



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Caren S. Franzini  
Chief Executive Officer  
**DATE:** June 12, 2007  
**SUBJECT:** Agenda for Board Meeting of the Authority June 12, 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

May 8, 2007

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; Noel McGuire representing the 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; Steve Plofker, Timothy Carden, Charles Sarlo, Thomas Manning, and Philip Kirschner, Public Members; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Mike Sheridan representing the Commissioner of the Department of Banking and Insurance; Carlos A. Medina, Public Member; Raymond Burke and Carmen Twillie Ambar, Alternate Public Members.

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

Chairman Van Horn called the meeting to order at 10:01 a.m.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the April 10, 2007 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Manning and was approved by the 10 Members present.

The next item of business was the approval of the April 10, 2007 Executive Session minutes. A motion was made by Mr. Plofker, seconded by Mr. Carden and was approved by the 10 Members present.

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

Ms. Franzini announced that Larry Cier, Director of Program Services will be retiring at the end of the month and commended him on his outstanding service to the Authority.

**BOND RESOLUTIONS**

Mr. Piaia entered the meeting at this time.

**PROJECT:** The Community YMCA  
**LOCATION:** Various/Monmouth Cty.  
**PROCEEDS FOR:** refinancing  
**FINANCING:** \$2,335,000 Tax-Exempt Bond

**APPL.# 18112**  
**BUSINESS:** Not-for-profit community org.

**PROJECT:** The Community YMCA  
**LOCATION:** Various/Monmouth Cty.  
**PROCEEDS FOR:** refunding  
**FINANCING:** \$650,000 Tax-Exempt Bond  
**MOTION TO APPROVE:** Mr. Carden  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 1**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**APPL.# 18168**  
**BUSINESS:** Not-for-profit community org.

**PROJECT:** Register Lithographers, Ltd.  
**LOCATION:** Clifton City/Passaic Cty.  
**PROCEEDS FOR:** equip. purch.  
**FINANCING:** \$7,300,000 Tax-Exempt Bond (max)  
**MOTION TO APPROVE:** Mr. Plofker  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 2**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**APPL.# 18106**  
**BUSINESS:** Commercial printer  
**SECON:** Mr. Carden  
**AYES:** 11

**AMENDED BOND RESOLUTIONS**

**PROJECT:** Metro Packaging & Imaging, Inc.  
**LOCATION:** Wayne Twp./ Passaic Cty.  
**AMENDED RESOLUTION TO:** extend the maturity date on the Series B Bond and Note from November 1, 2011 to November 1, 2016, in order to defer the next five annual debt service payments due for another five years.  
**MOTION TO APPROVE:** Mr. Piaia  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 3**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**APPL.#13534**  
**BUSINESS:** Commercial printer  
**SECON:** Mr. McNamara  
**AYES:** 11

**PRELIMINARY 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.  
**MOTION TO APPROVE:** Mr. Carden **SECOND:** Mr. Manning **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 4**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**PROJECT:** MZR Real Estate, L.P. for the benefit of **APPL.#18065**  
Art Guild, Inc.  
**LOCATION:** West Deptford Twp./Gloucester Cty. **BUSINESS:** Designer & fabricator of  
custom exhibits  
**PROCEEDS FOR:** bldg. const./equip. purch.  
**MOTION TO APPROVE:** Mr. Plofker **SECOND:** Mr. Manning **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 5**

**PROJECT:** Newark Preschool Council, Inc. **APPL.#17687**  
**LOCATION:** Newark City/Essex Cty. **BUSINESS:** Not-for-profit educational  
faciltiy  
**PROCEEDS FOR:** bldg. constr.  
**MOTION TO APPROVE:** Mr. Carden **SECOND:** Mr. Manning **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 6**

**PROJECT:** Ranney School **APPL.#18380**  
**LOCATION:** Tinton Falls Borough/Monmouth Cty. **BUSINESS:** Non-for-profit independent  
prep. school  
**PROCEEDS FOR:** bldg. & road constr.  
**MOTION TO APPROVE:** Mr. Piaia **SECOND:** Mr. McGuire **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 7**

**PROJECT:** Women in Support of the Million Man March, Inc. **APPL.#18301**  
for the benefit of Adelaide L. Sanford Charter School (ALSCS)  
WISOMMM Holistic Child Care Center  
**LOCATION:** Newark City/Essex Cty. **BUSINESS:** Not-for-profit community-  
based org.  
**PROCEEDS FOR:** bldg. renov.  
**MOTION TO APPROVE:** Mr. Piaia **SECOND:** Mr. Carden **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 8**

**PUBLIC HEARING ONLY**

**PROJECT:** B & M Building Co., LLC and Signal Sign for the benefit of Signal Sign Company, LLC **APPL.#17998**  
**LOCATION:** Livingston Twp./Essex Cty. **BUSINESS:** Mfrs. of signs  
**PROCEEDS FOR:** bldg. acqui. & renov.  
**PUBLIC HEARING ONLY - NO RESOLUTION REQUIRED**  
**PUBLIC COMMENT:** None

**PROJECT:** Hamilton Area Young Men's Christian Association **APPL.#18303**  
**LOCATION:** Hamilton Twp./Mercer Cty. **BUSINESS:** Not-for-profit community org.  
**PROCEEDS FOR:** refunding  
**PUBLIC HEARING ONLY - NO RESOLUTION REQUIRED**  
**PUBLIC COMMENT:** None

**BOND RESOLUTIONS WITH AUTHORITY EXPOSURE**

**PROJECT:** A.I.S. Realty, LLC for the benefit of American Industrial Supply Corporation **APPL.#18050**  
**LOCATION:** Perth Amboy City/Middlesex Cty. **BUSINESS:** Mfr. of custom pipes & fittings  
**PROCEEDS FOR:** bldg. acqui. & renov./equip. purch.  
**FINANCING:** Series A \$1,762,500 Tax-Exempt Bond, Series B \$270,000 Tax-Exempt Bond  
**MOTION TO APPROVE:** Mr. Plofker **SECOND:** Mr. Piaia **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 9**  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**PROJECT:** A.I.S. Realty, LLC for the benefit of American Industrial Supply Corporation **APPL.#18049**  
**LOCATION:** Perth Amboy City/Middlesex Cty. **BUSINESS:** Mfr. of custom pipes & fittings  
**PROCEEDS FOR:** bldg. acqui. & renov./equip. purch.  
**FINANCING:** \$650,000 Local Development Financing Fund  
**MOTION TO APPROVE:** Mr. Carden **SECOND:** Mr. McNamara **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 10**

**STATEWIDE LOAN POOL PROGRAM**

**PROJECT:** AccuMed, Inc **APPL.#18169**  
**LOCATION:** Lawrence Twp./Mercer Cty. **BUSINESS:** Pharmaecutical mfr.  
**PROCEEDS FOR:** working capital/equip. purch.  
**FINANCING:** \$1,000,000 bank loan with a 50% (\$500,000) Authority participation  
**MOTION TO APPROVE:** Mr. Piaia **SECOND:** Mr. McGuire **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 11**



**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>Applicant Name</u>	<u>Tax Credit Amount</u>		
#8	Jersey Shore Films, LLC	\$ 167,080		
MOTION TO APPROVE: Mr. Piaia		SECOND: Mr. Plofker	AYES: 11	
RESOLUTION ATTACHED AND MARKED EXHIBIT 15				

<u>App. #</u>	<u>Applicant Name</u>	<u>Tax Credit Amount</u>		
#14	Northern Entertainment, Inc.	\$ 6,276,312		
MOTION TO APPROVE: Mr. Piaia		SECOND: Mr. Carden	AYES: 11	
RESOLUTION ATTACHED AND MARKED EXHIBIT 15				

<u>App. #</u>	<u>Applicant Name</u>	<u>Tax Credit Amount</u>		
#13	Prophet Pictures	\$ 350,000		
MOTION TO APPROVE: Mr. Piaia		SECOND: Mr. Manning	AYES: 11	
RESOLUTION ATTACHED AND MARKED EXHIBIT 15				
Subject to 2008 Tax Credits in Budget				

**PETROLEUM UNDERGROUND STORAGE TANK PROGRAM**

The next item was the Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of April 2007. **(For Informational Purposes Only)**

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM**

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: Agilence, Inc.	APPL.#18087	
LOCATION: Camden City/Camden Cty.	BUSINESS: Mfr. of software solutions	
GRANT AWARD: 80% Business Employment Incentive grant, 10 years		
MOTION TO APPROVE: Mr. Kirschner	SECOND: Mr. Piaia	AYES: 11
RESOLUTION ATTACHED AND MARKED EXHIBIT 16		

**PROJECT:** High Point Safety and Insurance Management Corp. **APPL.#18346**  
**LOCATION:** Red Bank Borough/Monmouth Cty. **BUSINESS:** Insurance company  
**GRANT AWARD:** 50% Business Employment Incentive grant, 10 years  
**MOTION TO APPROVE:** Mr. Plofker **SECOND:** Mr. McGuire **AYES:** 10  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 16** Mr. Kirschner  
recused himself  
because his  
employer has an  
affiliation with  
competing insurance  
company

**PROJECT:** The Maksin Group, Inc. or its nominee **APPL.#17463**  
**LOCATION:** To be determined **BUSINESS:** Risk management company  
**GRANT AWARD:** 40% Business Employment Incentive grant, 10 years  
**MOTION TO APPROVE:** Mr. Plofker **SECOND:** Ms. Kolluri **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 16**

**PROJECT:** MZR Real Estate, L.P. **APPL.#18066**  
**LOCATION:** West Deptford Twp./Gloucester Cty. **BUSINESS:** Designer & fabricator of  
custom exhibits  
**GRANT AWARD:** 60% Business Employment Incentive grant, 10 years  
**MOTION TO APPROVE:** Mr. Manning **SECOND:** Mr. Piaia **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 16**

### BOARD MEMORANDUMS

**PROJECT:** 8 Boys, LLC and Liscio's Italian Bakery, Inc. **APPL.#18273**  
**LOCATION:** Glassboro Borough/Gloucester Cty.  
**MODIFICATION:** to modify the Authority's approval to accept an increase in the loan to value  
from 97% to 123%  
**MOTION TO APPROVE:** Mr. Plofker **SECOND:** Mr. Carden **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 17**

**PROJECT:** Newark Refrigerated Warehouses, Inc. **APPL.#17272**  
**LOCATION:** Newark/Essex Cty.  
**MODIFICATION:** to modify the Authority's approval to allow the amount of senior debt ahead  
of the Authority's \$750,000 direct loan to be increased from \$5 million to \$5.25 million  
**MOTION TO APPROVE:** Mr. Piaia **SECOND:** Mr. Carden **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT 18**

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

**New Jersey Business Growth Fund:** RNR Contractors, Inc, Quality Sheet Metal & Welding Inc., Vogel Bus Company, Inc.

**Preferred Lender Program:** 8 Boys, LLC and Liscio's Italian Bakery, Inc.

**Camden ERB Business Lease Incentive:** Camden Greenways, Inc.

**PROJECT:** DB Services New Jersey Inc.

**APPL.#17514**

**LOCATION:** Jersey City/Hudson Cty

**MODIFICATION:** amend the Jersey City BEIP approval to include 400 jobs increasing the New Employment Commitment from 1, 200 to 1,600 new jobs and the estimated BEIP grant by an estimated \$17.6 million to an estimated \$39.5 million and also the addition of 100 Plaza Two to the proposed site should the company decide to utilize this space.

**MOTION TO APPROVE:** Mr. Plofker                      **SECOND:** Mr. Piaia                      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT 19**

#### **AUTHORITY MATTERS**

The next item was the approval to an amendment to the marketing services contract to include a web service component of \$30,000 that will increase the overall first year budget from \$240,000 to \$270,000.

**MOTION TO APPROVE:** Mr. Piaia                      **SECOND:** Mr. Kirschner                      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT 20**

#### **REAL ESTATE**

The next item was the approval to enter into a lease with The Cooper Health System, a New Jersey non-profit corporation for approximately 2,956 square feet of research and development space at the Waterfront Technology Center Camden in the Tech One building.

**MOTION TO APPROVE:** Mr. Plofker                      **SECOND:** Mr. Carden                      **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT 21**

#### **PUBLIC COMMENT**

There was no comment from the public.

**EXECUTIVE SESSION**

At this time on a motion made by Mr. Piaia, and seconded by Mr. Plofker, the members adjourned to go into Executive Session to discuss a potential litigation matter.

**RESOLUTION ATTACHED AND MARKED EXHIBIT 22**

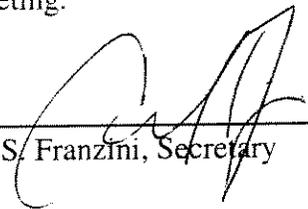
The next item was to approve the recommendation of the NJEDA Hearing Officer regarding the procurement for property management services, which is to terminate the 2006 RFP, reject all bids and rebid the contract..

**MOTION TO APPROVE:** Mr. Carden                      **SECOND:** Mr. Piaia                      **AYES:**11

**RESOLUTION ATTACHED AND MARKED EXHIBIT 23**

There being no further business on a motion by Mr. Plofker, and seconded by Mr. Manning, the meeting was adjourned at 11:30 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.

  
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Caren S. Franzini, Secretary



**MEMORANDUM**

**TO:** Members of the Authority

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

**DATE:** June 12, 2007

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

**EDISON INNOVATION FUND**

In May 2007, the Authority closed a \$1-million Edison Innovation Fund investment in Nistica, a Bridgewater-based optical networking company that seeks to develop subsystems for automatic service provider networks. The investment in this telecommunications company also involves private investment of nearly \$4.7 million, and supports the creation of 10 new high-tech jobs.

Since inception of the Edison Innovation Fund on October 1, 2006, a total of 189 projects have been assisted with a total of nearly \$114.7 million through the Authority and the Commission on Science & Technology. This assistance has resulted in total project investments of nearly \$191 million in New Jersey, as well as the creation of an estimated 1,710 new jobs, and support for over 6,100 existing jobs.

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
<b>Edison Innovation Fund</b>	7	272	251	\$6,250,000	\$35,552,000	\$41,802,000
<b>BEIP</b>	15	5844	1433	\$26,182,830	NA	\$118,686,000
<b>Loans/Bonds</b>	4	60	26	\$18,014,438	\$5,732,781	\$23,747,219
<b>Tax Certif Transfer (NOLs)</b>	128	NA	NA	\$60,000,000	NA	NA
<b>CST grants to companies</b>	22	NA	NA	\$2,650,000	\$3,850,000	\$6,500,000
<b>CST (Incubator Awards)</b>	13	NA	NA	\$1,590,000	NA	NA
	<b>189</b>	<b>6176</b>	<b>1710</b>	<b>\$114,687,268</b>	<b>\$45,134,781</b>	<b>\$190,735,219</b>

**NJ URBAN FUND**

May lending activity included a 50-percent, \$667,500 EDA participation in a Sun National Bank loan to finance the start of a new franchise location for The Melting Pot Restaurants, Inc. Atlantic City Fondue will use the funds primarily for renovations to an existing building on Atlantic City and for the purchase of equipment and machinery. The restaurant will employ 25 people.

Since the October 1, 2006 launch of the NJ Urban Fund, EDA has closed 75 projects, providing approximately \$128 million in assistance to targeted projects that support growth in urban areas. This assistance, which supports over 2,460 current jobs, and the estimated creation of nearly 3,297 new jobs, will result in total project costs of over \$348 million.

