJECT COSTS:

Remedial Action	\$372,797
NJDEP oversight cost	\$38,638
Remedial investigation	\$13,584
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$425,519</u></u>

APPROVAL OFFICER: L. Petrizzi



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

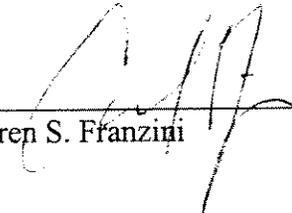
SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
(For Informational Purposes Only)

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

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of June 2007.

Applicant	Description	Grant Amount	Awarded to Date
Borough of Point Pleasant Beach (Sea Coast Oil) P18408	Supplemental grant to perform Remedial Investigation for commercial redevelopment.	\$63,160	\$103,138 \$63,160 (aggregate supplemental approval)
NJ Rural Housing Action Corporation (Vineland Affordable Homes Project) P18696	Initial grant to perform Preliminary Assessment and Site Investigation for redevelopment as affordable housing.	\$80,864	\$80,864
City of Vineland (Former Auto Repair Facility) P18569	Initial grant to perform preliminary assessment and site investigation for redevelopment as mixed-use.	\$65,393	\$65,393

City of Vineland (Landis Avenue Hotel) P18570	Initial grant to perform preliminary assessment and site investigation for redevelopment as mixed-use.	\$82,307	\$82,307
4 Grants	Approved in June 2007	\$291,724	



Caren S. Franzini

Prepared by: Lisa Petrizzi



BUSINESS EMPLOYMENT INCENTIVE PROGRAM

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

APPLICANT: Aeterna Zentaris Inc.

P18528

PROJECT LOCATION: 20 Independence Boulevard Warren Township (N) Somerset County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Aeterna Zentaris Inc., a Canadian corporation, is a growing global biopharmaceutical company focused on endocrine therapy and oncology with proven expertise in drug discovery, development and commercialization. The Company is committed to discovering and developing innovative drugs for the treatment of patients suffering from some forms of cancer, endocrinian disorders and infectious diseases. The Company is economically viable.

MATERIAL FACTOR:

The Company is requesting a BEIP grant to support creating 25 new jobs. The Company is considering establishing an office in New Jersey to better serve its US market. Otherwise the Company will not expand to New Jersey and will create the new jobs in Quebec City, Canada, where it is headquartered. Management has indicated a favorable decision by the Authority to award the BEIP grant is a material factor to expand into New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 55%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Aeterna Zentaris 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: \$ 1,250,000
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 20 Year 2 5 Base Years Total = 25

ANTICIPATED AVERAGE WAGES: \$180,000

ESTIMATED PROJECT COSTS: \$800,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,310,000

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$2,215,000

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: Quebec City

APPLICANT OWNERSHIP: () Domestic (X) Foreign Canada

DEVELOPMENT OFFICER: W. Feliciano **APPROVAL OFFICER:** T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Warren Township	N/A
2. Job Creation	25	1
	Targeted : <u> X </u> Non-Targeted : _____	
3. Job at Risk:	0	0
4. Industry:	Biotechnology	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$800,000	1
7. Average Wage:	\$ 180,000	4
TOTAL:		10

Bonus Increases (up to 80 %):

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

Total Bonus Points:

20 %

Total Score :

Total Score per formula:	10 = 35 %
Construction/Renovation :	0 %
Bonus Increases :	20 %
Total Score (not to exceed 80 %):	55 %

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Locations Unknown	N/A
2. Job Creation	60	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	Financial services	2
	Designated : <u> X </u> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$4,600,000	2
7. Average Wage:	\$ 100,000	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 :	0 %
Bonus Increases :	0 %
Total Score (not to exceed 80 %):	35 %

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

APPLICANT: AFL Quality NY, LLC

P18679

PROJECT LOCATION: 60-70 Seaview Drive

Secaucus Town (N)

Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

AFL Quality NY, LLC, a recently created entity, is intended to focus on building and servicing the New York customer base of its well established affiliate, AFL Web Printing. Founded in 1974 as a family-run printing business, AFL Web Printing, has grown to be one of the premier commercial printing companies in the Northeast, offering sophisticated color reproduction and state of the art printing technology by handling all printing needs from design and digital services to printing, labeling, mailing, mail list maintenance and distribution. AFL Quality Inc. received Authority assistance in 1995 of \$3,160,000 in tax exempt bonds to purchase machinery and equipment and to acquire the 24,000 sq. ft. manufacturing facility In Voorhees. The 1995 Bonds are paid in full. In 1999, AFL Quality received tax exempt bond financing of \$4 million for additional machinery and equipment. The Company is economically viable.

MATERIAL FACTOR:

AFL Quality NY, LLC is requesting a BEIP grant to support the creation of 181 jobs in New Jersey. In an effort to better serve the growing customer base in New York City, AFL has determined that it needs a new facility in closer proximity to NY City. The primary facility under consideration in NJ is an approximately 140,000 sq. ft. facility available for lease in Secaucus. The alternative sites are in New York. 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: 60%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage AFL Quality NY, 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: \$ 1,203,234

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

NJ EMPLOYMENT AT APPLICATION: 215

ELIGIBLE BEIP JOBS: Year 1 93 Year 2 88 Base Years Total = 181

ANTICIPATED AVERAGE WAGES: \$48,900

ESTIMATED PROJECT COSTS: \$34,200,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$2,005,389

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$1,804,850

PROJECT IS: (X) Expansion () Relocation _____

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic () Foreign

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Secaucus Town	N/A
2. Job Creation	181	3
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	181	1
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$34,200,000	3
7. Average Wage:	\$ 48,900	2
TOTAL:		11

Bonus Increases (up to 80 %):

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

Total Bonus Points:

20 %

Total Score :

Total Score per formula :

11 = **35 %**

Construction/Renovation :

5 %

Bonus Increases :

20 %

Total Score (not to exceed 80 %) :

60 %

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

APPLICANT: DeltaPaper Corporation

P18801

PROJECT LOCATION: 8295 National highway Pennsauken Township Camden County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

Deltapaper Corporation (DPC), was formed in 1972 by Sidney and William Bregman, in Philadelphia. DPC is a paper converter, specializing in Kraft wrapping paper for industrial distributors and food service packaging companies. The applicant prides itself on its environmentally responsible packaging that performs well and costs less. DPC has implemented MRPII, "just in time" productivity controls, in their manufacturing operations. The result is doubling production in half the space. DPC sells only through distribution and re-distribution channels. The company is economically viable.

MATERIAL FACTOR:

DPC is seeking a BEIP grant to support relocating 43 employees from its Philadelphia facility to Pennsauken, New Jersey. Also under consideration is expanding its current Levittown facility or other nearby facilities in Pennsylvania. The applicant is estimating project cost to be \$266,000. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to move the business to New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 65%

TERM: 10 years

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

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: \$ 350,717
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 43 Year 2 0 Base Years Total = 43

ANTICIPATED AVERAGE WAGES: \$52,325

ESTIMATED PROJECT COSTS: \$266,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$539,564

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$458,629

PROJECT IS: () Expansion (X) Relocation Pennsylvania

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: Pennsylvania

APPLICANT OWNERSHIP:(X) Domestic () Foreign

DEVELOPMENT OFFICER: H. Friedberg

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Pennsauken Township	N/A
2. Job Creation	43	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	paper/wood	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$266,005	0
7. Average Wage:	\$ 52,325	3
TOTAL:		6

Bonus Increases (up to 80 %):

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

Total Bonus Points:

40 %

Total Score :

Total Score per formula:

6 = 25 %

Construction/Renovation :

0 %

Bonus Increases :

40 %

Total Score (not to exceed 80 %):

65 %

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

APPLICANT: IPC Systems, Inc.

P18806

PROJECT LOCATION: Harborside Financial Center Jersey City (T/UA) Hudson County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

IPC Systems, Inc. (IPC), founded in 1973, designs and builds mission-critical communications systems for banks and brokerage firms, as well as for public safety, government security, energy and power, and transportation organizations, on a global basis. The applicant provides global network services for its clients through its own private, secure network, connecting more than 200 cities across six continents, and advanced Voice over Internet Protocol (VoIP) technology, to more than 40 countries. IPC's customer list includes Barclays, Deutsche Bank and Bank of America. Headquartered in New York, IPC has over 1,200 employees in full-service offices in London, Paris, Frankfurt, Milan, Toronto, Hong Kong, Singapore, Kuala Lumpur, Jakarta, Shanghai, Beijing, Melbourne, Sydney, Tokyo, Chicago, San Francisco, Boston and nine other major U.S. cities. IPC is economically viable.

MATERIAL FACTOR:

IPC is seeking a BEIP grant to relocate 149 high technology employees from Manhattan to Jersey City within two years of grant approval. As a result of several recent acquisitions, the applicant is operating out of three offices in Manhattan. Under consideration is consolidating its three Manhattan offices to two locations and remaining in Manhattan, or keeping one office in Manhattan and opening a second office in Brooklyn or Jersey City. The applicant is estimating project cost to be \$500,000. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to move the business to New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 80%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage IPC 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: \$ 6,464,118
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 133 Year 2 16 Base Years Total = 149

ANTICIPATED AVERAGE WAGES: \$123,785

ESTIMATED PROJECT COSTS: \$500,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$8,080,147

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$5,656,103

PROJECT IS: () Expansion (X) Relocation New York

CONSTRUCTION: () Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: New York

APPLICANT OWNERSHIP: (X) Domestic () Foreign

APPROVAL OFFICER: M. Krug

FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Jersey City	N/A
2. Job Creation	149	3
	Targeted : <input checked="" type="checkbox"/> Non-Targeted : _____	
3. Job at Risk:	0	0
4. Industry:	Electronic device technology	2
	Designated : <input checked="" type="checkbox"/> Non-Designated : _____	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$500,000	1
7. Average Wage:	\$ 123,785	4
TOTAL:		12

Bonus Increases (up to 80 %):

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

Total Bonus Points:

55 %

Total Score :

Total Score per formula:

12 = 40 %

Construction/Renovation :

0 %

Bonus Increases :

55 %

Total Score (not to exceed 80 %):

80 %

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

APPLICANT: New Jersey Ethanol, LLC

P18356

PROJECT LOCATION: Bridgeton Industrial Park Bridgeton City (T/UA) Cumberland County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND/ECONOMIC VIABILITY:

New Jersey Ethanol, LLC was incorporated in New Jersey in August, 2006 and anticipates start up of an ethanol manufacturing facility in the first quarter of 2008. This facility will consist of a distillation processing facility that will produce 3 - 5 million gallons of ethanol annually. Ethanol is a "green" bio-fuel derived from various naturally occurring products like sugar beet, sugar cane, corn, or any other starch. The resulting fuel can be used as either a gasoline replacement or as an additive to gasoline to make it more eco-friendly. The Company expects to use a combination of corn and sugar waste from local food and beverage manufacturers to produce the fuel. The Company is economically viable.

