MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
       Chief Executive Officer
DATE: December 8, 2009
SUBJECT: Agenda for Board Meeting of the Authority December 8, 2009

Notice of Public Meeting

Roll Call

Approval of Previous Month’s Minutes

Chief Executive Officer’s Monthly Report to the Board

Authority Matters

Bond Projects

Loans/Grants/Guarantees

Clean Energy Solutions

Incentive Programs

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
November 10, 2009  

MINUTES OF THE MEETING

Members of the Authority present: Carl Van Horn, Chairman; James Kelly, representing the State Treasurer; Dan Ryan representing the Commissioner of the Department of Environment Protection; Richard Poliner representing the Commissioner of the Department of Banking and Insurance; Joe Latoff representing the Commissioner of the Department of Labor and Workforce Development; Jerold Zaro representing the Governor’s Office; Public Members: Joseph McNamara, Vice Chairman; Timothy Carden, Steve Plofker, Philip Kirschner, Raymond Burke, First Alternate Public Member, Elliot M. Kosoffsky, Second Alternate Public Member, Thomas Manning, Richard Tolson; and Rodney Sadler, Non-Voting Member.

Absent from the meeting: Public Member: Charles Sarlo

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, Deputy Attorney General, 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 13, 2009 meeting minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Kosoffsky and was approved by the 11 voting members present.

The next item of business was the approval of the October 13, 2009 executive session meeting minutes of the Board. A motion was made to approve the minutes by Mr. Carden, seconded by Mr. Plofker and was approved by the 11 voting members present.

Mr. Kirschner entered the meeting at this time.

The next item of business was the approval of the October 21, 2009 executive session meeting minutes of the Board. A motion was made to approve the minutes by Mr. Plofker, seconded by Mr. Kosoffsky and was approved by the 12 voting members present.

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

The next item was to approve an amendment to the Authority’s by-laws to create an Incentives Committee and to appoint Tom Manning (Committee Chair), Joe McNamara, and Tim Carden to serve on the committee.

MOTION TO APPROVE: Mr. Tolson SECOND: Mr. Ryan AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Mr. McNamara, Mr. Sadler, and Mr. Zaro entered the meeting at this time.

The next item was to (1) approve the proposed new rules implementing the Economic Redevelopment and Growth (ERG) Grant Program and authorize staff to file the rules with the Office of Administrative Law, subject to the approval of the Office of the Attorney General (2) apply to the Urban Transit Hub Tax Credit Program the standard of a net positive economic benefit defined as at least one hundred and ten percent of the amount of grant assistance; and (3) approve the economic impact model developed by Jones Lang LaSalle.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. McNamara AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

BOND RESOLUTIONS

PROJECT: ADJ Realty NJ, LLC & E&T Plastic Manufacturing Co. APPL.#28139
LOCATION: Teterboro/Bergen Cty.
PROCEEDS FOR: building acquisition
FINANCING: $3,250,000 Tax-Exempt Bond
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Carden AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT: Comar, Inc. APPL.#18107
LOCATION: Buena/Atlantic Cty.
PROCEEDS FOR: equipment purchase
FINANCING: One or more series of tax-exempt bonds not to exceed $7,000,000
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
PROJECT:  NSA Central Avenue, LLC  APPL.#29061
LOCATION: Newark/Essex Cty.
PROCEEDS FOR: building construction
FINANCING: Up to $19,000,000 Qualified School Construction Bond
MOTION TO APPROVE:  Mr. Manning  SECOND:  Mr. Tolson  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

AMENDED BOND RESOLUTIONS

PROJECT:  Greater Brunswick Regional Charter School  APPL.#26660
or related entity*
LOCATION: New Brunswick/Middlesex Cty.
PROCEEDS FOR: building renovation
FINANCING: $6,550,000 Tax Exempt Bond
MOTION TO APPROVE:  Mr. Carden  SECOND:  Mr. Plofker  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

PROJECT:  NJEDA/NJ Performing Arts Center  APPL.#28970
LOCATION: Newark/Essex Cty.
REQUEST: Approve the refunding of the $26,010,000 outstanding balance of the 1996 Series A and 1996 Series C Bonds plus pay costs of issuance, for a total bond amount not to exceed $30 million
MOTION TO APPROVE:  Mr. Manning  SECOND:  Mr. Carden  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

PROJECT:  Friends Home at Woodstown, Inc.  APPL.#28341
LOCATION: Woodstown/Salem Cty.
PROCEEDS FOR: refinance existing debt
FINANCING: $17,500,000 max tax Exempt Bond
MOTION TO APPROVE:  Mr. Manning  SECOND:  Mr. Carden  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8
PUBLIC HEARING: Yes
PUBLIC COMMENT: None
PRELIMINARY RESOLUTIONS

PROJECT: Family Intervention Services, Inc. APPL.#28918
LOCATION: East Orange/Essex Cty.
PROCEEDS FOR: building acquisition
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Manning AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

PROJECT: Lakewood Cheder School Inc. APPL.#28812
LOCATION: Lakewood/Ocean Cty.
PROCEEDS FOR: refinance existing debt
MOTION TO APPROVE: Mr. Kirschner SECOND: Mr. Ryan AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

PROJECT: M&J Srour Properties, Inc. APPL.#28637
LOCATION: Piscataway/Middlesex Cty.
PROCEEDS FOR: building acquisition
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Poliner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

PUBLIC HEARING ONLY

PROJECT: Fantasy Furniture, Inc. and/or an LLC/REHC to be formed APPL.#26092
LOCATION: Hillside/Union Cty.
PROCEEDS FOR: building acquisition
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

CAMDEN ECONOMIC RECOVERY BOARD

PROJECT: Cooper’s Ferry Development Association, Inc. APPL.#18149
(Boyd & Morse Infrastructure Project)
LOCATION: Camden/Camden Cty.
FINANCING: $3,570,000 non-recoverable infrastructure grant
REQUEST: amend the scope of work and extend the term of the grant agreement to October 31, 2010
MOTION TO APPROVE: Mr. Plokker SECOND: Mr. Carden AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12
PROJECT: Nueva Vida Homes, LLC (Predevelopment Funding) APPL.#23514
LOCATION: Camden/Camden Cty.
FINANCING: $50,000 ERB Recoverable Predevelopment Grant
REQUEST: increase the grant to $100,000 to fund the increase in expenses associated with predevelopment activities
MOTION TO APPROVE: Mr. Poliner SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: The Camden Redevelopment Agency APPL.#17493
(Radio Lofts – Building #8)
LOCATION: Camden/Camden Cty.
FINANCING: $1,997,716 non-recoverable infrastructure grant
REQUEST: change in scope to the remedial action work plan
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Poliner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

PROJECT: The Camden Redevelopment Agency APPL.#20266
(Tire & Battery Remediation)
LOCATION: Camden/Camden Cty.
FINANCING: $700,000 non-recoverable infrastructure grant
REQUEST: approve the funding authorization for a request for the extension of the grant until December 31, 2010.
MOTION TO APPROVE: Mr Kosoffsky SECOND: Mr. Tolson AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

PROJECT: The Salvation Army, a New York Corporation APPL.#17483
(Kroc Corp Community Center)
LOCATION: Camden/Camden Cty.
FINANCING: $4,000,000 non-recoverable infrastructure grant and $1,000,000 public purpose grant
REQUEST: approve the funding authorization for a request for the extension of the grants until December 31, 2011.
MOTION TO APPROVE: Mr Plofker SECOND: Mr. Carden AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16
PETROLEUM UNDERGROUND STORAGE TANK PROGRAM

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

MOTION TO APPROVE: Mr. Carden  SECOND: Mr. Plofker  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT:  James Boyce  APPL.#28521
LOCATION: Hopatcong/Sussex Cty.
PROCEEDS FOR: upgrade, closure and site remediation
FINANCING: $108,545 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 2009.  (For Informational Purposes Only)

HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM

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

MOTION TO APPROVE: Mr. Carden  SECOND: Mr. Kossofsky  AYES: 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Mr. Ryan abstained due to the fact that he is a Glassboro resident.
Mr. Zaro abstained due to prior representation of Seaboard Service.

PROJECT: Borough of Glassboro (Frm. Migrant Worker’s Camp)  APPL.#28615
LOCATION: Glassboro/Gloucester Cty.
PROCEEDS FOR: remedial investigation
FINANCING: $170,035 Hazardous Discharge Site Remediation Fund

PROJECT: Seaboard Service  APPL.#27170
LOCATION: Ocean Twp./Monmouth Cty.
PROCEEDS FOR: remedial action
FINANCING: $493,338 Hazardous Discharge Site Remediation Fund loan

The next item was a summary of the Hazardous Discharge Site Remediation Fund Program Delegated Authority Approvals for the month of October 2009.  (For Informational Purposes Only)
CLEAN ENERGY SOLUTIONS

The next item was to give the Board background on how the EDA is planning to address Renewable Energy Certificate (REC) collateral that will be pledged as a part of financing clean energy projects under the Clean Energy Solutions Capital Investment program.

(For Informational Purposes Only)

PROJECT: Fisherman’s NJ Offshore Windfarm, LLC. APPL.#28876
LOCATION: Atlantic City/Atlantic Cty.
PROCEEDS FOR: construction of a meteorological tower
FINANCING: $3,074,000 Clean Energy Solutions Capital Investment loan
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Tolson AYES: 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
Mr. Burke abstained due to the fact that he has a business relationship with the CEO of Fisherman NJ Offshore Windfarm LLC.

PROJECT: Mejor Betty, LLC. APPL.#28461
LOCATION: Elizabeth/Union Cty.
PROCEEDS FOR: purchase and installation of a solar electric system
FINANCING: $2,000,000 Clean Energy Solutions Capital Investment loan
MOTION TO APPROVE: Mr. Ryan SECOND: Mr. Carden AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Merlin Industries, Inc. APPL.#28574
LOCATION: Hamilton/Mercer Cty.
PROCEEDS FOR: purchase and installation of a solar electric system
FINANCING: $1,000,000 Clean Energy Solutions Capital Investment loan
MOTION TO APPROVE: Mr. Kosofsky SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

PROJECT: Nautilus Solar WPU, LLC APPL.#28571
LOCATION: Wayne/Passaic Cty.
PROCEEDS FOR: purchase and installation of a solar electric system
FINANCING: $5,000,000 Clean Energy Solutions Capital Investment loan
MOTION TO APPROVE: Mr. McNamara SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
INCENTIVE PROGRAMS

BUSINESS INCENTIVE EMPLOYMENT PROGRAM

PROJECT: Catapult Holdings, Inc.  APPL.#28762
LOCATION: Camden/Camden Cty.  BUSINESS: educational services
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker  SECOND: Mr. Carden  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: INTEX Millwork Solutions LLC  APPL.#28763
LOCATION: Millville/Cumberland Cty.  BUSINESS: paper/wood
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Manning  SECOND: Mr. Kirschner  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Nebraska Meat Corporation  APPL.#28590
LOCATION: TBD  BUSINESS: food products
GRANT AWARD: 20% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Poliner  SECOND: Mr. Tolson  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: NicOx Inc. and Affiliates  APPL.#28915
LOCATION: Warren/Somerset Cty.  BUSINESS: biotechnology
GRANT AWARD: 60% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Ryan  SECOND: Mr. Manning  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Oxford Instruments Superconducting Technology LLC  APPL.#28892
LOCATION: Carteret/Middlesex Cty.  BUSINESS: medical device technology
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Kirschner  SECOND: Mr. McNamara  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Roka Bioscience, Inc.  APPL.#28799
LOCATION: Warren/Somerset Cty.  BUSINESS: biotechnology
GRANT AWARD: 50% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Ryan  SECOND: Mr. Carden  AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20
PROJECT: Xybion Corporation and Affiliates
LOCATION: TBD
BUSINESS: printing and publishing
GRANT AWARD: 35% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

PROJECT: Atlantic Coast Media Group, LLC
LOCATION: Jersey City/Hudson Cty.
BUSINESS: wholesale
GRANT AWARD: 80% Business Employment Incentive grant, 10 years
MOTION TO APPROVE: Mr. Plofker SECOND: Mr. Kirschner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

PROJECT: Nebraska Meat Corporation
LOCATION: TBD
BUSINESS: food products
GRANT AWARD: $480,000 (estimate), 5 years
MOTION TO APPROVE: Mr. Ryan SECOND: Mr. Manning AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

BROWNFIELD REIMBURSEMENT PROGRAM

PROJECT: P&F Hackensack, LLC
LOCATION: Hackensack/Bergen Cty.
REIMBURSEMENT GRANT: Up to $484,500
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Tolson AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ECONOMIC REDEVELOPMENT AND GROWTH (ERG) GRANT PROGRAM

PROJECT: Newport Office Center VI, LLC
LOCATION: Jersey City/Hudson Cty.
REIMBURSEMENT GRANT: Up to $14,600,000
MOTION TO APPROVE: Mr. Zaro SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

BOARD MEMORANDUMS

The next item was to approve the addition of not-for-profits as eligible entities for the Fast Start loan program and to change the name of the program to the “Small Business Fund.”

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Poliner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24
The next item was to accept three changes to the Fund for Community Economic Development: (1) the extension of terms for an additional 10 years of the loans that PSE&G and JCP&L provided in 1997 to capitalize the Fund (2) the reduction of the notes’ interest rates to 2% fixed for PSE&G and 3% fixed for JCP&L and (3) the alteration of the loan limit of the Real Estate component so that it allows the EDA Direct Loan limit.

MOTION TO APPROVE: Mr. Carden SECOND: Mr. Poliner AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

PROJECT: Wood-Ridge Development LLC APPL.#16898
LOCATION: Wood-Ridge/Bergen Cty.
FINANCING: $750,000 Brownfields Redevelopment loan
REQUEST: Extend the loan maturity from October 1, 2009 to July 1, 2011
MOTION TO APPROVE: Mr. Latoof SECOND: Mr. Kosoffsky AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

PROJECT: JVG Properties, LLC APPL.#14552
LOCATION: Carlstadt/Bergen Cty.
FINANCING: $6,100,000 Tax Exempt Bond
REQUEST: Consent to the sole bondholder’s request to eliminate requiring a letter of credit to credit enhance the 2004 bonds
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Tolson AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

PROJECT: DPC Cirrus, Inc. APPL.#10894
LOCATION: Flanders/Morris Cty.
FINANCING: $362,260 BEIP grant
REQUEST: (1) sale of parent company, Diagnostic Products Corporation, to Siemens Medical Solutions (2) Name change from SMSD to Siemens Healthcare Diagnostics Inc. (3) Continuation of BEIP grant notwithstanding legal issues reviewed by staff, in consultation with the Attorney General’s office.
MOTION TO APPROVE: Mr. Carden SECOND: Mr. Latoof AYES: 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

The next item was a summary of projects approved under Delegated Authority in October 2009. (For Informational Purposes Only)

New Jersey Business Growth Fund: Catherine M. Ricciardi, DBA State Farm Insurance Agency; Schultes Inc. and A.C.S. & Sons, Inc.; Uptown Keyport Hotel LLC and Uptown Keyport Bar & Grill LLC
**Fast Start Direct Loan Program:** Direct Cabinet Sales Inc.; Keep It Clean Janitorial Service and Supply

**NJ Main Street Program:** 100 E. Taylor Avenue Associates, LLC & BSCS Associates, LLC

**Preferred Lender Program:** Aries Realty Associates, LLC; MCB, LLC

**Camden ERB:** 808 Market Street Associates, LLC; Standard Merchandising Company

**New Jersey Business Growth Fund – Modification:** Four Star Reproductions, Inc.

**REAL ESTATE**

The next item was to approve a Memorandum of Understanding between the Authority and the Department of Treasury, Division of Property Management, and Construction, authorizing the Authority’s acquisition and marketing of the Riverfront State Prison under the terms consistent with the Riverfront State Prison Demolition and Redevelopment Funding Agreement between the Authority and the Delaware River Port Authority.

*This item was held from consideration.*

The next item was to approve a second extension of a Memorandum of Understanding for the period beginning January 1, 2010 through December 31, 2011, between the Port Authority of New York & New Jersey and the New Jersey Economic Development Authority in which each party will continue to fund Portfields development feasibility and planning studies and projects, and implement activities in support of Portfields development projects which will positively impact PANYNJ facilities in New Jersey.

**MOTION TO APPROVE:** Mr. Carden  **SECOND:** Mr. McNamara  **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 29

**EXECUTIVE SESSION**

The next item was to adjourn the public session of the meeting and to enter into Executive Session to discuss a real estate matter involving the Authority.

**MOTION TO APPROVE:** Mr. Manning  **SECOND:** Mr. Carden  **AYES:** 14

**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 30
PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. Carden, and seconded by Mr. Tolson, the meeting was adjourned at 12:05 p.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
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
November 24, 2009

MINUTES OF THE SPECIAL MEETING

Members of the Authority present: Jerry Zaro representing the Governor’s Office; and Joe Latool representing the Commissioner of the Department of Labor and Workforce Development.

Present via phone: Joseph McNamara, Vice Chairman; James Kelly, representing the State Treasurer; Dan Ryan representing the Commissioner of the Department of Environment Protection; Richard Poliner representing the Commissioner of the Department of Banking and Insurance; Public Members Timothy Carden, Charles Sarlo, Steve Plofker, Richard Tolson, and Thomas Manning.

Absent from the meeting: Carl Van Horn, Chairman; Public Members: Phil Kirschner; First Alternate Public Member Raymond Burke; Second Alternate Public Member Elliot M. Kosoffsky, and Rodney Sadler, Non-Voting Member.

Also present: Caren Franzini, Chief Executive Officer of the Authority; Bette Renaud, and Barbara Mickle, Deputies Attorney General, and quests.

Mr. Zaro called the meeting to order at 12:10 pm.

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.

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM

The next item was to approve a total of 2 benefit requests which have been evaluated according to the criteria established by the Members of the Board and met the criteria for approval. Disapproval is recommended for 6 benefit requests that failed to meet all of the threshold criteria. These companies have not met the criteria for approval as described in the Project Score sheets. Ms. Franzini summarized the review and approval process, including how recent changes in the law were addressed in legislation signed on July 27, 2009.

MOTION TO APPROVE: Mr. Latool SECOND: Mr. McNamara AYES: 11

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1
PUBLIC COMMENT

There was no comment from the public.

There being no further business, on a motion by Mr. McNamara, and seconded by Mr. Latoof, the meeting was adjourned at 12:20 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
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

RE: Chief Executive Officer’s Report to the Board

URBAN LENDING ACTIVITY

The EDA finalized two loans through the Fund for Community Economic Development in November with The Reinvestment Fund, Inc. that are designed to support the development of supermarkets in New Jersey’s urban areas. The Reinvestment Fund, a national innovator capitalizing distressed communities and stimulating economic growth for low- and moderate-income families, borrowed a total of $4 million, three-quarters of which will be part of an aggregate pool of $20 million that will be made available for supermarket development throughout New Jersey. The other $1 million will be combined with loans from several financing sources to form a $5-million pool of funds for supermarket projects specifically located in the City of Newark. The funding is expected to stimulate the creation of a total of 250 new jobs in urban areas.

From January through the end of November, the EDA closed 52 financings totaling more than $51 million in the urban centers of Atlantic City, Camden, Elizabeth, Jersey City, Newark, Paterson and Trenton under the New Jersey Urban Fund. These projects involve over $207 million in total investment and are expected to lead to more than 1,400 new full-time jobs and almost 2,700 construction jobs.

The EDA also closed 51 projects in other Urban Aid cities in the January-through-November period, providing nearly $30 million in bonds, loans, loan guarantees and environmental assistance grants for borrowers investing over $73 million in the state’s economy. This support is expected to result in the creation of more than 530 jobs.

CORE LENDING ACTIVITY

Core financing activity totals reached more than $330 million by the end of last month with 146 projects receiving assistance. These projects plan to make total investments of more than $871 million and create over 2,200 new, full-time jobs and nearly 9,300 construction jobs throughout New Jersey.
Century Packaging, Inc. of East Brunswick was one of the companies that finalized assistance in November, using tax-exempt bond financing to purchase a new printing press that will allow it to improve its production efficiency. The real estate affiliate of ResinTech, Inc., which produces ion exchangers for commercial water purification applications, also benefited from EDA assistance during the month. A $350,000 EDA participation in a Citizen Bank loan under the Statewide Loan Pool for Business program enabled it to acquire a building in Berlin Township to facilitate business expansion.

EDISON INNOVATION FUND

The EDA has closed a total of 25 projects through the first 11 months of the year under the Edison Innovation Fund totaling nearly $59 million in financing and incentives. These projects are expected to result in total investments of more than $255 million in New Jersey’s economy and the creation of over 2,300 new jobs. Year-to-date direct investments total $7.85 million in 12 Edison projects.

The latest project added under the Edison umbrella was a Business Employment Incentive Program grant that was executed with AustarPharma, LLC, an Edison-based pharmaceutical business. The company expects to create 150 new jobs. The 10-year grant is anticipated to be just over $1 million.

EDA NEWS

Four November Closings Increase Main Street Program Assistance to $7.7 Million

The EDA finalized four financings under the Main Street Business Assistance Program in November, bringing the total number of projects closed to 19. These projects represent $7.7 million in assistance, more than 700 retained jobs and the expected creation of nearly 100 new jobs.

