

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 13, 2011

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Jim Kelly representing the State Treasurer; Wayne Staub representing the Commissioner of the Department of Environment Protection; Dr. Aaron Fichtner representing the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Marjorie Perry, Kate Whitman, Harold Imperatore, Larry Downes, Richard Tolson, Ray Burke, First Alternate Public Member; Elliot M. Kosoffsky, Second Alternate Public Member; and Brian Nelson, Third Alternate Public Member.

Members of the Authority present via conference call: Nancy Graves representing the Commissioner of the Department of Banking and Insurance; Public Members Charles Sarlo, Public Member, and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Matt McDermott representing the Executive Branch;

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, and Ed Pillsbury, Deputy Attorney Generals; Nicole Crifo, Governor's Authorities' Unit and staff.

Chairman Koepp 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 November 9, 2011 meeting minutes. A motion was made to approve the minutes by Mr. Tolson, seconded by Mr. Kosoffsky, and was approved by the 14 voting members present.

Dr. Fichtner abstained because he was absent.

The next item of business was the approval of the December 5, 2011 special meeting minutes. A motion was made to approve the minutes by Mr. Tolson, seconded by Mr. Kosoffsky, and was approved by the 15 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

AUTHORITY MATTERS

ITEM: 2012 Strategic Business Plan

REQUEST: To approve the Authority's proposed 2012 Strategic Business Plan.

APPROVE: Mr. McNamara **SECOND:** Ms. Perry **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: 2012 Fiscal Plan

REQUEST: To approve the Authority's proposed 2012 Fiscal Plan.

APPROVE: Mr. Kosoffsky **SECOND:** Mr. McNamara **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

BOND RESOLUTIONS

PROJECT: Engel Burman at Woodcliff Lake, LLC **APPL.#35572**

LOCATION: Woodcliff Lake/Bergen County

PROCEEDS FOR: New Construction/Equipment Purchase

FINANCING: \$38,000,000 Tax-Exempt Bond

APPROVE: Ms. Perry **SECOND:** Mr. Tolson **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

PROJECT: South Street Theater Company, Inc.* **APPL.#37018**

LOCATION: Morristown Town/Morris County

PROCEEDS FOR: Refinance

FINANCING: \$4,500,000 Tax-Exempt Bond

APPROVE: Mr. Tolson **SECOND:** Mr. Staub **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

PUBLIC HEARING: Yes

PUBLIC COMMENT: None

PRELIMINARY RESOLUTIONS

PROJECT: AMB Enterprises, LLC & ULCO Realty, LLC **APPL.#37034**

LOCATION: Paterson City/Passaic County

PROCEEDS FOR: Acquisition and Renovation

APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Congregation Bnos Devorah **APPL.#36771**
LOCATION: Lakewood Township/Ocean County
PROCEEDS FOR: Refinance
APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Schott Licensing Corp **APPL.#37025**
LOCATION: Union Township/Union County
PROCEEDS FOR: Acquisition and Renovation
APPROVE: Mr. Staub **SECOND:** Ms. Perry **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: VG Resources LLC **APPL.#37026**
LOCATION: Hamilton Township/Mercer
PROCEEDS FOR: Construction, Land Acquisition and Equipment
APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT: Kingston Educational Holdings 1, Inc. **APPL.#37036**
LOCATION: Newark City/Essex County
PROCEEDS FOR: Renovation and Equipment
FINANCING: \$25,535,000 Qualified Zone Academy Bond (Taxable)
APPROVE: Mr. Staub **SECOND:** Mr. Nelson **AYES: 14**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Ms. Perry abstained because she involved in conversations with Kingston Educational Holdings 1, Inc. on potential business partnerships.

LOANS/GRANTS/GUARANTEES

The next item is a request from the Business Action Center of the New Jersey Department of State for the EDA to manage the state-budgeted funding allocation for the state's FY2012 to the New Jersey Small Business Development Centers.

APPROVE: Mr. Staub **SECOND:** Mr. McNamara **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

FOR INFORMATIONAL ONLY: The next item outlines the advancement of the State's small business efforts of expanding the EDA's support of technical assistance to include a focus on small, woman and minority owned businesses in urban and distressed communities of the state.

ITEM: EDA Partner Lending Programs

REQUEST: Approve the following changes to the EDA lending programs:

1. Rebranding EDA Preferred and Participating Lenders under the general umbrella of "Premier Lenders" and extend delegated authority to Participating Lenders.
2. Aligning guarantee fees with the percentage of the approved guarantee, inclusive of bond guarantees.
3. Reduce the interest rate for the NJ Main Street Business Assistance Program from 5% fixed to the Five Year US Treasury plus 300 basis points (3.91% as of 12/5) with a 3% floor, fixed at closing.
4. Permanently increase the maximum line of credit guarantee from 50% of the Premier Lender's line of credit, not to exceed \$250,000 to 50% of the Premier Lender's line of credit, not to exceed \$500,000.
5. Promulgation of the Rules implementing these changes.

