

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 12, 2008

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; Joseph McNamara, Vice Chairman; James Kelly, representing the State Treasurer; Dan Ryan representing the Commissioner of the Department of Environment Protection; Michael Sheridan representing the Commissioner of the Department of Banking and Insurance; Marilyn Davis representing the Commissioner of the Department of Labor and Workforce Development; Public Members: Steve Plofker, Philip Kirschner, Thomas Manning, Richard Tolson and Raymond Burke, First Alternate Public Member; and Elliot M. Kosoffsky, Second Alternate Public Member.

Present via conference call: Angie McGuire representing the Governor's Office, and Public Member Timothy Carden.

Absent: Public Member Charles Sarlo, and Non-Voting Member Rodney Sadler.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Tim Lizura, Senior Vice President - Business Development; Bette Renaud, Deputy Attorney General; Robert Shane, Governor's Authorities Unit; and guests.

Chairman Van Horn called the meeting to order at 10 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 October 15, 2008 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Sheridan was approved by the 9 voting members present.

Joseph McNamara, Vice Chairman; and Public Members: Philip Kirschner, Thomas Manning, and Elliot M. Kosoffsky abstained because they were not present at the October 15, 2008 meeting.

The next item of business was the approval of the October 28, 2008 special meeting minutes of the Board. A motion was made to approve the minutes by Mr. Manning, seconded by Mr. Sheridan and was approved by the 9 voting members present.

Chairman Van Horn, Vice Chairman McNamara, Ms. McGuire, and Mr. Tolson abstained because they were not present at the October 28, 2008 meeting.

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

Marilyn Davis entered the meeting at this time.

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Maryville, Inc. **APPL.#24105**
LOCATION: Monroe/Gloucester Cty.
PROCEEDS FOR: refinance existing debt
FINANCING: \$2,000,000 Tax-Exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

PRELIMINARY RESOLUTIONS

PROJECT: Giordano Vineland Scrap Material, LLC **APPL.#24260**
LOCATION: Vineland/Cumberland Cty.
PROCEEDS FOR: property acquisition and building construction
MOTION TO APPROVE: Ms. Sheridan SECOND: Mr. Plofker AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

PROJECT: Impex Corporation or LLC to be formed **APPL.#24167**
LOCATION: Jersey City/Hudson Cty.
PROCEEDS FOR: property acquisition and building construction
MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:3

PROJECT: Tribeca Oven, Inc. **APPL.#24300**
LOCATION: Carlstadt/Bergen Cty.
PROCEEDS FOR: equipment purchase
MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:4

PROJECT: Princeton Microwave Technology Incorporated. **APPL.#24164**
LOCATION: Hamilton/Mercer Cty.
PROCEEDS FOR: building acquisition
MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Tolson AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PUBLIC HEARING ONLY

PROJECT: Longfield Brothers L.L.C. **APPL.#23936**
LOCATION: Vineland/Cumberland Cty.
PROCEEDS FOR: building expansion
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: DHI Property Inc. **APPL.#24134**
LOCATION: Camden/Camden Cty.
PROCEEDS FOR: building acquisition
FINANCING: \$900,000 Tax-Exempt Bond
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:6

PROJECT: DHI Property Inc. **APPL.#24087**
LOCATION: Camden/Camden Cty.
PROCEEDS FOR: building acquisition
FINANCING: \$300,000 Local Development Financing Fund loan
MOTION TO APPROVE: Mr. Sheridan SECOND: Mr. Manning AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

NEW MARKETS LOAN PROGRAM

Ms. Franzini stated that she had recused herself from discussions of the following project, as she has a personal relationship with the applicant's attorney. She introduced Tim Lizura, Senior Vice President of Business Development, to lead the discussion of the project.

PROJECT: AC Beach Development Partners LLC **APPL.#24092**
LOCATION: Atlantic City/Atlantic Cty.
PROCEEDS FOR: building renovation
FINANCING: \$4,200,000 New Market Tax Credit loan
MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Mr. Tolson abstained because Bricklayers and Allied Craftworkers of NJ represents the employees on the project.

Mr. Burke abstained because he has a banking relationship with the principal of the project.

Mr. Plofker and Mr. Kirschner voted no.

PROJECT: AC Beach Development Partners LLC

APPL.#24137

LOCATION: Atlantic City/Atlantic Cty.

PROCEEDS FOR: building renovation

FINANCING: \$3,000,000 Urban Plus loan

MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 10

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Mr. Tolson abstained because Bricklayers and Allied Craftworkers of NJ represents the employees on the project.

Mr. Burke abstained because he has a banking relationship with the principal of the project.

Mr. Plofker and Mr. Kirschner voted no.

