

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 13, 2006

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman, Larry Doyle representing the Secretary of the NJ Commerce, Economic Growth and Tourism Commission; Allison Kopicki, representing the State Treasurer, Joseph Latoof representing the Commissioner of the Department of Labor and Workforce Development, Mike Sheridan representing the Commissioner of the Department of Banking and Insurance; Bernie Piana representing the Commissioner of Education, Timothy Carden, Philip Kirschner, Charles Sarlo, Carlos A. Medina, and Steve Plofker, Public Members, Raymond Burke, Alternate Public Member; and Rodney Sadler, Non-Voting Member.

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

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

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

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 May 9, 2006 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Latoof and was approved by the 9 Members present.

Mr. Sheridan, Mr. McNamara & Ms. Kopicki recused themselves because they were not at the meeting.

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

Ms Franzini mentioned that under the New Markets Tax Credit Program the fee structure has been re-evaluated for Not-for-Profit companies in order to increase their participation on the program. A new structure, modeled on fees charged in the EDA's bond program will be 5% for Profit companies and 3½ % for Not-for-Profit companies

BOND RESOLUTIONS

PROJECT: Dilmax, LLC for the benefit of Novell Enterprises, Inc. **APPL.#17143**
LOCATION: Rahway City/Union Cty. **BUSINESS:** Designer & mfr of jewelry
PROCEEDS FOR: bldg acqui. & renov /equip purch.
FINANCING: \$1,500,000 Tax Exempt Bond
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. McNamara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 1

PROJECT: Visiting Nurse Association Home Care, Inc. for the **APPL.#17299**
benefit of Moorestown Visiting Nurse Assoc , Inc and Partners in Home Care,
Inc
LOCATION: Moorestown Twp /Burlington Cty. **BUSINESS:** Not-for-profit home health
care service
PROCEEDS FOR: bldg. acqui. & renov.
FINANCING: \$5,000,000 Tax Exempt Bond
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Latoof **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 2
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

AMENDED BOND RESOLUTIONS

PROJECT: Presbyterian Homes Assisted Living Obligated Group **APPL.#17386**
LOCATION: Various/Variou **BUSINESS:** Not-for-profit housing &
health care provider
AMENDED RESOLUTION TO: current and/or advance refund the 2002 Series Bonds, pay
certain costs of issuance, in the maximum amount of \$51,000,000.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Lloyd Harbor Associates, LLC for the benefit of Vanguard Direct, Inc. **APPL.#17373**
LOCATION: Various/Essex Cty **BUSINESS:** Business forms printing company
PROCEEDS FOR: bldg acqu. & renov.
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr Carden **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Monmouth Council, Boy Scouts of America **APPL.#17315**
LOCATION: Marlboro Twp /Monmouth Cty. **BUSINESS:** Not-for-profit training organization
PROCEEDS FOR: refinancing
MOTION TO APPROVE: Mr. Praia **SECOND:** Mr Sheridan **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

STATEWIDE LOAN POOL PROGRAM

PROJECT: A&R Enterprises **APPL.#17255**
LOCATION: Atlantic City/Atlantic Cty **BUSINESS:** Fast food restaurant
PROCEEDS FOR: bldg. constr
FINANCING: \$2,260,752 bank loan with a \$500,000 (22%) Authority participation and a 30% guarantee not to exceed \$528,226 for five years.

Ms. Franzini reviewed the discussion at the Director's Loan Committee regarding the project. As McDonald's Corp owns the property, not the applicant A & R Enterprises, this is not a loan secured by collateral as much as it is secured by projected cash flow. A & R has just signed a 20 year franchise agreement with McDonalds. There is a legal matter pending between McDonald's Corp., the Casino Redevelopment Authority and the redeveloper of the adjacent Walk project that centers on the siting of the Walk building which McDonald's Corp. contends will have a potential negative impact on restaurant operations. Staff is recommending approval of the project subject to receipt of an affirmation from the borrower that the location of the Walk as approved will not have an adverse impact on operations going forward.

Mr. Plofker asked who was funding the ongoing construction of the restaurant. Ms Franzini clarified that McDonalds Corp. is funding the construction and the EDA will provide permanent financing. The collateral provided by the borrower will include assignment of the franchise agreement and partial life insurance, as well as the personal guarantee of the husband and wife business partners Mr Kirschner asks about the length of the franchise agreement and the potential that it will be sold by the borrowers in the future Ms. Franzini noted that the EDA loan term is five years which decreases the likelihood of this happening but we remain comfortable with the credit

MOTION TO APPROVE: Mr Carden **SECOND:** Mr. Medina **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 10
Closing is subject to the affirmation from the borrower that there is no material change in the financial condition of the company.

PROJECT: Patel Jamil Real Estate LLC for the benefit of Holly City Pediatrics, PA **APPL.#17297**
LOCATION: Millville City/Cumberland Cty **BUSINESS:** Pediatric center
PROCEEDS FOR: bldg. acqui
FINANCING: \$571,469 bank loan with a \$172,630 (30 2%) Authority participation
MOTION TO APPROVE: Mr Carden **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

PROJECT: Psuedo Properties II, LLC for the benefit of Landis Title Corporation **APPL.#17298**
LOCATION: Millville City/Cumberland Cty. **BUSINESS:** Title company
PROCEEDS FOR: bldg acqui
FINANCING: \$343,000 bank loan with a \$109,066 (31 7%) Authority participation
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Kirschner **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 10
Mr. Sarlo entered the meeting at this time.

