

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
October 12, 2004

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Joseph McNamara, Vice Chairman; Joseph Grossi representing the NJ Commerce and Economic Growth 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, Tom Wilson, Jack Kocsis, Jr., Joan Verplanck, Timothy Carden and Carlos Medina, Public Members; Dennis Shah, Alternate Public Member; Rodney Sadler, non-voting member.

Absent from the meeting: Steven Denholtz, 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 Koepp called the meeting to order at 10:09.

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 first item of business was the approval of the September 14, 2004 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Piaia, seconded by Mr. Carden and was approved by the 13 Members present.

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

Mr. Wilson entered the meeting at this time.

AMENDED BOND RESOLUTION

PROJECT: The Trustees of The Lawrenceville School **APPL.#16156**
LOCATION: Lawrence Twp./Mercer Cty. **BUSINESS:** Not-for-profit School
AMENDED RESOLUTION TO: approve a tax exempt bond issue not to exceed \$17,500,000 to advance refund the outstanding balance of the 1996 Series A Bonds and pay costs of issuance.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: State Lease Revenue Refunding Bonds **APPL.#15682**
LOCATION: Various/Variou **BUSINESS:** State office
AMENDED RESOLUTION TO: modify the March 9, 2004 Resolution to reflect NW Capital as Managing Underwriter on the transaction.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 6

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: MCR Direct Mail, LLC **APPL.#13835**
LOCATION: Swedesboro Boro./Gloucester Cty. **BUSINESS:** Direct mail service provider
PROCEEDS FOR: equip. purch.
FINANCING: \$3,500,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Wilson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 7

PRELIMINARY RESOLUTIONS

PROJECT: Somerset Valley YMCA **APPL.#16181**
LOCATION: Various/Somerset Cty. **BUSINESS:** Not-for-profit community center
PROCEEDS FOR: refinancing
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 8

PROJECT: ECI Tecnology **APPL.#16187**
LOCATION: Totowa Boro/Passaic Cty. **BUSINESS:** mfr. of analytical instrumentation
PROCEEDS FOR: land & bldg acqui, & equip. purch.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Scalera **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 9

PUBLIC HEARING ONLY

PROJECT: Clinton Block LLC. **APPL.#15753**
LOCATION: Union Twp./Hunterdon Cty. **BUSINESS:** Mfr. of concrete blocks
PROCEEDS FOR: bldg. renov. & acqui./equip. purch.
PUBLIC HEARING ONLY - NO RESOLUTION REQUIRED
PUBLIC COMMENT: None

**RENEWAL COMMUNITY COMMERCIAL REVITALIZATION
DEDUCTION PROGRAM**

The next item was the approval of Claremont Clinton, L.L.C. under the Renewal Community Commercial Revitalization Deduction Program. The applicant scored a satisfactory score of eight to qualify for this deduction.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Latoof **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 10

ECONOMIC RECOVERY BOARD FOR CAMDEN

The next item was the approval of the funding authorization for a \$3,910,500 grant to the Camden Redevelopment Agency to help fund the construction of temporary parking facilities in the Central Waterfront neighborhood for use for the Tweeter Center events, and for buses and employees of other waterfront attractions.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

The next item was the approval of the funding authorization for a \$100,000 recoverable grant to the Cathedral Soup Kitchen to help fund predevelopment costs with funds provided from the Demolition and Redevelopment Financing Fund.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Medina **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 11

The next item was the approval of the change to the program guideline's description of eligible uses of recoverable grants and method of repayment to include disbursements from construction or permanent financing.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 12

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

PROJECT: Amdocs, Inc. **APPL.#16157**
LOCATION: Jersey City/Hudson Cty. **BUSINESS:** Software products services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years

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

PROJECT: Corporate Synergies Group, Inc. **APPL.#16160**
LOCATION: Mt. Laurel Twp./Burlington Cty. **BUSINESS:** Consulting Services provider
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

PROJECT: The Glass Group, Inc. **APPL.#16054**
LOCATION: Millville City/Cumberland Cty. **BUSINESS:** Mfr. of molded glass
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Verplanck **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 13
The grant award percentage may increase as a result of a jobs at risk analysis being performed.

PROJECT: Medidata Solutions, Inc. **APPL.#16152**
LOCATION: Edison Twp./Middlesex Cty. **BUSINESS:** Data management services
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Grossi **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 13

Mr. Scalera left the meeting at this time.