MATERIAL FACTOR:

New Jersey Ethanol, LLC is requesting a BEIP grant to support the creation of 33 new jobs. Management believes the start up in New Jersey will allow the company to grow and respond to new demands by customers. There is currently no ethanol distillation facility in the tri-state area. An alternative is to locate in the Keystone Industrial Port Complex in Philadelphia. Management has indicated a favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to start up in New Jersey.

APPROVAL REQUEST:

PERCENTAGE: 75%

TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage New Jersey Ethanol, 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: \$ 210,066
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 15 Year 2 18 Base Years Total = 33

ANTICIPATED AVERAGE WAGES: \$42,500

ESTIMATED PROJECT COSTS: \$6,100,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$280,088

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$210,066

PROJECT IS: () Expansion () Relocation _____

CONSTRUCTION: (X) Yes () No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic () Foreign

APPROVAL OFFICER: T. Wells

FORMULA EVALUATION

<u>Criteria</u>	<u>Score</u>
1. Location: Bridgeton City	N/A
2. Job Creation 33 Targeted : <u> X </u> Non-Targeted : _____	1
3. Job at Risk: 0	0
4. Industry: Advanced materials Designated : <u> X </u> Non-Designated : _____	2
5. Leverage: 3 to 1 and up	2
6. Capital Investment: \$6,100,000	2
7. Average Wage: \$ 42,500	2
TOTAL:	9

Bonus Increases (up to 80 %):

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

Total Bonus Points:

40 %

Total Score :

Total Score per formula:

9 = 30 %

Construction/Renovation :

5 %

Bonus Increases :

40 %

Total Score (not to exceed 80 %):

75 %





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

SUBJECT: Refcon, Inc.
335 Chestnut Street, Norwood, New Jersey
BEIP Grant
P15520
Request to Approve the Acquisition and Subsequent Name Change

Modification Request:

Refcon, Inc. is requesting the approval of the acquisition of substantially all of their assets by HPC Investment Co., LLC, a wholly-owned subsidiary Henny Penny Corporation. Refcon, Inc. is also requesting the approval of the name change from Refcon, Inc. to Refcon, LLC.

Background

Refcon, Inc., headquartered in Norwood, New Jersey, manufactures custom and standard refrigerated and non-refrigerated display equipment used in the food service and supermarket industries. The company has a wide range of customers throughout the United States including architects, interior designers, food service consultants and chains.

In November 2003, the EDA provided a 40% BEIP Grant for a term of 10 years to support the Company with its relocation efforts. To date, a total of \$20,243 has been disbursed under the grant. The New Employment Commitment number at board approval was 70. As of December 31, 2006, a total of 37 eligible positions has been created.

Henny Penny Corporation was founded in Ohio in 1957 and is a leading manufacturer of commercial food service equipment, for use primarily in restaurants, supermarkets and other commercial food service operations. Henny Penny Corporation, through its wholly-owned subsidiary HPC Investment Co., LLC, formed Refcon, LLC and in August 2006 acquired substantially all of the assets of Refcon, Inc. Refcon, LLC became the successor company of Refcon, Inc.

This request includes a full change of ownership and the name change for Refcon, Inc. to Refcon, LLC. This change will not have any effect on the grant award percentage or the New Employment Commitment

The financial statements have been reviewed by Credit Compliance and this project has been determined to be economically viable.

Recommendation:

The Members of the Authority are asked to approve the change of ownership of Refcon, Inc. and the subsequent name change from Refcon, Inc. to Refcon, LLC.



Prepared by: Charlene Craddock



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

SUBJECT: The Sports Authority, Inc.
BEIP Grant
P14423
Project Location: 200 Richards Run, Burlington, New Jersey
Request to Approve the Change in Ownership and Subsequent Name Change

Modification Request:

The Sports Authority, Inc. has requested approval of a change in ownership and the subsequent name change from The Sports Authority, Inc. to TSA Stores, Inc. There will be no other changes to their BEIP grant.

This modification request has been reviewed by the Office of the Attorney General. While there will be no increase in employment, there would be a change in ownership as a result of the merger between The Sports Authority, Inc. and Gart Sports Company. In light of these facts, it has been determined by the Office of the Attorney General to be outside the scope of delegated authority thus requiring consideration and approval by the Members.

Background

The Sports Authority, Inc. is one of the nation's largest publicly traded full-line sporting goods retailers with sales of approximately \$2.5 billion for fiscal 2005 and operating 398 stores in 45 states as of January 28, 2006.

The Sports Authority, Inc. was approved for a 60% grant for ten years on August 13, 2002 with a New Employment Commitment of 220. Their Minimum Eligibility Threshold of 75 was reached on April 28, 2003 as a result of its decision to locate the warehouse/distribution center in Burlington, New Jersey.

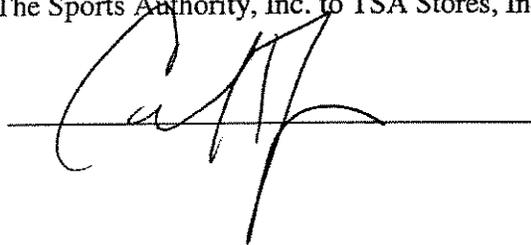
In August 2003, The Sports Authority, Inc. and Gart Sports Company merged. As part of this merger and corporate restructuring, The Sports Authority, Inc., FEIN 36-3511120 was renamed TSA Stores, Inc. Gart Sports Company, FEIN 84-1242802 was renamed The Sports Authority, Inc.

As a result of the merger, The Sports Authority, Inc. became a wholly-owned subsidiary of Gart Sports Company and was renamed TSA Stores, Inc. ("TSA Stores"). Gart Sports Company was then renamed The Sports Authority, Inc.

TSA Stores is the only operating authority at the project site. Gart Sports Company will not be included in the Grant. Hence, there is no change to the number of eligible employees at the site.

Recommendation:

The Members of the Authority are asked to approve the change in ownership of The Sports Authority, Inc. and the subsequent name change of The Sports Authority, Inc. to TSA Stores, Inc.

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

Prepared by: K. Gallagher



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

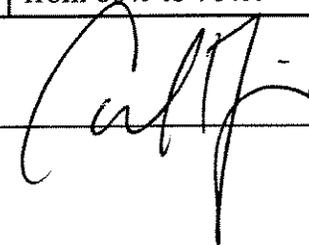
DATE: July 10, 2007

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 June 30, 2007:

<u>Name</u>	<u>Application #</u>	<u>Modification</u>
ABN AMRO Incorporated	P14290	Removed ABN AMRO WCS Holding Company from the grant. Added ABN AMRO Bank N.V. to the grant.
Apex Express	P15566	Decrease in the New Employment Commitment from 76 to 57.
Biovail Pharmaceuticals, Inc.	P14984	Decrease in the New Employment Commitment from 200 to 123. Decrease in the grant award percentage from 65% to 60%.
Cardinal Health PTS, LLC	P12220	Increase in the New Employment Commitment from 189 to the New Employment Commitment approved at board approval of 205. Increase in the grant award percentage from 60% to 70%.

Cendant Corporation/Cendant Finance Holding Corp/Cendant Operations, Inc.	P13712	Decrease in the New Employment Commitment from 200 to 114. Decrease in the grant award percentage from 60% to 50%
ConocoPhillips Company /ConocoPhillips Services, Inc.	P10386	Removed ConocoPhillips Services, Inc. from the grant.
Fortis Financial Services, LLC/Fortis Securities LLC	P15679	Removed Fortis Financial Services LLC from the grant. Added Fortis Bank SA/NV to the grant.
Impliant, Inc..	P17732	Project location changed from TBD to 103 Carnegie Center, Suite 208, Princeton, Mercer County, New Jersey
Pharmacia & Upjohn Company	P09914	Decrease in the New Employment Commitment from 700 to 460. Decrease in grant award percentage from 80% to 70%.



Prepared by: C. Craddock



BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

SUBJECT: Vineland Adult Education/Aquatic Center
P# 17484
East Montrose Street and 6th Street
Vineland, Cumberland County

Modification Request:

Approval is requested to allow NJEDA to provide a recapture guarantee to the Investors of the Vineland Adult Education/Aquatic Center project. The guarantee will only be exercised in the event a recapture is caused by the NJCDE, LLC.

Background:

On January 9, 2007, the Board approved a \$3.5 million NMTC allocation from NJCDE, LLC., (CDE) to newly formed NJCDE-2, LLC., (CDE-2) in support of a Demonstration School project in Vineland, NJ (the School). The ultimate beneficiary of the NMTC allocation will be a group of five individuals, which includes Mr. Al Boscov (Investors). Each Investor will be contributing \$200,000. In total, the Investors will receive \$1.365 million (39% the \$3.5 million allocation) in tax credits over seven years. Our allocation will provide the Investors an incentive to make a \$1 million equity investment into the School project.

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). 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.

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). The majority of project costs will be financed by a \$57.7 million grant from the Schools Construction Corporation (SCC). 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.

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 in the form of grants, forgivable loans, and equity from CCIA, CEZ, Vineland UEZ, and the Investors. A total \$3.5 million of financing from the Vineland UEZ and the Investors 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. Note that the NMTC allocation to CDE-2 will not support the entire project, but solely the Adult Education Center and community pool.

Recapture Guarantee:

Tax credits received by the Investors are subject to a reversal in years one through seven in the event the CDE enters into a default status as defined by the laws governing NMTC. A default status would be recognized if any one of the following events occurs:

Loss of CDE Status: CDE or CDE-2 loses its status as a CDE during years one through seven. This risk is nominal, as the Authority has employed expert legal representation to structure and monitor this transaction. Confirmation of CDE status has been received.

Act of Fraud: It is determined that CDE or CDE-2 has committed fraud. This risk is not applicable in this transaction again reflecting the Authority's expert legal representation and compliance with all NMTC laws.

Failure of "Substantially All" Requirement: CDE has failed to disburse "Substantially All" (85%) of the proceeds of the QEI in the form of a loan to a qualified business. Mitigating this risk is the fact that at closing, CDE will disburse 100% the NMTC allocation to CDE-2. Since the entire allocation will be disbursed at closing to a qualified business, the "Substantially All" requirement will be met.

Return of Equity Investment: A recapture event will occur if any principal repayment of the equity investment is received during years one through seven. Such a repayment is contrary to the terms of CDE-2's Operating Agreement and will be prohibited.

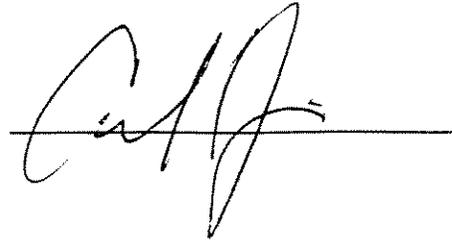
A reversal of the tax credits will result in the Investors having to amend their individual tax returns and pay back to the IRS all tax benefits received including interest and penalties. The exposure to the Authority should a recapture occur in this transaction is \$1.365 million, the amount of the total tax credit. This amount does not include potential interest and penalties.