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

	# of Projects	Current Jobs	Est New Jobs	EDA Amount	Other Sources of Funding	Total Project Cost
<b>Small Businesses</b>	38	577	1778	\$57,094,671	\$31,156,613	\$138,733,882
<b>Medium-Sized Business</b>	4	1028	267	\$9,582,443	\$50,000	\$77,250,000
<b>Large Business</b>	1	700	175	\$2,845,500	NA	\$1,700,000
<b>Large-Scale, Commercial Redevelopment</b>	1	NA	1000	\$22,500,000	\$50,877,000	\$73,377,000
<b>Community Investments</b>	30	157	77	\$35,311,658	\$22,326,917	\$56,888,575
<b>Intermediaries</b>	1			\$500,000	NA	\$500,000
<b>Total:</b>	<b>75</b>	<b>2462</b>	<b>3297</b>	<b>\$127,834,272</b>	<b>\$104,410,530</b>	<b>\$348,449,457</b>

### CORE ACTIVITY

In May, EDA made a \$60,000 loan to enable the All About Hair Salon, a woman-owned business, to locate in the Evergreen Plaza shopping center in Lumberton. The salon will employ five people. The financing will be used for working capital, renovations and the purchase of equipment and machinery.

Since January 1, 2007, the Authority has assisted 50 projects through its core lending, which includes loans/guarantees, bonds, BEIP grants and environmental loan and grant assistance outside of urban and technology areas. The 50 projects were assisted through over \$185.5 million, involving total project costs of nearly \$580 million, and the creation of an estimated 1,300 jobs. Of the core activity, EDA provided nearly \$40 million in assistance to 29 small businesses with less than 100 employees. In addition, 18 manufacturers were assisted with nearly \$30 million, supporting over 700 new jobs.

Below is an overview of EDA's core activity in 2007 to date:

	# of Projects	Current Jobs	Est New Jobs	EDA Amount	Other Sources of Funding	Total Project Cost
<b>Loans/Guarantees</b>	15	335	73	\$5,197,505	\$12,341,117	\$17,538,622
<b>Bonds</b>	11	436	191	\$48,955,000	\$11,521,170	\$60,476,170
<b>Structured Finance</b>	1	0	30	\$125,000,000	\$260,657,305	\$385,657,305
<b>BEIP</b>	11	550	1034	\$5,207,816	NA	\$109,397,730
<b>HAZ</b>	12	NA	NA	\$1,211,498	\$221,713	\$1,433,211
<b>Total:</b>	<b>50</b>	<b>1321</b>	<b>1328</b>	<b>\$185,571,819</b>	<b>\$284,741,305</b>	<b>\$574,503,038</b>

*Note: In addition to the projects noted above under core activity, EDA has also closed over 300 Underground Storage Tank projects since January 1, 2007, providing \$3.75 million in assistance to businesses and homeowners, including those with leaking and non-leaking tanks.*

### OTHER NEWS

#### **EDA Earns Prestigious Awards from NJ-NAIOP and NJBIA**

The EDA was honored with two prestigious awards during the last month, which recognized our commitment to urban redevelopment and economic growth. On May 16, the Waterfront Technology Center received the Economic Impact Deal of the Year Award from the New Jersey Chapter of the National Association of Industrial and Office Properties (NJ-NAIOP). The building was recognized for bringing high-tech and life sciences companies to Camden, for providing jobs in the city and for serving as a catalyst for other economic development in Camden. The facility was also celebrated for being the first public project in the state to receive gold-level certification under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. On

June 1, the New Jersey Business & Industry Association presented a New Good Neighbor Award to a building at 32 E. Front St. in Trenton that now serves as the southern New Jersey headquarters of Wachovia Bank. The project, for which the EDA provided more than \$5 million in financing through its New Markets Tax Credits allocation, was developed by the Matrix Development Group. The completed project reinforces the strong commitment of Governor Corzine, the City of Trenton, Matrix and the EDA to support worthwhile and effective urban redevelopment.

### **Film Production Assistance Project, "Gracie" Movie, Opens Nationwide**

One of the first movies to benefit from the film production assistance administered by the EDA opened nationwide June 1 to much acclaim. "Gracie," which tells the story of 15-year-old Gracie Bowen and her plight to overcome the death of her older brother and take his place on the high school soccer team, was filmed in New Jersey. Gracie received an allocation of more than \$1 million under the New Jersey Film Tax Credit Program. Additionally, the EDA provided a \$1.5-million guarantee of a \$4.5-million loan from Octave Entertainment Fund, Ltd. and a \$500,000 direct loan to support the project. Producer and actor Andrew Shue, who spearheaded the project, lives in New Jersey with his wife, Jennifer and their children.

### **Speaking Engagements:**

Throughout the month of May, EDA representatives participated as attendees or speakers at 29 events, including the BIO International Conference in Boston, the Council of Development Finance Agencies in Miami, the annual state conference of the New Jersey Association of Women Business Owners in Atlantic City, the New Jersey Technology Council Bootcamp in Princeton, the New Jersey State Society of CPAs Accounting, Business and Technology Show in Secaucus, the Latino Institute Business Expo in Edison, and the Venture Association of New Jersey's Entrepreneurs Expo and Elevator Pitch Olympics in Morristown.





## MEMORANDUM

TO: Directors of the Corporation

FROM: Larry Hanover  
Public Information Officer

DATE: May 16, 2007

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

### Introduction

In April, the SCC Board of Directors approved a plan to defer construction of 27 projects in the Capital Plan, known as the "List of 59," adopted in July 2005. Deferral was necessary due to an estimated \$600 million shortfall to fund the plan in its entirety. The shortfall primarily stems from the lack of accurate cost projections at the time the plan was adopted and inflation. The deferral plan will allow 32 projects to be funded through completion, including 23 projects that are either complete, under construction or have construction contracts already awarded. The SCC set a goal to fund as many projects as possible through completion while providing enough money for work to continue on the remaining projects through the design phase, up to the point of bid documentation.

In litigation filed in April on behalf of New Jersey's Abbott students, the Education Law Center asked the New Jersey Supreme Court to order the State and the Legislature to act on providing new funding for the school construction program. CEO Weiner said the ELC filing clearly will draw increased attention to this important issue for the children of New Jersey. Weiner stated, "The Governor's Interagency Working Group on School Construction, which I led, last fall recommended an additional \$3.25 billion in funding in Abbott and Regular Operating Districts. The Governor is working diligently with the Legislature to address this and other critical capital needs of the state. There is general agreement that new, modernized school facilities are needed throughout the state."

Also in April, the SCC Board awarded a \$23.5 million construction contract to Hall Building Corporation of Farmingdale for an addition and renovations to the Park Avenue Elementary School in Orange. The expansion project will help ease overcrowding and provide 21<sup>st</sup> Century educational opportunities for 434 students in kindergarten through 8th grades.

The project calls for constructing a 68,527-square-foot, two- and three-story addition to the existing 32,829-square-foot, two-story Park Avenue School, which will be renovated. The new addition will consist of eight classrooms, a cafeteria, a library/media center, a gymnasium and an administrative office. The work also will include two playgrounds and a parking lot. The Mount Carmel School will be used as swing space during the Park Avenue School expansion, which is scheduled to be completed in spring 2009.

Yezzi Associates of Toms River is the design firm. The SCC will select a Construction Management Firm to concentrate on 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 April 30, 2007, SCC has completed 30 new schools and 26 major additions/renovations. There are currently 34 projects under construction.

### **Construction Contracts**

As of April 30, 2007, SCC has entered into construction contracts totaling \$3,019,975,263 since its inception in 2002.

### **School District Grants**

From its inception in 2002 through April 30, 2007, the SCC has executed 2,564 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 \$7,111,613,571, for which the state share totals \$2,205,704,976.

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Larry Hanover



**BOND RESOLUTIONS**

**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       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:** Sovereign 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 225 basis points, callable at the end of years 10 and 20; Interest only for 1 year; (estimated rate as of 5/1/07 is 4.47%); rate resets at the same index 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
<b>TOTAL COSTS</b>	<b>\$5,587,500</b>

**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:** Sovereign 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 225 basis points, callable at the end of years 10 and 20; Interest only for 1 year; (estimated rate as of 5/1/07 is 4.47%); rate resets at the same index 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
<b>TOTAL COSTS</b>	<b>\$4,531,250</b>

**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:** Ranney School

P18380

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 235 Hope Road

Tinton Falls Borough (N)

Monmouth

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Ranney School (Ranney), an independent college preparatory school for students in pre-school through high school, was incorporated in 1960. The school was originally formed in 1948 by Russell G. Ranney, the founder of the Rumson Reading Institute. Ranney is accredited by the Middle States Association of Colleges and Schools, and NJAIS. The applicant currently enrolls 806 students in grades Pre Kindergarten through grade 12, and employs 140 faculty and administrative personnel.

The Authority issued an \$8,000,000 tax-exempt bond (P10189), purchased by Fleet Bank (now Bank of America) in December 1998, to finance the construction of the Middle and Upper School Academic Complex, new dining hall, renovation of several existing buildings and related infrastructure. Today the school consists of 8 major buildings on 61 acres, four state-of-the-art science laboratories, two computer labs, a foreign language lab, a fully-wired media center, a Distance Learning Auditorium, two libraries, an indoor 25-meter heated pool with retractable roof, main and auxiliary gyms, a ceramics and art studios, athletic fields complex with track, two dining halls and a campus store.

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 construct a 35,000 s.f. new lower school for grades 1-5. The new facility will include 20 classrooms, including science labs and an assembly space.

This application is being submitted concurrently with an application to current refund tax-exempt bonds issued by the Authority in December 1998 (P10189).

**FINANCING SUMMARY:**

**BOND PURCHASER:** Ziegler Capital Markets Group (Underwriter)

**AMOUNT OF BOND:** \$17,000,000 (Tax-Exempt Bond) part of a \$23,805,000 Offering.

**TERMS OF BOND:** 30 years; 2 years interest only, variable interest rate reset weekly not to exceed 10%. Estimated initial rate, based on the SIFMA tax-exempt index as of April 18, 2007 is 3.78%.

**ENHANCEMENT:** ( L/C - Sovereign Bank - 10 Yr.)

**PROJECT COSTS:**

Construction of new building or addition	\$15,719,600
Finance fees	\$488,407
Refinancing	\$383,702
Cost of Issuance	\$182,832
Legal fees	\$93,125
Underwriter Discount	\$85,000
Letter of Credit Fee	\$47,334

TOTAL COSTS

\$17,000,000

JOBS: At Application 140 Within 2 years 4 Maintained 0 Construction 472

PUBLIC HEARING: 06/12/07 (Published 05/28/07) BOND COUNSEL: McManimon & Scotland  
DEVELOPMENT OFFICER: R. Gomez APPROVAL OFFICER: M. Krug

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

P18418

**APPLICANT:** Ranney School

\* - indicates relation to applicant

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

**PROJECT LOCATION:** 235 Hope Road

Tinton Falls Borough (N)

Monmouth

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Ranney School (Ranney), an independent college preparatory school for students in pre-school through high school, was incorporated in 1960. The school was originally formed in 1948 by Russell G. Ranney, the founder of the Rumson Reading Institute. Ranney is accredited by the Middle States Association of Colleges and Schools, and NJAIS. The applicant currently enrolls 806 students in grades Pre Kindergarten through grade 12, and employs 140 faculty and administrative personnel.

The Authority issued a tax-exempt bond (P10189) for \$8 million, with a 10 year term, in December 1998 to finance the construction of the Middle and Upper School Academic Complex, a new dining hall, renovation of several existing buildings and related infrastructure. Today the school consists of 8 major buildings on 61 acres, four state-of-the-art science laboratories, two computer labs, a foreign language lab, a fully-wired media center, a Distance Learning Auditorium, two libraries, an indoor 25-meter heated pool with retractable roof, main and auxiliary gyms, a ceramics and art studios, athletic fields complex with track, two dining halls and a campus store.

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 \$6,805,000 outstanding balance (P10819) of the 1998 financing and set a debt service reserve fund.

This application is being presented along with application P18380 for expansion of the school's facilities, as noted above, for a total tax-exempt bond financing not to exceed \$23,805,000.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Ziegler Capital Markets Group (Underwriter)

**AMOUNT OF BOND:** \$6,805,000 (Tax-Exempt Bond) part of a total \$23,805,000 Tax-Exempt Bond issue.

**TERMS OF BOND:** 30 years; 2 years interest only, variable interest rate reset weekly, rate not to exceed 10%. Estimated initial rate, based on the SIFMA tax-exempt index as of April 18, 2007 is 3.78%)

**ENHANCEMENT:** ( L/C - Sovereign Bank - 10 Yr.)

**PROJECT COSTS:**

Principal amount of bond to be refunded	\$6,309,761
Debt service reserve fund	\$331,803
Closing Costs	\$163,436
	<hr/>
<b>TOTAL COSTS</b>	<b>\$6,805,000</b>
	<hr/> <hr/>

**PUBLIC HEARING:** 06/12/07 (Published 05/28/07) **BOND COUNSEL:** McManimon & Scotland  
**DEVELOPMENT OFFICER:** R. Gomez **APPROVAL OFFICER:** M. Krug



**JOBS:** At Application 134 Within 2 years 7 Maintained 0 Construction 0

**PUBLIC HEARING:** 06/12/07 (Published 05/18/07) **BOND COUNSEL:** Carella, Byrne, Bain, Gilfillan,

**DEVELOPMENT OFFICER:** H. Friedberg

**APPROVAL OFFICER:** L. Petrizzi

**COMBINATION PRELIMINARY AND BOND RESOLUTIONS**

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

**APPLICANT:** Cascade Corporation

P18549

**PROJECT USER(S):** Courthouse Convalescent and Rehabilitation \* \* - indicates relation to applicant  
Eastern Shore Nursing and Rehabilitation Center \*

**PROJECT LOCATION:** Various Middle Township (T) Cape May County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Cascade Corporation is a 501(c)(3) not-for-profit corporation wholly-owned by Del Mar Healthcare, Inc., a California 501(c)(3) not-for-profit corporation. Cascade is a provider of long term healthcare in Cape May County operating two 120-bed skilled nursing homes, Courthouse Convalescent and Rehabilitation Center (which also includes an outpatient adult day care program, known as Magnolia Day Care) and Eastern Shore Nursing and Rehabilitation Center. The projects are in compliance with 110 full-time employees and occupancy rates of 92% (nursing home) and 76% (adult day care) at the Courthouse facility; and 105 full-time employees and occupancy rates of 90% at the Eastern Shore facility.

In 1992, Authority assistance of \$5,405,000 in tax-exempt and taxable bonds originally enabled Courthouse Assoc. to refund the outstanding balance of a 1984 EDA bond issued to purchase 2.5 acres and construct the 38,000 sq. ft. nursing home located on Magnolia Lane in Middle Twp. The 1992 Bonds were underwritten by Herbert J. Sims & Co. as serial bonds due through 2/1/2011 at various interest rates from 7.7% to 13%.

In 1993, Authority assistance of \$4,100,000 in tax-exempt and taxable bonds originally enabled Eastern Shore Nursing and Convalescent Center, Inc. to refund the outstanding balance of a 1982 EDA bond issue used to purchase 27 acres and construct the 36,000 sq. ft. nursing home located on Rt. 9 North in Middle Twp. The 1993 Bonds were underwritten by Herbert J. Sims as serial bonds due through 2/1/2014 at various interest rates from 7% to 9.25%.

Further, Authority assistance in 1996 enabled Cascade Corporation to purchase the Eastern Shore and Courthouse facilities, which included the assumption of the balance then due on the 1992 Courthouse refunding bonds and 1993 Eastern Shore refunding bonds described above. The 1996 tax-exempt bond issue of \$6,565,000 consisted of \$3,510,000 Series A - Courthouse Convalescent Center Project and \$3,055,000 Series B - Eastern Shore Nursing and Convalescent Center Project. The 1996 Bonds were privately placed by Meridian Capital Markets and the GMS Group for a maximum of 30 years as serial bonds with fixed interest rates ranging from 5.875% to 8.25%.

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) refinance the \$1,639,787 balance of a taxable note due to Northwest Human Services, Inc. (originally \$1,750,000, 6.8% due May 2015), (ii) finance architectural upgrades and renovations to the existing space in the health care facilities, and (iii) pay costs of issuance.