Projects closed in November included a $1-million Main Street participation in a $14-million financing package that will be used by skilled nursing facilities Green Acres Manor in Dover Township and Berkeley Meadows in Springfield to refinance existing mortgage debt, and by Magnolia Gardens at Manchester to take title to the more than 250 skilled nursing beds from St. Barnabas Health Care System. Also, Star Soap/Star Candle/Prayer Candle, LLC of Ridgefield Park closed a $500,000 participation in a $2-million M&T Bank loan to refinance equipment debt and provide working capital for its operating companies, which manufacture and distribute household and religious candles. A related entity, 29 Ash Realty LLC, also borrowed $1 million under the Main Street program for refinancing and working capital purposes.

EDA Implements New Application process for Clean Energy Manufacturing Fund

The EDA announced a new application process for the Edison Innovation Clean Energy Manufacturing Fund in November. Applications are now evaluated under a first-come, first-served review process, moving away from the competitive solicitation utilized in
January and June. Changing to an open, rolling application process is a more user-friendly approach that will help to ensure a quicker delivery of assistance to companies and also open up communication with businesses seeking support. The new process EDA adopted will ensure New Jersey is in an even better position to support the clean technology industry.

EDA Among Honorees at Tonight’s ULI Northern NJ Council’s Award Ceremonies

The Northern New Jersey District Council of the Urban Land Institute will present its Leadership in Public Policy Award to the Smart Growth Economic Development Coalition, the EDA and the legislative sponsors of the New Jersey Economic Stimulus Act of 2009 tonight at the Heldrich Center, New Brunswick. The award is one of the several that will be given to recognize leadership in public policy and achievement of the full scope of the development process: design, planning, community development and involvement, construction, economic viability, marketing, management and sustainability. Recipients, whether projects or people, must be shown to have accomplishments aligned with the council’s mission of providing leadership in the responsible use of land by creating sustaining, thriving communities as well as furthering the goals of the state Development and Redevelopment Plan.

The Economic Stimulus Act, signed into law in July, is a broad effort to stimulate economic development and job creation in the state. Among its features, the act established the Economic Redevelopment and Growth Grant Program and made revisions to the Urban Transit Hub Tax Credit Program and the Technology Business Tax Certificate Transfer Program, all of which are being administered by the EDA. The act was also designed to improve the financing of higher education facilities in New Jersey by encouraging public-private partnerships for on-campus state or county college construction projects. The EDA is responsible for reviewing and approving all projects that move forward.

New Brochure Details Why New Jersey is an Ideal Choice for Business Location

In November, the EDA launched a Why NJ brochure, a comprehensive resource guide that showcases the many attributes that make New Jersey a great place for businesses to call home. Developed for domestic and international businesses interested in locating and operating in the state, the brochure provides information on Why NJ is the ideal choice for businesses, details our business and economic development services, and speaks to the state’s notable diversity. Additionally, internationally known companies that call New Jersey home are profiled in the brochure, including Johnson & Johnson, Verizon, Campbell Soup Company, Prudential, COSCO Americas and sanofi-aventis.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as attendees, exhibitors or speakers at 29 events in November. These included a New Jersey Alliance for Action annual Construction Forecast Seminar in Trenton, a Building Contractors’ Association of New Jersey Coffee
Talk Program in Edison, a North Jersey Innovates Conference in Livingston sponsored by NJEntrepreneur.com, a South Jersey Bankers Association meeting in Cinnaminson, a Somerset County Planning Board-sponsored Economic Forum in Bridgewater, and a New Jersey Technology Council awards program in Somerset. On November 17 and 18, the EDA had a notable presence at the 94th annual New Jersey State League of Municipalities Conference in Atlantic City. EDA staff served as panelists addressing a number of complex issues impacting state government and businesses throughout the state, including gap financing, Urban Enterprise Zones and programs supporting a more sustainable New Jersey. EDA employees also staffed the State of New Jersey booth.

Additionally, the EDA organized an International Trade Seminar during the month at the State House Annex to help New Jersey companies promote exports in the Middle East. The EDA discussed state resources available to New Jersey’s exporting businesses and highlighted industry sectors offering the potential for exporting opportunities. Several international experts also presented information on how New Jersey companies can go about marketing their products in the Middle East.

In November, we also organized two product information sessions for selected employees on bond financing and the Economic Redevelopment and Growth Grant Program as well as a “lunch and learn” program for all employees on ERG.
AUTHORITY MATTERS
MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: 2010-2011 Strategic Business Plan

DATE: December 8, 2009

I am pleased to share with the Members the attached 2010-2011 Strategic Business Plan that has been discussed with the Policy Committee and Audit Committee and referred to the full Board for its review and approval. The plan reflects our core mission to strengthen New Jersey’s economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State’s strategic advantages to attract domestic and international businesses.

2009 Accomplishments

As I reflect on the past year, the actions by the Governor and Legislature to stimulate the economy, and advance the New Jersey Energy Master Plan had a significant impact on the EDA’s operations and project activity. 2009 saw tremendous growth in programs created by the Legislature that the EDA is charged with implementing. The first quarter of the year saw the launch of the Invest NJ grant programs, the Main Street loan program, and the Clean Energy Manufacturing program developed in partnership with the Board of Public Utilities. This was followed by the rollout of the Clean Energy Solutions Capital Investment product, Retail Margin Fund Combined Heat and Power grant program, and the Clean Energy Solutions Edison Innovation Project Fund under the American Reinvestment and Recovery Act (ARRA). July saw the signing of the New Jersey Economic Stimulus Act of 2009 that charged the EDA with the responsibility of implementing the new Economic Redevelopment Growth grant program, new Higher Education Public Private Partnership program, and the enhanced Urban Transit Hub Tax Credit program.

All of these initiatives serve to strengthen the array of financial assistance the EDA offers businesses to locate, expand and retain jobs in NJ. Through intensive, cross-divisional efforts, we seamlessly implemented programs by the deadlines prescribed by enabling legislation and now look to 2010 to market our new resources to the business and redevelopment community in order to stimulate economic activity throughout the State,
with particular emphasis on urban areas. Last year’s integration of the former Commerce Commission, now known as the Business Retention and Attraction Division, has strengthened our outreach to businesses through a single point of entry for assistance and coordinated advocacy efforts, and our plans for 2010 build upon this solid new foundation. Also, in the midst of a challenging economy, we were able to accomplish these activities by curtailing non-mission critical spending to ensure the Authority has the resources necessary to best serve the business community, balanced by successful efforts to bring in new earned and fee revenues to cover the costs of implementing and managing programs.

Other highlights against the 2009 plan are noted in our Strategic Plan, which provides specific performance metrics as well as an overview of challenges and opportunities that will shape our efforts in the days ahead.

2010-2011 Strategic Business Plan

The 2010-2011 Strategic Business Plan reaffirms our key business objectives to grow New Jersey’s economy and enhance the EDA’s financial strength. This plan outlines the key strategies we will focus on in 2010, which include continued emphasis on core financial products, the NJ Urban Fund and Edison Innovation Fund, business retention and attraction, Clean Energy, and enhancing our internal management capability.

I also note that this plan again reflects a multi-year projection that reflects the substantive work done towards our asset allocation review and related fiscal planning to manage resources.

Highlighted initiatives include:

- Deploy $100 million (measured against closed transactions) by Year End 2010 in the nine targeted cities
- Deploy $100 million (measured against closed transactions) by Year End 2010 in Urban Aid cities, excluding the nine targeted cities
- Deploy $125 million (measured by closed transactions) in core business areas
- Close two Urban Hub Tax Credit project agreements or a minimum $250 million in committed credits
- Close on investment in at least one grocery store development in urban community
- Focus global outreach efforts on “best prospect” trading partners and industries to enhance global awareness of New Jersey through targeted marketing and event venues to expand foreign direct investment into the State and sales of NJ exports
- Opportunistic investment in technology companies through the Edison Innovation Commercialization and Growth Fund as the Authority’s financial resources and risk profile allow
- Refinement of Clean Energy Solutions portfolio products to address financing gaps and goal to revolve funds.
- Complete the integration of the ITS strategic plan, to assist organization with tools to reduce workload and redundant efforts
- Enhance investment management guidelines for all financing initiatives that will enable the EDA to fulfill its mission while growing and preserving capital and maintaining asset quality and strength
- Cascade leadership development strategy to next tier of managers to identify areas of strength and areas for development based on the EDA Leadership Profile and Guiding Principles

Our plan is a blueprint for service delivery based on customers’ needs, targeted application of resources to achieve the State’s economic growth strategies, and strong fiscal and performance-based management. The plan is additionally supported by operational plans generated by our divisions. Our individual goal setting and performance measurement process is aligned with the strategic business plan so that compensation is tied to individual’s achievement of goals that support the EDA’s business objectives. Our success will be reflected in the financial performance and progress reporting that we will review with the Audit, Director’s Loan Review, Real Estate, Policy and Incentives Committees on a regular basis.

The management of the EDA is strongly committed to achieving our objectives and will look to the Board for guidance as we move forward. Accordingly, we recommend the plan to the full Board for its review and approval and look forward to providing the Members with regular reports on our progress in realizing our plan.

Caren S. Franzini

Attachment

Prepared by: Maureen Hassett
NJEDA STRATEGIC PLAN
2010 – 2011

OUR MISSION:

The mission of the EDA is to strengthen New Jersey’s economy by retaining and growing businesses through financial assistance, by renewing communities, and by promoting the State’s strategic advantages to attract domestic and international businesses.

OUR VISION:

To be a leading economic development organization nationally recognized for supporting the achievement of a vibrant State economy, productive businesses and successful communities.

KEY BUSINESS OBJECTIVES:

- Grow New Jersey’s Economy
- Enhance EDA’s Financial Strength

KEY STRATEGIES:

- Business Retention and Attraction: Focused on outreach and advocacy for New Jersey businesses and a point of entry for businesses looking to prosper in New Jersey.
- New Jersey Urban Fund: Focused on the revitalization of New Jersey’s urban areas through financial and technical assistance.
- Edison Innovation Fund: Focused on nurturing technology and life science companies in New Jersey.
- Core Financial Products: Focused on providing financial assistance to New Jersey’s small and mid-sized businesses with a focus on manufacturers.
- Clean Energy Solutions: Focused on providing financial assistance to companies going green as well as to companies producing green innovative technology and power.
- Enhance EDA’s Internal Management Capability: Focused on EDA’s fiduciary responsibilities, operational capacity and leadership development.
Challenges and Opportunities

The EDA has made significant strides against the measurements set out in the 2009-2010 Strategic Plan and will build on these successes as we move into 2010. For the 2009 plan year, as of December 1, the Authority has assisted 269 projects providing $468.2 million in assistance that leveraged $1.4 billion in public/private investment and created more than 6,414 jobs in New Jersey.

The EDA is particularly proud of the following accomplishments. In 2009 the Authority:

- Successfully integrated the former Commerce Division to create a streamlined point of entry for businesses seeking to expand or locate in New Jersey
- Initiated a very aggressive calling plan involving the Governor and the Office of Economic Growth Chief to outreach to companies to provide an opportunity to showcase assistance strategies
- Created a strong marketing plan with coordinated strategic press events, including sponsorships, event participation, speaking engagements, ads, direct mail and web, to communicate the benefits of locating and expanding in New Jersey
- Partnered with The Reinvestment Fund to create a supermarket fund for urban supermarkets
- Rolled out three new Clean Energy Programs under the Clean Energy Solutions portfolio: Clean Energy Manufacturing Fund, Clean Energy Solutions Capital Investment Program, and the Retail Margin Fund Combined Heat and Power Performance Grant Program
- Coordinated with Governor’s Office and Office of Economic Growth to enact changes to the Technology Business Tax Certificate Transfer program to allow increased access to cash for small tech businesses and changes to the Urban Transit Hub Tax Credit program to strengthen incentives for investing in the 9 key cities
- Successfully rolled out new economic stimulus programs – InvestNJ and Main Street
- Assumed responsibility for two new legislative programs: Higher Education Public Private Partnerships and the Economic Redevelopment and Growth grant programs. Adopted guidelines, rules and application process for both programs
- Curtailed non-mission critical spending to ensure the Authority has the resources necessary to best serve the business community
- Successfully brought in new earned and fee revenues related to new programs
- Overcame challenge of length of time from commitment to closing with increased activity in the Authority’s Preferred Lender and Main Street programs.
While achieving these goals, we are aware of numerous challenges that the Authority will face in 2010 and 2011, as well as many opportunities to make a positive impact on New Jersey’s economy. The Strategic Goals and Objectives for each Key Strategy presented in the 2010-2011 Strategic Plan address these Challenges and make use of these Opportunities.

**Challenges:**
- An unstable national economy attempting to grow out of a deep recession
- Modest EDA financial resources to support participation in significant urban real estate development projects and technology companies outside of clean energy
- Need for patient capital restricts availability of EDA resources
- Competition from other states’ for business opportunities
- Decrease in Urban activity resulting from the national recession and related barriers to credit
- Need to balance staffing needs to handle new programs with need to maintain costs

**Opportunities:**
- Authority enjoys excellent reputation in State among government and business leaders due to professionalism and responsiveness
- Commitment of employees to excellence and service
- Strong functional expertise in EDA products and processes
- ITS Strategic Plan deployment to enhance customer relationship and advance process improvements for greater efficiencies and reduced costs
- New funding tools that address redevelopment barriers and allow increased opportunities for core business and clean energy financing: Urban Transit Hub Tax Credit Act, New Jersey Urban Fund, Regional Greenhouse Gas Initiative Funds/BPU funds for clean energy programs, Economic Redevelopment and Growth (ERG) grants; Main Street
- Integration of Business Development, Business Advocacy and International Trade to optimize customer experience and increase lead generation
- Combined state marketing/messaging through new Business Retention and Attraction Division with targeted product marketing to capture all opportunities in an organized and coordinated fashion
- Use of new business outreach consultant to expand outreach efforts
KEY STRATEGY I: BUSINESS RETENTION AND ATTRACTION

The EDA works with the Governor’s Office to advance policies in the State that will positively impact business growth opportunities. Our efforts have been strengthened by a focus on significant economic development projects. Measures regarding the commitment of resources are included in Key Strategies II-IV.

Current status and previous year’s results:

New Jersey has taken steps to spur business growth and capitalize on the advantages that make our state a destination for businesses across all industry sectors. Advantages such as a highly skilled and well educated workforce and our strategic location have been supplemented by a several pro-growth initiatives to ensure that New Jersey continues to build a foundation that is conducive to economic growth and prosperity.

Strategic Goals:

1) Enhance the EDA’s business retention and attraction activities to include strategic outreach efforts, as well as personnel to act as the single point of contact for businesses and partnering entities.
2) Advance the EDA’s International Trade Team to encourage increased foreign direct investment in the State and to provide export support to New Jersey businesses.
3) Market the attractive features of New Jersey (Strategic Location, Quality of Life, Educated Workforce, Innovative Businesses) as a great choice for a business location, and the state’s strong financial and incentive products to the industry sectors vital to the State’s economy, under a coordinated, comprehensive marketing effort

2010 Objectives:

1) Execute a tiered calling plan to enhance business retention efforts for staff and Governor’s Office supported by appropriate corporate briefings
2) Implement the business attraction portion of the business calling plan working with a business development consultant to identify new prospects to relocate to the State.
3) Focus global outreach efforts on identified “best prospect” trading partners and industries to enhance global awareness of New Jersey through appropriate targeted marketing and participation, sponsorship and hosting of events to expand foreign direct investment into the State and sales of NJ exports.
4) Leverage internal resources and expertise to maximize the assistance EDA can provide to potential international investors.
5) Build awareness of EDA’s export support services to partners and other state agencies, as well as directly to the small and mid-sized business community.
6) Communicate the benefits of locating and/or expanding in New Jersey through marketing tactics and coordinated strategic press events, including sponsorships, event participation, speaking engagements, ads, direct mail and web
7) In coordination with the Governor’s office, launch public/private marketing partnership to raise NJ visibility as preferred place to do business
8) Enhance partnerships with local economic development partners and service providers to increase awareness of state assistance and cross sell EDA/State products
9) Take steps to be more active in business advocacy from a policy standpoint by working with the Governor’s Office and business trade organizations to better understand issues facing the business community that are non-finance/incentive related, including but not limited to health care/insurance, tax policy.

2010 Measures:

1) The generation of 75 new proposal letters and 20 resulting applications. 
2) Complete 25 meeting with companies located outside the State
3) Establishment of plan to participate in overseas international trade events, that takes into consideration key industries, trading and private partners and events that will lead to achievement of objectives.
4) Generation of 20 proposal letters to international investors.
5) Partner with a public entity to re-establish an overseas office.

2011 Objectives:

1) Realize generation of FDI and export leads through an overseas office
2) Review calling plan results from 2010 and refine outreach activities accordingly.
KEY STRATEGY II: THE NJ URBAN FUND

The vision of the NJ Urban Fund is to provide a set of tools, focused on the 9 designated urban centers targeted for growth in the NJ Redevelopment plan, which will unlock the economic potential of these communities to bring about revitalization, employment creation, improved standards of living and increased access to capital for businesses. Strategies are focused on small business growth, real estate development projects that catalyze revitalization and significant job creation, and nonprofit organizations that advance neighborhood development initiatives.

Current status and previous year’s results:

<table>
<thead>
<tr>
<th>Assistance through NJUF 2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Assisted</td>
<td>52</td>
</tr>
<tr>
<td>Total Assistance</td>
<td>$51.5 million</td>
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<tr>
<td>Public/Private Investments</td>
<td>$207.4 million</td>
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<tr>
<td>% Against Plan</td>
<td>52%</td>
</tr>
<tr>
<td>Estimated New Permanent Jobs</td>
<td>1,422</td>
</tr>
<tr>
<td>Estimated Construction Jobs</td>
<td>2,700</td>
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</table>

<table>
<thead>
<tr>
<th>Other Urban Assistance 2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects Assisted</td>
<td>51</td>
</tr>
<tr>
<td>Total Assistance</td>
<td>$29.7 million</td>
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<tr>
<td>Public/Private Investments</td>
<td>$73.2 million</td>
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<tr>
<td>% Against Plan</td>
<td>30%</td>
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<tr>
<td>Estimated New Permanent Jobs</td>
<td>531</td>
</tr>
<tr>
<td>Estimated Construction Jobs</td>
<td>449</td>
</tr>
</tbody>
</table>

As of 12/1/2009

Strategic Goals:

1) Utilize all available redevelopment tools in the State’s nine urban centers to attract private sector investment and to build upon existing assets such as well-developed infrastructure, and renowned educational, medical and cultural institutions to spur revitalization

2) Obtain private investment to attract companies and spur business growth and advance redevelopment planning, commercial, mixed-use, grocery store and port development.

3) Increase the amount of capital available for projects in communities through aggressive outreach to equity partners and expanded collaboration with external sources including the Urban Enterprise Zones.

2010 Objectives:

1) Enhance existing marketing communications plan to increase awareness of product offerings designed to attract private investment and retain and grow jobs in designated urban areas with staff point person in each of the nine cities.
2) Deploy new tax incentive, technical and financial assistance programs in order to provide enhanced benefits to the nine designated urban centers, including ERG Grant program and the Urban Transit Hub program.

3) Revitalize and refocus the Fund for Community Economic Development by attracting new partners to the Fund in order to increase available capital and by making changes to the Fund to increase its usefulness to the market.

4) Strengthen partnerships, market and deploy the State Urban Grocery Store Fund and Fund for Community Economic Development to assist projects in urban areas.

5) Implement brownfields redevelopment throughout the State to stimulate employment creation and revitalization.

2010 Measures:

1) Deploy $100 million (measured against closed transactions) by Year End 2010 in the nine targeted cities.

2) Deploy $100 million (measured against closed transactions) by Year End 2010 in Urban Aid cities, excluding the nine targeted cities.

3) Initiate or advance two new EDA developed real estate projects in the nine targeted cities.

4) Close two Urban Transit Hub Tax Credit project agreements or a minimum $250 million in committed credits.

5) Close on investment and invest in at least one grocery store development in an urban community.

6) Approve one partner’s continued and expanded commitment to the Fund for Community Economic Development and attract one new Fund partner.

7) Close $5 million in an equity investment fund oriented to New Jersey distressed areas with an emphasis on the nine cities. Leverage this investment by at least 3:1. Raise an additional $25 million in investment capital from socially minded and market-oriented investors. Capital will be used to make real estate project investments through the Fund in distressed areas.

8) Identify partners and investors to leverage a $4 million EDA investment in a Grocery Store Fund.

9) Approval of 6 ERG Grant projects in urban areas.

2011 Objectives:

1) Continue to seek additional sources of capital to assist urban projects.

2) Communicate success through marketing communications plan.
KEY STRATEGY III: THE EDISON INNOVATION FUND

The Edison Innovation Fund is an integrated set of resources to support technology, life science and clean energy initiatives throughout the stages of discovery, development, and commercialization. Implementation has been advanced by the NJ Economic Development Authority and the NJ Commission on Science and Technology. Resources from the Fund are focused on information technology/communications/new media, life science, stem cell, and clean energy. Through the State’s effort, the Fund addresses the need for early stage capital for emerging technology businesses and the desire to increase patent generation and technology transfer from NJ’s public research institutions to these businesses.