BOARD MEMORANDUMS

PROJECT: APD Realty, LLC **APPL.#15162**
LOCATION: Paramus City/Passaic Cty.
MODIFICATION: to increase the amount of the Brownfields Redevelopment Loan approved July of 2003 from \$425,000 to \$750,000.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Carden **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 14

The next item was the approval of the Business Employment Incentive Program Policy revisions including amendments to the regulations and submission to the office of Legislative Services for publication in the New Jersey Register, in addition, the Members are asked to authorize any adjustments as may be required by the Office of Administrative Law and the Office of the Attorney General.

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

Ms. Franzini noted that over the course of the last 18 months the Business Employment Incentive program had been a subject of much analysis, including review by the BEIP Study Commission, Policy Copmmittee of the Board, reports by the New Jersey Public Policy Perspective organization and Rutgers University Bloustein School. She then summarized the proposed changes to the program that address the recommendations of the Rutgers study; grant adjustment polices based on job creation performance; and other changes related to general policy issues. Chairman Koeppe then asked the Members for any comments or questions on the proposed program changes.

Joan Verplanck suggested that the word “cap” in the New Employment Commitment Cap policy be replaced with a word that seemed less limiting. She commended staff on the effort to improve the program but cautioned that the business community needed an assurance that the program would remain stable and not be subject to continual changes.

Tom Wilson noted that as the economic environment is subject to constant change, EDA programs must remain somewhat fluid in order to best meet the changing needs of clients. He felt it important that the EDA continue to review the program and monitor how the changes are impacting companies. He addressed Ms. Verplanck’s concerns about numerous program changes by stating that it should be made clear that the changes will be applied prospectively. He expressed a concern that the new cap on grants for jobs created over the initial approved amount would result in less jobs being created in New Jersey and suggested that the staff be vigilant in monitoring and enforcing the new policies.

Tim Carden acknowledged Caren Franzini’s commendation of the New Jersey Public Policy Perspective report on the program, noting that he serves on the Board of that organization. He suggested that application of the new policies presents an opportunity for increased good faith efforts and collaboration between the business community and the EDA to understand business needs and to enhance available programs to assist businesses and encourage job creation.

Dennis Shah stated that he believed the business community would be understanding of the proposed policies and the need to review and change the program as required by economic conditions. He noted that the commitment requirements are 10-15 years and that this time frame would usually span business and economic cycles, as well as shift changes, the business community is constantly reacting to these changes.

Chairman Koeppe noted that the policies would result in an increased obligation for enforcement. He too agreed that the EDA needed to monitor the impacts to the program and companies, as well as understand how the new policies may impact the resources required to operate the program efficiently. Ms. Franzini noted that the Division of Taxation plays an important role in administering the program.

DAG Bette Renaud noted that the regulations that implement the new performance based adjustment policies would allow for application of the sliding scale grant recapture for many

defaults under the grant agreement, in addition to the ones listed in the board memo. Additionally she noted that under the new policies , when a company falls below the minimum threshold and is in period of grant suspension, the EDA will need to interact frequently with the company to monitor its progress and the regulations allow the EDA, in order to protect its ability to recapture the grant, to terminate the grant suspension if it becomes apparent to the EDA that the company does not have a commitment to grow in New Jersey or is deteriorating financially.

Joe McNamara stated that as a member of the Policy Committee he found it very helpful to have an outside group (Rutgers) review the program, that this type of objective analysis was beneficial in placing the specific program and its impacts within the wider context of the state's economic growth.

The next item was modifications to the Business Employment Incentive Program.
(For Informational Purposes Only.)

The next item was the Delegated Authority Approvals for the Third Quarter of 2004.
(For Informational Purposes Only.)

The next item was the approval of the change in the proposed allocation method for businesses eligible for the Innovation Zones Tax Certificate Transfer Incentives.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Wilson **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 16

The next item was the approval to recommend that two (Qmed, Inc. and Passport Corporation) out of the six declined Tax Transfer applicants be approved.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. Sheridan **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 17

REAL ESTATE DIVISION

The next item was the approval to 1) designate the Chief Executive Officer and the Director of Real Estate as the Directors of Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc.; and 2) designate the Chief Executive Officer, Chief Operating Officer, Senior Vice President - Programs, and Director of Real Estate, and other individual staff members, in the discretion of the Chief Executive Officer, as the Officers of Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc.
MOTION TO APPROVE: Mr. Piaia **SECOND:** Mr. McNamara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

The next item was the approval to select Ballinger as Architect/Engineer and Gilbane as Construction Manager for the Camden Parking Structure Project.
MOTION TO APPROVE: Mr. Carden **SECOND:** Mr. Grossi **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT 19