This Application is being presented in conjunction with P18482 to refund the outstanding balance of several prior EDA Bonds, for a total tax-exempt and taxable bond issue not to exceed \$14 million.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Herbert J. Sims & Co. (Underwriter)

<b>AMOUNT OF BOND:</b>	\$660,000 Tax-exempt (Part of a \$14 million tax-exempt and taxable bond issue with P18482)	\$1,780,000 Taxable (Part of a \$14 million bond issue with P18482)
<b>TERMS OF BOND:</b>	30 years (max.); Fixed interest rate not to exceed 6.5% (Estimated rate as 5/21/07 is 5.3%)	10 years (max.); Fixed rate not to exceed 10.5% (Estimated rate as of 5/21/07 is 7.5%)

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$1,639,787
Renovation of existing building	\$658,319
Debt service reserve fund	\$322,374
Finance fees	\$70,264
Legal fees	\$26,350
<b>TOTAL COSTS</b>	<b>\$2,717,094</b>

**JOBS:** At Application 215 Within 2 years 4 Maintained 0 Construction 20

**PUBLIC HEARING:** 06/12/07 (Published 05/28/07) **BOND COUNSEL** McCarter & English

**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Cascade Corporation

P18482

**PROJECT USER(S):** Courthouse Convalescent and Rehabilitation      \* - indicates relation to applicant  
Eastern Shore Nursing and Rehabilitation Center \*

**PROJECT LOCATION:** Various      Middle Township (T)      Cape May

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Cascade Corporation is a 501(c)(3) not-for-profit corporation wholly-owned by Del Mar Healthcare, Inc., a California 501(c)(3) not-for-profit corporation. Cascade is a provider of long term healthcare in Cape May County operating two 120-bed skilled nursing homes, Courthouse Convalescent and Rehabilitation Center (which also includes an outpatient adult day care program, known as Magnolia Day Care) and Eastern Shore Nursing and Rehabilitation Center. The projects are in compliance with 110 full-time employees and occupancy rates of 92% - nursing home and 76% - adult day care, at the Courthouse facility; and 105 full-time employees and occupancy rate of 90% at the Eastern Shore facility.

In 1992, Authority assistance of \$5,405,000 in tax-exempt and taxable bonds originally enabled Courthouse Assoc. to refund the outstanding balance of a 1984 EDA bond issued to purchase 2.5 acres and construct the 38,000 sq. ft. nursing home located on Magnolia Lane in Middle Twp. The 1992 Bonds were underwritten by Herbert J. Sims & Co. as serial bonds due through 2/1/2011 at various interest rates from 7.7% to 13%.

In 1993, Authority assistance of \$4,100,000 in tax-exempt and taxable bonds originally enabled Eastern Shore Nursing and Convalescent Center, Inc. to refund the outstanding balance of a 1982 EDA bond issue used to purchase 27 acres and construct the 36,000 sq. ft. nursing home located on Rt. 9 North in Middle Twp. The 1993 Bonds were underwritten by Herbert J. Sims as serial bonds due through 2/1/2014 at various interest rates from 7% to 9.25%.

Further, Authority assistance in 1996 enabled Cascade Corporation to purchase the Eastern Shore and Courthouse facilities, which included the assumption of the balance then due on the 1992 Courthouse refunding bonds and 1993 Eastern Shore refunding bonds described above. The 1996 tax-exempt bond issue of \$6,565,000 consisted of \$3,510,000 Series A - Courthouse Convalescent Center Project and \$3,055,000 Series B - Eastern Shore Nursing and Convalescent Center Project. The 1996 Bonds were privately placed by Meridian Capital Markets and the GMS Group for a maximum of 30 years as serial bonds with fixed interest rates ranging from 5.875% to 8.25%.

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 outstanding balance of all of the prior EDA Bonds aggregating in the amount of \$10,660,000 plus costs of issuance.

This Application is being presented in conjunction with P18549 for capital expenditures and to refinance a taxable note for a total tax-exempt and taxable bond issue not to exceed \$14,000,000.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Herbert J. Sims & Co. (Underwriter)  
**AMOUNT OF BOND:** \$11,560,000 (Part of a \$14,000,000 tax-exempt and taxable bond issue with P18549)  
**TERMS OF BOND:** 30 years; Fixed interest rate not to exceed 6.5% (Estimated rate as of 5/21/07 is 5.3%)  
**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Principal amount of bond to be refunded	\$10,660,000
Debt service reserve fund	\$892,626
Finance fees	\$343,051
Legal fees	\$128,650
Accrued interest to redemption date	\$34,557
<b>TOTAL COSTS</b>	<b>\$12,058,884</b>

**PUBLIC HEARING:** 06/12/07 (Published 05/28/07) **BOND COUNSEL:** McCarter & English  
**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Challenge Printing Company, Inc., The

P18488

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 2 Bridewell Place

Clifton City (T/UA)

Passaic

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

The Challenge Printing Company, Inc. (Challenge) was founded in 1911 in New York City and began its longstanding association with the pharmaceutical industry in 1919. Challenge is the longest tenured, privately held, exclusively pharmaceutical printer in North America. The applicant has achieved Certified Partner status with many pharmaceutical manufacturers. Products include, labels, inserts and outserts, blister cards, security packaging components, electronic prepress services, and package consulting. Many of the packaging options include new technology such as RFID tags, an FDA requirement to be implemented in 2007. Challenge is headquartered on a new 6-acre site in the heart of pharmaceutical country in northern New Jersey and also has a manufacturing site in Broadway, North Carolina. Both sites are electronically linked on a real-time basis allowing for seamless information sharing.

In November 2002 the Authority approved a \$1.8 million Tax-Exempt Bond (P13983) for the applicant to acquire equipment, which closed December 24, 2002.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to purchase new state-of-the-art printing and folding equipment to increase production capacity and maintain state-of-the-art capability for the pharmaceutical industry. The applicant is estimating they will add 4 new jobs within the next two years.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Wachovia Bank, National Association (Underwriter)

**AMOUNT OF BOND:** \$2,200,000 maximum (Tax-Exempt Bonds)

**TERMS OF BOND:** 8 years; variable interest rate, reset weekly, rate not to exceed 15% (indicative rate as of June 5, 2007 is 3.65%).

**ENHANCEMENT:** ( L/C - Wachovia Bank, N.A. - 5.0 Yr.)

**PROJECT COSTS:**

Purchase of equipment & machinery	\$2,400,000
Finance fees	\$40,000
Legal fees	\$30,000
<b>TOTAL COSTS</b>	<b>\$2,470,000</b>

**JOBS:** At Application 186 Within 2 years 4 Maintained 0 Construction 0

**PUBLIC HEARING:** 06/12/07 (Published 05/24/07) **BOND COUNSEL:** Obermayer, Rebmann, Maxwell &

**DEVELOPMENT OFFICER:** H. Friedberg

**APPROVAL OFFICER:** M. Krug

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

**APPLICANT:** Harrogate, Incorporated

P18495

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 400 Locust Street

Lakewood Township (T/UA)

Ocean

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Harrogate, Incorporated, is a 501(c)(3) not-for-profit corporation formed in 1982, which owns and operates a continuing care retirement community (CCRC) consisting of 275 independent living units, a 60 bed skilled nursing center and an 8 bed assisted living unit. The facility also includes common areas such as a dining room, library, indoor pool and auditorium. Occupancy rates are 93% in the independent living units; 92% skilled nursing center and 25% assisted living units. Harrogate currently employs 111 full time employees.

In 1997, the Authority issued its \$18,810,000 tax exempt bonds, comprised of \$18,635,000 Series A tax exempt bonds and \$175,000 Series B taxable bonds to refund the outstanding balance of a 1992 EDA bond issue originally issued for \$18,930,000, which enabled Harrogate to refinance on a tax-exempt basis, the taxable mortgage bonds issued by the applicant to finance the construction of the CCRC. The 1997 Bonds were underwritten by Ziegler Securities as serial and term bonds with interest rates ranging from 4.3% to 5.87% and a maximum maturity in year 2026.

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 expand, reconfigure and renovate the existing health care facilities as well as various common areas in order to expand and improve the delivery of resident services, thereby enhancing the Applicant's competitive position in the Lakewood/Ocean County market area. Specifically, (1) reconfiguration of the skilled nursing care beds from 60 semi-private rooms to 24 private rooms and 8 semi-private rooms; (2) elimination of the 8 assisted living beds; (3) addition of an assisted living building to include 54 private units: 28 suites, 16 studios and 10 dementia care rooms; and (4) changes to common areas, including but not limited to expanded dining area, new home health office; an expanded laundry area, wellness center, and an enlarged therapy suite. In addition, bond proceeds will be used to pay costs of issuance, capitalized interest on the bonds and fund a debt service reserve fund.

This Application is being presented in conjunction with Appl. P18502 to refund the \$15,630,000 outstanding balance of the 1997 bond financing plus costs of issuance, for a total tax-exempt bond financing not to exceed \$53,500,000.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Ziegler Capital Markets (Underwriter)  
**AMOUNT OF BOND:** \$37,500,000 (Est.) (Tax-exempt bonds) (Part of \$53,500,000 bond issue with P18502)  
**TERMS OF BOND:** 35 years (max.); Fixed rate serial and term bonds not to exceed 6.5% and extendable rate adjustable bonds (adjusted to market conditions in 3, 5, or 7 years), not to exceed 6.25%. (Estimated rates as of 5/18/07 are 5.25% - fixed rate and 4.8% - 5 yr. adjustable rate)  
**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Construction of new building or addition	\$16,059,093
Renovation of existing building	\$7,358,126
Working capital	\$3,842,000
Debt service reserve fund	\$3,670,000
Interest during construction	\$2,517,100
Engineering & architectural fees	\$1,550,000
Purchase of equipment & machinery	\$1,500,000
Construction of roads, utilities, etc.	\$1,337,841
Closing Costs	\$823,200
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<b>TOTAL COSTS</b>	<b>\$38,657,360</b>
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**JOBS:** At Application 111 Within 2 years 16 Maintained 0 Construction 743

**PUBLIC HEARING:** 06/12/07 (Published 05/23/07) **BOND COUNSEL:** McCarter & English  
**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Harrogate, Incorporated

P18502

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 400 Locust Street

Lakewood Township (T/UA)

Ocean

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Harrogate, Incorporated, is a 501(c)(3) not-for-profit corporation formed in 1982, which owns and operates a continuing care retirement community (CCRC) consisting of 275 independent living units, a 60 bed skilled nursing center and an 8 bed assisted living unit. The facility also includes common areas such as a dining room, library, indoor pool and auditorium. Occupancy rates are 93% in the independent living units; 92% nursing center and 25% assisted living units. Harrogate currently employs 111 full time employees.

In 1997, the Authority issued its \$18,810,000 tax exempt bonds, comprised of \$18,635,000 Series A tax exempt bonds and \$175,000 Series B taxable bonds to refund the outstanding balance of a 1992 EDA bond issue originally issued for \$18,930,000, which enabled Harrogate to refinance on a tax-exempt basis, the taxable mortgage bonds issued by the applicant to finance the construction of the CCRC. The 1997 Bonds were underwritten by Ziegler Securities as serial and term bonds with interest rates ranging from 4.3% to 5.87% and a maximum maturity in year 2026.

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 \$15,630,000 outstanding balance of the 1997 bond financing plus pay costs of issuance.

This Application is being presented in conjunction with Appl. P18495 to construct an addition, renovate and reconfigure the existing facilities and pay costs of issuance, for a total tax exempt bond financing not to exceed \$53,500,000.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Ziegler Capital Markets (Underwriter)

**AMOUNT OF BOND:** \$16,000,000 (Est.) (Tax-exempt bonds) (Part of a \$53,500,000 bond issue with P18495)

**TERMS OF BOND:** 35 years (max.); Fixed rate serial and term bonds not to exceed 6.5% and extendable rate adjustable bonds (adjusted to market conditions in 3, 5, or 7 years), not to exceed 6.25%. (Estimated rates as of 5/18/07 are 5.25% fixed rate and 4.8% for 5 yr. adjustable rate)

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Principal amount of bond to be refunded	\$15,630,000
Closing Costs	\$352,800
Redemption premium	\$303,900
<b>TOTAL COSTS</b>	<b>\$16,286,700</b>

**PUBLIC HEARING:** 06/12/07 (Published 05/23/07) **BOND COUNSEL:** McCarter & English

**APPROVAL OFFICER:** T. Wells

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

**APPLICANT:** Somerset Hills Learning Institute, Inc.

P18563

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 1810 Burnt Mills Road

Bedminster Township (N)

Somerset

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Somerset Hills Learning Institute, Inc., (the "Institute") is a 501(c)(3) not-for-profit organization established in 1998 as a dissemination site of Princeton Child Development Institute, a world leader in research and autism treatment. The Institute is approved by the NJ Dept. of Education as a private school for the disabled, serving autistic children between the ages of 4 to 14, and sometimes extending through the age of 21. The mission of the Institute is to graduate students to productive lives at public school or the workplace.

In April 2007, the Institute opened a new 19,100 sq. ft. school on 11 acres in Bedminster. The new school includes flexible classrooms, business education center, conference center, playground, fitness/recreation center and kitchen & laundry rooms. The Institute currently enrolls 19 students and a full-time staff of 25 and expects enrollment to increase to 29 students within 2 years.

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

**APPROVAL REQUEST:**

Authority assistance will enable the Applicant to refinance the outstanding balance of a \$4,000,000 construction loan from Commerce Bank used to fund the construction costs to build the new school. (The terms of the Commerce Bank construction loan are interest only at a variable interest rate, based on 30 day LIBOR plus 175 basis points and final maturity date of 6/21/2008.)

**FINANCING SUMMARY:**

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

**AMOUNT OF BOND:** \$3,000,000 (Tax-exempt bond)

**TERMS OF BOND:** 25 years, Variable rate based on the tax-exempt equivalent of 30-day LIBOR plus 170 basis points (estimated rate is 4.77% as of 5/30/07). Callable at end of years 10 and 20; Interest only for 12 months; On the closing date, Borrower will enter into a swap agreement to a fixed rate for 10 yrs. (Estimated swap rate at 5.01% as of 5/30/07).

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$3,000,000
Legal fees	\$40,034
Finance fees	\$19,783
<b>TOTAL COSTS</b>	<b>\$3,059,817</b>

**JOB:** At Application 25 Within 2 years 9 Maintained 0 Construction 0

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

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** T. Wells

**PRELIMINARY RESOLUTIONS**

**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.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

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

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

**PUBLIC HEARING:**

**BOND COUNSEL:** Wolff & Samson

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** L. Petrizzi

**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, Chairman/CEO since 1982, and also the 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.

**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
<b>TOTAL COSTS</b>	<b>\$5,127,115</b>

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

**PUBLIC HEARING:**

**BOND COUNSEL:** McManimon & Scotland

**DEVELOPMENT OFFICER:** R. Gomez

**APPROVAL OFFICER:** M. Krug

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

**APPLICANT:** Toscana Cheese Company, Inc.

P18550

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 575 Windsor Drive

Secaucus Town (N)

Hudson

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Toscana Cheese Company, Inc. (Toscana) was formed in 1993 to manufacture fresh mozzarella cheese, with the addition of grated and imported specialty cheese in 2000. As of October 2006, Mr. Victor Paparazzo, is the sole stockholder of Toscana upon buying out his partner. Today, Toscana manufactures only mozzarella cheese, which is sold to distributors and institutional entities, and wholesales curd and ricotta cheese.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to acquire machinery and equipment and renovate the area where the equipment will be placed. The new equipment is scheduled for delivery in third quarter of 2008. In addition, the applicant is planning on exercising an option to purchase the facility it currently leases in 2010.