In this project as originally approved, the sole investor, Mr. Boscov, did not request a recapture guarantee. The guarantee is being requested at this point as the equity Investors, now comprised of five individuals have collectively requested it as a condition of their investments. Legal counsel for the NJ-CDE has advised that providing a recapture guarantee is standard for this type of NMTC transaction. The events

that could potentially cause a recapture are within the control of the Authority and CDE. Such events are not under the control of the Investors.

Recommendation:

Approval of the recapture guarantee is recommended, as the risk of a recapture event is nominal and limited to events that would be caused by actions of the CDE or CDE-2. Note that any actions of the Investors that cause a recapture will not trigger the guarantee provided by the NJEDA. It is within the control of the Authority/CDE/CDE-2 to ensure that a recapture event will not occur.

A handwritten signature in black ink, appearing to read "D. Lawyer", is written over a horizontal line.

Prepared by: David A. Lawyer, Senior Credit Underwriter



MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: July 10, 2007
SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under delegated authority in June 2007:

New Jersey Business Growth Fund:

WJ Castle, PE & Associates and Castle Clan, LLC (P18533), is located in Hainesport, Burlington County. WJ Castle, PE, & Associates is a civil engineering firm. PNC has approved a bank loan in the amount of \$1,300,000 with a five year 50% guarantee of principal outstanding not to exceed \$650,000. The loan proceeds will be used to refinance an existing mortgage on the commercial property owned by Castle Clan, LLC. The company currently has ten employees and will be creating an additional 14 jobs over the next two years.

Whittendale Excavating Corporation (P18652), located in Moorestown, Burlington County, operates as a construction site excavator. PNC has approved a bank loan in the amount of \$223,700 with a five year 25% guarantee of principal outstanding not to exceed \$55,925. The loan proceeds will be used to purchase machinery and equipment for the expansion of the business. The company currently has 20 employees and will be creating five full-time jobs.

Modifications:

In May, 2007, Penn Pub, Inc. & WWSBF Inc. (P18492), was approved for a \$712,000 PNC Business Growth Fund loan with a five year 25% guarantee of principal outstanding not to exceed \$178,000. The loan proceeds are to used to refinance the borrower's existing commercial mortgage. Due to an increase in the actual payoff amount, PNC approved an increase to their loan to \$725,988 with a 25%, five year guarantee not to exceed \$181,497. All requirements of the Business Growth Fund program were met.

Prepared by: S. Mania



MEMORANDUM

For Informational Purposes Only

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
DATE: July 10, 2007
SUBJECT: Delegated Authority Approvals

Below is a summary of Delegated Authority approvals prepared by the Credit Compliance Division for the second quarter of 2007.

<u>Project Name</u>	<u>Balance</u>	<u>Description</u>
<u>Active Portfolio</u>		
Corporate Childcare Solutions, Inc.	\$275,000	Extension of maturity from 6/01/07 to 6/01/12. NJDA also approved extending the BBC loan to this customer.
<u>SLM Portfolio</u>		
Checkspert, Inc.	\$250,000	Consent to settlement with one guarantor for payment of \$40,000 on this written off loan.
Avatar Medical LLC & Avatar Biotechnologies LLC	\$454,217	Enter into Forbearance Agreement on written off Seed Capital Loan to facilitate borrower's ability to raise capital.

Prepared by: Jon Maticka



REAL ESTATE



TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Camden Waterfront Landscaping Project

DATE: July 10, 2007

Summary

The Members are asked to approve a Memorandum of Understanding (“MOU”) between the Authority and Cooper’s Ferry Development Association (“CFDA”) to provide for the Authority’s funding of a portion of Phase I of the Waterfront Landscaping Project for Camden’s Delaware River waterfront.

Background

The Waterfront Landscaping Project (“Project”) is a public/private effort to beautify the City’s Delaware River waterfront as a means of enhancing its aesthetics and economic potential as a major regional destination. This effort is also intended to provide an enhanced amenity to City residents and those working in the Downtown area. The Authority is a major landowner on the Camden waterfront, controlling property between Adventure Aquarium and Campbell Field. In 2004 the Members approved a development agreement for this site with Steiner + Associates. Steiner recently completed the first phase of its Camden Town Center development project, a 100,000 sf office building known as the Ferry Terminal Building.

The \$200,000 budget for the Project will be contributed by five parties: Camden Parking Authority, the County of Camden and the Authority, at \$50,000 each; and Camden Town Center and the Adventure Aquarium, at \$25,000 each. The five entities either own or operate facilities within the project’s “Planting Area,” which is bounded by Market Street, Delaware Avenue, Federal Street and the Delaware River. CFDA, a local non-profit corporation, will coordinate the planning and implementation of the Project on behalf of the funding entities.

Phase I of the Project covers the 2007 planting and maintenance season. CFDA’s contractor will install trees, shrubs, ground covers and plants in the Planting Area in accordance with plans prepared on behalf of CFDA and approved by the funding parties. The work includes watering of all newly installed plants on a continual basis throughout the summer season. The contractor will also be responsible for mowing, fertilizing and treating

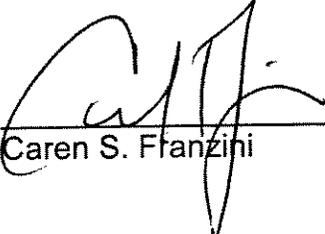
specified grassy areas on the Waterfront between the Ben Franklin Bridge and the Battleship New Jersey for the 2007 season.

The five public and private sector entities funding the Project jointly selected CFDA to implement the work, due to CFDA's non-profit status and its mission to advance Camden's economic development, especially in the waterfront area. Accordingly, the Authority is retaining CFDA on a sole source basis pursuant to our approved contractor selection procedures (i.e. Sole Source type C -- a joint venture project where the contractor is partially funded by and primarily the responsibility of the joint venture partners). CFDA publicly advertised for bids on the landscaping and maintenance work, and selected the low bidder, Elite Landscaping. Pursuant to the MOU, the Authority will fund an amount not to exceed \$50,000 for CFDA's purchase of plants, materials and supplies for the Project. These funds will be drawn from two Real Estate Division accounts associated with the Camden waterfront.

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

Recommendation:

In conclusion, I am requesting the Members' approval to enter into a Memorandum of Understanding with Cooper's Ferry Development Association to provide for the Authority's funding of a portion of Phase I of the Camden Waterfront Landscaping Project, on terms generally consistent with the attached document.


Caren S. Franzini

Attachment

Prepared by David E. Nuse
Director – Real Estate

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this _____ day of _____, 2007 (the "Effective Date") between the COOPER'S FERRY DEVELOPMENT ASSOCIATION (hereinafter "CFDA"), having its office at One Port Center 2 Riverside Drive, Camden, NJ 08103, and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (hereinafter "NJEDA"), having its address at 36 West State Street, P.O. Box 990, Trenton, New Jersey 08625-0990 (collectively the "Parties") regarding a joint landscaping project for the Camden Waterfront .

BACKGROUND:

WHEREAS, the CAMDEN TOWN CENTER, LLC, a limited liability company of New Jersey, having an address at c/o Steiner + Associates, Inc., 4016 Townsfair Way, Suite 201, Columbus, Ohio 43219 (hereinafter "CTC") owns portions of the Project Site and has an option to purchase additional areas of the Camden Waterfront;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding with CTC to memorialize CTC's participation in the landscaping Project describe in this MOU and CTC's agreement to deposit \$25,000 with CFDA for the Project;

WHEREAS, the ADVENTURE AQUARIUM, having an address at 1 Aquarium Drive, Camden NJ 08103 (hereinafter "AA") operates the existing and renovated aquarium facilities located on part of the Project Site;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding

with AA to memorialize AA's participation in the landscaping Project describe in this MOU and AA's agreement to deposit \$25,000 with CFDA for the Project;

WHEREAS, the CITY OF CAMDEN PARKING AUTHORITY, having its office at 10 Delaware Avenue, Camden NJ 08103 (hereinafter "CCPA") is operating parking lots on part of the Project Site;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding with CCPA, to memorialize CCPA's participation in the landscaping Project describe in this MOU and CCPA's agreement to deposit \$50,000 with CFDA for the Project;

WHEREAS, the CAMDEN COUNTY PARKS DEPARTMENT having its office at 1301 Park Boulevard, Cherry Hill NJ 08002 (hereinafter "the County") owns and maintains a few parks on the Project Site;

WHEREAS, CFDA has or intends to enter into a Memorandum of Understanding with the County, to memorialize the County's participation in the landscaping Project describe in this MOU and the County's agreement to deposit \$50,000 with CFDA for the Project;

WHEREAS, NJEDA, CTC, AA, CCPA and the County are collectively herein referred to as the "Project Participants";

WHEREAS, for the past twenty years CFDA has actively been working towards achieving its vision of "establishing a new center of economic development that can help rebuild the Camden's depleted tax base" and "help improve Camden's image as a place to live, work, visit, and invest." The Camden Waterfront is one location which the CFDA has

concentrated their efforts to realize this vision;

WHEREAS, NJEDA was established to promote economic development and increased employment opportunities in the State of New Jersey and the NJEDA is committed to urban development in the State of New Jersey. Additionally, the NJEDA owns portions of the subject property; and

WHEREAS, the Project Participants each have a joint and mutual interest in beautifying the Camden Waterfront, and to that end, the Project Participants wish to jointly and cooperatively engage CFDA to design, implement and maintain a common landscaping plan for the Camden waterfront area that will mutually benefit all of the Project Participants as more fully set forth in this MOU.

PROJECT:

The Project will consist of new plantings and maintenance plan to make portions of the Camden Waterfront worthy of a major state attraction destination (hereinafter, the "Project"). Landscaping will be planted and maintained by CFDA to the standards of a well-groomed pedestrian city street.

PROJECT SITE:

For the plantings phase of the Project, the Project will be located on the Camden Waterfront in between the following areas: Federal Street will be the southern border, Market Street will be the north border, the Delaware River will be the western border, and the Delaware Avenue will be the eastern border.

For the maintenance phase of the Project, the Project will consist of the parcels identified in the above section as well as the approximate 1.5 mile length of the Wiggins Waterfront Park and Marina and Market Street Park. Please refer to Exhibit A.

PROJECT DESCRIPTION:

The Project Participants and CFDA have agreed that the Project will consist of design, installation, and maintenance of landscaping improvements. Nothing in this MOU is intended to prevent or interfere with the development of the Camden Waterfront and nothing in this MOU is intended to prevent or restrict any Project Participant from making further landscaping improvements to any land that any of them owns or operates within or near the Project Site.

Please refer to Exhibit B for a description of the landscape construction and landscape maintenance for the Project.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

ROLES OF THE PARTIES:

NJEDA and CFDA agree to undertake and carry out the various tasks and obligations hereinafter set forth.