PROJECT: James Lyons **APPL.#16085**
LOCATION: Washington Twp./Mercer Cty.
PROCEEDS FOR: site remediation
FINANCING: \$7,914 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Dora Minotti **APPL.#16142**
LOCATION: Hamilton Twp./Mercer Cty.
PROCEEDS FOR: site remediation
FINANCING: \$17,332 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Judith O'Halloran **APPL.#16086**
LOCATION: Woodbridge Twp/Middlesex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$9,698 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

PROJECT: Lucy Pignatora **APPL.#16093**
LOCATION: Lodi Boro./Bergen Cty.
PROCEEDS FOR: site remediation
FINANCING: \$32,562 Petroleum Underground Storage Tank Remediation, Upgrade and Closure Fund grant

NJDEP HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The next items were loans under the NJDEP Hazardous Discharge Site Remediation Fund Program.

MOTION TO APPROVE: Mr. Piaia **SECOND:** Ms. Verplanck **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 23 **Mr. Shah recused himself because he knows a borrower.**

PROJECT: Foundry Street Development, LLC **APPL.#16024**
LOCATION: Newark City/Essex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$636,800 NJDEP Hazardous Discharge Site Remediation Fund loan

PROJECT: Monroe Center Development, LLC **APPL.#15828**
LOCATION: Hoboken City/Hudson Cty.
PROCEEDS FOR: site remediation
FINANCING: \$3,000,000 (Maximum disbursement of \$1,000,000 per calendar year) NJDEP Hazardous Discharge Site Remediation Fund loan

PROJECT: Steven J. Picot, Sr. **APPL.#15603**
LOCATION: Bellmawr Boro./Camden Cty.
PROCEEDS FOR: site remediation
FINANCING: \$11,126 NJDEP Hazardous Discharge Site Remediation Fund loan

The next items presented were grants under the NJDEP Hazardous Discharge Site Remediation Fund Program.

PROJECT: Clinton Square Auto Parts Corporation **APPL.#16165**
LOCATION: Newark City/Essex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$11,041 NJDEP Hazardous Discharge Site Remediation grant

PROJECT: Estate of Dorothy Zickwolf **APPL.#15801**
LOCATION: Hamilton Twp./Mercer Cty.
PROCEEDS FOR: site remediation
FINANCING: \$5,239 NJDEP Hazardous Discharge Site Remediation grant

PROJECT: Catherine Shouse **APPL.#16149**
LOCATION: Princeton Boro./Mercer Cty.
PROCEEDS FOR: site remediation
FINANCING: \$2,150 NJDEP Hazardous Discharge Site Remediation grant

The next items presented were municipal grants under the NJDEP Hazardous Discharge Site Remediation Fund Program.

PROJECT: Township of East Brunswick **APPL.#16127**
(Former Middlesex Bus Co.)
LOCATION: East Brunswick Twp./Middlesex Cty.
PROCEEDS FOR: site remediation
FINANCING: \$134,057 NJDEP Hazardous Discharge Site Remediation municipal grant

PROJECT: Borough of Neptune City **APPL.#16147**
(Former East Coast Ice Co.)
LOCATION: Neptune City Boro./Monmouth Cty.
PROCEEDS FOR: site remediation
FINANCING: \$6,000 NJDEP Hazardous Discharge Site Remediation municipal grant

PROJECT: City of Pleasantville **APPL.#16146**
(Hospitality Linen Service)
LOCATION: Pleasantville City/Atlantic Cty.
PROCEEDS FOR: site remediation
FINANCING: \$30,926 NJDEP Hazardous Discharge Site Remediation municipal grant

PROJECT: Township of Riverside **APPL.#16159**
(Watchcase Tower Complex)
LOCATION: Riverside Twp./Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$1,856 NJDEP Hazardous Discharge Site Remediation municipal grant

Mr. Levine left the meeting at this time.

AUTHORITY MATTERS

The next item was the approval of several amendments to the By-Laws that were adopted by the Corporation Directors at its September 22, 2004 meeting of the New Jersey Schools Construction Corporation.

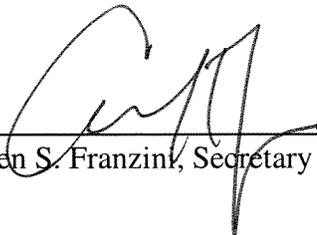
MOTION TO APPROVE: Mr. Carden **SECOND:** Ms. Verplanck **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT 24

PUBLIC COMMENT

There was no comment from the public.

There being no further business on a motion by Mr. Carden, and seconded by Mr. Latoof, the meeting was adjourned at 11:40.

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