Current status and previous year’s results:

<table>
<thead>
<tr>
<th>Edison Innovation Fund 2009</th>
<th></th>
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<tbody>
<tr>
<td>Projects Assisted</td>
<td>25</td>
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<tr>
<td>Total Assistance</td>
<td>$58.9 million</td>
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<tr>
<td>Public/Private Investments</td>
<td>$255.1 million</td>
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<tr>
<td>Direct Investment</td>
<td>$ 7.85 million in 12 companies</td>
</tr>
<tr>
<td>% Against Plan</td>
<td>80%</td>
</tr>
<tr>
<td>Estimated New Permanent Jobs</td>
<td>2,312</td>
</tr>
<tr>
<td>Estimated Construction Jobs</td>
<td>420</td>
</tr>
</tbody>
</table>

As of 12/1/2009

Strategic Goals:

1) Provide capital to emerging technology companies, within the Authority’s risk profile, in order to encourage companies to locate, expand and grow in New Jersey.
2) Support life science and technology companies in NJ through the provision of flexible work and lab space that addresses gap in marketplace and advances efforts to conduct cutting edge research aligned with State’s strategic initiatives
3) Develop marketing communications plans that increase the visibility of New Jersey’s strength in key technology sectors
4) Explore additional capital resources for technology available through the federal government or other sources

2010 Objectives:

1) Continue to improve and refine processes and products to best fit customer needs.
2) Enhance opportunities of partnerships for businesses locating in Innovation Zones
3) Advance Edison Innovation Fund real estate solution strategy though strategic alliances in Fort Monmouth, Aviation Research and Technology Park, and Innovation Zones and maximize the occupancy in EDA owned and managed Innovation Zone facilities
4) Coordinate materials, events, sponsorships and web tools for sales support to generate appropriate business leads for the Technology and Life Sciences group.
5) Opportunistic investment in technology companies as the Authority’s financial resources and risk profile allow.

6) Build network of available resources for early stage technology companies, including angel investors.

7) Restructure payment terms on existing portfolio to meet industry needs and the fiscal constraints of the Authority

8) Identify new sources of capital for life science and technology companies

9) Work closely with our venture funds General Partners to assure appropriate venture returns and strategize on appropriate recycling of available returns

2010 Measures:

1) Complete fit out of 5th floor of Waterfront Technology Center at Camden and advance two other projects in Innovation Zones

2) Create prescreening tool for TLS applicants to be available on EDA website

3) Establish a Clean Energy Technology R&D wraparound product

4) Reduce one-off loan exemption requests to the Board through improved portfolio monitoring

2011 Objectives:

1) Continue to seek additional sources of capital to assist technology and life science projects

2) Continue to re-evaluate programs and processes to ensure the Authority is meeting market demand, while staying within appropriate risk profile

KEY STRATEGY IV: CORE BUSINESS AREAS

The EDA’s Core Financing programs and related products annually assist hundreds of businesses, manufacturers, health and social service agencies and other nonprofit organizations through bonds, loan financing and guarantees. Additionally, the EDA provides grant and incentive funding to businesses and municipalities for environmental investigation and remediation and to businesses for employment creation and retention.

Current status and previous year’s results:

| Core Activity Assistance 2009                      |
|----------------------------------------|---------|
| Projects Assisted                      | 146     |
| Total Assistance                       | $330.3 million |
| Public/Private Investments             | $871.2 million |
| % Against Plan                         | 300%    |
| Estimated New Permanent Jobs            | 2,231   |
| Estimated Construction Jobs             | 9,291   |

As of 12/1/2009
Strategic Goals:

1) Stimulate business growth and retain and expand employment opportunities for NJ residents by focusing resources on manufacturers, medium/large-sized businesses, nonprofit organizations and efforts by businesses to ‘go green’.
2) Ensure the delivery of quality technical assistance to small businesses through strategic partnerships.
3) Establish, maintain and strengthen relationships with economic development professionals, organizations and financial institutions to generate new business
4) Enhance the development of highly skilled professional business development officers with customer responsibility through to project closing
5) Implement and deploy both state and federal economic stimulus programs and other legislative initiatives to spur and grow the NJ economy overall and advance specific segments within as identified

2010 Objectives:

1) Enhance marketing communications plan to targeted customer segments and key market areas through the deployment of appropriate tactics resulting in increased awareness of EDA products and subsequent production increase.
2) Ensure EDA’s core assistance products and activities are customer-driven, responsive to changing market conditions and managed seamlessly through closing
3) Continue to develop Business Development Officers subject matter expertise on specific products as needed.
4) Continue to educate partners to improve the quality of referrals
5) Continue oversight of technical assistance programs and manage strategic partners to meet small business needs.
6) Develop cross-sell opportunities by implementing new staff training across all relevant departments
7) Enhance current core product offerings by reviewing performance, adjusting for feature, pricing, other refinements
8) Assess market acceptance of new programs, e.g. Small Business Fund, Main Street and Invest NJ in order to guide program refinement
9) Focus on small businesses and women and minority owned enterprises by supporting and expanding a customer focused approach through various and integrated delivery methods, supported by effective outreach, including ETI sessions.
2010 Measures:
1) Commit $125 million (measured against closed transactions) in core business areas
2) Initiate or advance two new real estate projects in non-urban and non-Edison Innovation Zone area, to further partnerships with municipalities, the Department of Treasury, and other state agencies and to realize management fee revenue for efforts.
3) Hold annual meetings with participating and Preferred Lender Program banks utilizing score card data, as a way to improve working relationships and the quality of applications.
4) Disburse funds for 50% of capital improvement and job creation InvestNJ grants.
5) Hold 5 ETI classes with participation of 50 entrepreneurs generated through workshops and other tactics of the Authority’s partnering organizations.

2011 Objectives:
1) Continue to assist businesses utilizing Main Street, Preferred Lender Program and other affinity programs
2) Continue to refine products and processes to best fit customer needs

KEY STRATEGY V: CLEAN ENERGY SOLUTIONS

The State of New Jersey Energy Master Plan aims to meet 20% of its energy needs by 2020 through Class I renewable energy, such as photovoltaic, solar, wind energy, renewably fueled fuel cells, wave, tidal, renewably generated hydrogen, sustainable harvested biomass, and methane gas from landfills and reduce electricity and heating consumption 20% by 2020. The EDA’s goals are to create and deploy incentives that will make New Jersey the top state for Clean Energy companies to locate and to encourage businesses to become more energy efficient by providing financial assistance.

The EDA will strive to lower demand by encouraging the use of existing energy efficiency technologies by the business community by creating incentives that complement those already offered by sister state agencies. Further, the EDA will encourage increased energy supply, in an environmentally friendly manner, through incentives for cogeneration facilities, financing for renewable energy manufacturers and investment in new renewable energy technologies. The Authority will also implement a ‘Sustainability Initiative’ to decrease our energy/resource consumption, utilize renewable energy sources and be a leader by example.
Current status and previous year’s results:

Programs Launched in 2009:

- Clean Energy Manufacturing Fund (CEMF) – 1/29/09
  - 2 solicitations
  - 1 project approved by BPU from first solicitation
  - 31 Intake Forms in second solicitation
  - 5 final applications
  - $24 million available for program in 2009

- Combined Heat and Power Program (CHP) – 7/22/09
  - 28 Intake Forms received for $75 million
  - $60 million available for program

- Clean Energy Solutions Capital Investment (CESCI) – 6/16/09
  - 50 Intake Forms received for $151 million
  - $28.4 million available for program
  - 5 project approved by EDA Board

As of 12/1/2009

Strategic Goals:

1) Support the Energy Master Plan goal of securing NJ’s role as best in class for alternative energy R&D, commercialization and job creation.

2) Review programs for market acceptance and continue to identify opportunities to utilize internal financial resources, RGGI auction proceeds and other funding sources in creative ways to address unmet needs in this sector.

3) Become a ‘leader by example’ in implementing a sustainability initiative that will include energy efficiency measures in EDA’s real estate assets and more efficient use of resources, as well as the exploration of renewable energy.

4) Deploy tactics under a focused marketing communications plan to increase awareness of State programs across all segments and industries

5) Identify new sources of capital to support this growing market

2010 Objectives:

1) Utilizing RGGI proceeds, advance second release of CESCI program with feature and pricing refinements (CESCI 2.0)

2) Implement clean energy funding programs that leverage and supplement the spectrum of assistance provided by BPU and the private sector, particularly in creation of incentives for cogeneration, renewable energy and energy technology commercialization and the creation of green collar jobs

3) Maintain strong relationships with BPU/OCE, CST, DEP, the Governor’s Office and other key state agencies to ensure agencies efforts complement each other and co-market programs/products
4) Develop/reinforce relationships with our partners and other energy stakeholders: Power companies, environmental groups, major business users, real estate developers, etc. to ensure that the State continues to meet customers’ needs

5) Create, cascade and begin to implement a sustainability plan for the Authority

6) Continue to drive messaging around Clean Energy and new technologies to promote job growth in NJ. Product innovation to support attraction of companies to New Jersey for incentive and loan opportunities.

7) Continue to train staff in green financing products and encourage energy efficient upgrades in Core transactions.

8) Compile success stories/business cases for Clean Tech and Going Green companies in New Jersey

9) Develop metrics around project impacts of financing on greenhouse gas emissions, energy use reduction and job creation

2010 Measures:

1) Further develop and deploy the Retail Margin Fund program for CHP and approve projects

2) Creation of an EDA sustainability strategy vetted by the Real Estate Committee and the implementation of three measures, including the review and implementation of Energy Audit recommendations

3) Deployment of $25 million of RGGI funds in cogeneration, energy efficiency and renewable energy projects

4) Close 6 projects under the CEMF program

5) Launch program and deploy $15 million under the Clean Energy Solutions Edison Innovation Project Fund program (federal ARRA program)

2011 Objectives:

1) Build on 2010 product innovations to market bundling of new green programs to attract companies to New Jersey

2) Continued deployment of available RGGI funds in cogeneration, energy efficiency and renewable energy projects

3) Continued deployment of EDA’s sustainability plan
SHORT STRATEGY VI: ENHANCE EDA’S INTERNAL MANAGEMENT CAPABILITY

In order to achieve the strategic goals set out in Key Strategies I-V, the EDA will need to rely on the internal strengths in: Human Resources, Information Technology, Accounting and Financial Reporting, Customer Solutions and Governance and Public Information. The Goals and Objectives laid out in this Strategy are enterprise wide, impact each Division in the Authority, and are fundamental to the EDA’s ability to achieve Key Strategies I-V. The activities carried out in these areas advance the Authority not only through providing infrastructure, but by proactively creating innovative programs, providing outreach to our customers and stakeholders and by developing a dynamic leadership team.

Current status and previous year’s results:

In 2009, EDA advanced many of its goals to enhance management capability. Successes include: The implementation of a vast portion of the ITS strategic plan by implementing a new Customer Relationship Management software tool, replacing Novell with Microsoft, GroupWise with Exchange and numerous end of life programs like Word Perfect and Lotus. All staff members were issued a new workstation with Vista Business and Office 2007, while much of the hardware infrastructure was retired or replaced. The Product Development group was moved to Governance and Public Information to more closely align development around legislative initiatives. In order to further leadership development, the leadership development initiatives were cascaded down through the organization by providing multi-source feedback on leadership behaviors for Directors to identify areas of strength and areas for development. On-site learning events were created and delivered to support the EDA Guiding Principles and Leadership Model and needs identified from the 360 feedback process. Also, new rigor in leadership recruitment and selection was introduced.

Strategic Goals:

1) Develop a high performance leadership team and a robust leadership talent pool to enable the EDA to continue to fulfill its mission and to meet increasing future demands to implement and deploy initiatives
2) Complete the implementation of the ITS strategic plan, to assist the organization with new tools that will reduce workload and redundant efforts while measuring success with new metrics in Salesforce and Track-It. Improve on the new foundation of customer service to the business units.
3) Enhance the overall financial strength and operational integrity of the EDA through effective internal controls over financial reporting; effective management of production and operating costs; compliance with legislative mandates and internal policies, practices and procedures; and sound investment and risk management practices
4) Build upon the Authority’s strong reputation by delivering innovative products and continued outreach and advocacy to advance the EDA’s mission of growing New Jersey’s economy.

2010 Objectives:

1) Ensure a smooth transition by providing quick and timely responses to requests from the Governor’s Office on economic development and job creation matters
2) Identify additional sources of capital to continue and enhance ability to assist businesses in New Jersey
3) Utilize technology to streamline workflow and customer interaction by creating a single point of entry and implement a replacement portfolio Loan Management System (LMS) and refine and enhance Salesforce implementation to improve customer relations
4) Design and deliver core leadership learning events based on the EDA Leadership Profile and 360 results
5) Continue focus on internal controls that will maintain the Authority’s fiscal strength and ethical integrity
6) Support the Administration in advancing legislative initiatives and policy advocacy through collaborative outreach to elected officials on the local and state level
7) Conduct ongoing product program assessment/continuous improvements (re: pricing, features, retirements, etc), including formal program evaluations, in alignment with the Strategic Plan, with particular emphasis on developing programs focused on supporting NJ economic growth while enhancing EDA revenue streams where and as appropriate
8) Determine strategic acceptance policy for new programs including strategic goals, resources and timeline and refine and enhance process by which programs are introduced and managed through post-deployment with emphasis on cross functional team partnering throughout
9) Continue development of risk management guidelines for all assets that will enable the EDA to fulfill its public purpose mission while maintaining asset quality and strength
10) Enhance investment management guidelines for all financing initiatives that will enable the EDA to fulfill its public purpose mission while growing/preserving capital and maintaining asset quality and strength
11) Cascade leadership development processes and programs to next tier of managers to identify areas of strength and areas for development based on the EDA Leadership Profile and Guiding Principles
12) Building on the talent review process , solidify succession plans for key leadership roles
13) Ensure that the Authority experiences no interruption of service in the event of disaster of server failure by completing the implementation of storage area network and Voice over Internet Protocol
14) Increase bandwidth and application responsiveness to allow for a safer and more efficient computing environment by upgrading and segmenting the switch fabric of our access and distribution layer switches

2010 Measures:

1) Development of comprehensive asset valuation methods, enhanced reporting on asset quality and exposure
2) Monitor conformance with asset allocation guidelines, cash flows and compliance with policy, practice, guidelines, EO’s, etc.
3) Enhance documentation of organizational policies and procedures
4) No internal (“State”) and independent audit findings
5) Completed leadership feedback process for the next tier of managers
6) Succession and workforce plans for all senior leadership positions
7) Design and deliver 4 leadership learning events
8) Implement a new loan management system (LMS) in place and all the FoxPro applications retired that support LMS related activity.
9) Have a new phone system and immediate fail-over disaster recovery
10) Run extensive testing of the speed and security vulnerability of the updated fabric

2011 Objectives:

1) Assist in the development and support of the Monmouth Economic Redevelopment Authority
2) Design and deliver leadership learning events
3) Produce succession and workforce plans for second leadership tier
4) Proactively maintain and upgrade all hardware, software and servers keeping all service contracts current.
5) Have at least 80% of all manual processes converted to the e-process.
6) Have enabled our users through training and keeping current with technology to be a highly valuable workforce.
Enclosed for discussion and approval is the Authority’s proposed 2010 Fiscal Plan.

This Plan is the result of a collaborative effort by management and staff. We launched our planning process in July at the Board’s annual strategic planning session and received input along the way from the Board’s Policy and Audit committees. Collectively, we believe our planning process has yielded a fiscally responsible revenue and expense plan that aligns with the proposed 2010 Business Plan. As compared to 2009, it is essentially a flat budget that reflects a concerted effort to reduce costs within EDA’s control; when viewed against the growth in EDA programmatic activities related to energy and economic stimulus initiatives, it is austere, and will require continued increased productivity from staff.

You will note the accompanying Business Plan details strategies in support of our two key business objectives: 1) to grow New Jersey’s economy and 2) to enhance the financial strength of the EDA. The first objective is primarily reflected within the Fiscal Plan’s revenue and program cost projections; the second, with fiscally responsible expense and cost constraints.

This Plan reflects a balanced approach in the projection of operating revenues, expenses and costs. For those initiatives that have a degree of speculation, such as investment earnings, bond financing and lease revenue, projections are conservative. With new priority initiatives, such as clean energy and incentive financing, we were aggressive in the projection of fee revenue based on current interest and demand. Relative to expenses, we are committed to accomplishing objectives without increasing staff; hence, we are maintaining a static personnel count. Program and project costs correlate directly to specific initiatives and financings.

Revenues and Operating Earnings

With Net Operating Earnings of $1,324,100, the 2010 Fiscal Plan continues to align with the Authority’s fundamental asset allocation premise: current year revenues will fund current year operational expenses and program costs.
At $20,757,100, and only 6.9% under Plan, 2009 financing driven operating revenues reflect the value and access to capital the EDA provides to business in challenging economic times, while developmental driven revenues reflect specific project endeavors taking longer than anticipated to bring to fruition or they simply did not materialize. With new clean energy initiatives being implemented, existing initiatives aggressively marketed and real estate development initiatives commencing, the 2010 Plan projects Operating Revenues of $24,063,000: a 15.9% increase over current year actual and 8% over the current year Plan.

2009 investment interest income of $8,631,000 is projected to be 15.3% under Plan primarily due to the steep reduction in interest rates and deployment of Managed Funds. Utilizing projected production assumptions, capital inflows and outflows, and a .6% interest rate for the Cash Management Fund and 2.35% for 5yr Treasuries, on approximately a $463 million investment base, 2010 Nonoperating Revenues are projected to be $7,884,000 and are 8.6% under current year and 22.6% under the 2009 Plan.

Personnel

At present, the 2009 approved personnel count of 164 has 6 vacant positions which primarily accounts for being $496,500, or 4.1%, under Plan. By maintaining a personnel count of 164, the 2010 Plan demonstrates the Authority’s commitment to remain fiscally prudent; however, management believes this proposed staffing level will present challenges in administering to the many current and new initiatives detailed in the proposed Business Plan.

2010 projected personnel and benefit expense of $17,203,000 is 3.7% over the current year Plan and 6.7% over current year projected actual. Planned benefits expense reflects two significant increases: 1) 38.5% increase in the estimated State pension billing from $743,700 in FY09 to $1,030,000 estimated for FY10, and 2) 20% increase in health benefit plan premiums that were contracted by the State Benefits Commission. Prescription and dental increases were moderate.

Administrative Expense

At $4,139,900, the 2009 general and administrative expense projections reflects a $608,100, 12.8%, decrease from the current year Plan primarily due to $550,000 of major IT projects being deferred and carried over into the 2010 Plan. 2010 estimated expenses of $4,398,000 are 7.4%, under the current year Plan and 6.2% over current year actual due to major IT upgrades and enhancements as follows:

- $200,000 Second phase of Loan Management System restructure
- $250,000 Surface Area Network/Disaster Recovery replication
- $300,000 Voice-Over Internet Protocol

Management had retained the Northhighland Group, an IT consultant, for the purpose of assessing the current state of our IT system, define the optimal framework for our business, and chart a multiyear implementation process. This study was completed in 2007 and management has determined it is necessary to implement the IT solutions listed above as part of the recommendations to enhance our operations and achieve greater productivity.
Program Costs

Program Costs represent expenditures that align with specific initiatives and projects. At $7,520,900, the 2009 actual projection is 4.7% under the current year Plan because certain initiatives and projects did not commence. At $8,060,600, the 2010 projection is 7.2% over current year actual and 2.5% over current year Plan.

2010 projected expenditures of $8,060,600 align with our proposed business strategies; significant items follow:

- **Asset Management Costs:** At $4.3 million, the Plan reflects those costs to maintain tenants at the Camden Waterfront Technology Center, the Tech Center, the Commercialization Center, and the Trenton Office Complex. These costs are off-set, in part, by lease rental income. The increase in utility costs is due to rate increases and the early termination of a significant lease.

- **Outreach:** The marketing plan launched this year will continue at a level rate and be refined to align with the 2010 Business Plan. The projected plan of $1.2 million will be utilized to support new clean/green energy initiatives and existing initiatives in three key areas: Core, Urban/Site, and Life Sciences/Tech. Continued focus and support of urban centers via partnerships with chambers of commerce, mayors and trade organizations in biotech and manufacturing, as well as sponsorships, educational seminars and events will be used.

- **Consultation:** Of the $655,000 planned for 2010, $215,000 is projected for the Portfields initiative with partners the Port Authority of NY and NJ, which was approved by the Board. Management anticipates the need for specialized consultation in the development and implementation of its clean energy initiatives and estimates expenditures of $200,000. The need for urban development advisory services will continue into 2010; accordingly, $200,000 is projected.

At its meeting of November 20, this Plan was reviewed by the Audit Committee who concurred it is fiscally responsible and aligns with the 2010 Business Plan also submitted for the Board’s approval; accordingly, Board’s approval is requested.