1. CFDA: The CFDA will contract with consultants and contracts for the design, planting, and maintenance for the Project in accordance with the landscaping plan approved by NJEDA and the Project Participants. Any and all contracts with consultants entered into by CFDA in connection with the Project shall be publicly advertised, solicited

and selected by CFDA in accordance with its normal contract selection procedures. It is expected that at least three (3) proposals will be received for each contract CFDA enters into pursuant to the Project. The general terms and conditions of such contracts shall be consistent with agreements typically entered into by CFDA and shall provide for their termination at any time and shall require the consultant(s)/contractor(s) to: (i) carry general liability insurance in amount (s) determined by CFDA to be fair and reasonable and naming NJEDA and the Project Participants as additional insureds, (ii) indemnify and hold NJEDA or the appropriate Project Participants harmless against any and all claims arising in connection the contractor's services related to the Project, (iii) carry the statutorily required amounts of workman's compensation insurance; and (iv) complete the installation of the new plantings within three months of commencing work. The CFDA will provide NJEDA with copies of all executed contracts with consultants who perform the Project work.

CFDA will supervise Project work completed and ensure it meets local regulatory standards. CFDA will be responsible for the day-to-day management and oversight of the Project in cooperation with the Project Participants. CFDA will also provide NJEDA and the Project Participants with monthly progress reports.

2 NJEDA: The NJEDA will deposit \$50,000 to a new bank account created by CFDA for the Project within twenty (20) calendar days after the Effective Date of this MOU on the express condition that funds deposited by NJEDA shall be used only for the purchase of new plants, materials and supplies for the Project. The NJEDA does also hereby grant a right of entry (subject to proof that adequate insurance coverage is in place)

to CFDA and its contractors to make the necessary Project improvements on property owned by NJEDA.

LANDSCAPE BANK ACCOUNT:

1. NJEDA and the Project Participants are herein collectively referred to as the "Depositors".

2. CFDA shall promptly deposit any and all funds received from the Depositors for the Project into the new bank account (the "Bank Account") created by CFDA for the Project. CFDA shall not disburse any of the funds deposited by NJEDA until no less than TWO HUNDRED THOUSAND DOLLARS (\$200,000) has been deposited into the Bank Account. Funds in the Bank Account shall be for the joint and mutual benefit of all Depositors and drawn upon by a designated representative of the CFDA. CFDA will provide NJEDA: (i) within thirty (30) days of the Effective Date, an initial statement confirming that all Depositors have made their deposit into the Bank Account, and (ii) on a quarterly basis, a statement indicating the amount of the Bank Account funds expended during that quarter. The Bank Account will be used for the sole purpose of administration expenses and paying consultants and contractors performing services related to the Project, as evidenced by executed contracts with the consultants/contractors and invoices charged directly against the contracts. The cost of the Project will not exceed \$200,000. Upon completion of the Project any remaining Bank Account funds will be pledged toward future plantings and maintenance of the Project as agreed upon by the Depositors.

3. Requisitions from Bank Account: Upon the incurrence of Project related expenses and costs, the CFDA will draw against funds available in the Bank Account on an as-needed basis and copy each of the Depositors on a monthly basis providing an accounting of the funds along with any related correspondence and drawdowns that occurred that month. Costs will be defined to include: (i) preparation of a design plan for Project landscaping; (ii) purchase, installation and construction of Project landscaping; (iii) maintenance of Project landscaping.

4. Project Administration: CFDA shall charge on a monthly basis to the Bank Account a project administration fee of \$1,600 to cover fees and expenses associated with the management of this project including, but not limited to staff support for stakeholder reports and contractor interface, construction management, maintenance management, accounting services, and insurance.

OWNERSHIP OF WORK PRODUCT:

Work product of the design shall be jointly owned by the Depositors and CFDA. The Parties agree not to assign or otherwise transfer its interest in the work product of the design to anyone other than the other Parties to this MOU or the Depositors.

NO ASSIGNMENT:

This MOU shall not be construed to create any rights on behalf of any person or entity other than the Parties. Neither this MOU nor any rights or duties hereunder may be assigned or delegated by Parties hereto without the written consent of the other Parties and any such purported assignment or delegation shall be null and void and of no force or

effect. CFDA shall not assign any portion of the Bank Account funds without the prior written consent of all of the Depositors.

REPRESENTATIONS AND WARRANTIES OF THE PARTIES:

The Parties hereby represents and warrants to the other Parties that, to the best of their knowledge, information and belief, they have full power and authority to enter into this MOU and agree in good faith to seek to obtain all powers and authority to consummate the transactions contemplated herein.

TERM OF THE AGREEMENT:

The term of this MOU will commence immediately upon execution by NJEDA and CFDA. Unless terminated by either Party, this MOU shall remain in effect until the earlier of: (i) disbursement of all of the Bank Account funds; or (ii) for one (1) year from the Effective Date. The MOU term may be extended upon the mutual written consent of both Parties.

TERMINATION:

Each Party reserves the right to terminate this MOU at any time. The Party requesting termination will notify the other Party, in writing, 30 days prior to the anticipated termination date. Upon any termination of this MOU, with or without cause, CFDA shall terminate all open contracts held by CFDA pursuant to this MOU and make payment of any and all amounts owing to such consultants and contractors. CFDA shall return to each Depositor its pro-rata share of any funds remaining in the Bank Account after consultants and contractors have been paid amounts owed to them for services related to the Project.

Thereafter, the Parties will not have any right to actual or liquidated damages against the other Parties.

NOTICES:

All notices required to be served or given hereunder shall be in writing and will be deemed given when received by personal delivery, fax or by an overnight delivery service which issues a receipt from delivery, or two business days after having been mailed by certified mail, return receipt requested, and addressed as follows:

If to CFDA: Cooper's Ferry Development Association

One Port Center
2 Riverside Drive
Suite 501
Camden, New Jersey 08103
Attention: Joe Myers
Phone: (856) 757-9154
Fax: (856) 757-9478

If to NJEDA: New Jersey Economic Development Authority

36 West State Street
P.O. Box 990
Trenton, New Jersey 08625-0990
Attention: David Nuse
Phone: (609) 292-0373
Fax: (609) 292-6164

MODIFICATIONS:

The entire agreement between the Parties is contained herein and no change, modification, termination, or discharge of this MOU shall be effective unless in writing and signed by both Parties.

SEVERABILITY:

If any of the provisions of this MOU shall be rendered invalid or illegal, then if such provision does not appear to have been so material that without it this MOU would not have been made by the Parties, it shall not be deemed to form a part hereof and the balance of this MOU shall remain in full force and effect.

NO LIABILITY:

Each party will use its best efforts to further the Project; provided, however, no Party makes any representations or warranty to the other Parties regarding the viability or success of the Project.

MISCELLANEOUS:

- (a) This MOU will be governed by and construed under the laws of the State of New Jersey.
- (b) The Parties waive any statutory or common law presumption which would serve to have this document construed in favor and against any other party as the drafter.
- (c) This MOU binds the Parties, their heirs, executors, administrators, successors and assigns.
- (d) The Parties shall not be deemed, in any way or for any purpose, to be or to

have become, by the execution of this MOU or any action under this MOU, a partner with the other Party.

RESOLUTION OF DISAGREEMENTS:

All disagreements under this MOU shall be submitted to the highest in command in each of the Party's agency for their review and decision, which decision shall be binding upon the Parties. In the event that the highest in command in each of the Party's agency disagree, then each Party may seek all legal or equitable remedies to the extent permitted by applicable law.

DEFAULT:

If a Party defaults in any of its obligations hereunder and such default is not cured within thirty (30) days after receipt of written notice of such default from the non-defaulting party, and if such default is not waived by the non-defaulting party, then the party declaring the default may terminate its role in this MOU and NJEDA shall receive a refund of its pro-rata share of any funds remaining in the Bank Account after consultants and contractors have been paid amounts owed to them for services related to the Project.

NO INDIVIDUAL LIABILITY:

No Commissioner, member, director, officer, agent, or employee of each Party shall be held personally liable under any provision of this MOU or because of its execution or attempted execution or because of any breach or alleged breach hereof.

POLITICAL CAMPAIGN CONTRIBUTIONS:

For the purpose of this MOU, the following shall be defined as follows:

a) Contribution – means a contribution reportable by a recipient under “The New Jersey Campaign Contributions and Expenditures Reporting Act.” P.L. 1973, c. 83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq. Currently, contributions in excess of \$300 during a reporting period are deemed “reportable” under these laws.

b) Business Entity – means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. It also includes (i) all principals who own or control more than 10 percent of the profits or assets of a business entity or 10 percent of the stock in the case of a business entity that is a corporation for profit, as appropriate; (ii) any subsidiaries directly or indirectly controlled by the business entity; (iii) any political organization organized under 26 U.S.C.A. 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (iv) if a business entity is a natural person, that person’s spouse or child, residing in the same household.

c) P.L. 2005, c. 51 – means Public Law 2005, chapter 51 (C. 19:44A-20.13 through C. 19:44A-20.25, inclusive).

The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, c. 51 are incorporated into this MOU by reference as material terms of the agreement between NJEDA and CFDA is with the same force and effect as if P.L. 2005, c. 51 were stated herein its entirety. Compliance with P.L. 2005, c. 51 by CFDA shall be a material term of

the agreements between NJEDA and CFDS under this MOU.

CFDA hereby certifies to NJEDA that commencing on and after October 15, 2004, CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) has not solicited or made any Contribution of money, pledge of Contribution, including in-kind Contributions, that would bar a contract agreement between CFDA and NJEDA pursuant to P.L. 2005, c. 51. CFDA hereby further certifies to NJEDA that any and all certifications and disclosures delivered to the NJEDA by CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) are accurate, complete and reliable. The certifications made herein are intended to and shall be a material term of the agreements between NJEDA and CFDA under this MOU and if the Treasurer of the State of New Jersey determines that any Contribution has been made in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

CFDA hereby covenants that CFDA (and each of its principals, subsidiaries and political organizations included within the definition of Business Entity) shall not knowingly solicit or make any contributions of money, or pledge of a contribution, including in-kind contributions, to a candidate committee or election fund of any candidate or holder of the public office of Governor of New Jersey or to any New Jersey state or county political party committee prior to the expiration or earlier termination of this MOU. The provisions of this Paragraph are intended to and shall be a material term of the agreements between NJEDA and CFDA under this MOU and if the Treasurer of the State of New Jersey determines that any Contribution has been made by CFDA (and each of its principals, subsidiaries and

political organizations included within the definition of Business Entity) in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

In addition to any other Event of Default specified in this MOU, NJEDA shall have the right to declare an event of default under this MOU if: (i) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits a Contribution in violation of P.L. 2005, c. 51, (ii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) knowingly conceals or misrepresents a Contribution given or received; (iii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly would violate the restrictions of P.L. 2005, c. 51; (vi) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) funds Contributions made by third parties, including

consultants, attorneys, family members, and employees; (vii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) engages in any exchange of Contributions to circumvent the intent of P.L. 2005, c. 51; (viii) CFDA (or any of its principals, subsidiaries and political organizations included within the definition of Business Entity) directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, c. 51; or (ix) any material misrepresentation exists in any Political Campaign Contribution Certification and Disclosure which was delivered by CFDA to NJEDA in connection with this MOU.

