

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

April 12, 2005

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman, Joseph McNamara, Vice Chairman; Joseph Grossi representing the Secretary of the NJ Commerce, Economic Growth and Tourism Commission; Daniel Levine representing the State Treasurer; Joseph Latoof representing the Commissioner of the Department of Labor and Workforce Development; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; Bernie Piaia representing the Commissioner of Education; Ciro Scalera, Jack Kocsis, Jr. and Timothy Carden, Public Members; Raymond Burke, Alternate Public Member; and Rodney Sadler, non-voting member.

Absent from the meeting: Phil Kirschner, Carlos Medina and Charles Sarlo, Public Members; Cecil House, Alternate Public Member.

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

Chairman Koeppe called the meeting to order at 10:02.

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

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

Chairman Koeppe advised the members that Steve Denholtz's term has expired and expressed appreciation for his extraordinary contribution to the NJEDA on behalf of the Board for his many years of service. He also noted that Cecil House will be joining the Board, reviewed his qualifications and expressed confidence that Mr. House's expertise in business and economic development would be of value to the Board.

MINUTES OF AUTHORITY MEETING

The first item of business was the approval of the March 7, 2005 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Piaia, seconded by Mr. Sheridan and was approved by the 12 Members present.

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

BOND RESOLUTIONS

PROJECT: The Darcy School **APPL.#16427**
LOCATION: Chatham Twp./Morris Cty. **BUSINESS:** Not-for-profit school
PROCEEDS FOR: bldg. acqui. & renov.
FINANCING: \$5,000,000 Tax-exempt
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Scalera **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 1
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: The Peck School **APPL.#15180**
LOCATION: Morristown Town/Morris Cty. **BUSINESS:** Not-for-profit school
PROCEEDS FOR: bldg. constr./equip. purch.
FINANCING: Series A: \$5,000,000 Tax-exempt, Series B: \$4,000,000 Tax-exempt,
Series C: \$4,000,000 Tax-exempt
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Somerset Hills YMCA **APPL.#16245**
LOCATION: Bernards Twp./Somerset Cty. **BUSINESS:** Not-for-profit human services organization
PROCEEDS FOR: bldg. constr.
FINANCING: \$3,000,000 Tax-exempt
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Latoof **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

AMENDED BOND RESOLUTIONS

PROJECT: Allies Inc. **APPL.#13919**
LOCATION: Washington Twp./Warren Cty. **BUSINESS:** Not-for-profit service center
AMENDED RESOLUTION TO: approve the demolition of the project property located at 102 Wilson Terrace, Washington, Warren County due to mold growth.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Kocsis **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 4

PROJECT: NJ Symphony Orchestra and NJ Symphony Orchestra Conservancy, Inc. **APPL.#14855**
LOCATION: Newark City/Essex Cty. **BUSINESS:** Not-for-profit theater
AMENDED RESOLUTION TO: provide for an interest only period for nine months and to change the collateral to add a first lien on \$366,000 from the General Endowment Fund.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 5

PROJECT: Lutheran Social Ministries at Crane's Mill, Inc. **APPL.#16488**
LOCATION: West Caldwell Boro./Essex Cty. **BUSINESS:** Not-for-profit retirement community
AMENDED RESOLUTION TO: advance refund the outstanding balance of the 1997 Bonds plus certain costs of issuance in an amount not to exceed \$34,400,000.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Scalera **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Pivotal Utility Holdings, Inc. **APPL.#16448**
LOCATION: Various/Variou **BUSINESS:** Regulated gas utility company
AMENDED RESOLUTION TO: current refund the principal amount of the 1994 Bonds in the amount of \$46,500,000.

Upon the advice of the Attorney General's Office, Ms. Franzini disclosed a legal matter that arose from staff's review of materials submitted by the company, formerly known as NUI, Utilities Inc. A subsidiary of NUI Utilities, NUI Energy Brokers, was the subject of a focused audit by the Board of Public Utilities and a separate investigation by the Division of Criminal Justice of the NJ Attorney General's Office, relative to financial management and the conduct of certain individuals employed by the subsidiary. As a result of the findings of the audit and the investigation that determined official misconduct, the subsidiary company reached settlement agreements with the BPU and the Division of Criminal Justice. EDA has been advised that the NUI companies are complying with all requirements of the agreement, including prohibiting NUI Energy Brokers from selling or purchasing gas for three years. Additionally, the employees involved are not currently employed by NUI.

MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Jimmy's Real Estate Holding Company, LLC **APPL.#14626**
and Jimmy's Chocolate Chip Cookies, Inc.
LOCATION: Fair Lawn Boro/Bergen Cty. **BUSINESS:** Food processing facility

PROJECT: Cooper's Ferry Development Associates, Inc. **APPL.#16497**
LOCATION: Camden City/Camden County
PROCEEDS FOR: site improvement
FINANCING: \$1,288,729 Economic Recovery Board for Camden grant program
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Scalera **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

The next item was the approval of the modification to Camden Redevelopment Agency's Citywide Demolition Project scope of work. This change included adding 562 properties, as well as 41 properties located at the Terrace project. This modification does not require a change of the amount of the ERB funding request.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Scalera **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 19

PETROLEUM UNDERGROUND STORAGE TANK LOAN PROGRAM

The following projects presented were grants under the NJDEP Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Program.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Latoof **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 20

PROJECT: Thelma Agnoli **APPL.#16072**
LOCATION: Berkeley Twp./Ocean County
PROCEEDS FOR: site remediation
FINANCING: \$9,777 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: David Clattenburg for the benefit of **APPL.#16361**
Dave's Auto Service of N.J.
LOCATION: Newark City/Essex County
PROCEEDS FOR: Upgrade, closure & remediation
FINANCING: 48,549 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Lois Eng **APPL.#16442**
LOCATION: Clifton City/Passaic County
PROCEEDS FOR: site remediation
FINANCING: \$32,681 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Dion Grosso **APPL.#16484**
LOCATION: Delran Twp./Burlington County
PROCEEDS FOR: site remediation
FINANCING: \$7,413 Petroleum Underground Storage Tank Remediation, Upgrade and Closure

Fund grant

PROJECT: John R. Hunter **APPL.#16220**
LOCATION: Newark City/Essex County
PROCEEDS FOR: site remediation
FINANCING: \$6,183 Petroleum Underground Storage Tank Remediation, Upgrade and Closure
Fund grant

PROJECT: Lori Klabbatz **APPL.#16421**
LOCATION: Hamilton Twp./Mercer County
PROCEEDS FOR: site remediation
FINANCING: \$1,297 Petroleum Underground Storage Tank Remediation, Upgrade and Closure
Fund grant

PROJECT: Fouad Nouri for the benefit of Nouri's Auto Repair **APPL.#16423**
LOCATION: Paterson City/Passaic County
PROCEEDS FOR: site remediation
FINANCING: \$54,928 Petroleum Underground Storage Tank Remediation, Upgrade and
Closure Fund grant

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Aspreva Pharmaceuticals Inc. **APPL.#16492**
LOCATION: Bernards Twp./Somerset County **BUSINESS:** Pharmaceutical company
GRANT AWARD: 35% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 21

PROJECT: BRIDOR USA **APPL.#16518**
LOCATION: Vineland City/Cumberland County **BUSINESS:** Industrial bakery
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Scalera **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 21

PROJECT: The Clearing House Payments Company, L.L.C. **APPL.#16495**
LOCATION: TBD/TBD **BUSINESS:** Financial services
GRANT AWARD: 40% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 21

PROJECT: Harte-Hanks Teleservices **APPL.#16500**
LOCATION: Pennsauken Twp./Camden County **BUSINESS:** Marketing company
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 21

PROJECT: New Jersey Headwear Corp. **APPL.#16491**
LOCATION: Newark City/Essex County **BUSINESS:** Mfr. of apparel
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
This matter has been held from consideration.

PROJECT: Continental Airlines, Inc. **APPL.#09630 & #11092**
LOCATION: Newark City/Essex County **BUSINESS:** Aircraft carrier
MODIFICATION: The next item was the approval of two additional maintenance hangars and two additional concourses, as well as the addition of 14 employees to the Maintenance Hangar and the resultant increase of the estimated total grant award by \$129,920.
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 22

PROJECT: Credit Lyonnais S.A. **APPL.#14367**
LOCATION: Woodbridge Twp./Middlesex County **BUSINESS:** financial institution
MODIFICATION: The next item was the approval for the subsequent name change from Credit Lyonnais S.A. to Calyon and not to disbar Credit Lyonnais S.A., as well as allowing the continuation of the BEIP grant.