**FINANCING SUMMARY:**

**BOND PURCHASER:**

**AMOUNT OF BOND:**

**TERMS OF BOND:**

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Acquisition of existing building	\$3,675,000
Purchase of equipment & machinery	\$2,830,000
Renovation of existing building	\$500,000
Legal fees	\$34,000
Finance fees	\$33,000
Accounting fees	\$33,000
<b>TOTAL COSTS</b>	<b>\$7,105,000</b>

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

**PUBLIC HEARING:**

**BOND COUNSEL:** Wolff & Samson

**DEVELOPMENT OFFICER:** R. Gomez

**APPROVAL OFFICER:** M. Krug



**BOND RESOLUTIONS WITH AUTHORITY EXPOSURE**

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

**APPLICANT:** SRSB Holdings LLC

P18389

**PROJECT USER(S):** Procedyne Corporation \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 11 Industrial Drive

New Brunswick City (T/UA)

Middlesex

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

SRSB Holdings LLC (SRSB) is a real estate holding company formed by Sam Rothman and Sholom Babad to acquire the 60,400 s.f. facility occupied by Procedyne Corporation (Procedyne). Messrs. Rothman and Babad are equal shareholders in SRSB and also own 82% of Procedyne, which they acquired in December 2004. Procedyne was founded in 1961 as an engineering and equipment manufacturing company that supplies high temperature fluid bed retort furnace systems to various applications in the heat-treating, plastic processing, metal working and automotive industries. In December 2004, Procedyne entered into a technology purchase and license agreement with National Starch and Chemical Company, which entitles National to all rights, title, and existing patent rights in existing fluid bed processing technology for a \$1 million advance payment to be applied against future contracts.

Procedyne, under the prior ownership, was approved by the Authority for a \$250,000 Export Working Capital line-of-credit which closed August 1992.

The applicant is also seeking Board approval at the Authority's June 12, 2007 Board Meeting for an LDFF loan (P18388), not to exceed \$750,000, with a 5 year term, 10 year amortization, and an interest rate at 50% of the Federal Discount rate, with a floor of 3%.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to purchase and renovate the 60,400 s.f. facility currently occupied by Procedyne, as well as purchase new equipment. Approximately 5,000 s.f. of the warehouse is fit out with office space. SRSB estimates that Procedyne will operate out of 30,000 s.f. of the space and the remaining square footage will be leased to an outside third party.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Commerce Bank (Direct Purchase)

**AMOUNT OF BOND:** \$3,300,000 (Tax Exempt Bond)

**TERMS OF BOND:** 20 years; The Bond rate is the tax-free equivalent of the 30 day Libor plus 175 basis points (indicative rate 4.88% as of May 15, 2007). 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:**

Acquisition of existing building	\$3,900,000
Renovation of existing building	\$350,000
Purchase of equipment & machinery	\$300,000
Closing Costs	\$60,000
<b>TOTAL COSTS</b>	<b>\$4,610,000</b>

**JOBS:** At Application 25 Within 2 years 18 Maintained 0 Construction 11

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

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** M. Krug





**STATEWIDE LOAN POOL PROGRAM**

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

**APPLICANT:** Parra & Berry, LLC

P18501

**PROJECT USER(S):** M&S Produce Outlet, Inc. \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 6020 Black Horse Pike

Egg Harbor City (T)

Atlantic

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Applicant is a recently formed holding company which will acquire an 8,625 square foot facility and land where M & S Produce Outlet, Inc. operates as a retailer of fresh fruits and vegetables. Both entities will be owned 75% by Andrew Parra and 25% by his sister Nicole Berry. The business and real estate are being purchased from Sam & Jean Weinstein and Michael & Denise Reilley (and the new owners are the Weinstein's children).

**APPROVAL REQUEST:**

A \$350,000 Authority participation under the Statewide Loan Pool in a \$1.7 million loan from PNC Bank is requested for approval to finance the purchase of the real estate. In addition to this loan, PNC Bank is providing a \$720,000 term loan and a \$780,000 line of credit to M & S Produce Outlet, Inc. which will be used to buy the business.

**FINANCING SUMMARY:**

**LENDER:** PNC Bank, N.A.

**AMOUNT OF LOAN:** \$1,700,000 bank loan with a 20.6% (\$350,000) Authority participation.

**TERMS OF LOAN:** Fixed for 10 years at bank cost of funds + 200 bp (indicative rate as of 4/26/07 is 7.25%). 10 year term with 20 year amortization.

**TERMS OF PARTICIPATION:** Fixed at time of closing at the five year US Treasury plus 1% with a floor of 4% with a rate reset at the end of year 5 for an additional 5 years or floating at WSJ Prime - 2% with a floor of 3%, adjusted on the first day of each calendar quarter with a 5% maximum increase over a 5 year period for the calculated interest rate. 10 year term with a 20 year amortization.

**PROJECT COSTS:**

<b>Purchase Business and Real Estate</b>	\$3,200,000
<b>Finance fees</b>	\$1,250
<b>TOTAL COSTS</b>	<u>\$3,201,250</u>

**JOBS:** At Application 31 Within 2 years 7 Maintained 0 Construction 0

**DEVELOPMENT OFFICER:** H. Friedberg

**APPROVAL OFFICER:** M. Conte



**LOCAL DEVELOPMENT FINANCING FUND**

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

**APPLICANT:** A&H Products, Inc.

P18411

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 739 Ramsey Avenue

Hillside Township (T/UA)

Union

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

A&H Products, Inc. dba Abeles & Heymann ("AHP") is a provider of glatt kosher meat products that is relocating from a 2,500 square foot facility in Bronx, NY to an 18,000 square foot facility (will occupy 13,000 square feet initially with an unaffiliated tenant in the remaining space) in Hillside, NJ. The new location will allow the company to reestablish its manufacturing operations, which were terminated in 2000 due to limited space and revised USDA requirements. The project has a total cost of \$1,715,000 and consists of leasehold improvements, equipment purchases and working capital. AHP has requested a \$440,000 LDFF loan which will be used in combination with a \$600,000 lease line of credit from Bank of America, a \$290,000 equipment lease from Reiser and a \$385,000 equity contribution.

**APPROVAL REQUEST:**

Approval is requested for a \$440,000 LDFF loan as proposed.

**FINANCING SUMMARY:**

**LENDER:** Local Development Financing Fund

**AMOUNT OF LOAN:** \$440,000

**TERMS OF LOAN:** Rate fixed at closing at ½ of the Federal Discount rate with a floor of 3%, 5 year term and amortization.

**PROJECT COSTS:**

Purchase of equipment & machinery	\$960,000
Renovation of existing building	\$650,000
Working capital	\$100,000
Finance fees	\$5,000
<b>TOTAL COSTS</b>	<b>\$1,715,000</b>

**JOBS:** At Application 0 Within 2 years 15 Maintained 0 Construction 20

**DEVELOPMENT OFFICER:** R. Fischer

**APPROVAL OFFICER:** S. Brady



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

**APPLICANT:** Sol Chaimovits or Designated Nominee

P18484

**PROJECT USER(S):** General Vy-Coat LLC \*  
A-One Laminating Corporation \*  
Ardel Laminating Corporation \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 239 Sixth Avenue Paterson City (T/UA) Passaic

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

This project involves the purchase of a 25,000 square foot commercial building in Paterson, NJ. The building will become the new headquarters of General Vy-Coat LLC (GV), a vinyl and foam manufacturing company currently headquartered in Carlstadt, NJ. The building will also become the new headquarters of two related vinyl and foam manufacturing companies, A-One Laminating, Inc., (A-One) and Ardel Laminating, Inc., (Ardel) both of which will relocate from a shared Brooklyn, NY., facility. All three companies are related through common ownership. Approximately 15-20% of the building will be utilized for manufacturing. The remaining space will be used for warehouse and office needs.

**APPROVAL REQUEST:**

Approval of a \$500,000 LDFF loan is requested.

**FINANCING SUMMARY:**

**LENDER:** Local Development Financing Fund

**AMOUNT OF LOAN:** \$500,000

**TERMS OF LOAN:** Fixed for five years at the time of closing at 50% the Federal Discount rate subject to a floor of 3.00%. Ten-year term with a five-year rate reset, twenty-year amortization.

**PROJECT COSTS:**

Acquisition of existing building	\$1,400,000
Renovation of existing building	\$150,000
Working capital	\$90,000
Closing Costs	\$8,000
<b>TOTAL COSTS</b>	<u><u>\$1,648,000</u></u>

**JOBS:** At Application 18 Within 2 years 24 Maintained 8 Construction 5

**DEVELOPMENT OFFICER:** R. Gomez

**APPROVAL OFFICER:** D. Lawyer



**EDISON INNOVATION FUND**

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

**APPLICANT:** Agilence, Inc.

P18390

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 200 Federal Street

Camden City (T/UA)

Camden

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Agilence, Inc., delivers event based video analytics to the retail, transportation, and gaming markets through a series of software products marketed as the eVision office suite. eVision's core technology is based on the synchronization of full motion video (live and recorded) with transactional events or data.

Agilence is currently located in Mount Laurel, NJ., however, has agreed to relocate its operations to the Authority's technology center in Camden, NJ., for the term of the Investment.

**APPROVAL REQUEST:**

Approval is requested for a \$1,000,000 Edison Innovation Fund investment. The proceeds of the Authority's investment will be used to support the salaries of 27 new positions within the next two years. The new jobs will be centered in sales, marketing, and software development roles. The Investment proceeds will also be used toward the Company's marketing/advertising efforts and working capital.

**FINANCING SUMMARY:**

**LENDER:** NJEDA

**AMOUNT OF LOAN:** \$1,000,000 Edison Innovation Fund Investment

**TERMS OF LOAN:** 4.00 fixed; No payments during the first 18 months (interest will accrue and will be capitalized during this period), then 42 months equal principal plus interest payments in amounts adequate to fully repay the investment.

**PROJECT COSTS:**

<b>Working capital</b>	\$1,000,000
<b>Finance Fees</b>	\$5,000
<b>TOTAL COSTS</b>	<u>\$1,005,000</u>

**JOBS:** At Application 13 Within 2 years 27 Maintained 0 Construction 0

**DEVELOPMENT OFFICER:** K. Coviello

**APPROVAL OFFICER:** D. Lawyer



**CAMDEN ECONOMIC RECOVERY BOARD**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - CAMDEN ERB GRANT**

**APPLICANT:** Rutgers, The State University of New Jersey (Early Learning P18292

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

**PROJECT LOCATION:** 421 Cooper Street Camden City (T/UA) Camden

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

Rutgers Early Learning Research Academy (ELRA) will serve Camden children, ages birth to five, by transitioning them into primary schools. The school will include an Early Care and Education Program, a Research Unit, an Academic Component, a Professional Development and Training Center, a Health Center, and a Parent Development and Resource Center. ELRA will build on activities LEAP Academy began three years ago to enhance teaching, improve children's language skills, empower parents and transform the culture of preschool centers.

The land has been acquired by Rutgers University (approximately .5 acres). The new building will be 16,000 sq. ft. with three floors for instructional use, a basement with a kitchen, conference, break and activity rooms, and play space on the roof. The construction of the school is estimated for completion in 2008.

It is anticipated that the school will employ 27 full-time and 19 part-time professional and paraprofessional jobs including teachers, classroom assistants, nurse practitioners, behavioral health specialist, parent coordinator, research manager, research associate, and administrative personnel.

**APPROVAL REQUEST:**

The Members of the Authority are asked to approve the funding authorization for a \$1,000,000 public purpose grant to fund the construction of ELRA. These funds will be provided from the Downtown Revitalization and Recovery Fund established through the "Municipal Rehabilitation and Economic Recovery Act" ("Act"). The Members are also asked to recommend this project to the New Jersey Economic Development Authority Board of Directors for funding authorization.

**FINANCING SUMMARY:**

**GRANTOR:** Economic Recovery Board

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

**TERMS OF GRANT:** Grant

**PROJECT COSTS:**

Construction of new building or addition	\$4,000,000
Engineering & architectural fees	\$800,000
Demolition	\$200,000
<b>TOTAL COSTS</b>	<b>\$5,000,000</b>

**JOBS:** At Application 0 Within 2 years 27 Maintained 0 Construction 120

**DEVELOPMENT OFFICER:** M. Parker

**APPROVAL OFFICER:** K. DeLuca



TO: Members of the Authority

FROM: Caren S. Franzini  
Secretary

DATE: June 12, 2007

RE: Rutgers, The State University of New Jersey – Camden Campus  
P18292

### **Request**

The Members of the Authority are asked to approve a \$1,000,000 public purpose grant to Rutgers, The State University of New Jersey – Camden Campus (“Rutgers Camden”) to fund a portion of the \$5 million Rutgers Early Learning Research Academy (ELRA) that will serve Camden children, ages birth to five, by transitioning them into primary schools. The funds will be provided from the Downtown Revitalization and Recovery Fund established through the “Municipal Rehabilitation and Economic Recovery Act” (“Act”).

### **Background**

This project represents the most recent effort of Rutgers-Camden, under the leadership of Professor Gloria Bonilla-Santiago, to extend university and community resources to enhance quality education for vulnerable children. The ELRA will include an Early Care and Education Program, a Research Unit, an Academic Component, a Professional Development and Training Center, a Health Center, and a Parent Development and Resource Center. ELRA will build on activities LEAP Academy began three years ago to enhance teaching, improve children’s language skills, empower parents and transform the culture of preschool centers.

### **Project Applicant and Development Team**

Dr. Gloria Bonilla-Santiago will serve as the project director and the main staff person overseeing the development. An architect, construction manager and general contractor will be selected through a competitive bid process. Rutgers University through its Office of Facilities Planning and Development, in collaboration with Dr. Bonilla-Santiago’s office, will oversee the construction of the facility.

## **Rutgers, The State University of New Jersey – Camden Campus**

### **Project Summary**

The ELRA will be located at 421 Cooper Street in Camden and will include six major components: An Early Care and Education Program serving children in Camden City, ages birth to five, and transitioning them into primary schools; A Research Unit providing ongoing evaluation of programs and commissioning research studies on key areas of early childhood development for publication, dissemination and replication, as well as to inform public policy; An Academic Component that will focus on developing undergraduate and graduate level programs to prepare professionals for the field of early childhood development and education; A Professional Development and Training Center (to include Infant/Toddler, P-3 certification, and CDA credentialing) that will work with service providers, teachers, parents and families as a strategy to build and sustain capacity for the field and provide teachers with appropriate early care credentials and endorsements; A Health Center that will provide comprehensive care for families, specializing in pediatric (and prenatal) care; and A Parent Development and Resource Center that will provide parents with opportunities for training and development to maximize their involvement with their children's education, strengthen their parenting skills and nurture their leadership skills as partners in the educational process. Once operational, the ELRA will serve 73 children: 8 infants (6-18 months); 20 toddlers (1 and 2 years old); and 45 preschoolers (3 and 4 years old).

The land has been acquired by Rutgers University (approximately .5 acres). An environmental analysis is not required on the property however, as part of Rutgers own due diligence, its Office of Facilities Planning and Development will conduct an environmental study. The new building will be 16,000 sq. ft. with three floors for instructional use, a basement with a kitchen, conference, break and activity rooms, and play space on the roof. The construction of the school is estimated for completion in 2008.

Operating revenue is expected to come from the Board of Education, Department of Human Services, grants and tuition and is projected to be \$2.5 million for fiscal year 2008 to 2009.

## Rutgers, The State University of New Jersey – Camden Campus

### Uses of Funds

\$ 890,000	Site Work, General Conditions, Soft Costs
570,000	Concrete, Masonry, Moisture, Steel
406,500	Contingency
390,000	Finishes, Specialties, Furnishings
350,000	Playground
328,500	Building Fixtures, Equipment
325,000	Mechanical
300,000	Carpentry
195,000	Electrical
150,000	Doors/Windows
95,000	Conveying Systems
<u>\$4,000,000</u>	Sub Total Building Costs
800,000	Engineering and Architectural Fees
200,000	Acquisition of Furniture and Equipment
\$5,000,000	Total Use of Funds

The construction budget has been reviewed by the EDA's Real Estate staff and deemed to be comparable to area standards.