CFDA hereby acknowledges and agrees that pursuant to P.L. 2005, c. 51, CFDA shall have a continuing obligation to report to the Office of the State Treasurer, Political Campaign Contribution Review Unit of any Contributions it makes during the term of this MOU. If during the term of this MOU, any Contribution is made by CFDA and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, c. 51, NJEDA shall have the right to declare a default under this MOU.

CFDA is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC"), pursuant to C. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if CFDA receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the CFDA's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

COUNTERPARTS:

This MOU may be executed in counterparts, each of which will be deemed to be an original, and such counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Understanding to be duly executed and delivered as of the date and year first above written and by so executing, represent and warrant they have the authority to do so.

ATTEST:

COOPER'S FERRY DEVELOPMENT
ASSOCIATION

By: _____

ATTEST:

NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY

David Nuse
Director
Real Estate Division

By: _____

Caren S. Franzini
Chief Executive Officer

EXHIBIT A



EXHIBIT B
Camden Waterfront
Landscape Construction and Maintenance Program 2007
SUMMARY OF WORK

GENERAL INFORMATION

- A. The Coopers Ferry Development Corporation (also known as The Owners Representative) has agreed to act as the managing and contracting agent for a landscape construction and maintenance program for specific areas within a larger area commonly known as the Camden Waterfront.
- B. It is the intent of Coopers Ferry Development to award the contract for the proposed scope of work as follows in these bid documents to a single firm specializing in landscape construction and maintenance services. The award of this contract will be made to the responsible lowest bidder that in the sole discretion of the contracting office is best qualified to handle this project and meet the timeframe for completion.
- C. Areas included in this contract are as shown on landscape plans as prepared by Lipinski Landscape Irrigation Inc. sheets 1, 2 and 3 of 3 with the latest revision date of 4-9-07.
- D. The contractor acknowledges that it has made itself familiar with the site and all reasonably identifiable existing conditions, is performing the work with expertise, and has accounted for the impact of all reasonably identifiable existing conditions.
- E. The contractor is to take all reasonable steps to minimize the impact of the work on the ongoing business and recreational activities of the area.
- F. The contractor understands that the areas to be placed under construction and renovation are areas utilized by the public on a daily basis and that the contractor must at all times act in a manner that promotes a safe working environment not only for the employees of the contractor but for all others who may come into contact with the areas. The public on a daily basis will access immediate areas of construction, areas will need to be sectioned or coned off to maintain a safe environment for the public during construction.
- G. Contractor shall be required to continually maintain a clean work environment and at no times allow tools, equipment or other materials to be left unattended on site. The contractor's materials and refuse shall be contained to localized areas and utilized or removed from the site in an expeditious manner.
- H. The contractor's labor force shall maintain a zero tolerance policy with regards to alcohol, drug use, or interaction with the general public in a rude or crude manner. The contractor shall be held liable for the actions of its employees.
- I. It is the intention for this project to take place on a "fast track" pace. The successful contractor shall be prepared to commence operations within 14 days of notice to proceed. The landscape construction phase of the work should be completed within 25 working days, weather pending.
- J. Insurance Requirements: Successful bidder to supply, auto, workers compensation and general liability insurance with a policy limit of not less than \$1 million, and an aggregate coverage totaling to \$2 million. Contractor is to name Coopers Ferry Development (CFDA) as an additional insured as well as

the City of Camden, Camden County Parks Department, Camden Town Center, Adventure Aquarium, Camden Parking Authority, and NJ Economic Development Authority (NJEDA).

- K. NJ One Call: CFDA will make every effort possible to inform the contractor of all existing underground utilities. Should the Contractor encounter underground utilities not covered by a public utility mark out they should immediately stop any further excavation and inform Coppers Ferry Development. The contractor shall at all times be responsible to follow all procedures of the NJ One Call system.

LANDSCAPE MAINTENANCE

- A. Contractor shall have responsibility to provide the following services for all newly landscaped areas as well as areas identified on attachment 1 to this specification.

1) Turf Grass Areas: Provide labor and materials as required to complete the fertilization and weed control program as outlined below:

- a. Fertilize all lawn areas a minimum of 4 times as follows:
 - i. Spring Fertilization (April 15 to April 25)
 1. Product to be 19-0-6 with 25% SCU and dimension crabgrass pre-emergent. Rate of application is 1lb of N per 1,000 sq ft
 - ii. Spring Broadleaf Weed Control (May 1 to May 15)
 1. Apply Super Trimec herbicide or approved equivalent as a spot treatment.
 - iii. Early Summer Fertilization (June 15 to June 30)
 1. Product to be 24-5-11 50% SCU applied at a rate of ½ lb of n per 1,000 sqft.
 - iv. Early Fall Fertilization (Sept 1 to Sept 15)
 1. Product to be 18-24-12 applied at a rate of 1.5 lbs of N per 1,000 sqft.
 - v. Late Summer Broadleaf Weed Control (Aug 15 to Sept 15)
 1. Apply Super Trimec herbicide or approved equivalent as a spot treatment
 - vi. Late Fall Fertilization (Nov 1 to Nov 15)
 1. Product to be 19-19-19 slow release wintercare fertilizer at a rate of 1 lb per 1,000 sqft.
 - v. Early Winter Liming (Nov 15 to Dec 1)
 1. Product to be palletized lime applied at a rate of 25 lbs per 1,000 sqft.
- b. Maintain turf grass areas as outlined on as needed basis but not less than 20 times per season. Included as part of the mowing process shall be the pick up and disposal of all trash and debris within the areas to be mowed and string trimming around all obstacles. Mowers shall be set to cut grass to a height of 2.5 to 3" varying with the seasonal changes. Excessive clippings shall be spread or bagged as required to prevent the build up of clippings on the surface of the lawn areas.
- c. Edging of bedlines and turfgrass areas adjacent to hardsurfaces shall be completed every other week.
- d. Any debris or grass clippings generated by any site visit shall be cleared from all hardsurfaces using a broom or mechanical blower.
- e. All hard surfaces, such as curblines, sidewalk crevices and asphalt cracks shall be treated twice per season to prevent and eliminate weed growth.

- f. All newly installed plantings shall be treated twice per season with a full spectrum insecticide as a preventative measure. Prior to making any insecticide applications the contractor is to notify and gain approval from the owner's representative.
- g. The contractor shall assume responsibility to fully water all newly installed plants on a continual basis throughout the summer season. Watering shall be performed using a tanker truck holding a minimum of 1000 gals of clean water. Contractor is responsible for locating, utilizing, and assuming all costs associated with a legal water source. When performing watering operations the contractor shall supply a low pressure flow of water dispersed from a controlled hose with closeable nozzle. Only individual plants shall be watered. Watering shall be done to the point of saturation, and then watered to the same point a second time later the same day.

LANDSCAPE CONSTRUCTION

A. Site Preparation:

- a. All areas proposed for planting that are currently landscaped with turf grass or other ground cover shall be sod cut to a depth of approx. 2". All materials cut and generated by this process shall be removed and disposed of at an offsite location.
- b. Areas where existing landscaping has been removed are to be covered to an approximate 3" depth using screened topsoil. All topsoil is to be approved by Coopers Ferry Development prior to its installation.
- c. Topsoil is to be consistent of fertile natural agricultural soil substantially free of subsoil and free from stumps, roots, stones, clay clumps, or any other objects larger than 2" in greatest diameter. Soil should have an organic content not less than 5% or greater than 20% and a PH not less than 5.5 nor greater than 7.6.
- d. After topsoil has been placed and spread Contractor is to rototill areas proposed for planting to an 8" depth to loosen all subsoil and incorporate new topsoil with existing subsoil's.
- e. All bed areas are to be raked and any deleterious materials generated that are greater than 3" in diameter are to be removed and disposed of.

B. Planting:

- a. Provide trees, shrubs, ground covers and plants of quality, size, genus, species, and variety indicated, complying with applicable requirements of ANSIZ60.1 from the "American Standard for Nursery Stock"
- b. All plant materials shall be well shaped, healthy, vigorous nursery grown stock of sizes and grades indicated, free of disease, insects, eggs, larvae, and defects.
- c. Substitutions shall not be permitted. In the event that specified materials are not available contractor shall submit proof of non availability to Owners Representative along with a listing of suggested alternatives.

- d. Prior to installation of plant materials contractor shall provide the Owners Representative with the opportunity to review and approve all items. Any plants not found acceptable shall be rejected, removed from the site and replaced with an acceptable material.
- e. Stake out locations for all shade and evergreen plantings larger than 8' in height prior to actual installation. Proposed locations to be approved by Owners Representative prior to actual installation of plants.
- f. When excavating planting pits to receive new plants ensure that the planting pit is 1 – 1 1/2 times as wide as the new plants root ball. Sides of planting pits shall be vertical. Bottom of planting pit shall be excavated lower than the depth of the new root ball and filled with friable topsoil below the plant, allowing for future settlement. Center of bottom excavation shall be slightly higher than sides to allow for drainage.
- g. Final level of new root ball shall be at the same grade as from the original nursery or slightly higher. At no time shall new plantings be set at a grade lower than the original nursery grade.
- h. When backfilling new plant materials backfill material shall be topsoil placed in layers and compacted to eliminate any potential voids or air pockets. When excavation is 2/3 completed water thoroughly prior to replacing remainder of backfill.
- i. On balled and burlaped materials all burlap shall be removed from the top of the root ball and any wire cages shall be cut in not less than five locations to allow for future root growth.
- j. On containerized materials containers shall be removed and the existing fibrous root systems shall be sliced at multiple locations to deter wrap around root structures and promote a spreading root pattern. Backfilling shall be done with topsoil and watered thoroughly.
- k. When plants have been completely installed within a defined area contractor shall rake area to remove and accumulated extraneous matter and ensure that bed area has adequate drainage. Contractor shall apply a pre-emergent weed control to the surface of the soil prior to mulching at rates as recommended by the manufacturer.
- l. All newly installed plant material shall be fertilized using a 10-6-4 fertilizer with not less than 50% of its make up being organic. Fertilizer shall be applied at rates consistent with the manufacturer's recommendations.
- m. Prior to mulching operations contractor shall apply a pre-emergent weed control to all bed areas.
- n. All planting beds and individually planted items shall be mulched to a 2" depth. Mulching product shall be a black dyed wood mulch product free of any recycled construction products. Contractor to submit a sample of mulch product to the Owners Representative for approval prior to start of the mulching operation.
- o. At no time shall mulch be placed in a depth greater than 1/2 "around the neck of any plant material
- p. Upon completion of planting operations contractor shall review all plantings for damages, consistency or other items that may be detrimental to the overall aesthetic and long term prosperity of the plantings. Any and all measures to correct any deficiencies shall be undertaken immediately.