Prepared by: Gregory Ritz, Chief Financial Officer
### NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

#### 2010 FISCAL PLAN

<table>
<thead>
<tr>
<th></th>
<th>2009 Fiscal Plan</th>
<th>2009 Projected Actual</th>
<th>Actual Over/(Under)</th>
<th>% Variance</th>
<th>2010 Fiscal Plan</th>
</tr>
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<tbody>
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<td><strong>Operating Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Financing Fees</td>
<td>$4,603,700</td>
<td>$4,350,700</td>
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<td>$5,228,000</td>
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<td>Late Fees and Other</td>
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<td><strong>Total Operating Revenue</strong></td>
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<td><strong>Non Operating Revenue:</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Interest from Cash Investments</td>
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<td>8,631,000</td>
<td>(1,553,200)</td>
<td>-15.3%</td>
<td>7,884,000</td>
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<td><strong>Total Revenue</strong></td>
<td>32,469,900</td>
<td>29,388,100</td>
<td>(3,081,800)</td>
<td>-9.5%</td>
<td>31,947,000</td>
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<td><strong>Administrative Expenses</strong></td>
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<td>Personnel and Benefits</td>
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<td>16,121,600</td>
<td>(553,400)</td>
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<td>17,203,000</td>
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<td>General and Administrative</td>
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<td>4,139,900</td>
<td>(608,100)</td>
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<td>4,398,000</td>
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<td><strong>Total Administrative Expenses</strong></td>
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<td>(1,161,500)</td>
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<td>21,601,000</td>
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<td><strong>Costs &amp; Losses</strong></td>
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<td></td>
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<td></td>
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<td>Interest</td>
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<td>961,300</td>
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<td>Program</td>
<td>7,866,000</td>
<td>7,520,900</td>
<td>(345,100)</td>
<td></td>
<td>8,060,600</td>
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<td><strong>Total Costs</strong></td>
<td>9,143,500</td>
<td>8,617,900</td>
<td>(525,600)</td>
<td>-5.7%</td>
<td>9,021,900</td>
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<tr>
<td><strong>Total Expenses &amp; Costs</strong></td>
<td>30,566,500</td>
<td>28,879,400</td>
<td>(1,687,100)</td>
<td>-5.5%</td>
<td>30,622,900</td>
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<tr>
<td><strong>Net Operating Earnings</strong></td>
<td>$1,903,400</td>
<td>$508,700</td>
<td>($1,394,700)</td>
<td>-73.3%</td>
<td>$1,324,100</td>
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</table>
### Revenue Detail

#### 2010 Fiscal Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 Fiscal</th>
<th>2009 Projected</th>
<th>Actual (Under)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>5,844,500</td>
<td>4,872,400</td>
<td>(1,412,100)</td>
<td>-28.0%</td>
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<tr>
<td><strong>Program Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Program Services</strong></td>
<td>1,296,000</td>
<td>830,000</td>
<td>466,000</td>
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</tr>
<tr>
<td><strong>Intergovernmental Services</strong></td>
<td>100,000</td>
<td>165,000</td>
<td>65,000</td>
<td>65.0%</td>
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<tr>
<td><strong>Invest NJ</strong></td>
<td>1,000,000</td>
<td>1,030,000</td>
<td>1,030,000</td>
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<tr>
<td><strong>Structural Closing Residual Fees</strong></td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
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<tr>
<td><strong>TDC Allocation</strong></td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
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<tr>
<td><strong>SWM Business Service Fees</strong></td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
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<td><strong>Urban Hub Service Fees</strong></td>
<td>400,000</td>
<td>400,000</td>
<td>400,000</td>
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<tr>
<td><strong>Venture Fund Distributions</strong></td>
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<td>100,000</td>
<td>100,000</td>
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<tr>
<td><strong>Total Program Services</strong></td>
<td>1,313,700</td>
<td>1,099,800</td>
<td>213,900</td>
<td>66.7%</td>
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<td><strong>Real Estate Development and Mgt Fees</strong></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Development Fees</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Camden State Office Building</td>
<td>411,500</td>
<td>(411,500)</td>
<td>25,000</td>
<td>6.1%</td>
</tr>
<tr>
<td>Camden Prison</td>
<td>35,000</td>
<td>35,000</td>
<td>30,000</td>
<td>85.7%</td>
</tr>
<tr>
<td>Bayonne Peninsula</td>
<td>20,000</td>
<td>(20,000)</td>
<td>0.00</td>
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<tr>
<td>Geystown</td>
<td>160,800</td>
<td>166,800</td>
<td>6,000</td>
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</tr>
<tr>
<td>Hammonton</td>
<td>100,000</td>
<td>(100,000)</td>
<td>0.00</td>
<td>0.0%</td>
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<tr>
<td><strong>Mental</strong></td>
<td>150,000</td>
<td>150,000</td>
<td>150,000</td>
<td>100.0%</td>
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<tr>
<td>Montclair University</td>
<td>25,000</td>
<td>(25,000)</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>LESTRA (BJPC)</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>L'Oreal</td>
<td>162,300</td>
<td>162,300</td>
<td>162,300</td>
<td>100.0%</td>
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<tr>
<td>Newark State Office Building</td>
<td>1,300,000</td>
<td>1,300,000</td>
<td>1,300,000</td>
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<tr>
<td>Portraits Joint Venture</td>
<td>167,000</td>
<td>(167,000)</td>
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<tr>
<td>State Police Barracks</td>
<td>50,500</td>
<td>50,500</td>
<td>50,500</td>
<td>100.0%</td>
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<tr>
<td><strong>Total Development Fees</strong></td>
<td>298,200</td>
<td>196,800</td>
<td>(101,400)</td>
<td>-51.1%</td>
</tr>
<tr>
<td><strong>Management Fees</strong></td>
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<td></td>
</tr>
<tr>
<td>Commerce Center--Community Science</td>
<td>4,000</td>
<td>4,000</td>
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<tr>
<td>Liberty Science Center</td>
<td>52,700</td>
<td>52,700</td>
<td>52,700</td>
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<tr>
<td>NJ Performing Arts Center</td>
<td>23,000</td>
<td>23,000</td>
<td>23,000</td>
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</tr>
<tr>
<td>State Office Buildings</td>
<td>63,000</td>
<td>63,000</td>
<td>63,000</td>
<td>100.0%</td>
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<tr>
<td>Technology Center of NJ</td>
<td>450,000</td>
<td>295,000</td>
<td>(155,000)</td>
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<tr>
<td>Waterfront Parking Lot</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
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<tr>
<td><strong>Total Management Fees</strong></td>
<td>672,000</td>
<td>480,700</td>
<td>191,300</td>
<td>-27.9%</td>
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<tr>
<td><strong>Total RE Development &amp; Mgt Fees</strong></td>
<td>1,362,100</td>
<td>646,300</td>
<td>(715,800)</td>
<td>-54.4%</td>
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</table>

### Other Agency Fees

- **Total Agency Services**
  - 7,141,000
  - 3,170,000
  - 464,000
  - 88.6%
  - 999,000

### Lease Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 Fiscal</th>
<th>2009 Projected</th>
<th>Actual (Under)</th>
<th>Percentage</th>
</tr>
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<tr>
<td><strong>NY Daily News</strong></td>
<td>102,600</td>
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<td><strong>Commercialization Ctr &amp; Expansion</strong></td>
<td>5,000</td>
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<tr>
<td><strong>Technology Centre of NJ</strong></td>
<td>1,052,000</td>
<td>845,400</td>
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<td><strong>Trenton Marine Terminal</strong></td>
<td>1,313,900</td>
<td>1,927,200</td>
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<tr>
<td><strong>TOC Reinvestment Places</strong></td>
<td>298,900</td>
<td>318,300</td>
<td>19,400</td>
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<tr>
<td><strong>Waterfront Tech Ctr at Camden</strong></td>
<td>430,000</td>
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<tr>
<td><strong>Institute for Dev. of Educ. in Arts (IDEA)</strong></td>
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<td>90,000</td>
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<td><strong>Section 108 - Whiscos</strong></td>
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<tr>
<td><strong>Other Agency Fees</strong></td>
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<td>0.00</td>
<td>100.0%</td>
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<td><strong>Total Agency Services</strong></td>
<td>3,531,900</td>
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# NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

## 2010 Fiscal Plan

### Administrative Expenses

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<tr>
<td><strong>SALARY EXPENSE</strong></td>
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<tr>
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<td>$11,975,000</td>
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<td>Social Security</td>
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<td>Non-health related Ins.</td>
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<td><strong>TOTAL PERSONNEL AND FRINGE</strong></td>
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<td>$17,203,000</td>
<td>-3.3%</td>
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% Total Fringe/Salaried Employees: 39.2% / 40.5%

% Total Fringe/Total Personnel & Fringe: 28.2% / 28.8%

Total Salaried Employees: 164 / 158 (6)

Average Monthly Salaried Employee Count: 164 / 156 (8)

2009 Approved

2009 Projected

2009 Actual

Over/(Under)

% Variance

2010 Fiscal Plan

2009 Approved

2009 Projected

2009 Actual

Over/(Under)

% Variance

2010 Fiscal Plan

% Total Fringe/Salaried Employees: 39.2% / 40.5%

% Total Fringe/Total Personnel & Fringe: 28.2% / 28.8%

Total Salaried Employees: 164 / 158 (6)

Average Monthly Salaried Employee Count: 164 / 156 (8)
## NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
### 2010 Fiscal Plan
#### Administrative Expenses

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<td><strong>GENERAL</strong></td>
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<td></td>
<td>54,500</td>
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## 2010 Fiscal Plan

### Program Cost Detail

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<th>Over (Under)</th>
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<td></td>
</tr>
<tr>
<td>CCIT - IT Services</td>
<td>$35,000</td>
<td>$35,000</td>
<td>$35,000</td>
<td>0.0%</td>
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<tr>
<td>DoL Prevailing Wage Monitoring</td>
<td>$99,900</td>
<td>$99,900</td>
<td>$150,000</td>
<td>$50,000</td>
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<tr>
<td>Credit Reporting Services</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>0.0%</td>
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<tr>
<td>Realtor Commissions</td>
<td>$31,500</td>
<td>$31,500</td>
<td>$31,500</td>
<td>0.0%</td>
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<tr>
<td><strong>Total Services</strong></td>
<td>$187,500</td>
<td>$151,000</td>
<td>$185,000</td>
<td>8.4%</td>
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<table>
<thead>
<tr>
<th>Insurance</th>
<th>2009 Actual</th>
<th>2009 Projected</th>
<th>2010 Fiscal Plan</th>
<th>Over (Under)</th>
<th>Varance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property &amp; Liability Insurance</td>
<td>$185,000</td>
<td>$165,000</td>
<td>($20,000)</td>
<td>($10.8%)</td>
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<tr>
<td><strong>Total Insurance</strong></td>
<td>$185,000</td>
<td>$165,000</td>
<td>($20,000)</td>
<td>($10.8%)</td>
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</table>

<table>
<thead>
<tr>
<th>Other</th>
<th>2009 Actual</th>
<th>2009 Projected</th>
<th>2010 Fiscal Plan</th>
<th>Over (Under)</th>
<th>Varance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filing Fees</td>
<td>$6,000</td>
<td>$6,000</td>
<td>$6,000</td>
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<td>Program Related Travel &amp; Meetings</td>
<td>$70,000</td>
<td>$70,000</td>
<td>$70,000</td>
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<tr>
<td>Searches-Ttitles, Leases, Property</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
<td>0.0%</td>
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<tr>
<td>Debt Servicing</td>
<td>$44,000</td>
<td>$44,000</td>
<td>$44,000</td>
<td>0.0%</td>
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<tr>
<td>Camden Waterfront Landscaping</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
<td>0.0%</td>
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<tr>
<td>Other</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$20,000</td>
<td>0.0%</td>
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</tr>
<tr>
<td><strong>Total Other</strong></td>
<td>$161,000</td>
<td>$167,500</td>
<td>$6,500</td>
<td>4.0%</td>
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<table>
<thead>
<tr>
<th>Total Program Costs</th>
<th>$7,866,000</th>
<th>$7,520,900</th>
<th>($370,100)</th>
<th>($4.7%)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$8,000,000</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
TO: Members of the Board

FROM: Caren S. Franzini

DATE: December 8, 2009

SUBJECT: For Information Only: FY10 Business Retention and Attraction Division ("BRAD") Budget

Enclosed, for your information, the Treasury approved $3,473,150 FY10 (July 1, 2009-June 30, 2010) budget for EDA’s BRAD which is funded by State appropriation and agreements with specific State Agencies.

Pursuant to P.L. 2008, Chapter 27, on July 1, 2008 the Commerce Commission was abolished and its powers, functions, net assets, etc. were transferred to EDA. In addition, the law mandated a division be created in EDA to house the employees transferred from Commerce and that a separate budget for the division be maintained apart from EDA’s “core” administrative budget.

$2,793,800, 80.4%, of the budget is comprised of salary and benefits expense for 31 fulltime employees and 3 part-time/hourly employees. $475,850, 13.7%, represents direct general and administrative expenses (e.g. business meeting travel, phone, parking, Customer Relations Management System, etc.) charged to the division. The remaining $203,500, 5.9%, is for outreach related program costs.

Please note, throughout the fiscal year, this “approved” budget may be subject to revision as negotiated between Treasury and EDA. To the extent such revisions impact the EDA’s 2010 Fiscal Plan management will bring the matter to the Audit Committee and Board’s attention.

At its meeting of November 20, this budget was reviewed by the Audit Committee who concurred it supports the 2010 EDA Business Plan and the State’s business outreach requirements.

Prepared by: Gregory Ritz, Chief Financial Officer
# Business Retention & Assistance Division
## Fiscal Year 2010 Appropriation Detail

### RESOURCES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct State Appropriation</td>
<td>$2,886,000</td>
</tr>
<tr>
<td>Other Resources</td>
<td></td>
</tr>
<tr>
<td>Reimb from DEP - Clean Air Ombudsman</td>
<td>80,000</td>
</tr>
<tr>
<td>Department of Labor - MOU</td>
<td>459,200</td>
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<tr>
<td>Secretary of State - Call Center</td>
<td>47,950</td>
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<tr>
<td>Subtotal Other Resources</td>
<td>587,150</td>
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<tr>
<td>Total Resources</td>
<td>$3,473,150</td>
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### EXPENDITURES

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$2,480,000</td>
</tr>
<tr>
<td>Benefits</td>
<td>313,800</td>
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<td>Total Salaries and Benefits</td>
<td>2,793,800</td>
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<tr>
<td>General and Administrative</td>
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</tr>
<tr>
<td>Personnel Related</td>
<td></td>
</tr>
<tr>
<td>Temp Agencies &amp; ITS Specialist</td>
<td>40,000</td>
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<tr>
<td>Automobile &amp; Motor Pool</td>
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<td>Local Travel &amp; Meetings</td>
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<tr>
<td>Conference &amp; Seminars</td>
<td>30,000</td>
</tr>
<tr>
<td>Publications &amp; Subscriptions</td>
<td>12,000</td>
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<tr>
<td>Professional Develop &amp; Memberships</td>
<td>8,000</td>
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<tr>
<td>Parking</td>
<td>35,500</td>
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<tr>
<td>Subtotal Personnel Related</td>
<td>160,200</td>
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<tr>
<td>Information Systems</td>
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</tr>
<tr>
<td>Computer System Maintenance</td>
<td>42,000</td>
</tr>
<tr>
<td>CRMS</td>
<td>36,000</td>
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<td>Payroll Service</td>
<td>15,000</td>
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<tr>
<td>OIT</td>
<td>26,250</td>
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<tr>
<td>Subtotal Information Systems</td>
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<tr>
<td>Office</td>
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</tr>
<tr>
<td>Telephone &amp; Cell Phones/Blackberry</td>
<td>83,400</td>
</tr>
<tr>
<td>Postage &amp; Delivery</td>
<td>20,000</td>
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<tr>
<td>Furniture/Equipment lease/purchase</td>
<td>35,000</td>
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<td>Stationary, Supplies and Printing</td>
<td>42,000</td>
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<tr>
<td>Subtotal Office</td>
<td>180,400</td>
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<tr>
<td>General</td>
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</tr>
<tr>
<td>Total General and Administrative</td>
<td>16,000</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$3,473,150</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO:   Members of the Authority

FROM: Caren S. Franzini
       Chief Executive Officer

RE:   Marketing Services Contract – Finalization of 3 year contract

DATE: December 8, 2009

Summary
As the Authority comes to the end of its three year marketing contract with Fort
Communications, the Members are provided with a summary of the activities performed under
the contract, a cost accounting, and achievements in our marketing strategy.

Background
In March, 2007 the Board approved a three year contract with Fort Communications to provide
marketing communications services to support the business development efforts at the Authority.
This action marked the first time that the Authority approached its marketing strategy with a
multi-year contract that allowed for a broad scope of services to be exercised on an as needed
basis. The contract approved by the Board allowed for a first year payment of $240,000 with
subsequent payments in years two and three to be developed through work plans consistent with
the annually approved Authority fiscal plan. Subsequently, a contract amendment was
approved by the Board in May, 2007 to include $30,000 per year of web development services
for a total annual award of $270,000. The contract amendment kept the conclusion date as
March 31, 2010 consistent with the original agreement. The contract also allowed for additional
marketing services to be provided by Fort on a project basis, to be paid for based on either an
agreed maximum not-to exceed, lump sum fee, time and materials fee, or a reasonable and
customary amount as negotiated by the Authority. Per the Board approval, these additional
expenditures were to be approved by the CEO under delegated authority and were also included
in the marketing budget reflected in the annual fiscal plan approved by the Board. In addition
to the contracted amount of $270,000 per year, additional expenditures for media buys,
advertising space, additional website design work, events and sponsorships, printing and new
product launch marketing totaled $734,511 in 2007, $901,567 in 2008 and $963,782 in 2009 as
reflected on Exhibit A. In each year, the total spend was within the Board approved budget
amount.

Separate and apart from the EDA marketing contract, in January 2009 the Authority Board
approved the award of an additional contract with Fort for marketing services for the Business
Retention and Attraction Division (BRAD), primarily consisting of print collateral, ad design,
media buying services and placement, direct mail campaigns, and strategy. This public,
competitive procurement was done on behalf of the State as the Commerce Commission was
transferred to the Authority as BRAD. This contract contained (2) one year annual renewal clauses at each January anniversary date.

The Authority plans to issue a new Request for Proposal (RFP) in early 2010 to consolidate both the BRAD and Authority contracts into one contract with a start date of July 1, 2010. To accomplish this, the BRAD contract renewal in January will expire on June 30, 2010, and the EDA contract expiration on March 30, 2010 will be extended until June 30.

As presented from time to time to both the Policy Committee and the Authority Board, the Authority has used a variety of marketing tactics to build awareness about the programs and services available to businesses in New Jersey to help them retain and grow jobs. Starting in early 2008, we began to use the state branding of “The Company We Keep, Keeps Getting Better” together with the Authority logo to show consistency with all state materials, yet with a separate and distinct awareness about financing and incentive products available through the Authority. All materials, whether used internally or externally, maintained the brand integrity. All of the tactics worked in concert with one another, with collateral materials built to be used as sales tools, enhanced web capabilities to complement the printed collateral, direct mail campaigns to drive potential customers and partners to the call center, maximization of media buys with earned media coverage, “lunch and learn” training sessions to train the call center and staff, and an e-survey in both 2008 and 2009 to develop process improvement metrics and standards and to measure effectiveness of each of the marketing tools. Year over year call center activity indicate spikes following new program introductions where ads and direct mail included call center phone numbers. As an example, call center volume for the first quarter of 2009, when Main Street was launched and marketed, increased 15% year over year. Exhibit B (attached) is a description of each of the tactics utilized under the plan, with relevant metrics described.

**Conclusion**

Through all of the marketing tactics employed under the overall marketing strategy, and validated in the recent e-survey, we found that some marketing tactics yielded more favorable results than others; although some drive greater immediate value and some are intended to build long term awareness about the EDA products and services. As we coordinate efforts over 2010 to potentially build a public/private partnership and more broadly penetrate interactive methods to reach a broader audience through participative marketing, we will decrease our reliance on more traditional methods of targeting our segments.

Prepared by: Cynthia Osofsky
<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
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<tr>
<td>Media buying fee</td>
<td>$0</td>
<td>$22,000</td>
<td>$22,000</td>
</tr>
<tr>
<td>Project specific payments</td>
<td>$95,823</td>
<td>$117,000</td>
<td>$184,370</td>
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<tr>
<td>Advertising - Print and Online</td>
<td>$333,000</td>
<td>$363,103</td>
<td>$503,000</td>
</tr>
<tr>
<td>Printing, Photography &amp; Misc</td>
<td>$114,688</td>
<td>$239,000</td>
<td>$139,412</td>
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<tr>
<td>Events / Sponsorships</td>
<td>$191,000</td>
<td>$160,464</td>
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<td>Total Non-Contracted Expenses</td>
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<td>$901,567</td>
<td>$963,782</td>
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<tr>
<td>Marketing Firm Contract</td>
<td>$270,000</td>
<td>$270,000</td>
<td>$270,000</td>
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<tr>
<td>Total Annual Expenses</td>
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<td>$1,171,567</td>
<td>$1,233,782</td>
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<tr>
<td>Board Approved Budget</td>
<td>$1,005,000</td>
<td>$1,172,000</td>
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</tr>
<tr>
<td>Under/(Over) Budget</td>
<td>$489</td>
<td>$433</td>
<td>$218</td>
</tr>
</tbody>
</table>
### Development of Marketing Collateral

Upon our direction, the agency created a series of marketing collateral pieces which have been used for sales calls, events, and mailings. We used a variety of single piece “sell sheets” for each product, coupled with 4 page brochures for our industry sectors (manufacturing, not-for-profit, small business, professional partners, and real estate) and put together various larger brochures which captured information across a variety of state agencies, such as one for Urban markets, The Edison Fund, Clean Energy, and Solar. As we are moving into our third year of development of our marketing materials (several pieces of which have been refreshed several times), we are reducing the number of hard copy collateral pieces and instead using interactive tools, to attain our sustainability goals (being green), to save on printing costs and to drive easier success metrics. Results from the October, 2009 e-survey validated that our collateral materials helped potential customers and our partners to understand our products, and to streamline the period of introduction to application. From 2008 to 2009, the percentage of respondents reporting that they were “very familiar” with the EDA increased 7% across all sectors.