### Source of Funds

\$2,000,000	Knight Foundation
2,000,000	U.S. Department of Housing and Urban Development (Congressional Appropriation) - expected
1,000,000	ERB Public Purpose Grant
\$5,000,000	Total Source of Funds

### Commitments

The following is the status of the funding commitments: 1) \$2,000,000 Knight Foundation, approved in December, 2006; 2) \$2,000,000 U.S. Department of Housing and Urban Development, expected in the Fall 2007.

### Security and Repayment

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

## **Rutgers, The State University of New Jersey – Camden Campus**

### **Disbursement of Funds**

Funding of the ERB public purpose grant is contingent upon receipt and satisfactory review of construction bid documents indicating costs comparable to area and industry standards and specifically with regard to architect and engineering fees not exceeding 16% of the overall budget. In addition, funding is contingent upon receipt of commitments for the balance of funding for the project. Disbursement of ERB funds is contingent upon receipt of a permanent certificate of occupancy and an executed Annual Service Charge agreement with the City of Camden. Rutgers has negotiated to pay an annual service charge of 2% of the ERB grant amount.

### **Project Eligibility and Benefits**

The project advances the goal of the Strategic Revitalization Plan and meets the requirements of a revitalization project under the Downtown Revitalization and Recovery Fund. The preschool addresses a documented public need with a likelihood of timely and demonstrable benefits for residents, a neighborhood or other area, or for the municipality in general. The school is available to students and users and/or beneficiaries on a non-exclusive basis.

It is anticipated that the school will employ 27 full-time and 19 part-time professional and paraprofessional jobs including teachers, classroom assistants, nurse practitioners, behavioral health specialist, parent coordinator, research manager, research associate, and administrative personnel.

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

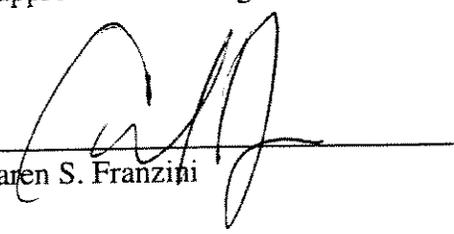
Pursuant to the ERB Guide to Program Funds guideline #9, public purpose projects may be funded up to 50% of total project costs not to exceed \$1 million per request. A public purpose project shall be a project that addresses a documented public need with a likelihood of timely and demonstrable benefits for residents, a neighborhood or other area or for the municipality in general. The project may be privately or publicly sponsored. This project meets the guidelines based on the acquisition of the land for construction of a preschool that will train Camden toddlers and preschoolers to better prepare them for grades K-12 and beyond. The project scored 33 points of the possible 45 for the public purpose grant.

**Rutgers, The State University of New Jersey – Camden Campus**

**Recommendation**

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

The Members of the ERB approved this public purpose grant at it's meeting on May 29, 2007. Accordingly, the Members of the Authority are asked approve the funding authorization for the \$1,000,000 grant for the project.

  
Caren S. Franzini

Prepared By: Mujiba Parker, Finance Officer



**FILM TAX CREDIT TRANSFER PROGRAM**



**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - FILM TAX CREDIT TRANSFER**

**APPLICANT:** Modern Horror Show LLC

**APPLICANT BACKGROUND:**

Modern Horror Show LLC is a two member LLC founded and managed by Andrew van den Houten and David Sporn. Mr. van den Houten directed his first full-length feature film in 2005, the supernatural thriller "Headspace" which won awards at the New York Horror Film Festival and was the winner of "Best Monster Movie" at the World Horror Convention in San Francisco. Headspace is now available on Showtime and Starz/Encore Channels. Mr. Sporn served as vice-president of the business affairs department of New Line Cinema, where he conducted the business affairs of dozens of New Line productions. Mr. Sporn has extensive experience in the delivery of finished films to distributors. The Applicant will produce and direct "The Horror Show", a film which forces the characters to face their own demons and "the Film Man", a director who has the ability to manipulate reality through film.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to receive a 20% tax credit for Qualified Production Expenses incurred in New Jersey to produce the movie, "The Horror Show", expected to begin principal photography in July 2007 and conclude in September 2007.

This application has been reviewed by the New Jersey Motion Picture and Television Commission.

**PRINCIPAL PHOTOGRAPHY SCHEDULED TO BEGIN:** July 2007  
**ESTIMATED DATE OF PROJECT COMPLETION:** September 2007

**PRINCIPAL MARKET(S) FOR WHICH PRODUCTION IS INTENDED:**  
Theatrical; Network Television and Cable Television

**PROJECT COSTS:**

Total Production Expenses (Less Post-Production Costs)	\$7,392,314
Total New Jersey Production Expenses	\$7,075,255
Total New Jersey Post Production Expenses	\$ 542,363

Percent of Costs in New Jersey (103%)

Estimated Tax Benefit Amount	\$1,523,524
Applicant's Fiscal Year End	December

**APPROVAL OFFICER:** T.Wells

**COUNSEL:** DAG

**APPLICATION RECEIVED DATE:** April 27, 2007 (Application #15)  
**APPLICATION APPROVED DATE:**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - FILM TAX CREDIT TRANSFER**

**APPLICANT:** Scroll Down Films, LLC

**APPLICANT BACKGROUND:**

Scroll Down Films, LLC (Scroll Down) is producing, iMurders, an Agatha Christie-esque thriller concerning society's ever growing lack of personal intimacy that only allows people to feel comfortable talking to strangers through a computer screen. Robbie Bryan and Christie Botelho are equal shareholders of Scroll Down. Mr. Bryan, writer, director and producer, is a graduate of Rider College (Marketing Degree) and later studied acting at the Stella Adler Conservatory and HB Studios. He has appeared in Pepsi and Super Jock commercials, and numerous feature roles including Friday the 13<sup>th</sup> Part 8: Jason Takes Manhattan. Mr. Bryan and Ms. Botelho's first feature film, The Stand-In, which Mr. Bryan wrote, produced and starred in along with Kelly Ripa, won Best Director and Best Actress awards at 2003 The New York International Film and Video Festival. Ms. Botelho is a cum laude graduate from Emerson College, Boston, with a BFA in Performance and a Bachelors in Communications and Marketing. She continued her acting and dancing training in New York City at the Michael Howard Studios, and with professionals from the Martha Graham Company and New York City Ballet. Among her acting accomplishments are a recurring role on the CBS soap opera, Guiding Light. Kelly Crean, Executive Producer of iMurders, earned a degree in English Literature from Columbia University and studied film production at Columbia University's School of the Arts, was recognized in the May 2004 issue of Women in Film for her extensive accomplishments in the entertainment industry. Ms. Crean has worked in production at MGM, CBS News and Engel Brothers Productions. Among her credits are Gangsters, a children's TV show which ran on Kids' WB and has been sold in over 30 countries, and Emeril Live.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to receive a 20% tax credit for Qualified Production Expenses incurred in New Jersey for the production of "iMurder." Principal photography will begin July 22, 2007 and is scheduled for completion by August 18, 2007.

This application has been reviewed by the New Jersey Motion Picture and Television Commission.

<b>PRINCIPAL PHOTOGRAPHY SCHEDULED TO BEGIN:</b>	July 22, 2007
<b>ESTIMATED DATE OF PROJECT COMPLETION:</b>	August 18, 2007

**PRINCIPAL MARKET(S) FOR WHICH PRODUCTION IS INTENDED:**  
National distribution through movie theaters, cable television and DVD worldwide release.

**PROJECT COSTS:**

Total Production Expenses (Less Post-Production Costs)	\$ 819,987
Total New Jersey Production Expenses	\$ 729,087
Total New Jersey Post Production Expenses	\$ 0
Percent of Costs in New Jersey	89%
Estimated Tax Benefit Amount	\$ 145,817
Applicant's Fiscal Year End	December

**FINANCE OFFICER:** M.Krug                      **COUNSEL:** DAG

**APPLICATION RECEIVED DATE:** May 2, 2007 (Application #16)

**APPLICATION APPROVED DATE:**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - FILM TAX CREDIT TRANSFER**

**APPLICANT:** The Poker Club: The Movie, LLC

**APPLICANT BACKGROUND:**

The Movie, LLC (Movie) will be producing a film called The Poker Club, a modern day fairy tale of violence, paranoia and betrayal, based on the novel by Ed Gorman. The Poker Club is a feature film intended for national distribution by DVD. Richard Chizmar and John Schaech, writers and producers of The Poker Club each own 50% of the production company. Mr. Schaech started his career as an actor appearing in three studio films as well as dozens of independent features and numerous television films. Mr. Chizmar, founder of Cemetery Dance Publications, the world's leading independent book and magazine publisher of horror and suspense fiction, has sold 60 stories to markets as diverse as Ellery Queen Mystery, Love Kills, and Mystery Science Magazine, and several books. Most recently, Chizmar and Schaech were granted the movie rights to Stephen King's latest #1 bestseller, Black House, for Warner Brothers and Academy Award winner, Akiva Goldman.

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to receive a 20% tax credit for Qualified Production Expenses incurred in New Jersey for the production of "The Poker Club". Principal photography will begin May 30, 2007 and is scheduled for completion by June 18, 2007.

This application has been reviewed by the New Jersey Motion Picture and Television Commission.

**PRINCIPAL PHOTOGRAPHY SCHEDULED TO BEGIN:** May 30, 2007  
**ESTIMATED DATE OF PROJECT COMPLETION:** June 18, 2007

**PRINCIPAL MARKET(S) FOR WHICH PRODUCTION IS INTENDED:**  
DVD direct to video release.

**PROJECT COSTS:**

Total Production Expenses (Less Post-Production Costs)	\$ 670,000
Total New Jersey Production Expenses	\$ 630,000
Total New Jersey Post Production Expenses	\$ 50,000
Percent of Costs in New Jersey	101%
Estimated Tax Benefit Amount	\$136,000
Applicant's Fiscal Year End	December 2007

**FINANCE OFFICER:** M.Krug

**COUNSEL:** DAG

**APPLICATION RECEIVED DATE:** May 9, 2007 (Application #16)  
**APPLICATION APPROVED DATE:**



**PETROLEUM UNDERGROUND STORAGE TANK  
PROGRAM**



MEMORANDUM

**TO:** Members of the Authority

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

**DATE:** June 12, 2007

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

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

Grant:  
David Clattenburg (Dave's Auto Service of N.J.) ..... \$259,092

**Total UST funding for June 2007** ..... **\$259,092**

Prepared by: Lisa Petrizzi

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

**APPLICANT:** David Clattenburg

P17878

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 320 Bloomfield Avenue Newark City (T/UA) Essex

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

David Clattenburg, owner of Dave's Auto Service of N.J., received a grant in the amount of \$48,549 in May 2005 under P16361 to close five underground storage tanks (UST's) at the project site. The scope of work also included soil sampling and analysis as well as soil removal and disposal. The NJDEP has determined that the additional project costs, which includes the closure of newly discovered UST's, along with the soil remediation and groundwater investigation, 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 \$259,092, for a total funding to date of \$307,641.

The NJDEP oversight fee of \$25,909 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:** \$259,092

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

**PROJECT COSTS:**

Remediation	\$259,092
NJDEP oversight cost	\$25,909
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$285,501</b>

**APPROVAL OFFICER:** L. Petrizzi



**TO:** Members of the Authority

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

**DATE:** June 12, 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 May 2007.

Applicant	Description	Grant Amount	Awarded to Date
Jason Corby P18055	Initial grant for site remediation	\$9,355	\$9,355
Annabelle Danello P18115	Initial grant for upgrade, closure and remediation	\$14,699	\$14,699
Renee Drol P18372	Initial grant for upgrade, closure and remediation	\$4,845	\$4,845
Mary Fallon P18437	Initial grant for site remediation	\$14,019	\$14,019

Michael Fowler P18330	Initial grant for upgrade, closure and remediation	\$6,911	6,911
Lynn Friedman P18374	Initial grant for upgrade, closure and remediation	\$12,253	\$12,253
Jose Gomez P18051	Initial grant for upgrade, closure and remediation	\$7,395	\$7,395
Kimberly Hansen P18320	Initial grant for upgrade, closure and remediation	\$17,471	\$17,471
Eileen Hurlbut P18370	Supplemental grant for site remediation	\$45,051	\$80,231
Brian & Linda Johnson / P18059	Initial grant for upgrade, closure and remediation	\$8,227	\$8,227
Kurtin's Service Center, Inc. / P17717	Supplemental grant for site remediation	\$34,169	\$227,574  **aggregate supplemental approval is \$34,169
Abdulnur Liddawi P18207	Initial grant for upgrade, closure and remediation	\$11,652	\$11,652
Blanche Merlo P18123	Initial grant for upgrade, closure and remediation	\$18,397	\$18,397
Allen & Pam Mitchko P18203	Initial grant for upgrade, closure and remediation	\$7,003	\$7,003
Concetta Moore P18127	Initial grant for upgrade, closure and remediation	\$9,970	\$9,970
Richard Nexon P18334	Initial grant for upgrade, closure and remediation	\$900	\$900
Cleo & Brenda Northington / P18205	Initial grant for site remediation	\$8,316	\$8,316
Bogdan Pogorzelski P18322	Initial grant for upgrade, closure and remediation	\$11,014	\$11,014
Juan Quiros P18120	Initial grant for upgrade, closure and remediation	\$6,875	\$6,875
James Rocks P18323	Initial grant for upgrade, closure and remediation	\$18,612	\$18,612

Ramon Sanchez P18325	Initial grant for site and remediation	\$8,390	\$8,390
Kevin & Anne Marie Searing / P18129	Initial grant for site remediation	\$6,998	\$6,998
Jerome Tyus P18056	Initial grant for site remediation	\$6,280	\$6,280
Lorraine Van De Brook / P17967	Initial grant for upgrade, closure and remediation	\$12,065	\$12,065
<b>24 Grants</b>	<b>Total Delegated Authority funding for Leaking Tank applications in May 2007</b>	<b>\$300,867</b>	

David Backus P18337	Grant to remove and replace an underground storage tank	\$2,196	\$2,196
Robert & Shirley Bairan / P18347	Grant to remove and replace an underground storage tank	\$2,644	\$2,644
Mark Bakst P18383	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Kathleen Barclay P18394	Grant to close and replace an underground storage tank	\$2,750	\$2,750
Yehuda Biegeleisen P18348	Grant to remove and replace an underground storage tank	\$2,837	\$2,837
Patrick Biesty P18416	Grant to close and replace an underground storage tank	\$3,000	\$3,000
Carlos Bonafide P18384	Grant to remove and replace an underground storage tank	\$2,613	\$2,613
Brian Breguet P18387	Grant to remove an underground storage tank	\$1,200	\$1,200
Robert Breunig & Frances Varacalli P18406	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Greg Bubniak P18454	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Geraldine Cassidy P18497	Grant to remove an underground storage tank	\$1,150	\$1,150

Raymond Cattoge P18452	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Christine Cavallini P18414	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Robert Coates P18305	Grant to remove and replace an underground storage tank	\$2,700	\$2,700
Patricia Corby P18499	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Russell & Debbie Curatolo / P18519	Grant to remove and replace an underground storage tank	\$2,693	\$2,693
Paul & Linda Deponte P18442	Grant to remove an underground storage tank	\$1,200	\$1,200
Mark & Mary Elia P18521	Grant to remove an underground storage tank	\$1,200	\$1,200
Aaron Engelman P18395	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Harold & Amy Erm P18494	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Bryan & Kathleen Feuilly / P18520	Grant to remove and replace an underground storage tank	\$2,898	\$2,898
Peter & Giulia Gavin P18363	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Albert Heath P18473	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Robert & Karen Hennessey / P18400	Grant to remove and replace an underground storage tank	\$2,782	\$2,782
Fred Herrmann P18508	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Walter Hines P18399	Grant to remove and replace an underground storage tank	\$2,250	\$2,250
Lila Horre P18283	Grant to remove an underground storage tank	\$1,075	\$1,075
Kiyoshi & Michiko Itagaki / P18457	Grant to remove and replace an underground storage tank	\$2,800	\$2,800
Frank Janitz P18481	Grant to remove and replace an underground storage tank	\$3,000	\$3,000