APPROVE: Ms. Perry **SECOND:** Mr. Kosoffsky **AYES:** 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: The Reinvestment Fund, Inc. ("TRF")

REQUEST: Consent to a three year extension of the disbursement periods of both loans to November 1, 2014 to allow TRF additional time to deploy funding for urban supermarket projects in their pipeline.

APPROVE: Mr. Staub **SECOND:** Mr. Nelson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

Ms. Perry abstained because she is familiar with the project and may bid for future work.

Mr. Nelson left the meeting at this time.

PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

APPROVE: Ms. Perry **SECOND:** Mr. Tolson **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Lucy Bajcic **APPL.#36000**

LOCATION: Dover Township/Ocean County

PROCEEDS FOR: Upgrade, Closure, Remediation

FINANCING: \$101,657, Petroleum UST remediation, Upgrade and Closure Fund Grant

PROJECT: Dino's Deli & Subs Inc. **APPL.#34779**

LOCATION: Egg Harbor City/Atlantic County

PROCEEDS FOR: Upgrade, Closure, Remediation

FINANCING: \$504,235, Petroleum UST Upgrade, Closure, Remediation Fund Grant

PROJECT: Greg Jarem **APPL.#35861**
LOCATION: Moonachie/Bergen County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$102,399, Petroleum UST Upgrade, Closure, Remediation Fund Grant

PROJECT: Scotts Auto, LLC **APPL.#36883**
LOCATION: Carneys Point Township/Salem County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: \$338,867, Petroleum UST Upgrade, Closure, Remediation Fund Grant

Mr. Nelson returned to the meeting.

FOR INFORMATIONAL ONLY: The next item was a summary of the Petroleum Underground Storage Tank Program projects approved by the Delegated Authority.

EDISON INNOVATION FUND

PROJECT: CareKinesis, Inc. **APPL.#36955**
LOCATION: Moorestown Township/Burlington County
FINANCING: \$500,000 VC Growth Fund Loan
APPROVE: Mr. Kosoffsky **SECOND:** Mr. McNamara **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

INCENTIVE PROGRAMS

BUSINESS EMPLOYMENT INCENTIVE PROGRAM, BUSINESS RETENTION & RELOCATION ASSISTANCE GRANT PROGRAM

PROJECT: AccelRx Labs LLC **APPL.#37003**
LOCATION: East Windsor Township/Mercer County **BUSINESS:** Pharmaceutical
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Nelson **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: All Things Media, LLC **APPL.#37012**
LOCATION: Mahwah Township/Bergen County **BUSINESS:** Technology
GRANT AWARD: 55% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Tolson **SECOND:** Mr. McNamara **AYES:15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Amneal Pharmaceuticals **APPL.#37006**
LOCATION: East Hanover Township/Morris County **BUSINESS:** Pharmaceutical
GRANT AWARD: 60% **Business Employment Incentive grant,** 10 years
APPROVE: Mr. Tolson **SECOND:** Mr. Nelson **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Glenmore Plastic Industries, Inc. **APPL.#37001**
LOCATION: Edison Twp/Middlesex Cty **BUSINESS:** Mfg
GRANT AWARD: 55% **Business Employment Incentive grant,** 10 years
APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Tower Insurance Company of New York **APPL.#37013**
LOCATION: TBD **BUSINESS:** Insurance
GRANT AWARD: 50% **Business Employment Incentive grant,** 10 years
APPROVE: Mr. Kosoffsky **SECOND:** Ms. Perry **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: Tower Insurance Company of New York **APPL.#37013**
LOCATION: TBD **BUSINESS:** Insurance
GRANT AWARD: \$202,500 (estimated), 1 years, **Business Retention and Relocation Assistance grant**
APPROVE: Ms. Perry **SECOND:** Mr. Tolson **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Transfer of Business Retention and Relocation Assistance Grant (“BRRAG”) tax credits.
REQUEST: Consent to transfer unused BRRAG tax credits from Diversified Foam Products, Inc. to First Transit, Inc.
APPROVE: Mr. McNamara **SECOND:** Mr. Kelly **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Transfer of Business Retention and Relocation Assistance Grant (“BRRAG”) tax credits.
REQUEST: Consent to transfer unused BRRAG tax credits from Saveology.com to The Hartford Insurance Company of the Midwest
APPROVE: Ms. Perry **SECOND:** Mr. McNamara **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Transfer of Business Retention and Relocation Assistance Grant (“BRRAG”) tax credits.
REQUEST: Consent to transfer unused BRRAG tax credits from United Parcel Services General Services Co to Hartford Underwriters Insurance Company, Hartford Fire Insurance Company, Hartford Casualty Insurance Company, and Sentinel Insurance Company.
APPROVE: Ms. Perry **SECOND:** Mr. Kelly **AYES: 15**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ECONOMIC REDEVELOPMENT AND GROWTH PROGRAM

ITEM: Economic Redevelopment and Growth (ERG) Program- New Rules Adoption
REQUEST: To approve the adoption of the proposed concurrent new rules implementing the provisions of the ERG Program.