### Web Tools

The NJEDA website was initially enhanced to include the state branding and easier navigation in March, 2008, and relaunched in October, 2009 to include BRAD information (both domestic and international) and further refinements to navigation. In a year over year comparison, (March to November 08 to 09) site visits increased 72% and page views increased 58%. Data from the e-survey validated that the website is easy to use, provided superior levels of information, and enhanced the user’s experience with the EDA. One of the tools embedded in the website is an online application, which allows users to apply for multiple EDA products simultaneously without having to access multiple applications, with fee logic built in to automatically calculate fees based on the products selected. This particular enhancement scored highly on the e-survey. We anticipate significant growth of web based tools in 2010, both to continue to enhance business users’ experiences with the EDA and to provide easy access to financing products and services. Through the e-survey, eblasts and email campaigns ranked highest in terms of preferred communication vehicles, and there is a strong desire for our clients and partners to utilize webinars to learn more about our services. We will continue to use email campaigns next year, and will build out our webinar capabilities over 2010.

### Ad campaigns

The EDA built upon its initial awareness campaigns and migrated to more focused campaigns, using customer testimonial across all of the targeted segments. Especially for the Main Street product launch, these testimonial based campaigns drove messaging quickly to our target audience. Respondents to our e-survey remarked positively and strongly about their higher levels of awareness and understanding of EDA’s products based on our advertising campaigns, with over 81% of bankers surveyed responding that they had seen EDA advertising. Of those who responded that they saw our advertising, over 38% responded that the effect of the advertising made them more interested in
doing business with the EDA. Publications were chosen based on target audiences, readership levels and demographics matched against budgetary considerations. Over 2009, we closely coordinated our media placements with media coverage, and successfully placed 26 articles about EDA products and services across 17 state and national publications. Also during 2009, more of our advertising dollars were used with online publications, where banner ads could give a potential customer easy access through a link to our website and the state portal. We are still evaluating the results of using online banner ads.

| Direct Mail | Direct mail was used to target specific messages to our target audiences. Each direct mail campaign focused on a particular customer issue relevant to that target audience. Because business to business direct mail results are difficult to measure, we have just begun a new direct mail piece which includes a "personalized URL" (PURL) in which the individual recipient can register on the website for a flash drive by using the PURL. Through this particular tool, we will measure the actual effectiveness of direct mail campaigns and determine whether or not we will continue to use this marketing tactic. |
| Events and Outreach | The EDA has played a role as sponsor, speaker, event host/coordinator, or attendee in close to 500 venues in 2009. We have completed pre and post marketing for a share of those events, and have started to create an ROI model to employ in 2010 to more closely evaluate each event. Events management was consolidated within a newly formed group - Outreach Programs - this past year, which also included a series of sales support functions, including sales and product training, call prep and research, lead development, and organized business calling plans. |
MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
Chief Executive Officer
RE: Continuation of NJ Department of Labor and Workforce Development MOU
DATE: December 8, 2009

Request

The Members are asked to approve an extension to the Memorandum of Understanding (MOU) for services to be rendered by the Department of Labor and Workforce Development (LWD) in support of the EDA's efforts to advise the business community of available assistance programs for workforce training.

Background

This MOU is an extension of an MOU approved by the Board at its October 2008 meeting. Under this MOU, four unclassified EDA employees: Larry Doyle, Nicholas Wolf, Fleeta Barnes, and Mary Ann Buga, will work with the Office of Labor Grants Operation in LWD. These staff will advise businesses on the availability of Customized Training Funds that are available to upgrade the skills of workers to ensure that New Jersey employers are more competitive in the global economy. During the term of the MOU, until June 30, 2010, LWD agrees to fund salaries and benefits of the employees who will receive such salary and benefits directly from the EDA who will be reimbursed by LWD. LWD will supervise the work, performance and attendance of the employees.
Recommendation

Staff recommends the approval of the aforementioned extension of the MOU between the EDA and LWD for the provision of services that will enhance the EDA’s efforts to assist the business community in creating and maintaining jobs in New Jersey.

Attachments

Prepared by: Kim Ehrlich

Caren S. Franzini
EXTENSION OF MEMORANDUM OF UNDERSTANDING

WHEREAS, The New Jersey Department of Labor and Workforce Development (“LVD”) and the New Jersey Economic Development Authority (“EDA”) entered into the attached Memorandum of Understanding (“MOU”) in November 2008; and

WHEREAS, that MOU achieved a nexus between LWD and EDA to better service the business community, by enabling four of EDA’s unclassified employees, Mr. Larry Doyle, Mr. Nicholas Wolf, Ms. Fleeta Barnes and Ms. Mary Ann Buga, Account Executives (the “Employees”), to work with the Office of Labor Grants Operation in the LWD; and

WHEREAS, both parties agree that the terms of the MOU should be extended.

NOW THEREFORE, the EDA and LWD agree to extend the terms of the attached MOU to June 30, 2010.

The parties duly authorize and execute this MOU.

By: ________________________________

David J. Socolow
Commissioner
Department of Labor and Workforce Development

By: ________________________________

Caren Franzini
Chief Executive Officer
New Jersey Economic Development Authority
MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING ("MOU") made this _____ day of _________ between the New Jersey Department of Labor and Workforce Development ("LWD") and the New Jersey Economic Development Authority ("EDA") will confirm the mutual understanding and intention of the parties hereto as to the following:

WHEREAS, the EDA employs staff who broaden the economic base by providing businesses with the necessary financial and technical support to grow businesses, create jobs, and renew communities; and

WHEREAS, the EDA seeks to broaden its marketing outreach to include Workforce Training Grants, which Labor administers; and

WHEREAS, to achieve a nexus of available incentive programs to better service the business community, the EDA seeks for four of its unclassified employees, Mr. Larry Doyle, Mr. Nicholas Wolf, Ms. Fleeta Barnes and Ms. Mary Ann Buga, Account Executives (the "Employees"), to work with the Office of Labor Grants Operation in the LWD; and

WHEREAS, LWD is interested in assisting the EDA and also enhancing the operations of LWD’s Office of Labor Grants by adding the Employees; and

WHEREAS, the Employees have freely consented to participating in this government employee interchange; and

WHEREAS, it is in the best interest of the parties to enter into this MOU to address the respective rights, duties, and obligations regarding the assignment of the Employees; and

WHEREAS, N.J.S.A.52:14-1 et seq. authorizes state agencies to enter into agreements to provide assistance to each other and to agree as the proper charge to be made for such services or material.

NOW, THEREFORE, the EDA and the LWD do agree to the following:

A. EDA RESPONSIBILITIES:

1. EDA will be available for consultation by LWD during the mobility assignment on the performance evaluation of the Employees.
2. During the term of the MOU, the EDA will undertake timekeeping for the Employees. The EDA will provide bi-weekly time sheets that will be completed by the Employees, and signed by the Employees and their supervisor at LWD.
B. LWD RESPONSIBILITIES:

1. During the term of the MOU, the LWD agrees to fund salary and all benefits provided by applicable collective bargaining agreements of the Employees, who will receive such salary and benefits directly from the EDA who will be reimbursed by LWD.

2. During the term of the MOU, the LWD agrees to be responsible for business related travel and ordinary and necessary business expenses incurred by the Employees, providing such expenses are in accordance with the State's policies and practices.

3. LWD agrees to train the Employees in the research methodology utilized by LP&A and to fund the cost of such training.

4. LP&A will supervise the work, performance and attendance of the Employees. The employees are entitled to the standard sick leave allowance and all other benefits provided by applicable collective bargaining agreements or that the EDA makes available to its employees. A LP&A supervisor will sign the time sheets that the Employees are required to submit to the EDA, pursuant to A.2. of this MOU. As part of this supervision, LP&A shall have the Employees submit the aforementioned time sheets no later than noon on the last Friday of the pay period and report back to the EDA on their activities and training during the course of the mobility assignment, no less than every ninety (90) days.

5. As the Employees are entitled to normal performance review in accordance with the EDA’s Performance Management Program, it is expected that LWD will consult with the EDA regarding a performance evaluation of the Employees during the mobility assignment.

6. LWD agrees that it will not require the Employees to act in any way contrary to the EDA’s Code of Ethics and Financial Disclosure and, furthermore, the Employees’ service with LWD will be subject to the applicable provisions of the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq.

3. GENERAL PROVISIONS

1. Termination and amendments. The MOU may be modified or extended only by prior written agreement by the EDA or Labor. This MOU may be terminated for either EDA or labor upon thirty (30) days prior written notice of either party.

2. This MOU is being entered into for the sole purpose of evidencing the mutual understanding and intention of the parties.

3. Neither the EDA nor the LWD will require the Employees to provide any confidential information relating to the other party.

4. There are no third-party beneficiaries of this MOU.

5. This MOU shall be administered consistent with the Government Employee Interchange Act of 1967, N.J.S.A. 52:14-1 et seq.

The parties duly authorize and execute this MOU.
By: David J. Socolow
Commissioner
Department of Labor and Workforce Development
Date: 11/18/08

By: Caren Franzini
Chief Executive Officer
New Jersey Economic Development Authority
Date: 11/3/08
MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
Chief Executive Officer

RE: Recommendation to Adjust Fees on Former Commerce Commission Products and the Bond Programs, and the Implementation of EDA’s Framework for Risk Adjusted Pricing

DATE: December 8, 2009

Request:

The Board is requested to approve adjustments to fees for conduit bonds and various loan and incentive programs transitioned from the former Commerce Commission to the EDA. In addition, as previously shared with the Board at the annual Board Strategic Planning session, staff has developed an approach to introduce risk-adjusted loan pricing. These changes will enhance EDA’s capacity to provide services that support business development and encourage job creation and community revitalization throughout the State. This memo was originally introduced to the Policy Committee on July 23, 2009, and is being re-introduced with refinements to the recommendations. The specific program recommendations are outlined below.

Background:

I. Former Commerce Program Fees:

Eight programs were transitioned to the EDA from the former Commerce Commission. We are recommending fee changes to those programs that statutorily authorize fees to align them with current EDA fee practice. Many of these programs disburse large dollar amounts to customers, require long-term monitoring, and have brought increased management costs to the Authority. Current fee revenue does not cover our true cost of business.

II. Bond Application Fee:

The EDA Board approved changes to certain loan and Business Employment Incentive Program (BEIP) fees in September 2008, including an increase in application fees across numerous EDA programs from $500 to $1000. Subsequently, EDA staff analyzed the Bond
product family to determine if and how fee changes should apply. After reviewing our existing programs and comparing our fees with those of several outside programs, we now propose changes to the current application fee structure of our bond products.

Our due diligence revealed that other States’ program fees are substantially higher than those of the EDA. In addition, staff reached out to eight of the known active county economic development agencies to compare bond fees with those of the EDA. Upon researching, we discovered that many of the county agencies refer their customers to the EDA. Two agencies with bond programs indicated application fees. Table 1 below highlights competitive State and county bond application fee structures.

<table>
<thead>
<tr>
<th>State/County</th>
<th>Application Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJ</td>
<td>$500 (Proposed Fee = $1,000)</td>
</tr>
<tr>
<td>PA</td>
<td>2% to 2.75% of the bond amount</td>
</tr>
<tr>
<td>NY</td>
<td>$1,000</td>
</tr>
<tr>
<td>CA</td>
<td>$1,500</td>
</tr>
<tr>
<td>MASS</td>
<td>$750</td>
</tr>
<tr>
<td>VA</td>
<td>$1,000</td>
</tr>
<tr>
<td>MD</td>
<td>$5,000 (1/2 due at time of application, ½ due at closing)</td>
</tr>
<tr>
<td>NC</td>
<td>2% of the bond amount</td>
</tr>
<tr>
<td>Passaic County</td>
<td>Public Agency or Not for Profit - $1000</td>
</tr>
<tr>
<td></td>
<td>Private for Profit Person or Company - $2500</td>
</tr>
<tr>
<td>Morris County</td>
<td>0.5% of the amount</td>
</tr>
</tbody>
</table>

Modifying the fee structures for both the former Commission products and our Bond products will enable the fees to better reflect our true cost of business, and it will also ensure our overall fee structure will be more consistent and understandable for our customers as well.

III. Risk Adjusted Pricing:

Loan pricing is a critically important function in the EDA’s operations. Loan pricing directly affects the financial position of the EDA through its impact on earnings and its ability to cover losses based on credit risk, and ultimately capital adequacy. As such, the EDA must price loans in a manner sufficient to cover costs, provide the capitalization needed to ensure the EDA’s financial viability, protect the EDA against losses, provide for borrower needs, and allow for growth. Recognizing the importance of our portfolio health and based on recommendations from the Directors Loan Review Committee, earlier this year the EDA created the Risk and Exposure Task Force Committee. This is a cross-functional team charged with developing recommendations to meet the following EDA portfolio objectives: to approve financings that are sound and collectable, meet changing public policy objectives, foster economic growth, and to result in self-sustainability of our revolving loan funds.

The Risk and Exposure Task Force focused on the following areas: to develop loan pricing based on credit risk, public policy, and amortization schedules. The committee also focused on incenting customers to participate in auto-debit payments and underscoring standard practice
around defaults. The recommendations would apply to all EDA loan products that fall under Direct Loan Rules, with the exception of Main Street, that currently utilizes a fixed 5% interest rate and Urban Plus that is set at a flat 5 year Treasury.

**Recommendations:**

**Recommendation 1: Align Fees for Former Commerce Products to Like Products in EDA Portfolio**

In order to map efficiently to the market and competitive environment, and align with program operational costs, we propose restructuring fee components of the products transitioned from the former Commerce Commission. Table 2 below provides the specific change proposal data in detail as well as the rationale for change.

We are not recommending modification to several products including the Brownfields Reimbursement, Energy Sales Tax Exemption, Municipal Landfill Closure & Remediation, and the Urban Enterprise Zone Energy Sales Tax Exemption programs, as there is no statutory language permitting the EDA to charge fees to such programs.

**Table 2: Proposed Fee Modifications**

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>CURRENT FEES</th>
<th>RECOMMENDATION</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAGG Tax Credit</td>
<td><strong>Application:</strong> $1,000 (relocation of 500 or more employees) $750 (relocation of 50-499 employees)</td>
<td><strong>Application Fee:</strong> $1,000 <strong>Servicing Fee:</strong> 2% of the tax credit amount - no floor, $75K cap, 1 time charge <strong>Modification Fee:</strong> $750 (administrative change) $1,500 major change</td>
<td>• Align with BEIP Program • Recipients submit reporting for 5 years</td>
</tr>
<tr>
<td>Business Retention &amp; Relocation Act Tax Credit Certificate Transfer Program</td>
<td><strong>Application:</strong> $1,000</td>
<td><strong>Application Fee:</strong> $2,500 <strong>Modification Fee:</strong> $750 (administrative change) $1,500 major change</td>
<td>• Align with Technology Tax Transfer Program</td>
</tr>
<tr>
<td>Sales &amp; Use Tax Exemption Program</td>
<td><strong>Application:</strong> $1,000</td>
<td><strong>Application Fee:</strong> $1,000 <strong>Servicing Fee:</strong> 2% of quarterly benefit amount - no floor, $75K cap (customer responsible for paying servicing fee until newly constructed building is occupied and quarterly reports are no longer necessary) <strong>Modification Fee:</strong> $750 (administrative change) $1,500 major change</td>
<td>• Align with other EDA products • Recipients must submit reporting for 5 years</td>
</tr>
</tbody>
</table>
Recommendation 2: Expand the Application Fee Bundling Structure to include BRAGG and Sales Tax Exemption Products

If the BRAGG Tax Credit and the Sales Tax Exemption products are applied for concurrently, instead of paying two fees, the applicant will receive a 50% discount off the lowest application fee; however applicants are expected to pay necessary servicing fees for both programs. The specific application fee bundling recommendation is summarized in Table 3.

Table 3: Proposed Application Fee Bundling Structure

<table>
<thead>
<tr>
<th>TRANSACTION TIMEFRAME</th>
<th>SCENARIO</th>
<th>CURRENT FEE STRUCTURE</th>
<th>PROPOSED FEE STRUCTURE</th>
<th>RATIONALE</th>
</tr>
</thead>
</table>
| Concurrent application | BRAGG                     | 2 application fees    | 50% off the lower application fee | • Customer-Friendly  
|                        | Sales & Use Tax Exemption |                       |                        | • Encourage repeat business        |

From a financial perspective, the net revenue impact should be minimal. Specifically, it is expected that net reduced fees will be offset by expected gains in transaction volume.

Recommendation 3: Restructure Bond Application Fees

In order to map efficiently to the market and competitive environment, and align with program operational costs, EDA is recommending an increase of program application fees from $500 to $1000 for Taxable, Tax-Exempt, Refunding, and Redevelopment Area Bonds. We are not recommending restructuring other fee elements – including commitment fees, closing fees, extension fees, and modification fees, as we believe the current fees appropriately represent true costs of service.

Recommendation 4: Implement Risk Adjusted Pricing to Certain Loan Products

The recommendations to follow would apply to all EDA loan products that fall under Direct Loan Rules, with the exception of Main Street, that currently utilizes a fixed 5% interest rate and Urban Plus that is set at a flat 5 year Treasury.

The first component of the risk adjusted pricing recommendation is to modify the baseline interest rate for new fixed rate loans from the five year Treasury Bill Rate (flat) to the five year Treasury plus 100 basis points or index rate; and Prime minus 150 Basis Points for new variable loans. The interest rate floor shall be 3%. The details to follow around Credit Risk, Public Policy, and Amortization Rate adjustments will be based on the recommended Base Rate.

Concerning Credit Risk Adjustments, customers with “watch”, “special mention”, or “substandard” credit risk ratings will have a loan price set at the base rate plus an additional 50 Basis Points, plus 100 Basis Points, or plus 200 Basis Points respectively, as Table 4 illustrates.
Table 4: Proposed Credit Risk Pricing

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfactory</td>
<td>Base</td>
</tr>
<tr>
<td>Watch</td>
<td>Base + 50 Basis Points</td>
</tr>
<tr>
<td>Special Mention</td>
<td>Base + 100 Basis Points</td>
</tr>
<tr>
<td>Substandard</td>
<td>Base + 200 Basis Points</td>
</tr>
</tbody>
</table>

As stated in our mission and strategy, the EDA’s purpose is to provide assistance to projects that will strengthen the State’s economy by creating new jobs and business opportunities as well as supporting community development and revitalization. As summarized in table 5 below, the Public Policy Rate Adjustment will reward customers whose projects score a Strong Policy rating by subtracting 50 Basis Points. There will be no adjustment to projects that meet the criteria. Projects with a weak public policy rating will be reviewed to determine if Authority involvement is appropriate, and if so, will have 100 Basis Points added to their rate.

Table 5: Proposed Public Policy Rate Adjustment

<table>
<thead>
<tr>
<th>Rating</th>
<th>Rate Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong</td>
<td>-50 Basis Points</td>
</tr>
<tr>
<td>Meets</td>
<td>N/A</td>
</tr>
<tr>
<td>Weak</td>
<td>+100 Basis Points</td>
</tr>
</tbody>
</table>

We are also proposing to modify the standard amortization schedules for real estate and equipment transactions to 15 years and 7 years respectively. Customers who wish to extend amortization periods or need the longer amortization will be required to pay higher interest rates, as identified in Table 6 below. The goal of this recommendation is to revolve funds more quickly so that we may provide funding to as many businesses as possible. By a similar logic, amortization rate adjustments are also provided for term working capital loans as below.

Table 6: Proposed Amortization Rate Adjustment

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortization</th>
<th>Rate Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td>15 years</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>20 years</td>
<td>+ 50 Basis Points</td>
</tr>
<tr>
<td></td>
<td>25 years</td>
<td>+ 100 Basis Points</td>
</tr>
<tr>
<td>Equipment</td>
<td>7 years</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>10 years</td>
<td>+ 50 Basis Points</td>
</tr>
<tr>
<td>Working Capital</td>
<td>5 years</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>7 years</td>
<td>+ 50 basis points</td>
</tr>
<tr>
<td></td>
<td>10 years</td>
<td>+100 basis points</td>
</tr>
</tbody>
</table>
Recommendation 5: Increase Auto-Debit Transaction for Efficiency

We will now also require customers to participate in auto-debit transactions. Customers who do not participate will have an additional 25 basis points added. Auto-Debit loans will help identify and control credit risk much sooner than loans in which customers submit paper checks. This will allow us to monitor our portfolio more effectively as well as reducing FTE hours as it will decrease the number of checks to process, copying, and hours spent contacting customers to inform them of delinquent payments.

Lastly, going forward, it will become part of our standard practice to charge $35 for any returned auto-debit transactions or checks returned for insufficient funds. New loans will have a standard default rate of the current note plus 200 Basis Points.

Conclusion:

The Board is requested to approve the recommendations as documented in this memo, and to authorize staff to submit proposed rules implementing these changes to the Office of Administrative law, for publication in the NJ Register subject to review and approval of the Office of the Attorney General.

The new fees will become effective upon adoption and customers advised of the risk that they may not be adopted as proposed.