Farhat & Samina Kathawala / P18498	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Aryeh Katzman P18284	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Michael & Deborah Kelleher / P18357	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Richard Kopala P18392	Grant to remove an underground storage tank	\$1,200	\$1,200
Vito Liuzza P18314	Grant to close an underground storage tank	\$1,200	\$1,200
Avrohom Lurie P18382	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Warren & Geraldine MacMichael / P18317	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Vincent Maguire P18479	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
George Malsam P18187	Grant to remove an underground storage tank	\$1,200	\$1,200
Gregg Malovany P18413	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Bart Marasciulo P18478	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Satish David Master P18464	Grant to remove an underground storage tank	\$1,020	\$1,020
Nora McCarthy P18453	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Jack McGowan P18397	Grant to remove and replace an underground storage tank	\$2,963	\$2,963
Paula Meiden P18360	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Katherine Menck P18440	Grant to remove an underground storage tank	\$950	\$950
Robert Menzer P18359	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Joan Morris P18349	Grant to close and replace an underground storage tank	\$2,900	\$2,900

Bella Myers P18193	Grant to remove and replace an underground storage tank	\$2,368	\$2,368
Francis Newman, Jr. P18285	Grant to remove and replace an underground storage tank	\$2,900	\$2,900
Matthew & Jeanette Nigro / P18511	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Andrew Nolan P17943	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Kenneth & Rivka Ort P18090	Grant to remove and replace an underground storage tank	\$2,086	\$2,086
Mario & Christina Palmieri / P18280	Grant to remove and replace an underground storage tank	\$2,983	\$2,983
Dorothea Pedersen P18316	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Damodar & Carlotta Persaud / P18069	Grant to remove and replace an underground storage tank	\$2,811	\$2,811
Marc & Karen Pignotti / P18393	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Fred Preissler P18512	Grant to remove an underground storage tank	\$1,200	\$1,200
Jeffrey Radiola P18225	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Mohamed Ramadan P18500	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Barbara Richardson P18362	Grant to close and replace an underground storage tank	\$2,825	\$2,825
Edward Roenelt P18016	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Oswaldo Rojas P18351	Grant to close and replace an underground storage tank	\$2,416	\$2,416
Douglas Roth P18309	Grant to remove and replace an underground storage tank	\$2,310	\$2,310
H. Elayne Sama P18386	Grant to close and replace an underground storage tank	\$3,000	\$3,000
Phyllis Sambogna P18350	Grant to remove and replace an underground storage tank	\$3,000	\$3,000

Jeffrey Scocchio P17892	Grant to remove and replace an underground storage tank	\$2,800	\$2,800
Herman Tolbert P18259	Grant to remove and replace an underground storage tank	\$2,006	\$2,006
Francisco Valdez P18315	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Janice Von Hassel P18262	Grant to remove an underground storage tank	\$1,200	\$1,200
John West P18358	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
David Wilson P18336	Grant to remove and replace an underground storage tank	\$3,000	\$3,000
Chaya Zelinger P18097	Grant to remove an underground storage tank	\$1,200	\$1,200
<b>72 Grants</b>	<b>Total Delegated Authority funding for Non-Leaking Tank applications in May 2007</b>	<b>\$183,526</b>	

Caren S. Franzini

Prepared by: Lisa Petrizzi





## MEMORANDUM

**TO:** Members of the Authority

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

**SUBJECT:** Petroleum Underground Storage Tank Act

**DATE:** June 12, 2007

### **BACKGROUND**

The Petroleum Underground Storage Tank (PUST) Act authorizes the Authority to provide grants and loans to eligible business owners and operators to fund the upgrade and closure of regulated petroleum underground storage tanks and to fund the remediation of any discharge that occurred from those tanks. In addition, the PUST Program provides financing to qualified residential property owners for removal and replacement of non-leaking tanks and for remediation of leaking tanks. A PUST loan is secured by a lien on the subject property; the lien is removed once the loan is repaid. Similarly, a PUST grant is secured by a lien on the subject property, except that no lien is placed on a grantee's residence. Pursuant to a recent amendment to the PUST Act, the lien that attaches in connection with the grant is removed at the end of a five year period in which the property has been operated in substantially the same manner as it was operated at the time that the grant award was made. Prior to the amendment, there was a 15 year similar use requirement.

Under the PUST Act, in the event there is a "sale of the facility", the unpaid balance of any loan made in connection with that facility becomes immediately due and payable. Similarly, a grant becomes immediately due and payable in accordance with a statutory formula. As recently amended, that formula provides that the amount due is reduced 25% per year beginning in year two of the grant period, subject to the above mentioned similar use requirement, with all repayment obligation extinguished after a five year period. Prior law provided for a 20% annual reduction in repayment amount beginning in year 11 of the grant period, with all repayment obligation extinguished after a 15 year period.

In administering the program, we have encountered a number of instances in which one business partner is desirous of selling his/her share of the business, and underlying real estate, to the remaining partner(s). Although each fact pattern differs slightly, all raise the question as to whether such a transfer among business partners constitutes a sale within the meaning of the PUST Act, thus triggering the repayment obligation. Legislative history is silent with respect to this issue. We believe that it would be beneficial to clarify our policy regarding this issue, which clarification will subsequently be fashioned into proposed regulations, which will be presented to the board for its approval.

### **REQUEST**

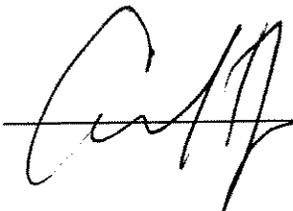
Authority staff is proposing to clarify its understanding of the meaning of "sale", both for loans and grants. Any real estate conveyance containing the following elements shall not constitute a sale. The proposed clarification has been discussed with, and agreed to by, the NJ Department of Environmental Protection and the Division which jointly administers the PUST Program with the Authority and the Division of Law:

- 1) the property transfer must occur between at least one of the original owners as seller and at least one of the original owners as buyer;
- 2) the property must continue to be operated in substantially the same manner as it was at the time the Authority gave financing approval;
- 3) the original borrower(s)/grantee(s) must remain contractually obligated under the financing documents; and
- 4) lien(s) must remain on the property for the remainder of the financing term.

### **RECOMMENDATION**

Staff recommends approval of the aforementioned clarification of policy as to what constitutes a "sale" triggering the statutory repayment obligation under the PUST Act.

Prepared By: Lisa Petrizzi



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**HAZARDOUS DISCHARGE SITE REMEDIATION FUND  
PROGRAM**



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Caren S. Franzini  
Chief Executive Officer  
**DATE:** June 12, 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 and remedial investigation. The scopes of work are described on the attached project summaries.

**Municipal Grant:**

City of Millville (Millville Airport Ind. Park) .....	\$2,166,873
Township of Southampton (Former Stokes Cannery) .....	\$232,886
<b>Total HDSRF funding for June 2007 .....</b>	<b>\$2,399,759</b>

Prepared by: Lisa Petrizzi

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

**APPLICANT:** City of Millville (Millville Airport Ind. Park)

P18407

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

\* - indicates relation to applicant

**PROJECT LOCATION:** Buckshuten & Dividing Creek      Millville City (T/UA)      Cumberland

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

The City of Millville received grant funding to perform Preliminary Assessment (PA) in the amount \$17,213 at the Millville Airport Industrial Park Expansion project site on 5/27/05 under P16390 and grant funding to perform Site Investigation (SI) in the amount of \$3,055,581 on 6/20/06 under P17010. In April 2007, the City returned \$417,775 to the Fund for unexpended SI funds, which brings the total of SI grant funding to \$2,637,806.

The project site was previously used as a military aircraft target range. NJDEP has required Remedial Investigation (RI) activities for the project site, which includes installation of four ground water monitoring wells and sampling, surface soil sampling, landfill investigation and debris pile and historic fill area profiles, as well as a preparation of a health and safety plan and RI report preparation. The City of Millville 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 mixed use as outlined in the City's site specific redevelopment plan.

**APPROVAL REQUEST:**

The City of Millville is requesting grant funding to perform RI activities required by NJDEP in the amount of \$2,166,873 at the Millville Airport Industrial Park Expansion project site, for total funding to date of \$4,821,892.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$2,166,873

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

**PROJECT COSTS:**

Remedial investigation	\$2,058,530
NJDEP oversight cost	\$108,343
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$2,167,373</u></u>

**APPROVAL OFFICER:** L. Petrizzi

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

**APPLICANT:** Township of Southampton (Former Stokes Cannery)

P17848

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 431 North Main Street

Southampton Township (N)

Burlington

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND:**

The project site, identified as Block 903, Lot 21 is situated on 21 acres and was a former tomato juice cannery which has potential environmental areas of concern (AOC's). The Township of Southampton intends to acquire the property and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for affordable housing development.

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

**APPROVAL REQUEST:**

The Township of Southampton is requesting grant funding to perform SI & RI in the amount of \$232,886 at the Former Stokes Cannery project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$232,886

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

**PROJECT COSTS:**

Site investigation	\$155,233
Remedial investigation	\$56,482
NJDEP oversight cost	\$21,171
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$233,386</b>

**APPROVAL OFFICER:** L. Petrizzi





**TO:** Members of the Authority

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

**DATE:** June 12, 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 May 2007.

Applicant	Description	Grant Amount	Awarded to Date
Township of Cranford (Riverfront Redevelopment Area) P18265	Initial grant to perform Preliminary Assessment activities to redevelop for mixed-use.	\$8,470	\$8,470
Borough of Paulsboro (Norman Swindell Site) P18264	Supplemental grant to perform Remedial Investigation activities to redevelop as a recreational park.	\$61,716	\$168,655  \$61,716 (aggregate supplemental approval)
Judith Woodruff P17674	Initial 25% matching grant for remedial action activities to achieve a unrestricted or limited restricted re-use classification	\$38,989	\$38,989

Judith Woodruff P17673	Initial 25% matching grant for remedial action activities utilizing innovative technology to achieve a re-use classification	\$38,988	\$38,988
<b>4 Grants</b>	<b>Approved in May 2007</b>	<b>\$148,163</b>	

  
Caren S. Franzini

Prepared by: Lisa Petrizzi



**BUSINESS EMPLOYMENT INCENTIVE PROGRAM**

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

**APPLICANT:** NeuroTrax Corporation

P18110

**PROJECT LOCATION:** NJIT

Newark City (T/UA)

Essex County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

NeuroTrax Corporation (NeuroTrax) was founded and incorporated in Delaware in June of 2000, with the mission of developing and marketing computerized cognitive assessment products and services. A wholly-owned subsidiary was incorporated in Israel in November, 2000 for research and development. Technical development of Mindstream, NeuroTrax's initial offering, was complete by 2001, and beta testing was initiated. In addition, collaborations began with several academic investigators in the field of Alzheimer's research for the purpose of performing clinical studies to validate Mindstream. With publication of the first validation paper in 2003, NeuroTrax started plans for commercialization and exploring the clinical market for Mindstream. Initial success was achieved with neurology practices in Florida and in the New York area. NeuroTrax's goal is to establish Mindstream as the standard tool for office-based cognitive diagnosis. NeuroTrax is economically viable based on the recently raised equity infusion from private investors.

A \$250,000 Edison Innovation Fund (EIF) loan is being reviewed for approval under delegated authority. The Authority's investment will be used in combination with proceeds raised from \$250,000 in a private convertible debt offering (\$150,000 signed as of 5/1/2007). It is anticipated the Board will be asked to approve up to \$1 million investment in the third quarter of 2007, with NeuroTrax's matching the Authority's investment with private equity or debt.

**MATERIAL FACTOR:**

NeuroTrax is requesting a BEIP grant to support the establishment of a permanent corporate headquarters in New Jersey and the creation of 15 new jobs. The applicant is actively recruiting a CEO, and the lead candidate is a Connecticut resident. There is a decision process underway as to whether NeuroTrax will establish headquarters in New Jersey, Connecticut or New York. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to establish its corporate office in New Jersey.

**APPROVAL REQUEST:**

**PERCENTAGE:** 80%

**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage NeuroTrax 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: \$ 243,900  
(not to exceed an average of \$50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 2

ELIGIBLE BEIP JOBS: Year 1 8 Year 2 7 Base Years Total = 15

ANTICIPATED AVERAGE WAGES: \$70,000

ESTIMATED PROJECT COSTS: \$150,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 \$304,875

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 \$213,413

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

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:	Newark City	N/A
2. Job Creation	15	1
	Targeted : <input checked="" type="checkbox"/> Non-Targeted : _____	
3. Job at Risk:	2	0
4. Industry:	Medical device technology	2
	Designated : <input checked="" type="checkbox"/> Non-Designated : _____	
5. Leverage:	1 to 1	0
6. Capital Investment:	\$150,000	0
7. Average Wage:	\$ 70,000	3
<b>TOTAL:</b>		<b>6</b>

**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%	_____
Designated industry business, creating jobs within an Innovation Zone	30%	<u>30%</u>
<b>Total Bonus Points:</b>		<b>85 %</b>

**Total Score :**

<b>Total Score per formula:</b>	<b>6 = 25 %</b>
<b>Construction/Renovation :</b>	<b>0 %</b>
<b>Bonus Increases :</b>	<b>85 %</b>
<b>Total Score (not to exceed 80 %):</b>	<b>80 %</b>

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

**APPLICANT:** New York Sample Card Company, Incorporated

P18526

**PROJECT LOCATION:** 629 Grove Street

Jersey City (T/UA)

Hudson County

**GOVERNOR'S INITIATIVES:**

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

**APPLICANT BACKGROUND/ECONOMIC VIABILITY:**

New York Sample Card Company, Incorporated (NYS), was started in 1912 as a family business, and today is managed by the third generation. The end product is a sample book consisting of card, folders or books designed and printed by the applicant in their print shop, utilizing customer supplied fabric, ribbon, and many other materials applied to the printed piece. Primarily a garment center supplier in generations past, as the industry has changed, NYS has broadened production and services to many other nationally based companies. The company is economically viable.

**MATERIAL FACTOR:**

New York Sample Card Company, Inc. is seeking a BEIP grant to relocate 35 jobs from New York City to Jersey City. Always located in midtown Manhattan, the applicant is the victim of ever escalating rents. Also under consideration is moving to Long Island City, Brooklyn or the Bronx. A major concern is the loss of current staff with the move to Jersey City, many of which have been with the company for more than 10 years and rely on the New York City subway system for transportation. A favorable decision by the Authority to award the BEIP grant is a material factor in the applicant's decision to expand in New Jersey.