- q. All plants and materials shall be warranted for a period of 1 year from the date of acceptance by the Owners Representative. Any materials found to be unacceptable at the conclusion of the warranty period shall be replaced one time at the contractor's sole expense. Contractor shall not be liable for damages done by Acts of God, mechanical injury by others, extreme weather conditions, or any actions outside of the control of the contractor.





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: Reciprocal Use & Occupancy Agreement with Trenton Parking Authority
Trenton Office Complex Project

Summary

The Members are asked to approve a Reciprocal Use & Occupancy Agreement with the Trenton Parking Authority (“TPA”) in order to facilitate the redevelopment of the former Broad Street Bank building, located at East State and Montgomery Streets. The Agreement will enable TPA to provide 78 parking spaces in the Trenton Office Complex (“TOC”) deck to occupants of the Broad Street Bank building in consideration for providing an equal number of spaces to the State in TPA’s garage at Broad and Front Streets. The Members are also asked to approve an Amendment to Agreement and Lease that will incorporate the Reciprocal Use and Occupancy Agreement into existing Authority bond documents.

Background

The Authority financed and developed the Trenton Office Complex for lease to the Department of the Treasury. Completed in 1992, the project consists of two buildings – the Motor Vehicles Services Commission and New Jersey Network headquarters – and a 1,300 car parking deck. Pursuant to the financing lease, when the bonds are repaid in 2012, the Authority will convey ownership of TOC to Treasury for no consideration.

Located across Montgomery Street from TOC, the former Broad Street Bank building is a vacant historic property that was Trenton’s first skyscraper. The building has been purchased by a developer, Bayview Holdings, who is converting the structure to mixed income housing. The City of Trenton has requested the Authority’s assistance in meeting the project’s off-street parking requirements through use of the TOC parking deck.

In this regard, Treasury and TPA have agreed to a mutual/reciprocal use and occupancy agreement between the Authority and TPA. When the Authority deeds the property to Treasury in 2012 (when the bonds are repaid) it will convey title subject to the mutual use and occupancy agreement and Treasury will assume the Authority's obligations under the agreement for the balance of its term. This would create a 15-year parking solution for the Broad Street Bank developer, as required by the Trenton Planning Board. Pursuant to the agreement, TPA will receive rights to utilize 78 parking spaces in the TOC parking deck on a 24/7 basis, in return for providing parking for an equal number of State employees at TPA's Broad & Front Street garage, or another TPA facility within a reasonable walking distance. Neither Treasury nor the Authority will bear any additional costs on account of this parking arrangement.

The attached Reciprocal Use & Occupancy Agreement and Amendment to Agreement and Lease are in substantially final form. The final forms of documents may be subject to revision, although the basic terms and conditions will remain consistent with its current form. The final terms of the agreement will be subject to approval of the CEO, the Authority's bond counsel, the Department of the Treasury and the Attorney General's Office.

Recommendation:

In conclusion, I am requesting the Members' approval to enter into a Reciprocal Use & Occupancy Agreement with the Trenton Parking Authority and the Amendment to Agreement and Lease to facilitate redevelopment in downtown Trenton, on terms generally consistent with the attached document.


Caren S. Franzini

Attachment

Prepared by David E. Nuse
Director – Real Estate



AMENDMENT TO AGREEMENT AND LEASE

between

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

and the

THE STATE OF NEW JERSEY

DATED: July __, 2007



AMENDMENT TO AGREEMENT AND LEASE

THIS AMENDMENT TO AGREEMENT AND LEASE between the **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY** and **THE STATE OF NEW JERSEY**, dated July __, 2007.

WHEREAS, the New Jersey Economic Development Authority (the "Authority") and The State of New Jersey (the "State") entered into an Agreement and Lease dated as of December 1, 1989 (the "Agreement and Lease") with respect to the Leased Premises (as defined in the Agreement and Lease), which consisted of office buildings, a parking garage and retail space more particularly described in the Agreement and Lease, which is known as the "Trenton Office Complex";

WHEREAS, the Authority has entered into a Reciprocal Use and Occupancy Agreement (the "Reciprocal Use Agreement") with The Trenton Parking Authority (the "Parking Authority") dated as of July __, 2007, with respect to the use of 78 parking spaces (the "Exchanged Spaces") within the parking garage located at South Montgomery Street and Ernie Kovacs Street, Trenton, New Jersey, which is part of the Trenton Office Complex (the "Parking Garage"), by the Trenton Parking Authority on a reciprocal basis, in exchange for the use by employees of the State of certain parking spaces (the "Front Street Spaces") in a facility owned by the Parking Authority at South Broad and East Front Street in Trenton (the "Front Street Garage");

WHEREAS, the term of the Reciprocal Use Agreement is longer than the remaining term of the Agreement and Lease;

In order to provide for the use of the Front Street Spaces by employees of the State and in order to provide for the use of the Exchanged Spaces by the Parking Authority in the Trenton Office Complex, the Authority and the State hereby agree as follows:

Section 1. The Authority as the party to the Reciprocal Use Agreement, hereby acknowledges its obligation to provide the Front Street Spaces for the continued and uninterrupted benefit of employees of the State and to keep the Reciprocal Use Agreement in full force and effect for the remaining term of the Agreement and Lease. Upon the termination of the Agreement and Lease and the conveyance of the Trenton Office Complex to the State in accordance with Article VIII of the Agreement and Lease, the Authority shall concurrently assign its rights under the Reciprocal Use Agreement to the State, whereupon the State shall acknowledge its assumption of all of the Authority's obligations under the Reciprocal Use Agreement.

Section 2. The State, as the lessee of the Trenton Office Complex, hereby grants to the Authority (i) the use and occupancy of the Exchanged Spaces located in the Parking Garage which are identified in Exhibit A attached hereto in accordance with the Reciprocal Use Agreement and (ii) the right to grant to the Parking Authority the right to use and occupy the Exchanged Spaces in accordance with the Reciprocal Use Agreement. The State acknowledges

that the designated spaces are to be used by the Parking Authority on a 24 hour basis in accordance with the Reciprocal Use Agreement.

Section 3. The State, as lessee of the Trenton Office Complex, hereby (i) consents to the Authority entering into the Reciprocal Use Agreement; (ii) consents to the Authority recording the Reciprocal Use Agreement upon the records of the Mercer County Clerk as a "Permitted Encumbrance" (as defined in the Agreement and Lease) against the Trenton Office Complex; and (iii) acknowledges that at the end of the term of the Agreement and Lease it will accept title to the Trenton Office Complex subject to the Reciprocal Use Agreement.

Section 4. The State and the Authority agree that there shall be no diminution of the rental or other payments due from the State under the Agreement and Lease.

Section 5. This Amendment to Agreement and Lease shall constitute all of the amendment to the Agreement and Lease. All other provisions of the Agreement and Lease shall remain in full force and effect, except as expressly modified or amended hereunder.

Section 6. This Amendment shall inure to the benefit of and shall be binding upon the State and the Authority and their respective successors and assigns. This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute for one and the same instrument.

Section 7. The parties hereto agree to comply with the terms and conditions of this Amendment to Agreement and Lease for the term of the Agreement and Lease.

NEW JERSEY ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Caren S. Franzini
Executive Director

THE STATE OF NEW JERSEY

By: _____
Bradley I. Abelow
State Treasurer

Approved as to form:

Deputy of Attorney General of New Jersey

RECIPROCAL
USE and OCCUPANCY AGREEMENT

BETWEEN

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

AND

THE TRENTON PARKING AUTHORITY

DATED AS OF _____ 2007

ARTICLE I
DEFINITIONS AND GENERAL PROVISIONS

Section 1.1 Definitions. The terms set forth in this section shall have the meanings ascribed to them for all purposes of this Agreement unless the context clearly indicates some other meaning. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

“Act” shall mean the New Jersey Economic Development Activity Authority Act, constituting Chapter 80 of the New Jersey Laws of 1974, as amended from time to time.

“Agreement” shall mean this Reciprocal Use and Occupancy Agreement dated as of _____, 2007, between the Authority and the TPA, and any and all modifications, alterations, amendments hereto made in accordance with the terms set forth herein.

“Authority” shall mean the New Jersey Economic Development Authority, a public body corporate and politic and instrumentality of the State of New Jersey, created pursuant to and existing under the Act, and any successor thereto.

“Authority Authorized Parkers” shall mean persons designated by the Authority to park in the TPA Premises.

“Authority Premises” shall mean 78 dedicated parking spaces located in the Trenton Office Complex Garage. The location of these spots is identified in Exhibit A attached hereto.

“Broad & Front Garage” shall mean the parking garage located at the corner of South Broad and East Front Street, Trenton, New Jersey, which is owned and operated by the Trenton Parking Authority.

“Effective Date” shall mean _____, irrespective of the date of execution.

“Use and Occupancy Term” shall mean the duration of the interest created in this Agreement as specified in Section 3.1 and Section 3.2 hereof.

“Parties” shall mean the Authority and the TPA collectively.

“Trenton Office Complex Garage” or “TOC” shall mean the parking garage located at South Montgomery Street and Ernie Kovacs Street, Trenton, New Jersey.

“TPA” shall mean the Trenton Parking Authority, a body corporate politic formed under the laws of the State of New Jersey.

“TPA Premises” shall mean 78 parking spaces located in the parking garage owned and operated by the TPA located at the Broad and Front Garage or such other parking facilities as set forth in Section 2.3, below.

ARTICLE II
USE AND OCCUPANCY OF SPACES

Section 2.1. The Authority, as the owner of the Authority Premises, hereby grants to TPA the use and occupancy of 78 parking spaces located in the Authority Premises under the terms and conditions set forth herein. The Authority Premises shall consist of designated spaces located within the TOC for use by the TPA on a twenty-four hour basis.

Section 2.2. The TPA, as the owner of the TPA Premises, hereby grants to the Authority the use and occupancy of the TPA Premises under the terms and conditions set forth herein. The TPA Premises need not be dedicated parking spaces. Rather, the grant of use and occupancy to the Authority shall be established by TPA issuing ninety-five (95) parking permits (to allow for a 120% over-subscription) for the Broad & Front Garage which parking permits may be distributed by the Authority to persons of the Authority's choosing provided that the TPA Premises shall be utilized by employees of the State of New Jersey during normal business hours.

Section 2.3. The TPA shall use its best efforts to make 78 spaces available in the Broad & Front Garage. To the extent maintenance issues, overcrowding, or other garage closure issues prohibit Authority Authorized Parkers from parking in the Broad & Front Garage, TPA shall provide alternative parking facilities, at no additional cost, within a reasonable walking distance from the Broad & Front Garage.

ARTICLE III
TERM OF USE AND OCCUPANCY

Section 3.1. The Parties agrees to comply with the terms and conditions of this Agreement for a period of fifteen years from the date Effective Date of this Agreement.