Prepared By: Cristina Jones
EXHIBIT I: PROPOSED RULE AMENDMENTS

DRAFT
11.25.09

OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Administrative Rules
Fees
Proposed Amendments: N.J.A.C. 12A:2-1.6, 2A-1.5 and 2A-2.5; 19:31-3.1 and 19:30-6.7

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini, Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2009-

Submit written comments by ________________, 2010:

Maureen Hassett, SVP Governance & Communications
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing amendments to its rules to adjust current fees for various loan and incentive programs, including the Business Retention and Relocation Assistance Grant (BRRAG) Program, Tax Credit Certificate Transfer Program and Sales & Use Tax Exemption Program which was transferred from the Commerce Commission pursuant to P.L. 2008, c. 27.

Specifically, the proposed amendments will align the application, commitment/servicing and modification fees imposed for the BRRAG Program and related programs with the fees EDA currently imposes for the Business Employment Incentive Program (BEIP). In addition, the proposed amendment, at N.J.A.C. 19:31-3.1(h)3, expands the factors which the Authority may consider in establishing additional interest rate basis points to include amortization schedules. Also, the proposed amendment, at N.J.A.C. 19:30-6.4(c) would establish a fee of .25 basis points to be added to the rate of interest charged borrowers who choose not to participate in the Authority's auto debit transaction program; and the
proposed amendment, at N.J.A.C. 19:30-6.4, would require a charge of $15.00 for any payment made on a direct loan which is returned due to insufficient funds.

Finally, the proposed amendment, at N.J.A.C. 19:30-6.7, would delete language referencing the subchapter, i.e., Subchapter 6 Fees, to clarify that the authority to waive fees applies to fees for all EDA programs.

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The EDA provides financial assistance to promote business growth, increase employment, stimulate economic development and expand the tax base of the community. The proposed amendments would enable the EDA to ensure that its fee-based revenues, particularly for programs transferred from the Commerce Commission, along with interest and other non-State sources of funding, cover its cost of program administration.

Economic Impact

The proposed rule amendments will enable the EDA to better promote economic investment in the State by charging fees for BRRAG and related programs that more accurately reflect the actual cost of these programs and related services to the business community in New Jersey. In addition, the proposed amendments implementing changes in interest rates for certain borrowers of EDA assistance, are based on standard banking practices and will not impose any additional hardship for applicants.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.

Jobs Impact

The EDA is a catalyst for creating jobs and promoting economic growth in the State and, since inception, the BRRAG Program has resulted in the retention of an estimated 16,000 jobs and leveraged over $1 billion in private investment in New Jersey. The Authority anticipates that the proposed amendments will not impact the number of businesses, nonprofits and municipalities that take advantage of the program thereby resulting in continued job retention in the State.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Statement

The proposed amendments will require any successful small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., to comply with the EDA’s regular
application procedures and grant compliance guidelines, all of which are designed to minimize reporting, recordkeeping or other administrative requirements.

**Smart Growth Impact**

The proposed amendments have no impact on smart growth and implementation of the New Jersey State Development and Redevelopment Plan, as the proposed amendments involve administrative fees for obtaining financial assistance through the EDA.

**Housing Affordability Impact**

The proposed amendments, which involve administrative fees for obtaining financial assistance through the EDA, will not impact the amount or cost of housing units.

**Smart Growth Development Impact**

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Area 1 or 2, or in designated centers under the State Development and Redevelopment Plan, as they address administrative fees for obtaining financial assistance through the EDA.

**Full text** of the proposal follows (additions indicated in boldface thus: deletions indicated in brackets [thus]):

Chapter 12A. COMMERCE  
SUBCHAPTER I. BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT PROGRAM

**12A:2-1.6 Application submission requirements**

(a) (No change.)

[(b) The business applying to the program shall submit the following non-refundable application fee, with payment in the form of a check, payable to the "New Jersey Commerce, Economic Growth and Tourism Commission":

1. If the full-time jobs to be retained and relocated for the project equal or exceed 500, the application fee is $1,000;

2. If the full-time jobs to be retained and relocated for the project are 250-499, the application fee is $750.00.]

**12A:2-1.14 Fees**

(a) A non-refundable application fee of $1,000 shall accompany every application for assistance.

(b) A non-refundable commitment fee of 2 percent of the assistance not to exceed $75,000 shall be charged with the acceptance by an applicant of the assistance.
(c) A non-refundable fee of $750.00 shall be paid for each request by for any administrative changes, additions or modifications to the grant; and a non-refundable fee of $1,500 shall be paid for any major changes, additions or modifications to the grant, such as those requiring extensive staff time and Board approval.

Recodify existing 2-1.14 through 2-1.17 as 2-1.15 through 2-1.18 (No change in text.)

SUBCHAPTER I. TAX CREDIT CERTIFICATE TRANSFER PROGRAM

12A:2A-1.5 Submission requirements

(a) (No change.)

[(b) Each application submitted by a selling business to the program shall be accompanied by a non-refundable application fee in the amount of $1,000 and with payment in the form of a check, payable to the New Jersey Commerce, Economic Growth and Tourism Commission.]

12A:2A-1.7 Fees

(a) Each application submitted by a selling business to the program shall be accompanied by a non-refundable fee of $2,500.

(b) A non-refundable fee of $750.00 shall be paid for each request by for any administrative changes, additions or modifications to the grant; and a non-refundable fee of $1,500 shall be paid for any major changes, additions or modifications to the grant, such as those requiring extensive staff time and Board approval.

Recodify existing 2A-1.7 as 2A-1.8 (No change in text.)

SUBBCHAPTER 2. SALES AND USE TAX EXEMPTION PROGRAM

12A:2A-2.5 Submission requirements

(a) Each application to the Commission shall include the following information in an application format prescribed by the Commission:

1.-3. (No change.)

[4. The business applying to the program shall submit the following non-refundable application fee, with payment in the form of a check in the amount of $1,000, payable to the "New Jersey Commerce, Economic Growth and Tourism Commission."]

12A:2A-2.11 Fees

(a) A non-refundable application fee of $1,000 shall accompany every application for grant assistance.

(b) An annual servicing fee of two percent of the quarterly grant disbursement with a cap of $75,000 shall be payable until the quarterly reports pursuant to N.J.A.C. 12A-2.10(a) are no longer required to be filed.
(c) A non-refundable fee of $750.00 shall be paid for each request by for any administrative changes, additions or modifications to the grant; and a non-refundable fee of $1,500 shall be paid for any major changes, additions or modifications to the grant, such as those requiring extensive staff time and Board approval.

Recodify existing 2A-2.11 through 2A-2.14 as 2A:2.12 through 2A:2.15 (No change in text.)

CHAPTER 31. AUTHORITY ASSISTANCE PROGRAMS
SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) – (g) (No change.)

(h) The Authority shall determine the term, and fixed and/or variable rates of interest, including interest rate floors, to be charged for each loan product through consideration and official action of the Members at a public hearing. The applicant shall elect in writing, at or prior to the time of closing, a fixed interest rate or at a variable interest rate.

1. – 2. (No change.)

3. For fixed and variable rate loans, factors to be considered in establishing additional interest rate basis points above the floor previously established by the Board may include, among others:

i. An applicant's creditworthiness;

ii. Amortization schedules;

[iii.] The quality of collateral;

Redodify existing iii. through ix. as iv. through x. (No change in text.)

4. – 6. (No change.)

(i) – (l) (No change.)

CHAPTER 30. ADMINISTRATIVE RULES
SUBCHAPTER 6. FEES

19:30-6.4. Post-closing fees

(a) – (b) (No change.)

(c) For those borrowers who choose not to participate in auto-debit transaction payments, a fee of .25 basis points will be added to the rate of interest charged on each applicable loan.
(d) Any payment made on a direct loan which is returned due to insufficient funds shall result in a charge of $35.00.

19:30-6.7 Fee waiver

The Chief Executive Officer may, with the approval of the members, waive certain fees [as described in this subchapter.] upon demonstration by the applicant that the imposition of the fee would impose an undue financial hardship. The members may delegate to a Director, with the concurrence of the Chief Executive Officer, Chief Operating Officer or Senior Vice President, authority to waive a loan commitment fee; and may delegate to a Director, authority to waive late fees when the cause for the late fee is beyond the control of the borrower. The Chief Executive Officer, with the approval of the members, may waive, postpone or decrease bond application and closing fees for municipal governmental agency(s) or State agency projects. In the case of State agency projects, such waiver, postponement or decrease shall be in accordance with the directives of the State Treasurer regarding the specific State agency projects.
BOND RESOLUTIONS
APPLICANT: Eden Institute Foundation

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 125 Village Boulevard Plainsboro Township (N) Middlesex

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban (X) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The Eden Institute Foundation, a 501(c)(3) organization, was founded in 1975 to provide services to children and adults with autism over the course of their lifespan. This mission encompasses all aspects of the assessment, treatment and education of children who come to the attention of the organization early in life. Services are provided to children and adults and support is also provided to their parents and family members. Currently Eden services over 250 children and adults with autism through its programs in Mercer and Middlesex counties and employs approximately 250 professional and paraprofessional staff in NJ.

The applicant is a not-for-profit, 501(c)(3) entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to purchase 3.5 acres of land and an existing 12,000 sq. ft. building, renovate the existing building and construct an addition of approximately 28,000 sq. ft. When complete, this complex will become the new headquarters for Eden, include a school for approximately 80 students, and provide office space for related clinical and program functions and other administrative offices.

The 2009 Bonds will be secured by a guarantee from Princeton University with a rating by Moody's of at least Aa1.

FINANCING SUMMARY:

BOND PURCHASER: PNC Capital Markets LLC (Underwriter)

AMOUNT OF BOND: Not to exceed $12,000,000 (Tax-exempt)

TERMS OF BOND: 30 years; Serial and term bonds not to exceed 8% (estimated rates as of 11/23/09 for serial bonds from 1% to 2.20% and for the terms bonds from 4% to 4.75%)

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$6,733,998</td>
</tr>
<tr>
<td>Acquisition of existing building</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$1,015,000</td>
</tr>
<tr>
<td>Interest during construction</td>
<td>$752,351</td>
</tr>
<tr>
<td>Land</td>
<td>$750,000</td>
</tr>
<tr>
<td>Construction of roads, utilities, etc.</td>
<td>$550,000</td>
</tr>
<tr>
<td>Renovation of existing building</td>
<td>$500,000</td>
</tr>
<tr>
<td>Engineering &amp; architectural fees</td>
<td>$250,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$150,000</td>
</tr>
<tr>
<td>Environmental Remediation</td>
<td>$100,000</td>
</tr>
<tr>
<td>Renovation of existing equipment &amp; machinery</td>
<td>$50,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$50,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$35,000</td>
</tr>
<tr>
<td>-----------</td>
<td>--------</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>$12,686,349</td>
</tr>
</tbody>
</table>

**JOBS:**  
- At Application: 100  
- Within 2 years: 7  
- Maintained: 0  
- Construction: 234

**PUBLIC HEARING:** 12/08/09 (Published 11/24/09)  
**BOND COUNSEL:** Wolff & Samson  
**DEVELOPMENT OFFICER:** P. Ceppi  
**APPROVAL OFFICER:** T. Wells
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Fantasy Furniture, Inc. or Nominee

PROJECT USER(S): Fantasy Furniture, Inc. *

PROJECT LOCATION: 1460 Chestnut Avenue Hillside Township (T/UA) Union

GOVERNOR'S INITIATIVES:
( ) Urban Fund (X) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Incorporated in 1995, Fantasy Furniture, Inc. is a custom manufacturer of cabinets, credenzas and built-in furniture of all kinds for high end commercial, office and residential uses. Some of its clients are the contractors, designers and architects of luxury hotel and construction developments and retail store display fitters (visual merchandising) in New York and New Jersey. Fantasy Furniture, Inc., owned by Georghe Stavila, is also doing business under the names "GW Manufacturing" and "George Visual". It is expected that a real estate holding company will be formed to hold the title to the project location.

Fantasy Furniture, Inc. started out as a kitchen cabinetry and millwork facility. Today it can prototype, design, engineer and manufacture all types of cabinets, visual merchandising and built-in furniture under one roof utilizing the latest equipment such as precision CNC routers, molding machines, edge banders and panel saws. Fantasy Furniture, Inc. has grown quickly in a relatively short period of time. It has outgrown its current rented 24,000 sf manufacturing facility in Ridgewood, New York. Fantasy Furniture, Inc. is currently employing about 25 people in Ridgewood, New York. The company expects to grow to employ about 35 positions within two years of moving to New Jersey.

APPROVAL REQUEST:
Authority assistance will enable the acquisition and renovation of a 58,000 sq. ft. facility on 1.78 acres for use in manufacturing operations plus pay the cost of issuance.

An EDA Direct Loan i/a/o $1 million, which has just been approved through Delegated Authority under the Preferred Lender Program - P28853, a $100,000 bank line of credit, and owner's equity will complement this project's Sources of Funds.

FINANCING SUMMARY:

BOND PURCHASER: Sun National Bank (Direct Purchase)

AMOUNT OF BOND: $1,940,000 (maximum) Tax-Exempt Bond

TERMS OF BOND: 20-year term with call options on the 10th and 15th anniversaries; t/e fixed interest rate at the tax-exempt equivalent (currently 65%) of NY FHLB 5-Year Advance Rate then in effect (indicative FHLB rate as of 11/19/2009 is 2.99%) plus 275 bps with a t/e interest rate floor of 4.50%; interest rate adjustments every 5 years based on the same formula and with the same floor; indicative fixed t/e rate as of 11/19/2009 is 4.50%.

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$3,300,000</td>
</tr>
<tr>
<td>Renovation of existing building</td>
<td>$350,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$20,000</td>
</tr>
<tr>
<td>Finance fees</td>
<td>$20,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>$20,000</td>
</tr>
</tbody>
</table>
JOBS:  At Application 0  Within 2 years  35  Maintained 0  Construction 11

PUBLIC HEARING: 11/10/09 (Published 10/27/09)  BOND COUNSEL: Wolff & Samson
DEVELOPMENT OFFICER: M. Abraham  APPROVAL OFFICER: D. Sucszu
AMENDED BOND RESOLUTIONS
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: Temple Emanuel of the Pascack Valley, Inc.
Application P13559 & P13558
Woodcliff Lake Borough, Bergen County

MODIFICATION REQUEST
Temple Emanuel of the Pascack Valley, Inc. requests Board approval to eliminate the mandatory sinking fund redemptions required in the Trust Indenture.

BACKGROUND
In 2001, the Authority closed on a tax exempt bond issue in the amount of $2,000,000 for the benefit of the Temple Emanuel of the Pascack Valley, Inc., a 501(c)(3) not-for-profit organization, to renovate and expand its existing community center and early childhood program and to refund a 1996 tax exempt bond financing; proceeds of the 1996 bond were used to refinance existing debt in connection with a previous expansion. The 2001 Bonds were privately placed by RealVest Capital Corporation as weekly variable rate bonds (current interest rate as of 11/18/2009 is .40%) with 20 year maturity secured by a direct pay letter of credit by PNC Bank, N.A. The Bonds are in compliance.

The Applicant is required, in accordance with the terms of the Trust Indenture to make mandatory sinking fund redemptions of $100,000 annually on December 1st, beginning in December 2002, up to and including December 1, 2021, the final maturity date. Due to lower membership and declining school revenue, the Applicant requested and received the consent of the sole bondholder, Federated Investors, Inc., and PNC Bank, the letter of credit bank, to defer the required sinking fund payments of $100,000 for the years 2007, 2008 and 2009. The three payments are deferred until December 1, 2021, the final maturity. Interest payments are current.

To provide further flexibility, the Applicant has requested that the remainder of the mandatory annual sinking fund payments be eliminated to provide for a single payment at maturity; and any optional prepayment of principal to be handled under the terms of the letter of credit and reimbursement agreement with PNC Bank. The Bondholder of the 2001 Bonds, as well as the Letter of Credit Bank is required to consent to this request. Bond Counsel, Wolff & Samson has reviewed the amendment and has advised that the Modification will not affect the tax exempt
status of the 2001 Bond; however it will constitute a reissuance under the IRS code.

A Public Hearing is also being conducted at the December 8, 2009 meeting.

**RECOMMENDATION**

It is recommended that the Board approve the requested Modification Request which will support a not-for-profit to provide cash flow to continue its services, subject to the consent of the Bondholder and the Letter of Credit Bank.

Prepared By: Teresa Wells
PRELIMINARY RESOLUTIONS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Phoenix Container, Inc.  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: 1202 Airport Road North Brunswick Township (N) Middlesex

GOVERNOR’S INITIATIVES:  
( ) Urban Fund ( ) Other Urban (X) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:  
Phoenix Container, Inc., formed in 1997, is a manufacturer of steel pails in various sizes from 2 gallons to 6.5 gallons for the chemical, paint and roof coating industries. The pails are produced from cold rolled steel ranging in thickness from 29 gauges to 24 gauges. The 88,000 sq. ft. manufacturing plant located on 8 acres in North Brunswick, Middlesex County, is capable of producing 60 to 70 thousand pails per day with 110 employees.

In 2007, Authority assistance of $1,000,000 in tax-exempt bonds enabled the Applicant to purchase new steel pail assembly line equipment for its manufacturing facility. The 2007 Bond was purchased by Sovereign Bank for 10 years at fixed rate of 5.5%. The 2007 Bond is in compliance.

APPROVAL REQUEST:  
Authority assistance will enable the Applicant to purchase new manufacturing equipment to replace existing machinery. The equipment consists of welding and slitting equipment and conveyors.

In addition, the Applicant has submitted an application to refund the 2007 Bonds and at time of final resolution, the applicant will request approval for a refunding bond together with this new equipment purchase.

FINANCING SUMMARY:  
BOND PURCHASER:  
AMOUNT OF BOND:  
TERMS OF BOND:  N/A

ENHANCEMENT:  N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$1,660,000</td>
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<tr>
<td>Legal fees</td>
<td>$20,000</td>
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<td>Finance fees</td>
<td>$10,000</td>
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<tr>
<td>Accounting fees</td>
<td>$2,500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$1,692,500</strong></td>
</tr>
</tbody>
</table>

JOBS: At Application 110 Within 2 years 10 Maintained 0 Construction 0

PUBLIC HEARING:  
BOND COUNSEL: Capehart & Scatchard, P.A.

DEVELOPMENT OFFICER: K. Durand  
APPROVAL OFFICER: T. Wells
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Settimo and the Three Musketeers LLC

PROJECT USER(S): E&S Foods, Inc. *

PROJECT LOCATION: 64 South Jefferson Ave Hanover Township (N) Morris

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban (X) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Settimo and the Three Musketeers, LLC (Settimo) was formed to acquire a 50,000 s.f. building in Hanover Township for use by E&S Foods, Inc (E&S). E&S is a family run Italian food distribution business, established by Settimo Guttilla in 1980. Primary distribution focus is Italian food products and cheeses to independent food handlers, restaurants, pizza shops, and specialty grocery stores throughout NJ, NY and CT. Among the products distributed are Grande Cheese, Barilla Pasta, and Stanislaus Foods.

APPROVAL REQUEST:
Authority assistance will enable the applicant to acquire a 50,000 s.f. facility, renovate existing structure on property, build a new plant, and purchase production equipment to set up an expanded distribution center and manufacturing plant. The applicant is investing $2.4 million equity in the project, with the balance of funds to come from this tax-exempt bond financing, EDA direct loan and conventional banking. The amount to be a tax-exempt bond is limited by the percentage of the facility to be used for manufacturing.

FINANCING SUMMARY:
BOND PURCHASER: N/A
AMOUNT OF BOND: N/A
TERMS OF BOND: N/A
ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction of new building or addition</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Acquisition of existing building</td>
<td>$2,500,000</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$500,000</td>
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<td>Legal fees</td>
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<tr>
<td>Finance fees</td>
<td>$20,000</td>
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<td>Accounting fees</td>
<td>$20,000</td>
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TOTAL COSTS $9,060,000

JOBS: At Application 25 Within 2 years 25 Maintained 0 Construction 180

PUBLIC HEARING: N/A
DEVELOPMENT OFFICER: M. Abraham
BOND COUNSEL: Wolff & Samson
APPROVAL OFFICER: M. Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM

APPLICANT: Yeshiva Orchos Chaim, Inc. P28879

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 410 Oberlin Ave S Lakewood Township (T/UA) Ocean

GOVERNOR'S INITIATIVES:
( ) Urban Fund (X) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Yeshiva Orchos Chaim, Inc., a nonsectarian 501(c)(3) not-for-profit organization established in 2001, is an elementary school including Kindergarten through eighth grade. The School, started by a group of parents with 87 boys in a rented facility, has now experienced exponential growth which today includes over 640 boys in a 42,000 sq. ft. facility situated on a ten acre campus in Lakewood, Ocean County. The School has also recently completed construction of a 40,000 sq. ft. facility on 10 acres, also located in Lakewood, which will give the School plenty of room to grow, expecting an additional 200 students, both boys and girls in the next year and creation of 40 new jobs.