APPROVE: Mr. Staub SECOND: Ms. Perry AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

ITEM: Buffalo Pike Associates

This item was withheld from consideration.

ITEM: Fountains Applied LWAG, LLC- Economic Redevelopment and Growth (ERG) Program

REQUEST: To approve the ERG application for Fountains Applied LWAG, LLC for 20% of the eligible costs, not to exceed \$8,401,459.

APPROVE: Mr. McNamara SECOND: Mr. Downes AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

URBAN TRANSIT HUB TAX CREDIT PROGRAM

ITEM: Grand LHN I Urban Renewal LLC- Urban Transit Hub Tax Credit Program (“UTHTC”)

REQUEST: To approve the UTHTC application for Grand LHN I Urban Renewal LLC for 35% of the eligible costs, not to exceed \$42,015,207 or \$4,201,521 annually for 10 years.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Tolson AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

BOARD MEMORANDUMS

ITEM: Evident Software, Inc.- Edison Innovation Loan (P022414)

REQUEST: Accept the loan settlement and write-off the remaining balance without recourse.

MOTION TO APPROVE: Mr. Downes SECOND: Mr. McNamara AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: The Morris Center YMCA- Tax-Exempt Stand-Alone Bond (P14876 & P14919)

REQUEST: Consent to modify the Bond to reduce the Borrower’s costs.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Staub AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

ITEM: Port Newark container Terminal, L.L.C.- Tax-Exempt Bond (P12593)

REQUEST: Consent to separate the bond into two series at the request of the Borrower.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. McNamara AYES: 15

RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

FOR INFORMATIONAL ONLY: The next item is a summary of the projects approved under Delegated Authority in November 2011:

New Jersey Business Growth Fund: Anything, LLC; Atlantic Sleep Clinic LLC or Nominee; Jay Brad Inc.; Raymond & Ken LLC

NJ Main Street Program: Allied Recycling, Inc.; Interlock Device of New Jersey LLC

Preferred Lender Program: Ben Ski, Inc.

New Jersey Business Growth Fund- Modification: Ahern Painting, Inc.; SISBRO, LLC

REAL ESTATE

ITEM: Waterfront Technology Center Camden- Lease Agreement with Blue Sky Power, LLC

REQUEST: Approval to enter into a lease agreement with Blue Sky Power, LLC for approximately 1,080 square feet of fourth floor office space at the Water Front Technology Center at Camden.

MOTION TO APPROVE: Mr. Downes SECOND: Mr. Staub AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: The Technology Centre of New Jersey Operating Budget – 2012

REQUEST: Approval of the 2012 operating budget for the Technology Center of New Jersey.

MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Kosoffsky AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

ITEM: Higher Education Public Private Partnership Program- Montclair State University- Combined Heating, Cooling and Power Plant

REQUEST: To authorize the Authority's approval of Montclair State University's application to develop a combined heating, cooling and power plant and related energy distribution system on the Applicant's campus.

MOTION TO APPROVE: Mr. Tolson SECOND: Ms. Perry AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

Chairman Koepp abstained due to a business relationship with UMM Energy Partners.
Mr. Downes abstained due to a business relationship with UMM Energy Partners.

ITEM: Security Services- NJEDA Headquarters and Barnes Street Parking Lot, Trenton NJ and Waterfront Technology Center, Camden, NJ.

REQUEST: The approval to rescind the award issued at the November 9th, 2011 Board meeting and to award contracts for Bowles Security Services, and award and execute two (2) contracts for security services to Vets Securing America for NJEDA Headquarters and Barnes Street parking Lot, Trenton and Waterfront Technology Center, Camden.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. McNamara AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

ITEM: Selection of Architect/Engineer and Construction Manager- Fort Monmouth Tech Park.

REQUEST: To approve the selection of an Architect/Engineer and a Construction Manager to design and construct the facility renovation for Phase I building of the Fort Monmouth Tech Park.

MOTION TO APPROVE: Ms. Perry SECOND: Mr. Downes AYES: 114
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

Mr. Nelson abstained because he represents a host community in Fort Monmouth.

ITEM: Technology Centre of New Jersey- Lease Agreement with Ezose Sciences, Inc.

REQUEST: To approve the entrance of a 39 month lease with Ezose Sciences, Inc.

MOTION TO APPROVE: Mr. Tolson SECOND: Mr. McNamara AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

PUBLIC COMMENT

There was no comment from the public.

EXECUTIVE SESSION

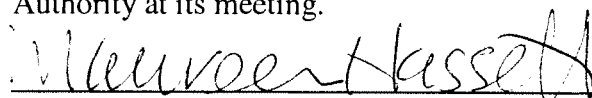
The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss loans to active companies or with pending litigation, to be written off with recourse. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Kosoffsky SECOND: Mr. McNamara AYES: 15
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

The Board returned to Public Session.

There being no further business, on a motion by Mr. McNamara, and seconded by Mr. Kosoffsky, the meeting was adjourned at 12:15 pm.

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