**APPROVAL REQUEST:**

**PERCENTAGE:** 75%

**TERM:** 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage New York Sample Card Company, Incorporated 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:** \$ 201,534  
(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 35    Year 2 0    Base Years Total = 35

**ANTICIPATED AVERAGE WAGES:**      \$40,500

**ESTIMATED PROJECT COSTS:**      \$100,000

**ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10**      \$268,712

**ESTIMATED NET NEW STATE INCOME TAX - DURING 15**      \$201,534

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

**CONSTRUCTION:** ( ) Yes      (X) No

**PROJECT OWNERSHIP HEADQUARTERED IN:** New York

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

**DEVELOPMENT OFFICER:** J. Colon

**APPROVAL OFFICER:** M. Krug

## FORMULA EVALUATION

<u>Criteria</u>		<u>Score</u>
1. Location:	Jersey City	N/A
2. Job Creation	35	1
	Targeted : _____ Non-Targeted : <u> X </u>	
3. Job at Risk:	0	0
4. Industry:	printing and publishing	0
	Designated : _____ Non-Designated : <u> X </u>	
5. Leverage:	3 to 1 and up	2
6. Capital Investment:	\$100,000	0
7. Average Wage:	\$ 40,500	2
<b>TOTAL:</b>		<b>5</b>

**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:**

5 = 20 %

**Construction/Renovation :**

0 %

**Bonus Increases :**

55 %

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

75 %



**BOARD MEMORANDUMS**



## MEMORANDUM

**TO:** Members of the Authority

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

**DATE:** June 12, 2007

**SUBJECT:** Latin American Economic Development Association, Inc.  
Broadway and Cooper Street  
Camden, NJ  
\$100,000 LDFD Loan (Current balance \$72,237)  
Aggregate Exposure \$81,539 (\$100M LDFD & \$25M LDFD)

### Modification Request:

Borrower is requesting a 5 year extension on its \$100M LDFD loan to May 1, 2012.

### Background:

Latin American Economic Development Association, Inc. ("LAEDA") is a not-for-profit corporation formed in 1987. It was established to promote economic development in Camden through the National Puerto Rican Coalition, local community and business leaders.

In August 1994 EDA provided LAEDA with a \$25M LDFD grant to fund an architectural and feasibility study for the proposed project at 2508 Federal Street in Camden. Since the study proved to support the viability of the project, the grant was converted to a 0% loan in 1994. The loan has been reduced to \$9,302, has paid as agreed and matures 11/1/14.

In April 1997 Summit Bank (now BOA) along with EDA participation provided \$808M to finance and renovate the former Smith-Austermuhl building into mixed use space. EDA also provided a \$100M LDFD loan to support the project. In July 2006, BOA refinanced the entire SLP loan and paid off the EDA participation.

The organization is asking EDA to extend the maturity of the remaining \$72,237 balance of the \$100,000 loan for 5 years with a 15 year payout.

**Recommendation:**

LAEDA provides a great community service to Camden County which the EDA should continue to support. Its obligation is current and although LAEDA continues to show losses, that trend is an inherent risk with this type of organization. It is recommended Members of the Authority approve to waive the request for a new appraisal and approve to extend the loan an additional 5 years at its existing interest rate of 5%.

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

**Prepared by: Kathleen Durand**





## MEMORANDUM

**TO:** Members of the Authority

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

**DATE:** June 12, 2007

**SUBJECT:** Business Mentoring Program - Funding Request

Staff requests approval of \$78,000 to extend the existing Business Mentoring contracts through December 31, 2007.

### **Background:**

The New Jersey Economic Development Authority (EDA) provides technical assistance (TA) to small businesses, minorities' and women's enterprises, as well as nonprofit organizations. This initiative aligns with Governor Corzine's Economic Growth Strategy and is defined under Priority #5 - "Encourage entrepreneurship and the growth of small, minority-owned and women-owned businesses." Staff is currently working with the Office of Economic Growth (OEG) to design effective statewide small business assistance strategies. The goal is to ensure that the issues for small business are identified and met by a variety of products and services. In the interim, there is a need for EDA to continue delivering TA which addresses current and prospective customer needs statewide.

Within EDA, TA is offered through the Entrepreneurial Training Institute (ETI) which includes the Business Mentoring Program as well as the Hispanic Outreach Initiative and Social Entrepreneurship for Nonprofits. ETI is structured under the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises (NJDA), which is managed by EDA.

### **Business Mentoring Program (BMP) within TA:**

BMP assists small business owners who complete ETI as well as NJDA and EDA loan recipients referred by staff. Assistance is provided statewide with bookkeeping, marketing, day-to-day business operations and loan package preparation to help these businesses succeed and grow. This program has been in place as a component of ETI since 2000 and is funded through EDA.

Four organizations are contracted to provide qualified professional staff, resource networks and the support services described above. They are Union County Economic Development Corporation (UCEDC), Regional Business Assistance Corporation (RBAC), Cooperative Business Assistance Corporation (CBAC) and Hudson County Community College (HCCC). Each organization is contracted to cover designated counties and, as a result, all areas of the State are serviced. Results are measured through quarterly reports.

Analysis demonstrates that approximately 50% of the entrepreneurs who started businesses within the last five years are still in business, employing people and stimulating New Jersey's economy. For those entrepreneurs that continue to receive EDA's mentoring assistance, this success rate increases to approximately 70%. While ETI graduates received over \$26 million in financing, they are benefitting from

the vital link that the mentors provide to needed resources and guidance as they start, run and grow their businesses. The mentor acts as the objective and experienced voice which often prevents costly errors and encourages the business owners to remain on track with a clear business strategy. In addition, the mentor is a resource to statewide services and knowledge.

Over 730 ETI graduates and NJDA and EDA loan recipients have been referred since inception in 2000. Outcomes were reviewed and stronger benchmarks established in November, 2003 and again during 2006 in order to strengthen both the quality and quantity of service provided by the Business Mentors. During 2006, the average number of active clients served per quarter was 137 and the percentage of ETI graduates and loan referrals who utilize services of Business Mentors was 60% with 1,570 hours of service provided. Also in this time frame, ETI Business Mentors assisted 19 graduates in attaining combined financing of \$4,166,500. This funding included \$780,00 in EDA/DA funding; an example, a Newark graduate and his uniform company received \$975,000 from PNC combined with \$325,000 in EDA financing for the purchase of a new location in Newark.

Staff continues to initiate new analysis and measuring formats to determine the effectiveness of the mentoring. The result is that more information about the success of these entrepreneurs and, therefore, the success of ETI and BMP is being tracked and disseminated internally and used in networking and public relations opportunities for the EDA and the Governor's office.

The cost of BMP is offset by the support of Bank of America with its three-year commitment of \$20,000 annually, PNC Bank which contributed \$15,000 in 2006-7 and Merrill Lynch which renewed its support in the amount of \$20,000 in 2006. Under the Merrill Lynch agreement, ETI graduates receive QuickBooks, based upon recommendation from their Business Mentor.

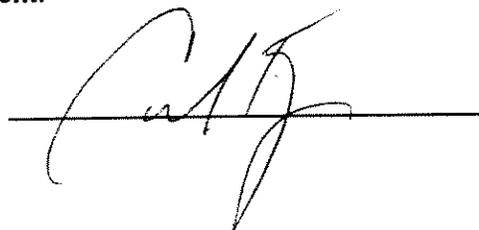
**Request:**

The Business Mentoring Program (BMP) was approved in December 2006 for six(6)-month contract extension. Staff rationale was that services should continue while work with the Governor's Office of Economic Growth (OEG) moved forward. At this time, work with the OEG continues and there is much progress on developing statewide technical assistance enhancements. However, Board approval for BMP ends on June 30, 2007.

Staff requests funding in the amount of \$78,000 to extend the existing contracts and continue the technical assistance services of the four BMP organizations for the remaining six (6) months of 2007. BMP supports 4 full-time staff, one in each of the four (4) organizations. Half of the cost of BMP is born by in-kind contribution of the organizations.

**Recommendation:**

Members of the Board are requested to approve a commitment of \$78,000 to support the Business Mentoring Program (BMP) 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.



Prepared by: Marion Zajac





## MEMORANDUM

**TO:** Members of the Board

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

**DATE:** June 12, 2007

**SUBJECT:** Stem Cell Institute of New Jersey, New Brunswick – Predevelopment Funding

### Summary:

The members are asked to approve \$9.192 million in predevelopment funding for the Stem Cell Institute in New Brunswick as authorized by P.L. 2006, c. 102.

### Background:

On December 20, 2006, Governor Jon Corzine signed legislation that authorizes the New Jersey Economic Development Authority to issue up to \$270 million in bonds to finance capital construction projects for stem cell research. This historic piece of legislation puts New Jersey in the forefront of the nation to build facilities for stem cell, biomedical and cancer research.

The act describes five projects eligible for funding under this program: The Stem Cell Institute of New Jersey in New Brunswick; Stem cell research facilities to be operated by NJIT in Newark; biomedical research facilities to be owned by Rutgers, the State University of New Jersey in Camden; blood collection facilities operated by the Elie Katz Umbilical Cord Blood Program at Community Blood Services; and cancer research facilities to be utilized by the Garden State Cancer Center in Belleville.

We have formed a policy committee with the Governor's office, the Commission on Higher Education and the Commission on Science & Technology to maintain a consistent approach to policy concerns across the five institutions. To ensure that these projects

receive the funding they need in a timely manner we have instituted a two-step application and review process involving an application for predevelopment funds and a final application for funding. This approach allows the Authority to ensure that as funds are used in accordance with the legislation, the resulting facilities have a completed budget for completion of construction and a business model to fulfill their mission.

These predevelopment funds are intended to allow the projects to move forward to the next phase of their development and to assist them in completion of the full and final application. The full application will require projects to submit an operational plan and budget as required by the legislation. EDA staff will review the construction portion of the application while an outside team formed for this purpose by the policy committee will review the facilities operational plans.

The Authority is working with Treasury on the bond issuance authorized in the legislation. Funding of these projects, including this request, will be subject to these funds becoming available. In accordance with the enabling legislation the debt service on the bonds issued to fund these projects will be repaid through the State of New Jersey's General Fund, subject to annual appropriations.

#### **Project Applicant and Development Team:**

This request is to authorize the first stage of this funding – predevelopment – for the Stem Cell Institute of New Jersey in New Brunswick. The remaining four projects will follow in a similar fashion, as they are ready.

The Stem Cell Institute of New Jersey (“SCINJ”) is a collaborative effort of the University of Medicine and Dentistry of New Jersey – Robert Wood Johnson Medical School (“UMDNJ”) and Rutgers, The State University of New Jersey (“Rutgers”).

The mission of SCINJ is to carry out research, training, and clinical studies on the application of stem cells to the treatment and cure of human disease. SCINJ will build on existing strengths at both universities in the areas of stem cell biology, development, and cell and molecular biology to create a critical mass of outstanding scientists and clinicians. Studies will include the properties of stem cells, their differentiation into cells of defined lineage, their behavior in vivo, and their ability to correct deficiencies and dysfunctions that underlie such conditions as neurologic disorders, spinal cord injuries, diabetes, neuromuscular diseases and other health problems.

World-class faculty will be recruited to the participating universities and a state-of-the-art laboratory building will be constructed with essential core facilities to house and support their research. SCINJ will serve as a resource for other collaborating investigators throughout the State of New Jersey. It will also serve as a magnet for pharmaceutical and biotechnology companies focused on the use of stem cells in disease therapy, drawing local investment and stimulating economic growth. Scientific programs will be sponsored to advance stem cell research worldwide and collaborations will be established with

patients and patient advocacy groups to enhance public awareness and appreciation for the applications of stem cells to human health.

The entity that will be responsible for developing the stem cell facility on behalf of SCINJ is the New Brunswick Development Corporation ("DEVCO"), a private, nonprofit, urban real estate development company established over 30 years ago to initiate redevelopment projects and to serve as the vehicle for public and private investment in the city of New Brunswick. Since its inception, DEVCO has overseen and managed nearly \$2 billion of public and private investment in the city's economic revitalization.

DEVCO has experience working on projects with both UMDNJ and Rutgers. In 2005 they completed the Child Health Institute of New Jersey, a \$73 million, 145,000 sf., project, with UMDNJ. DEVCO has worked with Rutgers on the Heldrich Redevelopment Project, Rockoff University Apartments, and the Rutgers Public Safety Building.

DEVCO has also been designated as Redeveloper for the overall project by the New Brunswick Housing & Redevelopment Authority and has executed a redevelopment agreement with NBHRA. In addition, DEVCO has obtained site plan approval from the New Brunswick Planning Board.

DEVCO intends to retain Keating Construction Company as project manager through a contractual relationship. The construction manager will be selected through a competitive bid (request for proposal) process generally consistent with the processes utilized by UMDNJ and Rutgers. The construction manager will be required to develop a guaranteed maximum price, with all subcontracts competitively bid. The construction manager will be selected by a committee including representatives of UMDNJ, Rutgers, SCINJ and DEVCO.

### **Project Summary:**

SCINJ will be developed as part of a 16-story University Research Tower. The proposed tower will consist of a 7-story laboratory and office tower ("Tower") atop a 9-story parking garage ("Garage"). Robert Wood Johnson University Hospital's Cardiovascular Institute will occupy two floors of the Tower. SCINJ will occupy the remaining five floors of the Tower, which will include three lab floors and two floors providing space for a vivarium, an imaging suite, clinical research center and a certified good manufacturing practice facility.

The program for SCINJ was established through a collaborative team consisting of research scientists, university and state leaders, laboratory planner, project managers and architects to explore and develop the elements vital to making such an institute a reality. The team established a mission statement for this facility that emphasizes the need to generate and support ground-breaking research, the need to encourage collaboration

among researchers, pharmaceutical and biotech industries and the need to accelerate the delivery of new therapies as soon as possible.

The facility will be built on Little Albany Street in New Brunswick, within walking distance of UMDNJ-Robert Wood Johnson Medical School, Rutgers, The State University of New Jersey, The Cancer Institute of New Jersey, Robert Wood Johnson University Hospital, and the Bristol-Myers Squibb Children's Hospital at Robert Wood Johnson University Hospital.

The project site is currently a surface parking lot adjacent to the Amtrak Northeast Corridor elevated rail line and containing entrance lanes to an adjacent parking deck. The site is owned by Robert Wood Johnson University Hospital ("RWJUH") and RWJ Property Holding Corp., which have entered into a letter of intent to ground lease the site to University Development Associates, LLC (i.e. DEVCO) for the development of a 9-story parking deck along with 2 floors for the Cardiovascular Institute and 5 floors for SCINJ. The building will be divided into three condominium units – the parking deck, the Cardiovascular Institute space, and the Stem Cell Institute facility, with Rutgers University and UMDNJ jointly operating and holding title to the latter unit.

This project is at various stages of design development as reflected in the proposed pre-development funding request. The SCINJ programming and conceptual design are substantially complete. The overall building is in the Schematic Design phase with site design being 100% complete. In order to prepare the site for development, other design and construction activities have also been advanced. These activities include complete design for the parking garage modifications, new water line, electric substation, traffic study, Amtrak review and related environmental and geotechnical work. The project has also received full site plan approval from the New Brunswick Planning Board.

Funding SCINJ's predevelopment request will allow DEVCO to move forward in various aspects of project development as detailed in the budget below. DEVCO has already incurred approximately \$1.64 million in costs for design and engineering and legal fees associated with the SCINJ. DEVCO has instituted an allocation method for the construction costs to ensure that only costs associated with the development of SCINJ, and not the Cardiovascular Institute, are included in these requests.

Predevelopment Budget:

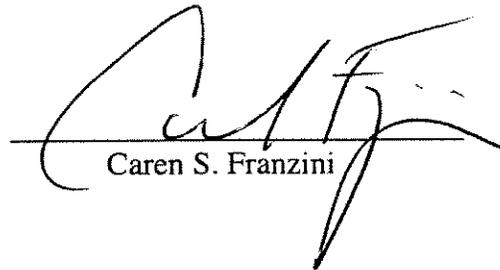
Pre-construction Costs	2,224,000
Design & Engineering	5,162,000
Other Building / Site Costs	279,000
General Administrative	831,000
IT & Security	142,000
FF&E	200,000
Project Contingency	354,000
<b>Total</b>	<b>9,192,000</b>

The Act allots \$150 million to SCINJ for construction of their facility in New Brunswick. This \$9.192 million request is part of that total. DEVCO's preliminary development budget for the project has a total of \$165 million, \$15 million above the amount to be funded by the State. DEVCO, along with UMDNJ and Rutgers, are currently evaluating options to fill this gap. Options include raising additional funds to support this budget, scaling back the design to fit allocation, or a combination of the two.