The Members discussed the nature of the litigation against Credit Lyonnais and had several questions about the Board's role in disbarment decisions. Chairman Koepp suggested that general guidance from the Attorney General's Office on the Board's role would be beneficial, as well as a standard format to present information to the Board on litigation that could be considered cause for disbarment. A decision was made to hold this matter until this information was presented.

The members requested this matter be held from consideration.

PROJECT: Mastertaste, Inc. **APPL.#10868**
LOCATION: Clark/Union County **BUSINESS:** Mfr. of flavors and fragrances
MODIFICATION: The next item was the approval of the acquisition of J. Manheimer, Inc. by Mastertaste, Inc., which will not affect the New Employment Commitment.
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. Grossi **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 23

PROJECT: McKesson Information solutions LLC **APPL.#15344**
LOCATION: Franklin Twp./Somerset County **BUSINESS:** Services to healthcare organizations
MODIFICATION: The next item was the approval to extend the expiration date to May 31, 2005, to change the project location to 220 Davidson Avenue, Franklin Township, Somerset County, to increase the grant award percentage from 35% to 55%, and to allow the applicant the

continuation of their BEIP grant.

The members requested this matter be held from consideration.

The next item was the presentation of all BEIP modifications that were approved in the quarter ending March 31.2005.

For Informational Purposes Only

BOARD MEMORANDUMS

PROJECT: CFDA Baseball Property, Inc.

APPL.#11323

LOCATION: Camden City/Camden County

MODIFICATION: approval of the restructure of the LDFF loan as part of an overall debt restructure of the CFDA/Riversharks Campbell's Field stadium.

This matter has been held from consideration.

PROJECT: GMP Manufacturing Co., Inc.

APPL.#16640

LOCATION: Bridgeton City/Cumberland County

MODIFICATION: approval to amend the fixed interest rate on the LDFF loan for ten years

MOTION TO APPROVE: Mr. Grossi

SECOND: Mr. Latoof

AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 24

The next item was the presentation of the Delegated Authority approvals for the first quarter of 2005.

For Informational Purposes Only

The next item was the presentation of the projects approved in March 2005 under the New Jersey Business Growth Fund.

For Informational Purposes Only

REAL ESTATE DIVISION

The next item was the approval to enter into a contract for construction management services with Gilbane Building Company for the Digital Century Center Project.

MOTION TO APPROVE: Mr. Grossi

SECOND: Mr. Kocsis

AYES: 12

RESOLUTION ATTACHED AND MARKED EXHIBIT 25

The next item was the approval to execute a Parking Lot Services Agreement with the Parking Authority of the City of Camden to operate surface parking lots in connection with the New Jersey State Aquarium Expansion Project in Camden.

This matter was held from consideration.

AUTHORITY MATTERS

The next item was the approval of four items regarding New Markets Tax Credit: (i) a maximum \$31 million loan to be made to Investor, LLC; (ii) provide a guarantee of recapture, up to \$38.6 million, subject to HMFA guarantee to the Authority for its subsidy contribution and HMFA's portion of the U.S. Banc investment it receives as well as authorizing the Authority's CEO to execute all necessary agreements; (iii) authorization for the Authority to take a 50% ownership position of New Jersey Community Development Entity, LLC (NJCDE) as an equal partner with the New Jersey Corporation for Business Assistance, subject to NJCDE Board acceptance and authorize the Authority's CEO to execute all necessary agreements; and (iv) adoption of regulations to implement the New Markets Tax Credit (NMTC) loan and any changes hereafter to the Office of Administrative Law (OAL) for publication in the 2005 New Jersey Register, subject to final comment by OAL.

This matter has been held from consideration.

The next item was the approval to submit the proposed amendments to the Technium and any changes hereafter to the Office of Administrative Law (OAL) for publication in the May 15, 2005 New Jersey Register, subject to review and approval by the Office of the Attorney General and final comment by OAL.

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

The next item was the approval to submit the proposed readoption and amendments and any changes hereafter to the Office of Administrative Law (OAL) for publication in the May 16, 2005 New Jersey Register, subject to review and approval by the Office of the Attorney General and final comment by OAL. References to New Markets Tax Credits in the regulations will not be included at this time but will be submitted to the Board at a later date.

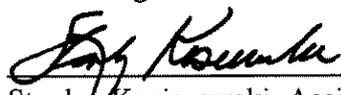
MOTION TO APPROVE: Mr. Scalera **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 27

PUBLIC COMMENT

There was no comment from the public.

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

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



Stanley Kosierowski, Assistant Secretary