The School is a 501(c)(3), not-for-profit entity for which the Authority may issue tax exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:
Authority assistance will enable the Applicant to refinance and consolidate its existing debt of approximately $3.8 million with Amboy Bank at 5.5% for 10 years and an additional $2 million to private lenders the proceeds of which were used to acquire and construct the school buildings. The Applicant is attempting to consolidate the debt into a manageable financial structure with a more favorable interest rate.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refinancing</td>
<td>$5,800,000</td>
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<tr>
<td>Finance fees</td>
<td>$90,000</td>
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<td>Legal fees</td>
<td>$35,000</td>
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<td>TOTAL COSTS</td>
<td>$5,925,000</td>
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</tbody>
</table>

JOBS: At Application 80 Within 2 years 40 Maintained 0 Construction 0

PUBLIC HEARING:

DEVELOPMENT OFFICER: R. Fischer

BOND COUNSEL: Wolff & Samson

APPROVAL OFFICER: T. Wells
DIRECT LOANS
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: ADJ Realty New Jersey, LLC

PROJECT USER(S): E & T Plastic Manufacturing Co., Inc. *

PROJECT LOCATION: 200 Green Street Teterboro Borough (N) Bergen

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The applicant is a newly formed real estate holding company which seeks financing to acquire a 71,500 square foot commercial building on 2.8 acres, perform minor renovations and purchase equipment. The facility will be solely leased by a related entity, E & T Plastic Manufacturing Co., Inc. ("E & T") which will be relocating from space in Long Island City, New York. E & T was founded in 1946 by John Thai and today is 100% owned by his son, Gary Thai. E&T is a plastics distributor and component manufacturer that offers custom cutting services as well as "value added" services such as CNC routing, laser cutting, vacuum forming and traditional fabrication.

APPROVAL REQUEST:
Approval is requested for a $1,250,000 direct loan which serves as the gap financing in conjunction with $3,250,000 from JP Morgan Chase (via an EDA issued tax exempt bond being directly purchased by the bank which was approved by the Members of the Authority on 11/11/09 under related P # 28139). This project is further supported by $2,460,000 in equity by the owners.

FINANCING SUMMARY:
LENDER: NJEDA

AMOUNT OF LOAN: $1,250,000

TERMS OF LOAN: Borrower will have the option of a fixed rate set at closing at 5 year UST with a floor of 3% or floating at Prime - 4% with a floor of 2%. Five-year term based on a 15-year amortization.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$5,900,000</td>
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<tr>
<td>Renovation of existing building</td>
<td>$500,000</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$500,000</td>
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<tr>
<td>Legal fees</td>
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<tr>
<td>Finance fees</td>
<td>$20,000</td>
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<tr>
<td>Accounting fees</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

**TOTAL COSTS** $6,960,000

JOBS: At Application 0  Within 2 years 55  Maintained 0  Construction 15

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: M. Conte
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - DIRECT LOAN PROGRAM

APPLICANT: LMT-Mercer Group, Inc.

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 690 Puritan Ave., Lawrence Township (N) Mercer

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
LMT-Mercer Group, Inc. ("LMT") is a manufacturer, designer and distributor of plastic injection molding accessories for the fence, deck and railing industries. This entity was formed in 1987 and ownership is divided between two brothers, Anatoly and George Lesenskyj, Jr. and their sister Helen Lesenskyj Dublas (each owning 26.6%) with the remainder held in trusts for four of their children. A related entity, Lawrence Mold and Tool Corp., founded in 1972 was the family's first foray into business in the US (founded by George Lesenskyj, Sr. after he immigrated from the Ukraine in the fifties) and this entity is owned by the three Lesenskyj's (20% each) with the four trusts holding the remaining shares. Lawrence Mold and Tool Corp. ("LM") fabricates dies and molds for sale to other manufactures in the US and Canada.

APPROVAL REQUEST:
Approval is requested for a $1,250,000 direct loan which serves as the gap financing in conjunction with $2,300,000 loan from JP Morgan Chase and $380,000 in equity by the owners. Funds will be utilized to acquire the assets of their largest competitor, Stallion Fence Accessories, Inc. ("Stallion", based in Denver, Colorado). This business was founded in 1997 and is owned by Marwit Capital Partners, L.P. (a private equity firm based in California) which acquired the business in April of 2008. Stallion will be consolidated into LMT's operations in the Lawrenceville facility and employment is expected to grow from forty to sixty-five at this location within the next two years.

FINANCING SUMMARY:
LENDER: NJEDA
AMOUNT OF LOAN: $1,250,000
TERMS OF LOAN: Borrowers option: Fixed at closing at 5 year UST with a floor of 3% or floating at Prime minus 4% with a 2% floor. Five-year term based on a five-year amortization.

PROJECT COSTS:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>Purchase Business</td>
<td>$3,800,000</td>
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<tr>
<td>Working capital</td>
<td>$163,000</td>
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<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$130,000</td>
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<td>Legal fees</td>
<td>$50,000</td>
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<td>$22,000</td>
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<td>Accounting fees</td>
<td>$15,000</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$4,180,000</strong></td>
</tr>
</tbody>
</table>

JOBS:
At Application 40 Within 2 years 25 Maintained 0 Construction 0

DEVELOPMENT OFFICER: K. Durand
APPROVAL OFFICER: M. Conte
LOCAL DEVELOPMENT FINANCING FUND
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - LOCAL DEVELOPMENT FINANCING FUND PROGRAM

APPLICANT: Mincha, LLC

PROJECT USER(S): Carestar Adult Medical Day Care, LLC
L.G. Amtred Inc

PROJECT LOCATION: 151 East 33rd Street  Paterson City (T/UA)  Passaic

GOVERNOR’S INITIATIVES:
(X) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Mincha LLC will own/operate a property located at 151 East 33rd Street, Paterson. The company will restore and renovate the historic property. Once renovations have been completed, an adult medical day care center will occupy the first floor and second floor, performing arts center will occupy the adjacent space on the first floor and Akbar Rahimbaev will operate a kitchen in the basement.

Andre Tovstashy and Michael Stengart each own 50% of Mincha LLC. The two owners have partnered on previous projects primarily located in Paterson.

APPROVAL REQUEST:
Approve a $1,250,000 direct term loan as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: $1,250,000 direct term loan

TERMS OF LOAN: 10-Year Term/15-Year Amortization
Fixed rate 50% of Federal Discount Rate, with a floor of 2%.
After year-5 the rate will reset at the same index.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of existing building</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Renovation of existing building</td>
<td>$1,431,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>$650,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$182,000</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$4,463,000</strong></td>
</tr>
</tbody>
</table>

JOBS: At Application  28  Within 2 years  69  Maintained  0  Construction  43

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: J. Wentzel
RENEWAL COMMUNITY COMMERCIAL
REVITALIZATION DEDUCTION PROGRAM
TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: 2009 Allocation - Commercial Revitalization Deduction Program

Background:
The Renewal Community Commercial Revitalization Deduction Program (CRD) was established under Section 14001 of the Internal Revenue Code. In accordance with this section, the Authority was designated the Community Revitalization Agency (CRA) for New Jersey with responsibility for developing a plan, mechanism and process for awarding and monitoring the annual allocations. A Renewal Community (RC), as defined by the US Department of Housing & Urban Development, is a community in need of increased opportunities for affordable housing, employment opportunities and economic revitalization. The designated RCs in New Jersey, Newark and Camden, are each qualified for a $12 million allocation per year. Costs eligible for the CRD include new construction of a qualified building or the costs associated with substantial rehabilitation of an existing qualified building to be placed in service by December 31, 2009. To our knowledge this program has not been extended beyond the current “sunset” date. The CRD may be claimed “up front” in year 1 for 50% of the qualified costs, or, 100% if claimed over 10 years. This deduction is considered accelerated depreciation as the costs are typically depreciated over a minimum period of 27.5 years.

The Authority received one application for the 2009 round of allocations of the Commercial Revitalization Deduction, from Newark, for $1,512,761, well below the $12 million maximum per renewal community. Since inception of the program, through 2008, Newark entities have been awarded $40 million in CRD allocations and Camden entities have been awarded $1.7 million. Application(s) scoring seven or more points out of a total of 13 will receive an allocation of the CRD. Please note the scoring is comprised of two components: Threshold Criteria determined by the respective CRD community, and General Criteria determined by the Authority. The Threshold Criteria evaluates how the project fits in to the respective RC’s development plan and when the project will be completed. The General Criteria focus is on creation of jobs and charitable giving in the past and anticipated in the future.
Background 53 University, LLC (University) is a real estate holding company formed in January 2007 to acquire the property located at 53 University Avenue, Newark. The property is located in an area designated by Newark as the “Living Downtown Redevelopment Plan Area”. The acquired property is a 4 story abandoned brick warehouse, with its first floor converted to a 2,230 s.f. retail space to house a café, under a 5 year lease, with a 5 year renewal option. In addition, the top 3 floors, consisting of 7,167 s. f., were converted into 6 rental units. Newark issued a certificate of occupancy for the property on May 29, 2009, when the building was put into use. Approximately 25% of the building will be commercial, with 75% residential, in compliance with RCD qualifications for residential use not to exceed 80%.

Project Ownership
University is owned by the Hanini Group, LLC (53%), Paul Giammona (13%) and Islam Zughayer (34%). The Hanini Group, LLC (Hanini), jointly owned by Samer Hanini and Thafer Hanini, is a real estate development group committed to Newark’s future. Hanini owns and manages all of their developments, and has developed in Newark over the past 4 years more than $20 million worth of restorations projects.

Newark Recommendation
53 University, LLC fulfilled Newark’s requirements to be classified a Tier One project with the endorsement of Cory A. Booker, Mayor. A Tier One project is defined as a project that has already been, or is very likely to be placed in service in the current calendar year, is considered a strong complement to the Renewal Community plan and contains significant job creation potential. The 53 University Street project meets Newark’s criteria for “The Living Downtown Redevelopment Plan” to create a revitalized, vibrant and sustainable downtown Newark, primarily through residential conversions of existing building stock, that regains prominence as a regional center for commerce, entertainment and urban living. As a predominantly residential project, the creation of jobs is dependent on the street level retail facility, currently with 3 employees. The shareholders of the Hanini Group, LLC have volunteered to serve on various community business boards, and made cash contributions to not for profit organizations, with an aggregate value exceeding 3% of the Hanini Group, LLC and 53 University, LLC projected net income.

Recommendation
As part of the application review process, the CRD Steering Committee, consisting of representatives from NJHMFA and Authority staff met on December 3, 2009 and reviewed the application. Based on the Steering Committee’s approval recommendation, staff recommends approval of the Newark applicant for $1,512,761 allocation.

Prepared by: Michael Krug
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

RENEWAL COMMUNITY COMMERCIAL REVITALIZATION DEDUCTION PROGRAM

PROJECT SUMMARY

<table>
<thead>
<tr>
<th>Date Application Received:</th>
<th>November 24, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Officer:</td>
<td>Michael Krug</td>
</tr>
<tr>
<td>Application No.:</td>
<td>2009-14</td>
</tr>
</tbody>
</table>

1. **NAME OF APPLICANT:** 53 University, LLC

2. **PROJECT LOCATION:** 53 University Avenue Newark Essex County

3. **INDUSTRY:** Real Estate Development

4. **SIC:** 6500  **NAICS:** 531390

5. **CURRENT NJ EMPLOYMENT:** 5

6. **NEW EMPLOYMENT AT RC SITE:** Year 1 5 Year 2 TBD

7. **COMPANY BACKGROUND:**
53 University, LLC (University) is a real estate holding company, formed in October 2006, to acquire the property located at 53 University Avenue, Newark, an area designated as the “Living Downtown Redevelopment Plan Area”. The acquired property is a 4 story abandoned brick warehouse, with its first floor converted to a 2,230 s. f. retail space to house a café, under a 5 year lease, with a 5 year renewal option. In addition, the top 3 floors, consisting of 7,167 s. f., were converted into 6 rental units, with 100% occupancy. Newark issued a certificate of occupancy for the property on May 29, 2009, when the building was put into use. Approximately 25% of the building will be commercial, with 75% residential, in compliance with CRD qualifications for residential use not to exceed 80%.

University is owned by the Hanini Group, LLC (53%), Paul Giammona (13%) and Islam Zughayer (34%). The Hanini Group, LLC (Hanini), jointly owned by Samer Hanini and Thafer Hanini, is a real estate development group committed to Newark’s future. Hanini owns and manages all of their developments, and has developed in Newark over the past 4 years more than $20 million worth of restorations projects.

8. **EVALUATION SCORE:** 10

9. **RECOMMENDATION:** Approval (X ) Disapproval ( )

**COMMENTS:** 53 University, LLC fulfilled Newark’s requirements to be classified a Tier One project with the endorsement of Cory A. Booker, Mayor. A Tier One project is defined as a project that has already been, or is very likely to be placed in service in the current calendar year, is considered a strong complement to the Renewal Community plan and contains significant job creation potential. The 53 University Street project meets Newark’s criteria for “The Living Downtown Redevelopment Plan” to create a revitalized, vibrant and sustainable downtown Newark, primarily through residential conversions of existing building stock, that regains prominence as a regional center for commerce, entertainment and urban living. As a predominantly residential project, the creation of jobs is dependent on the street level retail facility, currently with 3 employees. The shareholders of the Hanini Group, LLC have volunteered to serve on various community business boards, and make cash contributions to not for profit organizations, with an aggregate value exceeding 3% of the Hanini Group, LLC and 53 University LLC projected net income.
PETROLEUM UNDERGROUND STORAGE TANK PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following grant projects have been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation. The scope of work is described on the attached project summary:

Private Grants:
Marian Hare ......................................................... $147,100
Philip Liu and Meiying Liu ........................................... $140,085
St. Benedict Church .................................................. $245,716
Peter Reilly ......................................................... $157,959

Total UST funding for December 2009................................. $690,860

Prepared by: Lisa Petrizzi
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: Marian Hare
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 726 Haddon Ave, Collingswood Borough (N), Camden

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Marian Hare is a homeowner who received a grant in June 2008 under P22061 in the amount of $54,188 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible, to perform additional remediation and site restoration.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $147,100 to perform the approved scope of work at the project site, for a total funding to date of $201,288.

The NJDEP oversight fee of $14,710 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: $147,100
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
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<tr>
<td>NJDEP oversight cost</td>
<td>$14,710</td>
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<tr>
<td>EDA administrative cost</td>
<td>$250</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$162,060</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: L. Petrizzi
APPLICANT: Philip Liu and Meiying Liu

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 11 Cleveland Rd. West, Princeton Borough (N), Mercer

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Philip Liu and Meiying Liu are homeowners seeking to remove a leaking 1,000 gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

Financial statements provided by the applicants demonstrate that the applicants’ financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $140,085 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $14,009 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: $140,085

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$140,085</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$14,009</td>
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<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$154,344</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: C. Cope
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT

APPLICANT: St. Benedict Church
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 65 Barbara St. Newark City (T/UA) Essex

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
St. Benedict Church is a 501(c)(3) not-for-profit organization seeking to remove a leaking underground storage tank (UST) and perform the required remediation. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

Certifications provided by the 501(c)(3) not-for-profit applicant indicate that the requirements for a conditional hardship grant have been met.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $245,716 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $24,572 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT $245,716
TERMS OF GRANT: No Interest; 5 Year repayment provision on a pro-rata basis in accordance with the PUST Act

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Cost</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade, Closure, Remediation</td>
<td>$245,716</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$24,572</td>
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<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$270,788</strong></td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: R. Doyle
APPLICANT: Peter Reilly
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 107 Casino Drive
Farmingdale Borough (N) Monmouth

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Peter Reilly is a homeowner who received a grant in April 2009 under P24429 in the amount of $87,527 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil remediation.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:
The applicant is requesting grant funding in the amount of $157,959 to perform the approved scope of work at the project site.

The NJDEP oversight fee of $15,796 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:
GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT $157,959
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remediation</td>
<td>$157,959</td>
</tr>
<tr>
<td>NJDEP oversight cost</td>
<td>$15,796</td>
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<tr>
<td>EDA administrative cost</td>
<td>$250</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$174,005</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: L. Petrizzi
TO: Members of the Authority  
FROM: Caren S. Franzini  
Chief Executive Officer  
DATE: December 08, 2009  
SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals  
(For Informational Purposes Only)

Pursuant to the Boards approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President ("SVP") of Operations have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

In August 2006, the Petroleum Underground Storage Tank Program legislation was amended to allow funding for the removal/closure and replacement of non-leaking residential underground storage tanks. The limits allowed under the amended legislation are $1,200 for the removal/closure and $3,000 for the removal/closure and replacement of a non-leaking residential underground storage tank.

Below is a summary of the Delegated Authority approvals processed by Program Services for the period November 01, 2009 to November 30, 2009.

<table>
<thead>
<tr>
<th>Summary:</th>
<th># of Grants</th>
<th>$ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaking tank grants awarded</td>
<td>53</td>
<td>$852,631</td>
</tr>
<tr>
<td>Non-leaking tank grants awarded</td>
<td>170</td>
<td>$494,146</td>
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</table>

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant Amount</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbalacci, Michael (P28827)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$13,375</td>
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<td>Belcher, Dennis (P27178)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Bentley, Richard and Veronica (P28665)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$4,951</td>
<td>$4,951</td>
</tr>
<tr>
<td>Berkowitz, Sarena (P27785)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$6,582</td>
<td>$6,582</td>
</tr>
<tr>
<td>Bird, Charles and Virginia (P27511)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,672</td>
<td>$11,672</td>
</tr>
<tr>
<td>Broce, Freddie (P28464)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$11,388</td>
<td>$11,388</td>
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<tr>
<td>Caltabiano, Fred (P28699)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$10,736</td>
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<tr>
<td>Caltabiano, Soyoo (P28659)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$39,456</td>
<td>$39,456</td>
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<tr>
<td>Cassar, Michael (P28465)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$13,191</td>
<td>$13,191</td>
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<tr>
<td>Church of Saint Rose of Lima, The (P27469)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$34,513</td>
<td>$34,513</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
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<td>-----------------</td>
</tr>
<tr>
<td>Ciesla, Shawn (P27298)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$4,320</td>
<td>$4,320</td>
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<tr>
<td>Cole, Brian (P28815)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$6,494</td>
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<tr>
<td>Community YMCA (Matawan), The (P27027)</td>
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<tr>
<td>Coppola, Arthur (P27791)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Corinthian Housing Development Corporation (P26894)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>D'Aponte, Frank and Patricia (P28270)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Effron, Melvin (P28803)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Elbrus, Benhur (P29167)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>$303,941*</td>
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<td>Fijol, Theodore (P28631)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$11,687</td>
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<tr>
<td>Georgian Court University (P27995)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<td>$45,035</td>
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<tr>
<td>Hess, Patricia D. (P27300)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$18,101</td>
</tr>
<tr>
<td>Hopewell United Methodist Church (P28385)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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<tr>
<td>Hunter, Roberta (P28377)</td>
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<td>Irven, James (P29017)</td>
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<tr>
<td>Jackson, Augustine K. (P28271)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>Kenny, Michelle (P28343)</td>
<td>Initial grant for upgrade, closure and remediation</td>
<td>$17,891</td>
<td>$17,891</td>
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<tr>
<td>Kirchner, Joan (P26528)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$44,530</td>
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<tr>
<td>LaBagnara, Elma (P27510)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<td>$17,670</td>
</tr>
<tr>
<td>Macdonald, Alan (P28269)</td>
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<td>$15,897</td>
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<tr>
<td>Matthews, Iole (P28547)</td>
<td>Initial grant for upgrade, closure and remediation</td>
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<tr>
<td>McGowan, Cary and Mary (P26604)</td>
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<tr>
<td>Messer, Richard and Linda (P28643)</td>
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<tr>
<td>Tank A</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-------------------------------------------------------</td>
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<td>-----------------</td>
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<tr>
<td>Naftziger, Lynne (P27961)</td>
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<td>$3,435</td>
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<tr>
<td>Palendrano, Andrea (P28152)</td>
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<tr>
<td>Panzetta, Rosemarie (P28804)</td>
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<td>$24,179</td>
</tr>
<tr>
<td>Powell, Ryland and Denise (P28679)</td>
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<td>$13,494</td>
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<tr>
<td>Queiros, Alda (P24132)</td>
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<td>$11,665</td>
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<tr>
<td>Russo, George (P28101)</td>
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<td>$6,294</td>
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<td>$76,454</td>
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<tr>
<td>Santa Maria, James and Kathy (P28808)</td>
<td>Supplemental grant for upgrade, closure and remediation</td>
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</tr>
<tr>
<td>Schnackenberg, Louis (P28347)</td>
<td>Initial grant for upgrade, closure and remedation</td>
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<td>$9,470</td>
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<tr>
<td>Shereshewsky, Murray and Lynn (P27939)</td>
<td>Initial grant for upgrade, closure and remedation</td>
<td>$10,198</td>
<td>$10,198</td>
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<tr>
<td>Skoglund, Harold (P28825)</td>
<td>Initial grant for upgrade, closure and remedation</td>
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<td>$5,771</td>
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<tr>
<td>Sommer, Susan (P27626)</td>
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<tr>
<td>Spurrer, Eric (P28925)</td>
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<td>United Methodist Church of Park Ridge (P28191)</td>
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<td>$31,283</td>
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<td>Valcarcel, Luis (P28130)</td>
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<tr>
<td>Van Leeuwe, Frank (P28698)</td>
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<td>Vazquez, Luis (P28682)</td>
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<tr>
<td>Verblaauw, Tunis (P28380)</td>
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<td>Walston, Cynthia (P28469)</td>
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<td>Winters, George (P28816)</td>
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<td>$14,108</td>
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<tr>
<td>Ziv, Nina (P28822)</td>
<td>Initial grant for upgrade, closure and remedation</td>
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</tbody>
</table>