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Cramer Hill CDC (CHCDC)(Nueva Vida Homes) **APPL.#16572**
LOCATION: Camden City/Camden Cty.
MODIFICATION: to the Cramer Hill CDC Nueva Vida Homes market-rate home ownership project in the Cramer Hill section of Camden to approve the allowance of income restrictions on two of the fourteen unit housing projects.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Piana **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

PROJECT: Respond, Inc. **APPL.#15442**
LOCATION: Camden City/Camden Cty
MODIFICATION: to extend the commitment of the \$1,000,000 public purpose grant to Respond, Inc. until December 31, 2007
MOTION TO APPROVE: Mr. Piana **SECOND:** Mr Sheridan **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

PROJECT: Fair Share Northgate II Associates, LP or designee **APPL.#17295**
LOCATION: Camden City/Camden Cty.
PROCEEDS FOR: bldg renov
FINANCING: \$631,725 Economic Recovery Board for Camden grant program

PROJECT: Fair Share Northgate II Associates, LP or designee **APPL.#17296**
LOCATION: Camden City/Camden Cty
PROCEEDS FOR: bldg renov
FINANCING: \$603,000 Economic Recovery Board for Camden loan program
MOTION TO APPROVE: Mr Plofker **SECOND:** Mr. Piana **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

BROWNFIELDS REDEVELOPMENT LOAN PROGRAM

PROJECT: Wood-Ridge Development LLC **APPL.#16898**
LOCATION: Wood-Ridge Boro /Bergen Cty. **BUSINESS:** Development company
PROCEEDS FOR: site remediation
FINANCING: \$750,000 Brownfields Redevelopment loan
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 14 **Mr. Sario recused himself because his brother is mayor of Wood-Ridge.**

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following project presented was a grant under the NJDEP Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund Program.

MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 15

PROJECT: Eastland Recovery Group, LLC **APPL.#12068**
LOCATION: Galloway Twp /Atlantic Cty.
PROCEEDS FOR: site remediation
FINANCING: \$346,343 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

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

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr Sheridan **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

PROJECT: City of Bayonne **APPL.#17333**
(Rt 440 Corridor E Redev Area)
LOCATION: Bayonne City/Hudson Cty
PROCEEDS FOR: site remediation
FINANCING: \$152,333 NJDEP Hazardous Discharge Site Remediation municipal grant

The next item was the Hazardous Discharge Site Remediation Fund Delegated Authority Approvals for the month of May 2006 **(For Informational Purposes Only)**

TECHNIUM TECHNOLOGY RESOURCES PROGRAM

PROJECT: Ranch Networks, Inc. **APPL.#17071**
LOCATION: Marlboro Twp./Monmouth Cty **BUSINESS:** IP telephony appliance
provider integrating voice and data securely
PROCEEDS FOR: growth capital
FINANCING: \$1,000,000
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

BOARD MEMORANDUMS

The next item was the approval of the following loans under the New Jersey Business Growth Fund Program Bright Lights USA, Inc., Exothemic Molding, Inc., Sturup Metal Products Corp. and Stir Up, LLC, and Vogel Bus Company, Inc. **(For Informational Purposes Only)**

REAL ESTATE

The next item was the approval to enter into a memorandum of understanding with Seton Hall University of Law through which the Authority will provide technical assistance to develop mixed-use, graduate student housing facilities.

Dave Nuse of EDA's Real Estate Division clarified that the site is owned by Seton Hall and PSE & G and the construction envisioned would require piers spanning part of PSE & G's parking facility. The feasibility study consultant will be retained and paid for by the Port Authority of New York and New Jersey and work overseen by the EDA

Ms Franzini noted that there was discussion at the Real Estate Committee on the nature of the project and cited the policy reasons for the EDA's involvement in the project. This involved the invitation by Seton Hall to the EDA to provide technical assistance on a challenging project in the City of Newark. As envisioned, it is part of a revitalization effort in the City of Newark that is encouraging a more vital 24/7 atmosphere which ties resident academic institutions to the rebuilding of neighborhoods. It also complements the State's Innovation Zone initiative.

MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Piana **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

The next item was the approval of the execution of an amendment to the escrow agreement for the Jersey City Medical Center project and any other documents necessary to conclude our role in the project.

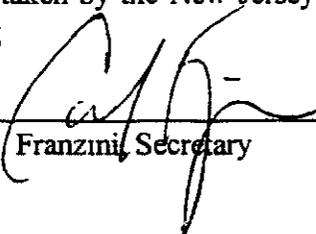
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Plofker **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 19

Mr. Sarlo recused himself because his company made a pitch to develop the site next to the medical center.

There being no further business on a motion by Mr Latoof, and seconded by Mr Carden, the meeting was adjourned at 11:35 AM

Certification

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



Caren S. Franzini, Secretary