Prior to voting, Mr. Plofker expressed concern over the EDA's exposure in this project, in that it is unusual for the Authority to lend to projects that are complete. He stated that in his view it is the EDA's role to assist projects at the outset when they have difficulty obtaining financing, not to bail out companies that have misjudged financing needs. Mr. Kirshner stated that he shared Mr. Ploker's concerns. Mr. Carden also voiced concerns, but added that he became more comfortable with the project after speaking extensively to EDA staff. He stated that the 500 jobs that will be created by this project and the maintenance of several hundred jobs already in existence were key reasons for going forward with it. Chairman Van Horn stated that is project is not be necessarily precedent setting as each project is judged on its own merits. Ms. McGuire asked if there was a general policy about what types of jobs the EDA would seek to maintain in projects impacted by the recession and if this project was considered for the Main Street program proposed in legislation. Ms. Franzini stated that EDA would be working with companies that have a strong track record but clearly have a credit or liquidity issue due to the current economic environment. Companies that show signs of trouble dating back some time will not be candidates for the program. Mr. Lizura stated that for this transaction the Main Street product was not considered as the NMTC and Urban Plus loans were more appropriate for the project.

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Greater Camden Partnership, Inc.

APPL.#21944

LOCATION: Camden/Camden Cty.

FINANCING: \$50,000 ERB Predevelopment recoverable grant

MODIFICATION: approve the funding authorization of the contingent predevelopment loan in the amount of \$50,000 to the Greater Camden Partnership, Inc (GCP).

MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Kirschner AYES: 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: Nueva Vida Homes, LLC **APPL.#23514**
LOCATION: Camden/Camden Cty.
FINANCING: \$50,000 ERB Predevelopment recoverable grant
REQUEST: approve the funding authorization for the proposed contingent predevelopment loan in the amount of \$50,000 to Nueva Vida Homes, LLC.
MOTION TO APPROVE: Ms. Davis **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

The following residential projects were presented under the Petroleum Underground Storage Tank Program.

MOTION TO APPROVE: Mr. Kelly **SECOND:** Ms. Davis **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

PROJECT: Clara's Coffee Shop **APPL.#21719**
LOCATION: Neptune/Monmouth Cty.
PROCEEDS FOR: site remediation
FINANCING: \$163,830 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Timothy Mimna and Shawne Mimna **APPL.#23862**
LOCATION: Springfield/Burlington Cty.
PROCEEDS FOR: site remediation
FINANCING: \$148,036 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Westmoor Gardens, Inc. (Site B) **APPL.#23709**
LOCATION: Englewood/Bergen Cty.
PROCEEDS FOR: site remediation
FINANCING: \$25,642 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Wholesale Flowers & Interior Design **APPL.#23717**
LOCATION: Howell/Monmouth Cty.
PROCEEDS FOR: site remediation
FINANCING: \$185,816 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

PROJECT: Joseph Zipeto **APPL.#23937**
LOCATION: West Orange/Essex Cty.
PROCEEDS FOR: site remediation

FINANCING: \$137,259 Petroleum UST Remediation, Upgrade, & Closure Fund Grant

The next item was a summary of all Petroleum Underground Storage Tank Program Delegated Authority Approvals for the month of October 2008. **(For Informational Purposes Only)**

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

The following projects presented under the Hazardous Discharge Site Remediation Fund Program (private and municipal projects).

**MOTION TO APPROVE: Mr. Manning SECOND: Mr. Sheridan AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT:13**

PROJECT: Rockland Corporation **APPL.#23983**
LOCATION: West Caldwell/Essex Cty.
PROCEEDS FOR: remedial action
FINANCING: \$155,973 Hazardous Discharge Site Remediation Fund

PROJECT: Texas Eastern Terminal Company **APPL.#23390**
LOCATION: South Plainfield/Middlesex Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$1,000,000 Hazardous Discharge Site Remediation Fund

PROJECT: City of Salem (Tri County Oil) **APPL.#24162**
LOCATION: Salem/Salem Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$178,152 Hazardous Discharge Site Remediation Fund

PROJECT: Township of Southampton (Former Stokes Cannery) **APPL.#23395**
LOCATION: Southampton/Burlington Cty.
PROCEEDS FOR: remedial investigation
FINANCING: \$120,114 Hazardous Discharge Site Remediation Fund

The next item was a summary of the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of September 2008. **(For Informational Purposes Only)**

EDISON INNOVATION FUND

PROJECT: Semptrae Laboratories, Inc. **APPL.#23834**
LOCATION: Paramus/Bergen Cty.
PROCEEDS FOR: growth capital
FINANCING: \$1,000,000 Edison Innovation Fund investment
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Plofker **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

INCENTIVE PROGRAMS

BUSINESS INCENTIVE EMPLOYMENT PROGRAM

PROJECT: AAF-McQuay Inc. **APPL.#24262**
LOCATION: Jersey City/Hudson **BUSINESS:** industrial/electrical equipment
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Kirschner **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: CGC Centro de Genetica Clinica, S.A. **APPL.#24392**
LOCATION: TBD **BUSINESS:** biotechnology
GRANT AWARD: 30% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Tolson **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Nephros Incorporated **APPL.#24275**
LOCATION: Hackensack/Bergen Cty. **BUSINESS:** medical device technology
GRANT AWARD: 75% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Progressive Casualty Insurance Company. **APPL.#24269**
LOCATION: South Plainfield/Middlesex Cty. **BUSINESS:** financial services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Tolson **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Mr. Kirschner abstained because his employer has an affiliate which is a competitor.