**Recommendation:**

The Authority's Real Estate Division has reviewed SCINJ's application for predevelopment funding and has concluded that based on its prior projects, relevant experience, and staff expertise, DEVCO possesses the organizational capability to develop the project on behalf of SCINJ. Through RWJUH and DEVCO, SCINJ has the potential to achieve site control at a reasonable cost and with no insurmountable obstacles. Further, the project has a well-conceived development and ownership structure. DEVCO, on behalf of SCINJ, has advanced the planning process and requires additional funding to complete feasibility and advance architectural design and therefore recommend approval of SCINJ's request for preliminary funding.

The members are asked 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.



Caren S. Franzini

Prepared by: Kim Ehrlich





**MEMORANDUM**

**TO:** Members of the Authority

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

**DATE:** June 12, 2007

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

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

**New Jersey Business Growth Fund:**

- 1) Acey Industries, Inc. (P18420) is located in Paterson City, Passaic County. The company was formed in 2001 as a commercial screen printer. PNC has approved a \$260,100 bank loan with a 25% (\$65,025) five year guarantee. Proceeds will be used for the purchase of equipment and machinery. The company currently has five employees and anticipates creating an additional two jobs within the next two years.
- 2) Bannett Eye Center, LLC (P18556) is located in Woodbury City, Gloucester County. The company was formed in 1997 and operates as an ophthalmology office and optical shop. PNC has approved a \$840,000 bank loan with a five year 25% guarantee of principal outstanding not to exceed \$210,000. Proceeds will be used to purchase real estate. The company currently has 6 employees and anticipates creating an additional 5 jobs within the next two years.
- 3) Bright Lights USA, Inc. (P18532) is located in Barrington Borough, Camden County. The company was formed in 1990 and operates as a manufacturer of electrical and mechanical parts for aeronautical, automotive, and marine equipment. PNC has approved a \$202,000 bank loan with a 25%, five year guarantee of principal outstanding not to exceed \$50,500. The company currently has 40 employees and anticipates creating an additional five jobs within the next two years.

- 4) North Forty, LLC (P18490) is located in Pitman Borough, Gloucester County. The company was formed in 2007 as a real estate holding company to purchase commercial property which will be used for the two owner's CPA business and law firm. PNC has approved a \$295,000 bank loan with a five year 25% guarantee of principal outstanding not to exceed \$73,750. The two offices currently have four employees and anticipate creating an additional two jobs.
- 5) Penn Pub, Inc. & WWSBF Inc. (P18492) is located in Pennsauken Township, Camden County. Penn Pub has been in existence for 45 years and is a pub style restaurant. PNC has approved a \$712,000 bank loan with a five year 25% guarantee of principal outstanding not to exceed \$178,000. The loan proceeds will be used to re-finance the borrower's existing commercial mortgage. The company anticipates creating four new jobs.
- 6) Sign Spec, Inc. (P17369) is located in Pennsauken Township, Camden County. The company was formed in 1994 and designs and manufactures signs, displays, kiosks and ATM surrounds, primarily for the banking and gaming industries. PNC has approved a \$2,000,000 bank loan with a 25% (\$500,000) five year guarantee. Proceeds will be used to purchase real estate. The company currently has 46 employees and anticipates creating an additional 10 jobs within the next two years.
- 7) Village Capital & Investment, LLC (P18470) is located in Mount Laurel Township, Burlington County. The company was established in 2004 to provide retail and wholesale mortgage broker services. PNC has approved a \$161,000 bank loan with a five year 25% guarantee of principal outstanding not to exceed \$40,250. Proceeds will be used to purchase needed computers, printers, accessories, equipment warranties, and telephone equipment for the business which will help generate increased revenue and productivity for the business. The company currently has 110 employees and anticipates creating an additional 100 jobs.

**Preferred Lender Program:**

- 1) County Road Realty, L.L.C. (P18195), located in Rockaway Borough, Morris County, is a real estate holding company that will purchase the commercial property that is currently leased by the related company, Polyfil Corporation. Polyfil is a manufacturer of additives derived from polyolefin used in the processing of certain plastics for the product packaging and wrapping industry. Commerce Bank has approved a \$4,000,000 loan with a 18.8% (\$750,000) Authority participation. Proceeds will be used to purchase the commercial building. The company currently has 25 employees.
- 2) Piper Holdings, LLC (P18515), located in Franklin Township, Somerset County, owns the commercial property used by the related operating company, Apgar Bros., Inc. Apgar is a contract carrier of motor freight that has been in operation since 1916. Sun National Bank has approved a \$1,800,000 with a \$750,000 (41.7%) participation. Proceeds will be used to refinance the existing mortgage and purchase equipment and fixtures. The company currently has 63 employees and anticipates creating an additional 20 jobs.

- 3) Sarfati, LLC (P18391), located in Secaucus Township, Hudson County, is a real estate holding company that owns the commercial property occupied by the related company, Sarkli Repechage Ltd. Sarkli develops, distributes and manufactures seaweed based skin care, cosmetics and spa treatment products. Commerce Bank, North has approved a \$4,200,000 loan with a 16.9% (\$750,000) Authority participation. Proceeds will be used to refinance real estate. The company currently has 46 employees and anticipates creating an additional 14 employees within the next two years.

**Fund for Community Economic Development Program**

- 1) City of Newark (P18226) - The City of Newark was approved for a \$50,000 recoverable loan to conduct a feasibility study for the development of three sites. The proposed project is for the development of workforce housing, a structured parking garage, commercial space, a youth club and a movie theater by Unidev, LLC.
- 2) City of Newark (P18230) - The City of Newark was approved for a \$50,000 recoverable loan to conduct a feasibility study for the redevelopment of the former Hahnes & Griffiths buildings. The proposed project will be the development of retail, housing and parking by Cogswell Realty Group, LLC.
- 3) City of Pleasantville (P18352) - The City of Pleasantville was approved for a \$47,500 recoverable loan to conduct a feasibility study for the consolidation and relocation of their municipal government and fire services. The current location of these offices has been designated as an area in need of redevelopment.



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**Prepared by: S. Mania**



**REAL ESTATE**



## MEMORANDUM

**TO:** Members of the Authority

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

**RE:** Waterfront Technology Center Camden  
Lease Agreement with Agilence

**DATE:** June 12, 2007

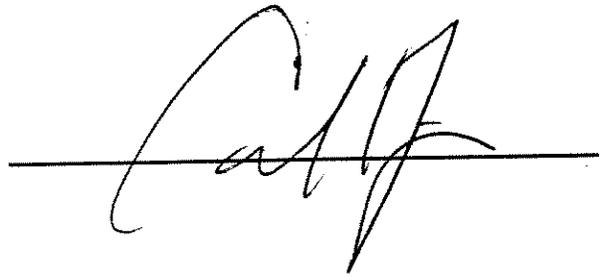
I am requesting the Members' approval to enter into a lease with Agilence, Inc, ("Agilence") for approximately 4,400 square feet of research and development space at the Waterfront Technology Center Camden ("WTCC") in the Tech One building.

At the June 2004 meeting, the Members approved the construction of the WTCC Tech One building, a 100,000 square foot, five-story, multi-tenanted facility. Project costs for the first phase are approximately \$20.25 MM. Funding sources include a USEDA grant award, the Camden Economic Recovery Board, NJEDA equity and private debt.

Agilence was formed in 2006 to acquire the assets of CA Technology, license the rights to Active Recognition Technologies offerings, and license the rights to further develop and integrate the AIR Intelligence Engine. Agilence's primary focus is enterprise software solutions which increase organizational productivity by combining digital, video, transactional data, analytics and user friendly exception based reporting tools within a seamless user interface. Agilence holds several patents on its technology.

The Members approved Agilence's BEIP grant application at the May, 2007 meeting. In addition, Agilence is an applicant for Edison Innovation Fund financing. A request for the Members' approval of this financing will be presented at the June, 2007 meeting. Agilence is in the process of applying for a Business Lease Incentive Grant through the Camden Economic Recovery Board. Final lease execution is dependent upon approval of this grant.

In summary, I am requesting the Members' approval for the following: 1) execution of 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 on terms generally consistent with the attached sheet, and 2) 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.

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

Attachment  
Prepared By: Christine Roberts

**LANDLORD:** NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**PROPERTY:** THE WATERFRONT TECHNOLOGY CENTER AT CAMDEN

**TENANT:** Agilence, Inc.

**PREMISES:** Approximately 4,400 rentable square feet on the first floor.

**LEASE TERM:** Five (5) years from rent commencement.

**RENT COMMENCEMENT:** Rent shall commence to accrue upon the earlier of the Substantial Completion Date or Tenant occupancy of the premises (the "Rent Commencement Date"), except that there will be no rent charged for the initial three months after the Rent Commencement Date.

**BASE RENTAL RATES:** Years 1 - 5: \$21.50 psf gross

**TAXES AND OPERATING EXPENSES (CAM):** The lease is a modified gross lease and the base rent includes CAM (water, sewer, utilities and maintenance), tenant electric, real estate taxes (PILOT), insurance, snow/landscape service, and property management (including office janitorial and security).

**BASE YEAR ESCALATIONS:** After Year 1, Tenant will be responsible for any taxes, operating expense and CAM charges which exceeds Landlord's Base Year operating expense estimate. Landlord's Base Year operating expense estimate is \$8.50 psf.

**TENANT IMPROVEMENTS:** Landlord is providing fully fit-out office space which Tenant will modify at their expense.

**RENEWAL OPTIONS:** Two (2) five (5) year options upon one year written notice at a rent equal to ninety five percent (95%) of the fair market rent but not less than one hundred fifteen percent (115%) of the then current rent.

**RIGHT OF FIRST OFFER:**

The lease provides Agilence with a Right of First Offer for office space in the planned second building of the Waterfront Technology Center Research Park.

**RIGHT OF SECOND OFFER:**

The lease provides Agilence with a Right of Second Offer for adjacent space on the first floor.

**TRANSFERABILITY:**

Tenant may sublease or assign the Premises, subject to reasonable consent of the Landlord, to an entity with at least \$5 million in net worth. In no event will Tenant be relieved of its obligations under the lease.





MEMORANDUM

**TO:** Members of the Authority

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

**RE:** Waterfront Technology Center Camden  
Lease Agreement with myLeaderboard, Inc.

**DATE:** June 12, 2007

I am requesting the Members' approval to enter into a lease with myLeaderboard, Inc, ("myLeaderboard") for approximately 2,056 square feet of research and development space at the Waterfront Technology Center Camden ("WTCC") in the Tech One building.

At the June 2004 meeting, the Members approved the construction of the WTCC Tech One building, a 100,000 square foot, five-story, multi-tenanted facility. Project costs for the first phase are approximately \$20.25 MM. Funding sources include a USEDA grant award, the Camden Economic Recovery Board, NJEDA equity and private debt.

myLeaderboard is a service provider of real time event information transmitted electronically to spectators via a wireless network to a handheld device. myLeaderboard is currently located in Bryn Mawr, PA. The Members approved the company's application for Edison Innovation Fund financing in April, 2007.

In summary, I am requesting the Members' approval for the following: 1) execution of the Authority's standard form of lease with myLeaderboard for approximately 2,056 square feet of research and development space at the Waterfront Technology Center at Camden's Tech One

building on terms generally consistent with the attached sheet, and 2) 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.



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

Attachment

Prepared By: Christine Roberts

**LANDLORD:** NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**PROPERTY:** THE WATERFRONT TECHNOLOGY CENTER AT CAMDEN

**TENANT:** myLeaderboard, Inc.

**PREMISES:** Approximately 2,056 rentable square feet on the first floor.

**LEASE TERM:** Five (5) years from rent commencement.

**RENT COMMENCEMENT:** Rent shall commence to accrue upon the earlier of the Substantial Completion Date or Tenant occupancy of the premises (the "Rent Commencement Date").

**BASE RENTAL RATES:** Years 1 - 5: \$21.50 psf gross

**TAXES AND OPERATING EXPENSES (CAM):** The lease is a modified gross lease and the base rent includes CAM (water, sewer, utilities and maintenance), tenant electric, real estate taxes (PILOT), insurance, snow/landscape service, and property management (including office janitorial and security).

**BASE YEAR ESCALATIONS:** After Year 1, Tenant will be responsible for any taxes, operating expense and CAM charges which exceed Landlord's Base Year operating expense estimate. Landlord's Base Year operating expense estimate is \$8.50 psf.

**Tenant Improvements:** Landlord is providing fully fit-out office space.

**RENEWAL OPTIONS:** Two (2) five (5) year options upon one year written notice at a rent equal to ninety five percent (95%) of the fair market rent but not less than one hundred fifteen percent (115%) of the then current rent.

**TRANSFERABILITY:** Tenant may sublease or assign the Premises, subject to reasonable consent of the Landlord, to an entity with at least \$2 million in net worth. In no event will Tenant be relieved of its obligations under the lease.



**AUTHORITY MATTERS**

## MEMORANDUM

**TO:** Members of the Authority

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

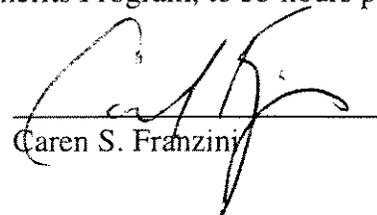
**DATE:** June 12, 2007

**SUBJECT:** New Jersey Economic Development Authority Participation in NJ State Health Benefits Program

The Authority's Human Resources Division continues to evaluate recommendations to enhance our recruiting and retention endeavors and to provide management with alternative, cost effective solutions in staffing job positions. Accordingly, we have developed a policy and program for part-time employment recruitment that may be utilized by a manager if justified by a 1) specific business need and 2) advances an employment function or task. This type of employment will be based upon a fixed weekly schedule of between 20 and 25 hours. It is anticipated that this type of employment will be utilized only occasionally but will be helpful in advancing specific projects and meeting short term needs.

To implement the policy, a change in the Authority's definition of full time employment is required. The Authority participates in the Health Program provided by the New Jersey State Health Benefits Act of the State of New Jersey (N.J.S.A. 52:14-17.25 et seq.) and provides coverage for all full-time employees and their dependents. Currently, the Authority defines full time status as a minimum of 20 hours per week. To ensure that the part-time employment program is cost-effective, part time employees will not be eligible for health and prescription insurance benefits which are provided under the NJ State Health Benefits Program. In order to update the Authority's guidelines for full-time status with the NJ State Health Benefits Program, it is necessary to adopt a resolution to that effect. This resolution is then filed with the New Jersey Division of Pensions and Benefits to effectuate the change.

In summary, I am requesting the Members' approval to adopt the attached Resolution 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.



Caren S. Franzini

Resolution Regarding the New Jersey Economic  
Development Authority's participation in the  
New Jersey Health Benefits Program

WHEREAS, the New Jersey Economic Development Authority (the "Authority") participates in the Health program provided by the New Jersey State Health Benefits Program; and

WHEREAS, the Authority has defined full time employment as a minimum of 20 hours per week for inclusion in program benefits; and

WHEREAS, the Authority has now developed a policy for part time employment if justified by business need and is cost effective;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Authority, (NJSHBP LOC.# 1644-00), a participating employer in the NJSHBP, hereby designates 35 hours per week (average) as the minimum requirement for the full-time status in accordance with NJAC 17:9-4.6.
2. This change in the number of hours of employment required for NJSHBP eligibility applies to all employees. All employees will be duly noticed of the change.
3. The NJSHBP also requires noticing employees currently enrolled in the NJSHBP who do not work the minimum number of hours per week required to participate in the Program of this change and to inform them of their termination from coverage and to distribute COBRA notices to these employees. However, as no current employees will be impacted by this change, these measures are not necessary. We understand termination of coverage will occur

thereafter in accordance with the statutes and regulations of the NJSHBP.

4. This resolution shall take effect immediately and the change in full time hours shall be effective as soon as it may be effectuated pursuant to the statutes and regulations.

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

DATED: June 12, 2007