Section 3.2. The TPA shall have the sole right to terminate this Agreement for any cause or for no cause upon providing the Authority thirty (30) days written notice.

ARTICLE IV
CONSIDERATION

Section 4.1 The Parties hereby agree that the reciprocal and mutual grant of use and occupancy of parking spaces set forth in Article II shall be deemed just and sufficient consideration.

Section 4.2. The Parties agree that the Authority shall have no claim, right, or entitlement to any portion of revenue, rental payments, lease payments, or other form of consideration received by TPA in connection with the rental or lease of the Authority Premises.

Section 4.3. The Parties agree that the TPA shall have no claim, right, or entitlement to any portion of revenue, rental payments, lease payments, or other form of consideration received by Authority in connection with the rental or lease of the TPA Premises.

ARTICLE V
OPERATION AND MAINTENANCE; INSURANCE; DAMAGE;
DESTRUCTION AND CONDEMNATION

SECTION 5.1. Operation, Maintenance and Repair.

- (A) During the Term, TPA shall be responsible for operating the TPA Premises Monday through Friday (except State holidays) during the hours of 8:00 am to 6:00 pm and maintaining the same in good condition.
- (B) During the Term, the Authority shall be responsible for operating the Authority Premises Monday through Friday (except State holidays) during the hours of 8:00 am to 6:00 pm and maintaining the same in good condition.
- (C) The Parties hereby acknowledge that the State of New Jersey, Division of Property Management and Construction (the "DPMC") currently operates TOC on a 24-hour, seven-day-a-week basis ("After Hour Operations") at DPMC's sole cost and expense. As long as DPMC chooses, in its sole discretion, to continue After Hour operations, TPA shall not be responsible to pay any costs of After Hour Operations.
- (D) If and when DPMC decides that it no longer has a need for After Hour Operations, TPA shall be responsible either, at the election of the Authority, to: (i) provide After Hour Operations for the Authority Premises; or (ii) reimburse the Authority for the Authority's actual out-of-pocket expenses attributable to After Hour Operations. Provided, however, if, after DPMC decides that DPMC no longer has a need for After Hour Operations and TOC is made available for after hour use by the public or entities other than TPA, then TPA's obligation to provide or pay for After Hour Operations shall be limited in a fair and equitable manner to reflect TPA's pro rata share of after hour use of TOC.

SECTION 5.2. Utilities, Taxes and Other Charges.

- (A) The Parties hereby agree that the TPA shall be responsible for all charges for water, electricity, light, heat or power, sewage, telephone and other utility service necessary to maintain the TPA Premises. The Parties further agree that the Authority shall be responsible for all charges for water, electricity, light, heat or power, sewage, telephone and other utility service necessary to maintain the Authority Premises.
- (B) The Authority shall be responsible for the payment of all lawful taxes and assessments, including income, profits, property, excise taxes or payment made in lieu of taxes agreed to by the Authority if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Authority with respect to or upon the Authority Premises or any part thereof or upon any payments hereunder when the same shall become due.
- (C) The TPA shall be responsible for the payment of all lawful taxes and assessments, including income, profits, property, excise taxes or payment made in lieu of taxes agreed to by the TPA if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the TPA with respect to or upon the TPA Premises or any part thereof or upon any payments hereunder when the same shall become due.
- (D) The Parties shall cooperate fully in the payment of taxes or assessments and in the handling and conduct of any prospective or pending litigation with respect to the levying of taxes or assessments on either the Authority Premises or the TPA Premises.

SECTION 5.3. During the term of this Use and Occupancy Agreement, the Authority and the TPA shall have the right at any time and from time to time during the Term, to request the Authority or the TPA to make such repairs, reconstruction and restorations of, the TPA Premises and the Authority Premises, as shall be deemed necessary to permit the full effectuation of this Agreement.

SECTION 5.4. Within thirty (30) days of the execution of this Agreement, the Parties agree to provide each other party with proof of insurance as follows:

- (a) Comprehensive General Liability Insurance as broad as the standard coverage form currently in use in the State of New Jersey which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an endorsement (broad form) for contractual liability and shall name the Authority and the TPA as an additional insureds respectively. Limits of liability shall not be less than a combined limit of \$1 million per occurrence for bodily injury liability and property damage liability with a deductible amount of not more than \$25,000 per person and \$25,000 aggregate.

(b) All insurance policies obtained by the Parties under this Use and Occupancy Agreement shall be open to inspection by the Authority and the TPA at all reasonable times. A complete description of all such policies shall be furnished to the Parties, and if any change shall be made in any such insurance, a description and notice of such change shall be furnished by the Parties at the time of such change.

(c) In lieu of separate policies, the Parties may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event it shall deposit with the respective Parties a certificate or certificates of the respective insurers as to the amount of coverage in force.

Section 5.5 Security and 24-Hour Access to TOC.

(A). The Parties recognize that the TOC parking facilities are presently accessible on a 24 hour basis and that After-Hour Operations by DPMC includes a security attendant being present at all times. If and when DPMC decides that it no longer has a need for After Hour Operations, TPA shall be responsible to either, at the election of the Authority, to: (i) provide a security attendant during After Hour Operations for the Authority Premises; or (ii) reimburse the Authority for the Authority's actual out-of-pocket expenses attributable to providing a security attendant for the Authority Premises during After Hour Operations. Provided, however, if, after DPMC decides that DPMC no longer has a need for After Hour Operations and TOC is made available for after hour use by the public or entities other than TPA, then TPA's obligation to provide or pay for a security attendant during After Hour Operations shall be limited in a fair and equitable manner to reflect TPA's pro rata share of after hour use of TOC.

(B). Any and all costs needed to improve the existing gate system, the existing security camera system or to provide improved 24-hour access to TOC shall be the responsibility and obligation of TPA. It is understand and agreed that neither the Authority nor DPMC shall have any obligation to pay the costs of any changes, improvements or gate systems of TOC to enable TPA to have improved access to or increased security for the Authority Premises on a 24-Hour, seven-day-a-week basis.

ARTICLE VI ADDITIONAL COVENANTS OF TPA

Section 6.1 Tax Exempt Bond Financing. TPA acknowledges that the acquisition and construction of TOC was undertaken through the issuance of bonds (the "EDA Bonds") and that the interest on the EDA Bonds is excluded from gross income for purposes of Federal income taxation as that status is governed by Section 103(a) of the Code. TPA covenants and agrees that it shall not take any action or omit to take any action which would result in the loss of the exclusion of the interest on any EDA Bonds from gross income for purposes of Federal income taxation as that status is governed by Section

103(a) of the Code. To that end, unless TPA receives the prior written approval of the Authority (with the consent of the Authority's bond counsel), TPA shall not, at any time, hire a private company to service the Authority Premises or permit the Authority Premises to be used (directly or indirectly) in any manner that would constitute a "private business use" within the meaning of Section 141(b)(6) of the Code. The Authority shall have sole discretion in deciding which law firm to utilize to review and deliver its written opinion letter regarding the exclusion of interest on any EDA Bonds from gross income in connection with any action (including but not limited to the hiring of a private company to service the Authority Premises) or inaction that TPA may wish to take in connection with the Authority Premises. TPA shall promptly reimburse the Authority for any and all reasonable legal fees and costs incurred by the Authority in obtaining any such review and opinion of its bond counsel.

ARTICLE VII LICENCES; NOT LEASES

Section 7.01 Licenses; Not Leases. This Reciprocal Use and Occupancy Agreement grants to TPA and the Authority a license to use and occupy the TPA Premises and the Authority Premises, respectively, on the terms and conditions herein contained. The Parties agree that this Agreement is not intended to and does not create a leasehold interest in either the TPA Premises or the Authority Premises.

ARTICLE VIII ENCUMBRANCE RUNNING WITH TOC LAND

Section 8.01 The Parties acknowledge that the Authority is under contract to convey title to TOC to DPMC; however, it is the intention and agreement of the Authority, TPA and DPMC that the rights granted to TPA to use and occupy the Authority Premises granted by this Reciprocal Use and Occupancy Agreement shall survive the transfer of title by the Authority to DPMC and the title acquired by DPMC to ownership of TOC shall be subject to the rights of TPA to use and occupy the Authority Premises as set forth in this Use and Occupancy Agreement.

Section 8.02 DPMC joins in this Use and Occupancy Agreement to ratify and confirm its agreement that the rights granted to TPA to use and occupy the Authority Premises granted by this Reciprocal Use and Occupancy Agreement shall survive the transfer of title by the Authority to DPMC and the title acquired by DPMC to ownership of TOC shall be subject to the rights of TPA to use and occupy the Authority Premises as set forth in this Reciprocal Use and Occupancy Agreement.

Section 8.03 This Use and Occupancy Agreement is executed in recordable form with the intention that it be recorded in order to establish, as a matter of law, that the rights granted to TPA to use and occupy the Authority Premises granted by this Reciprocal Use and Occupancy Agreement shall be a covenant that runs with the land and that the

title acquired by DPMC for TOC shall be subject to the rights of TPA to use and occupy the Authority Premises as set forth in this Use and Occupancy Agreement.

Section 8.04 Upon conveyance of ownership of TOC to DPMC, TPA agrees to look solely to DPMC for its rights of use and occupancy under this Agreement. TPA further agrees that automatically upon the conveyance of TOC to DPMC by the Authority, TPA shall release the Authority from any and all future claims, rights, demands or actions by TPA under this Agreement.

ARTICLE IX DEFAULT

Section 9.1 If either party defaults in any of its obligations hereunder and such default is not cured within thirty (30) days after receipt of written notice of such default from the non-defaulting party, and if such default is not waived by the non-defaulting party, then the non-defaulting party may: (i) terminate this Reciprocal Use and Occupancy Agreement upon 30-days additional notice; or, (ii) pursue any and all of the remedies available to it in law or equity.

ARTICLE X MISCELLANEOUS

Section 10.1 Notices. All notices and demands required or permitted by either party under this Agreement shall be served upon the other party by personal delivery or by nationally recognized overnight courier (such as Federal Express or UPS), addressed to the respective parties at their respective addresses as set forth below:

To the Authority: New Jersey Economic Development Authority
36 West State Street
P. O. Box 990
Trenton, NJ 09825-0990
Attn: Director, Real Estate Development Division

With a copy to: State of New Jersey, Department of the Treasury
Division of Property Management and Construction
33 West State Street, 9th Floor
Trenton, NJ 08625
Attn: Director

To TPA :

Delivery shall be deemed complete on the earlier of actual receipt, duly receipted for, if personally delivered or one (1) business day after deposit with an overnight courier. The addresses to which notices and demands shall be delivered or sent may be changed from time to time, by notice served as hereinabove provided by either party upon the other party.

Section 10.2 Governing Law. The Parties hereto expressly agree that the terms and conditions of this Agreement, and the subsequent performance hereunder, shall be construed and controlled in accordance with the laws of the State of New Jersey. The Superior Court of New Jersey, Mercer County shall be the proper forum for bringing an action to enforce or construe the provisions of this Agreement. If said court of competent jurisdiction is unable to construe any provision of this Agreement or holds any part thereof to be invalid, such holding shall in no way affect the validity of the remainder of this Agreement.