BRRAG

PROJECT: Progressive Casualty Insurance Company. **APPL.#24269**
LOCATION: South Plainfield/Middlesex Cty. **BUSINESS:** financial services
GRANT AWARD: \$128,700, 5 years
MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Plofker **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Mr. Kirschner abstained because his employer has an affiliate which is a competitor.

UEZ/SALES TAX EXEMPTION

The next item was to approve the Urban Enterprise Zone (UEZ) Energy Sales Tax Exemption (U-STX) Renewal Application of Omni Baking Company, a contract baking manufacturer that is located in the Vineland UEZ. The estimated annualized U-STX benefit to Omni Baking Company is \$86,000.

MOTION TO APPROVE: Ms. Davis **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

BROWNFIELD REIMBURSEMENT PROGRAM

The next item was to approve the Brownfield application of ProLogis Teterboro, LLC for reimbursement for clean-up costs for a Teterboro redevelopment project under a Redevelopment Agreement with the New Jersey Economic Development Authority and the State Treasurer, pursuant to the Brownfield and Contaminated Site Remediation Act, P.L. 1997, c. 278 (N.J.S.A.58:10B-1 et seq.). The recommended reimbursement is up to \$14, 184,150.

MOTION TO APPROVE: Mr. Sheridan **SECOND:** Mr. Manning **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT 18

BOARD MEMORANDUMS

PROJECT: Marine Terminal Urban Renewal Associates **APPL.#013589**
LOCATION: Trenton/Mercer Cty.
FINANCING: \$1,651,620 Direct Loan
MODIFICATION: Extend and modify the terms of the existing restructure agreement, which expires January 1, 2009 for an additional 2 years with six month call provisions
MOTION TO APPROVE: Mr. Plofker **SECOND:** Mr. Sheridan **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

The next item was an update on Fast Start & Urban Plus loan programs. **(For Informational Purposes Only)**

The next item was a summary of projects approved under Delegated Authority for October 2008. **(For Informational Purposes Only)**

New Jersey Business Growth Fund: 1703 Valley Road, LLC, Bright Lights USA, Inc., Frank and Dolores Di Tillio, Micro Molding, Inc, Palasa , LLC, RLC Plus, Inc.

Preferred Lender Program: Arlington Machine and Tool Company, L&F Urban Renewal Properties, Respond, Inc.

Edison Innovation Fund Program: Prospect Biosystems, LLC

Fast Start Direct Loan Program: LLC to be Formed (The Oliver-Drake Company), Strauss Glass, LLC, Young's Westville Laundromat, LLC.

PROJECT: Ernst & Young U.S. LLP **APPL.#20939**
LOCATION: Secaucus/Hudson **BUSINESS:** financial services
GRANT AWARD: 60% Business Employment Incentive grant, 10 years

MODIFICATION: Modify the parameters of the BEIP grant to increase the New Employment Commitment (NEC) from 180 jobs to 270 jobs, for ten year grant term, with an aggregate value of \$9,656,887. The increase in jobs and estimated project cost from \$4.8 million to \$7 million will increase the grant award to 65%.

MOTION TO APPROVE: Mr. Plofker SECOND: Ms. Davis AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

URBAN & SITE DEVELOPMENT/REAL ESTATE

The next item was to approve the request to make two changes to the Fund for Community Economic Development to assist development of grocery stores and supermarkets in urban areas. The two changes include: 1) allowing up to \$4 million within the Loans to Lenders component to be used for supermarket and grocery store development, with a maximum of \$3 million per loan; and 2) reducing the interest rate for Loans to Lenders to 2%, fixed.

The motion was withheld from consideration.

The next item was to approve the request to enter into a lease with the Institute for Development of Education in the Arts for exclusive use of office space and non-exclusive use of the Black Box Theater at the Susquehanna Bank Center in Camden.

MOTION TO APPROVE: Mr. Sheridan SECOND: Ms. Davis AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

The next item was to approve the request for the Authority to enter into a one-year lease with OmniCapital Fund, L.P. for one office unit (approximately 106 sf.) in the Commercialization Center for Innovative Technologies.

MOTION TO APPROVE: Mr. Ryan SECOND: Mr. Sheridan AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Kirschner, and seconded by Mr. Tolson, the meeting was adjourned at 11 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.



Maureen Hassett, Assistant Secretary