Section 10.3. Tort Claims Act. Notwithstanding any provision in this Agreement to the contrary, the Parties hereto agree that any and all claims made or to be made against the Authority based in tort law for damages, including, but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act N.J.S.A. 59:1-1 et seq.

Section 10.4. Contractual Liability Act. Notwithstanding any provision in this Agreement to the contrary, the Parties hereto agree that any and all claims made or to be made against the Authority based in contract law 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.

Section 10.5. Merger Clause. This Agreement contains the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the Parties with respect to the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants and warranties concerning the subject matter hereof are merged herein. This Agreement may not be amended or modified except in writing signed by both Parties hereto. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties, and their respective heirs, personal representatives, administrators, successors and assigns.

Section 10.6. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, the remaining terms shall not invalidate or render unenforceable any other provision hereof.

Section 10.7. Representations. The person executing this Agreement on behalf of each of the Parties hereto warrants and represents to the other party that such person is duly authorized to execute this Agreement on behalf of such party, and that the execution hereof by such person on behalf of such party shall fully bind and obligate such party.

Section 10.8. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

Section 109. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

Section 10.10. Counterparts. This Agreement may be executed by facsimile and in counterparts, and all such executed counterparts shall constitute the same agreement.

IN WITNESS WHEREOF, this Reciprocal Use and Occupancy Agreement has been duly executed as of the day and year first above written.

ATTEST: THE TRENTON PARKING AUTHORITY

By: _____
Name:
Title:

ATTEST: THE NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Caren S. Franzini
Chief Executive Officer

Consented to on behalf of the State of New Jersey,
Department of the Treasury, Division of Property
Management and Construction

By: _____
Name:
Title:





MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: New Markets Tax Credit Investment and Loan Commitment

Summary:

We are seeking the Members approval of a maximum loan of \$22.8 million to Investor LLP and accept an investment of up to \$10.3 million from US Bancorp in order to create a loan pool of up to \$33.1 million.

The Members are also asked to approve a recapture guarantee in an amount up to \$19 million.

Background:

In 2005, the Members approved a \$31 million loan and a \$38.6 million recapture guaranty to complement an investment of \$11 million from US Bancorp in exchange for New Markets Tax credits resulting in a \$42 million loan pool.

Under the terms of our Allocation Agreement with the CDFI, the New Jersey Community Development Entity (NJCDE) is required to close 60% in Qualified Equity Investments (QEI) of our \$125 million allocation by September 30, 2007. The 2005 action referenced above resulted in a QEI of \$42 million. The NJCDE fulfilled the requirements of the first tranche by deploying substantially all of the \$42 million into three projects leveraging a total project cost of \$106.6 million. This approval would result in a QEI of up to \$33.1 million, which will satisfy the required 60% of the \$125 million allocation in QEI.

Investor Selection:

Selection of the proposed investor was initiated through an Authority issued Request for Proposals (RFP) for New Markets Tax Credits Investor and/or Leveraged Lender. The RFP was advertised in several NJ news publications, on the EDA web site and on the State's Business Portal. Proposals were received from three (3) firms, which were evaluated by a selection committee comprised of EDA staff. The responses were reviewed under the criteria in the RFP, which included Transaction Pricing (including return on investment, recapture guaranty, review and approval process and size of transaction), Fees, and Experience with NMTC investing. The selection committee ranked one firm, US Bancorp, significantly higher than the other respondents.

US Bancorp's proposal included a leveraged equity of ratio of 2.21 :1, meaning that \$2.21 of loan capital would be required for every dollar of equity provided. As with the previous transaction with US Bancorp, US Bancorp requires a full recapture guarantee. US Bancorp requires no return on investment other than the New Market Tax Credits and \$1,000 upon exit from the Investment fund. There will be additional financing transactions costs associated with this transaction, up to \$500,000, that will be paid by NJCDE. As a result of these factors, as well as US Bancorp's experience with New Market Tax Credits, including our previous experience with them, the selection committee recommends accepting this investment. (See attached selection committee memo.)

Legal Structure:

Two Limited Liability Companies (LLCs) will be established, in addition to the existing NJCDE, to create the necessary structure for the proposed transaction. An Investor, LLC will be established with the sole purpose of participating in the transaction. This LLC will create one organization into which all the investment capital will be contributed. This LLC also will provide the mechanism used to transfer the tax credits to US Banc. As the sole equity investor in this LLC, U.S. Banc will have majority ownership of the LLC.

The 2nd LLC, NJCDE-3, will be a subsidiary of NJCDE. One already exists, NJCDE-1, LLC (NJCDE -1). It was created as part of the allocation application process to demonstrate that NJCDE (the parent) intended to create subsidiaries to separate the types of lending it anticipated. NJCDE -3 will make commercial loans, similar to NJCDE-1. NJCDE - 2, LLC will also be created to provide credits in a separate transaction. The Authority will provide staff to these CDEs as it does to the NJCDE. In February 2007, the Board approved the creation of NJCDE-2, 3 and 4. We are currently waiting for certification from the CDFI.

Loans:

Through the entities described above, NJCDE will offer subordinate loans to commercial projects with terms of 7 years. They will be interest-only with an interest rate of 3% (fixed). Similar to the loans offered through the \$42 million loan pool, we anticipate that these loans will be used for larger projects and average \$10 million. As a result, we anticipate closing three to four loans through this investment. As with the \$42 million loan pool, we expect these loans to have community impact commensurate with their size and that they will fuel significant job creation and bring needed services to low income communities. Over the 7-year term of the loans, interest payments will be passed from the project through NJCDE and to the Authority. At the end of 7 years, principal repayment also will be passed through the structure from project to Authority.

At present, our project pipeline is approximately \$22 million in strong projects. The strength of the pipeline at the time of closing with US Bancorp will be a factor in the final loan and investment amount. The ability to sever the loan and investment process prior to closing will remain at the Authority's sole discretion.

Exposure and Risks:

The maximum \$33.1 million in loans which ultimately will flow to projects, is anticipated to carry similar risk and be reviewed in a similar manner to the \$42 million loan pool. The EDA Board will approve all loans under the program first, pursuant to the credit and underwriting criteria outlined, and the loans will then be referred to the CDEs for approval.

In exchange for the investor giving up control of investment decisions, the Authority is being asked to provide a guarantee against any financial consequences of the Authority's and its NMTC-related entities actions or inactions. These financial consequences come in the form of recapture risks. While the worst case monetary value of this risk is \$19 million, the likelihood of having to act on this guarantee is remote at the outset and the likelihood decreases as time goes on.

There are three factors, all of which are under the Authority's control, that could result in a recapture. The first is if NJCDE or the subsidiary CDEs cease to be qualified as a CDE. CDE status is determined by mission to provide capital to low income communities and by low income community representation on the Board of the CDE of at least 20%. These are very unlikely to be in jeopardy. A change of mission would require an act of the NJCDE Board, which it simply would not take, and low income representation on NJCDE's Board is preserved by NJCDE's by-laws which stipulate that members serve until replaced. This ensures that the necessary percentage is maintained. In addition, NJCDE's Board membership is comprised of 30% low income representation providing a 10% margin over the requirement.

The second risk of recapture is the failure to deploy substantially all of the \$33.1 million within one year from the time the investment is made. This means that the failure to make loans to qualified projects with the \$33.1 million of investment capital could cause a recapture. Finally, a recapture event also could occur if principal were repaid by the projects receiving loans and then if NJCDE failed to re-lend the principal within a year. This applies during the 7 year period during which the investor is claiming the tax credits. The 7-year interest-only loan product offered through the New Markets program prevents this from occurring. However, in the event that principle is returned to the NJCDE, the NJCDE has a year in which to re-lend.

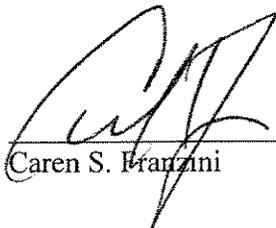
The \$22.8 million EDA loan is consistent with the EDA's proposed asset allocation projections, as presented at the Strategic Planning Retreat.

Recommendation:

The Members are requested to approve a maximum \$22.8 million loan to be made to Investor, LLC to provide loans to commercial projects in low-income areas around the State, in accordance with NMTC program criteria.

The Members are also requested to approve the investment of up to \$10.3 million from US Bancorp based on the recommendation of the selection committee.

The Members further are requested to approve a guarantee of recapture, up to \$19 million. The Members are requested to authorize the Authority's CEO to execute all necessary agreements to close this loan, guarantee and to implement the NMTC investment structure as substantially described.



Caren S. Franzini

Prepared by: Kim Ehrlich, Project Officer

Attachment



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Carden
Audit Committee Chairman
DATE: July 10, 2007
SUBJECT: Selection of Auditors

Under the auspices of Executive Order Number 122, the Audit Committee undertook the procurement process to select an auditor for the Authority. As charged, the Evaluation Committee developed an RFP and competitively solicited proposals from the top firms in New Jersey. Three qualified responses were received. Based on selection criteria established by the Audit Committee, the Evaluation Committee graded the proposals. Via conference call, the members of the Evaluation Committee met to discuss the merits of each firm.

The Evaluation Committee found the proposals to be of high quality and the qualified firms are reputable. Two of the three firms, Ernst & Young and Mercadien, P.C., demonstrated that they have the resources, expertise and client commitment to perform the required auditing services. Audit Committee members conducted personal interviews with each of these firms before confirming the recommendation to engage Mercadien, P.C. to serve as independent auditors in order to perform services as outlined in the RFP. The Mercadien proposal was the lowest bid.

This contract for independent auditor is for a three year term with EDA having the option to engage the firm for two one year contract extensions. The Mercadien, P.C. cost proposal is \$548,850 over the three year engagement period and \$393,700 for the two year option period, for a total of \$942,550.

Recommendation

The Members are asked to approve the Mercadien, P.C. to be independent auditors to the NJEDA for the fiscal years 2007-2009 with the option to extend the contract for two more years.



Timothy Carden



MEMORANDUM

TO: Members of the Authority

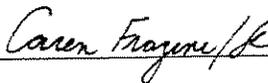
FROM: Caren S. Franzini
Chief Executive Officer

DATE: July 10, 2007

RE: Appointment of Assistant Secretary

As Chief Executive Officer I also serve as Secretary to the Authority. By Resolution of the Board dated February 13, 2002, the Authority appointed as Assistant Secretary the Director of Investment Banking (now known as Program Services), Lawrence G. Cier. The Assistant Secretary, can at the request of the Secretary, or in the event of her absence or disability, perform the duties of the Secretary.

Given that Lawrence G. Cier has retired, I am recommending appointing the Director of Project Review, currently John Rosenfeld, as an Assistant Secretary of the Authority.



Prepared By: Teri Dunlop