53 Grants

Total Delegated Authority funding for Leaking

$852,631
<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant Amount</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abramson, Richard (P27568)</td>
<td>50% grant to remove an underground storage tank</td>
<td>$533</td>
<td>$533</td>
</tr>
<tr>
<td>Akromas, Ronald J. and Jutta E. (P28647)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Andreen, Jane (P29160)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Appuzzo, Christopher and Therese (P28919)</td>
<td>Grant to remove an underground storage tank</td>
<td>$1,200</td>
<td>$1,200</td>
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<tr>
<td>Ardizzone, Frank (P27701)</td>
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<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Baron, Angelo and Wendy (P28690)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Bartolazzi, John and Michelle (P28675)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
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<tr>
<td>Bartsch, Robert and Luann (P28950)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,963</td>
<td>$2,963</td>
</tr>
<tr>
<td>Behr, Steven and Dalia (P28923)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<td>$2,988</td>
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<tr>
<td>Bolcato, Louis and Ellen (P29007)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<tr>
<td>Boreiy, Ehab (P28951)</td>
<td>Grant to remove an underground storage tank</td>
<td>$1,200</td>
<td>$1,200</td>
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<tr>
<td>Bowen, Joseph and Rose (P28890)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<td>$2,997</td>
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<tr>
<td>Bradley, John F. and Patricia A. (P28940)</td>
<td>Grant to remove an underground storage tank</td>
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<td>$1,200</td>
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<tr>
<td>Breckley, Clinton H. and Joan T. (P29122)</td>
<td>Grant to remove an underground storage tank</td>
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<tr>
<td>Broski, Debra (P28785)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
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<tr>
<td>Brown, Matthew Bruce and Julie Marie (P29039)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,504</td>
<td>$2,504</td>
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<tr>
<td>Bufo, Michael and Rose M.</td>
<td>Grant to remove an underground storage tank</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Cahoon, Andrea R. and Audrey J. Donellan (P28986)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Callery, Christopher and Denise K. Fluck (P27979)</td>
<td>Grant to remove an underground storage tank</td>
<td>$1,200</td>
<td>$1,200</td>
</tr>
<tr>
<td>Camino, Edward and Donna (P28924)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,998</td>
<td>$2,998</td>
</tr>
<tr>
<td>Cardio, Frank E. and Julie A. (P28896)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
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<tr>
<td>Carrozza, David L. (P29048)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<tr>
<td>Castiglia, Louis (P29161)</td>
<td>Grant to remove an underground storage tank</td>
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<tr>
<td>Castles, Michael and Maria (P29036)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<td>$3,000</td>
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<tr>
<td>Cesanek, James J. and Frances M. (P28278)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Chambers, David A. and Tracey L. (P28370)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,656</td>
<td>$2,656</td>
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<tr>
<td>Chandoha, Chiara (P27700)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
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<tr>
<td>Cherney, Michael and Diane (P28414)</td>
<td>Grant to install an above ground storage tank</td>
<td>$2,850</td>
<td>$2,850</td>
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<tr>
<td>Cieri, Don and Santa (P28857)</td>
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<td>Coleman, Audrey A. (P28328)</td>
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<td>Colon, William W. and Patricia M. (P28943)</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
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<td>Correia, Cheryl and Richard (P28973)</td>
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<td>$2,988</td>
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<td>Elsayed, Osama and Nadia</td>
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<td>Hospidor, Robert and Isabelle (P28669)</td>
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<td>Infante, Ronald P. and Mary Ann (P28722)</td>
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<td>Jacobs, Thomas P. and Janice C. (P29082)</td>
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<td>Jones, Dale K. and Carol A. (P29155)</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
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<td>Koehler, Joan (P28874)</td>
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<td>Lanzetta, Madeline (P28262)</td>
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<td>Levine, Geraldine (P28736)</td>
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<tr>
<td>Lewis, Sandra E. (P29237)</td>
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<tr>
<td>Loftin, Darlene and Lamont (P28954)</td>
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<td>Malone, Michael P. and Lucretia (P29144)</td>
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<td>Matvienko, Evgeny (P27630)</td>
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<td>Papagni, Frank and Elizabeth</td>
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<td>Ragnetti, Paul A. and Cathy (P29162)</td>
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<td>Rasmussen, Martin and Taryn (P28713)</td>
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<td>Redden, Barbara (P28910)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,988</td>
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<td>Reedell, Deana (P28856)</td>
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<td>Reinmann, Walailaksna (P28717)</td>
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<tr>
<td>Ritter, Norene A. (P27416)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,950</td>
<td>$2,950</td>
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<tr>
<td>Robbins, Michael and Patricia (P29030)</td>
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<td>$3,000</td>
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<td>Rodina, Karen and Paul (P29028)</td>
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<tr>
<td>Rolando, Barbara J. (P28166)</td>
<td>Grant to</td>
<td>$65,928</td>
<td>$65,928</td>
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<td>Rossow, Roy A. and Linda L. (P28545)</td>
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<td>$3,000</td>
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<tr>
<td>Rubio, Vincent and Shirl (P29151)</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
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<tr>
<td>-----------</td>
<td>-------------</td>
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<td>----------------</td>
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<tr>
<td>Ruiz, Osvaldo and Dianne (P28921)</td>
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<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Scheierman, Bernard and Marilyn (P28891)</td>
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<tr>
<td>Schuster, Allan and Sharon (P28649)</td>
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<td>Sims, Eleanor (P29074)</td>
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<td>Siracusa, Frank J. and Carol (P28752)</td>
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<td>$2,988</td>
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<td>Smith, Thomas J. and Lynne Swankie (P28296)</td>
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<td>$3,000</td>
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<tr>
<td>Steffens, William P. and Elizabeth DeCapio (P29232)</td>
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<td>Steinruck, Jennifer (Tank B) (P28981)</td>
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<td>$2,774</td>
<td>$2,774</td>
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<tr>
<td>Stevens, Mark and Leach, Margaret Isabel (P27906)</td>
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<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Sullivan, Michael and Barbara (P29065)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Sweeney, Donald P. and Geraldine E. (P28746)</td>
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<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Taggart, William Thomas and Joyce (P28721)</td>
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</tr>
<tr>
<td>Tempalski, John and Jo Ann (P28460)</td>
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<td>Tenthoff, Edward J. and Katherine L. (P28217)</td>
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<td>Touhill, Angela M. (P29142)</td>
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<td>$3,000</td>
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<tr>
<td>Trapp, Murray A. and Lisa E. Rizzo (P28847)</td>
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<td>$2,896</td>
<td>$2,896</td>
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<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
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<td>--------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>Trokan, Thomas and Norma (P28882) Tank B</td>
<td>Grant to install an above ground storage tank</td>
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<td>$3,600</td>
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<td>Truppa, Amanda and Christopher (P29173)</td>
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<td>$1,200</td>
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<tr>
<td>Turner, Amy and Nancy Vumbaca (P29086)</td>
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<td>Turreen, Leonard and Frances (P29158)</td>
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<tr>
<td>Van Valkenburg, Mary A. (P28314)</td>
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<td>$3,000</td>
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<tr>
<td>Vozeh, Mary T. (P28982)</td>
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<td>$2,809</td>
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<tr>
<td>Walker, Robert (P28881)</td>
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<td>$3,000</td>
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<tr>
<td>Weaver, Dwight F. and Judith A. (P28510)</td>
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<td>$3,000</td>
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<td>Weber, Charles Bradford and Susan M. (P29179)</td>
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<td>Weinberg, Russell (P27610)</td>
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<td>$1,200</td>
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<tr>
<td>Wieboldt, Herman and Ann (P28995)</td>
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<tr>
<td>Williams, LeRoy A. (P28719)</td>
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<td>$3,000</td>
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<tr>
<td>Wilson, Emily and Kenneth (P28960)</td>
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<td>$3,000</td>
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<tr>
<td>Wilson, Sr., Clifford and Roberta (P28776)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$2,988</td>
<td>$2,988</td>
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<tr>
<td>Woodley, Oddeth A. (P28532)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
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<tr>
<td>Wright, Kevin and Louise (P28786)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Wright, Scott and Allyson (P28786)</td>
<td>Grant to remove an underground storage tank and install an above ground storage tank</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Applicant</td>
<td>Description</td>
<td>Grant Amount</td>
<td>Awarded to Date</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------</td>
<td>--------------</td>
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<tr>
<td>(P29105)</td>
<td>storage tank and install an above ground storage tank</td>
<td></td>
<td></td>
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</table>

170 Grants

**Total Delegated Authority funding for Non-Leaking applications.** $494,146

*This amount includes grants approved previously by the Board and this award does not exceed the supplemental aggregate limit.*

Prepared by: Lisa Petrizzi, Finance Officer
HAZARDOUS DISCHARGE SITE REMEDIATION FUND PROGRAM
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection for a grant to perform preliminary assessment, remedial investigation and remedial action activities. The scope of work is described on the attached project summaries.

**Municipal Grant:**
Camden Redevelopment Agency (Harrison Avenue Landfill) ........................................... $2,993,388
Township of Deptford (Frm Fazzio/Deptford Landfill) ................................................... $ 4,951,464
Township of Haddon (Dy Dee Wash Site) ...................................................... $732,481
Township of Haddon (Hale Property) .................................................. $109,942
Palmyra Borough (Route 73 South) ................................................... $2,204,242
Borough of Roselle Park (Youth Baseball Field) ........................................... $643,450
Township of Woodbridge (Gentempo Property) ........................................... $122,709

**Total HDSRF funding for December 2009.......................................................**$11,757,676

Prepared by: Lisa Petrizzi
APPLICANT: Camden Redevelopment Agency (Harrison Avenue Landfill) P29262

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Harrison Avenue and State Street Camden City (T/UA) Camden

GOVERNOR'S INITIATIVES:
(X) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
Camden Redevelopment Agency received grants totaling $11,028,677 between 2005 and 2008 to perform Remedial Investigation (RI) and Remedial Action (RA) activities at the project site. The project site, identified as Blocks 809; 809.01; 810 and Lots 7-12; 18; 4, 5, 6, 18, located in a Brownfield Development Area (BDA), is a former landfill which has potential environmental areas of concern (AOC's). The City of Camden currently owns the project site and has satisfied Proof of Site Control. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site into a recreation center.

NJDEP has approved this request for supplemental RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A. The grant has been calculated off 75% of the RA costs ($2,993,388). According to the Legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The total annual amount allowed for a municipality, county or redevelopment entity that contains a BDA is $5,000,000 per calendar year. This grant will not exceed this limit for Camden Redevelopment Agency for 2009.

APPROVAL REQUEST:
The applicant is requesting additional grant funding in the amount of $2,993,388 for the approved project costs, for a total funding to date of $14,022,065.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $2,993,388

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Remedial Action</td>
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<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$3,991,684</td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: L. Petrizzi
APPLICANT: Township of Deptford (Frm Fazzio/Deptford Landfill) P29343
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Creek Road Deptford Township (T) Gloucester
GOVERNOR'S INITIATIVES: ( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy
APPLICANT BACKGROUND:
The project site, identified as Block 1.02, Lot 1 is a former landfill which has potential environmental areas of concern (AOC's). The project site is a Brownfield Development Area (BDA) site. The Township of Deptford intends to acquire the project site and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use.

According to the HDSRF legislation, a grant can be awarded to a municipality, up to 75% of the costs of Remedial Action (RA) for projects within a BDA. The NJDEP has approved this request for RA grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
The Township of Deptford is requesting grant funding to perform RA in the amount of $4,951,464 at the Frm Fazzio/Deptford Landfill project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT $4,951,464
TERMS OF GRANT: No Interest; A lien in the amount of $4,951,464 will be placed on the property and will constitute a debt of the property owner. In the event the property is transferred to the applicant, the lien will be removed.

PROJECT COSTS:

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<thead>
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<th>Description</th>
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<td>EDA administrative cost</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$6,602,452</strong></td>
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</table>

APPROVAL OFFICER: L. Petrizzi
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Haddon (Dy Dee Wash Site) P29292
PROJECT USER(S): Same as applicant
PROJECT LOCATION: 207 Highland Ave. Haddon Township (N) Camden

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The Township of Haddon received a grant in August of 2008 under P21956 in the amount of $690,798 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI). The project site, identified as Block 21.06, Lot 19, 27, and 28 is a former laundry and dry cleaning facility which has potential environmental areas of concern (AOC’s). The Township of Haddon currently owns the project site which is located in a Brownfield Development Area (BDA), and has satisfied Proof of Site Control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use.

According to amended legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects within a BDA. The grant has been calculated off 75% of the RA costs ($540,198) and the RI costs ($192,283)

NJDEP has approved this request for Remidual Investigation (RI) and Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
The Township of Haddon is requesting grant funding to perform RI and RA in the amount of $732,481 at the Dy Dee Wash Site project site for a total funding to date of $1,423,279.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT $732,481
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

<table>
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<tr>
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<td>Remedial investigation</td>
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<td>EDA administrative cost</td>
<td>$500</td>
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<td><strong>TOTAL COSTS</strong></td>
<td><strong>$913,047</strong></td>
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APPROVAL OFFICER: K. Junghans
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT

APPLICANT: Township of Haddon (Hale Property) P29294

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 226 Highland Ave. Haddon Township (N) Camden

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The project site, identified as Block 21.06, Lot 33-34 is a former storage and minor maintenance of equipment which has potential environmental areas of concern (AOC's). The Township of Haddon, currently intends to acquire the project site and has satisfied Proof of Site Control. It is the Township of Haddon's (Hale Property) intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use.

NJDEP has approved this request for Preliminary Assessment (PA) and Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
The Township of Haddon is requesting grant funding to perform (PA) and (RI) in the amount of $109,559 at the Hale Property project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $109,942

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td>Preliminary assessment</td>
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<td>EDA administrative cost</td>
<td>$500</td>
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<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$110,059</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: K. Junghans
APPLICANT: Palmyra Borough (Route 73 South)  
PROJECT USER(S): Same as applicant  
PROJECT LOCATION: Route 73 South  
GOVERNOR’S INITIATIVES:  
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy  
APPLICANT BACKGROUND:  
Palmyra Borough received grants totaling $5,254,753 from 2007 until 2008 to perform Site Investigation (SI) and Remedial Investigation (RI) activities at the Brownfield Development Area ("BDA") for the Route 73 South Area project site. The project site consists of 27 mixed-use sites totaling 186 acres. The Borough currently holds Tax Sale Certificates and/or plans to acquire the project site for the purpose of redevelopment and has satisfied Proof of Site Control. It’s the Borough’s intent, upon completion of the environmental investigation activities, to redevelop the project site for new mixed-use and recreational use. 

NJDEP has approved the request for supplemental SI grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF Program under Category 2, Series A.  

APPROVAL REQUEST:  
Palmyra Borough is requesting supplemental SI grant funding in the amount of $2,204,242 at the Route 73 South project site, for a total funding to date of $7,458,995.  

FINANCING SUMMARY:  
GRANTOR: Hazardous Discharge Site Remediation Fund  
AMOUNT OF GRANT $2,204,242  
TERMS OF GRANT: No Interest; No Repayment  

PROJECT COSTS:  
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<tbody>
<tr>
<td>Site investigation</td>
<td>$2,204,242</td>
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<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td><strong>$2,204,742</strong></td>
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</tbody>
</table>

APPROVAL OFFICER: L. Petrizzi
The Borough of Roselle Park received grant funding to perform a Remedial Investigation (RI) in the amount $158,522 at the Youth Baseball Field project site in April 2007 under P17923. The Borough also received supplemental funding to perform additional remedial investigation activity in the amount of $120,903 under P19444 in March 2008. The project site, identified as Block 506, Lot 1 is a former landfill and recreational baseball field which has potential environmental areas of concern (AOC's). The Borough owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation/conservation as a baseball field.

NJDEP has approved this supplemental request for Remedial Action (RA) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes.

The Borough of Roselle Park is now requesting supplemental grant funding to perform RA activities required by NJDEP in the amount of $643,450 at the Youth Baseball Field project site, for total funding to date of $922,875.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT $643,450
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td><strong>TOTAL COSTS</strong></td>
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</table>

APPROVAL OFFICER: R. Doyle
APPLICANT: Township of Woodbridge (Gentempo Property)  P29342

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Smith Street and Crows Mill Woodbridge Township (T/UA) Middlesex

GOVERNOR'S INITIATIVES:
( ) Urban Fund  (X) Other Urban  ( ) Edison  ( ) Core  ( ) Clean Energy

APPLICANT BACKGROUND:
The project site, identified as Block 47, Lot 1.A.1 and 1.A.2 is a former landfill which has potential environmental areas of concern ("AOC's"). The Township of Woodbridge intends to acquire the project site and has satisfied proof of site control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site as either a biomass facility for the production of alternative fuels or a new department of public works facility that focuses on green technologies.

NJDEP has approved this request for Preliminary Assessment ("PA") and Site Investigation ("SI") grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:
The Township of Woodbridge is requesting grant funding to perform a PA and a SI in the amount of $122,709 at the project site.

FINANCING SUMMARY:
GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT $122,709

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

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<td>$6,990</td>
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<tr>
<td>EDA administrative cost</td>
<td>$500</td>
</tr>
<tr>
<td>TOTAL COSTS</td>
<td>$123,209</td>
</tr>
</tbody>
</table>

APPROVAL OFFICER: R. Doyle
TO:    Members of the Authority

FROM:  Caren S. Franzini
       Chief Executive Officer

DATE:  December 8, 2009

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Approvals
         (For Informational Purposes Only)

Pursuant to the Board's approval on May 9, 2006, the Chief Executive Officer ("CEO") and Sr. Vice-President of Operations ("SVP") have been given the authority to approve initial grants under the Hazardous Discharge Site Remediation Fund and Petroleum Underground Storage Tank programs up to $100,000 and supplemental grants up to an aggregate of $100,000.

Below is a summary of the Delegated Authority approval processed by the Division of Program Services for the month of November 2009.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Description</th>
<th>Grant</th>
<th>Awarded to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Asbury Park (1201-1207 Springwood Ave) P26732</td>
<td>Initial grant to perform Preliminary Assessment and Site Investigation to redevelop for mixed use</td>
<td>$16,482</td>
<td>$16,482</td>
</tr>
<tr>
<td>Borough of Glassboro (Bill's Auto Radiator) P28616</td>
<td>Supplemental grant to perform Remedial Investigation to redevelop for commercial use</td>
<td>$73,833</td>
<td>$113,713</td>
</tr>
<tr>
<td>Township of Mount Holly (Former Regal Custom Fixtures) P28417</td>
<td>Supplemental grant to perform Site Investigation to redevelop for open space and recreation</td>
<td>$29,979</td>
<td>$71,096</td>
</tr>
<tr>
<td>3 Grants</td>
<td>Total Grant Funding for November 2009</td>
<td>$120,294</td>
<td></td>
</tr>
</tbody>
</table>

Prepared by: Lisa Petrizzi, Sr. Finance Officer
CLEAN ENERGY PROGRAMS
MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini
      Chief Executive Officer

RE: Clean Energy Solutions Edison Innovation Project Fund Program
    Eligibility Refinements and Fee Clarifications

DATE: December 8, 2009

Request:

The Board is requested to approve additional parameters to the program description for the EDA Clean Energy Solutions Edison Innovation Project Fund Program to further define it as a National Environmental Policy Act ("NEPA") Categorical Exclusion ("CX") program. This memo also clarifies how public entity applicants and various forms of partnerships would be eligible under this program. Lastly, it provides clarity around the program fees for the various categories of eligible entities which will be implemented through promulgation of the attached rule proposal.

Background:

At the June 9, 2009 meeting, the Members approved the program definition for the Clean Energy Solutions ARRA Program, a $15 million competitive grant/investment program, supported by the Federal Stimulus / American Recovery and Reinvestment Act (ARRA) funds. The purpose of these monies will be to fund projects which use an innovative commercially available technology to enable the deployment of a NJ energy efficient, renewable energy or alternative energy project. The project must also have some level of private funding validation.

At the August 11, 2009 meeting, the members subsequently approved the program scoring criteria and the MOU with BPU, as State Energy Program ("SEP") program grantee, in substantially final form. In August 2009, the EDA ARRA program description, which was contained within the State SEP ARRA submission, was formally approved by the USDOE.

1 NEPA CX Categorical exclusions are categories of actions that DOE has determined, by regulation, do not individually or cumulatively have a significant effect on the human environment and for which, therefore, neither an environmental assessment nor an environmental impact statement normally is required.
Further discussion with the USDOE, BPU, and the Governor's Office in the Fall of 2009 identified additional parameters necessary to SEP ARRA program success which were not outlined in the original program description, specifically around the National Environmental Policy Act ("NEPA") Categorical Exclusion ("CX") classification. The impetus for this policy change was the recognition that certain types of projects supported by state energy programs under ARRA might result in NEPA reviews, a form of environmental impact review that are often time consuming and contrary to the stimulus nature of ARRA and the concurrent strict timeframes for project eligibility under the program. The change would narrow the types of projects allowed under the program in order to better meet the timeframes for eligibility. Additionally, as EDA staff began to draft the program Solicitation, questions arose around public sector eligibility for the program, various forms of partnerships, and program fees which were not fully addressed in the original program description of June 2009.

As pertains to NEPA CX eligibility, a revised program description has been provided to the USDOE for review and approval. The recommendations outlined here further identify how the program fits under NEPA CX as well as clarifies applicant eligibility, including public entity applicants and various forms of partnerships, and related program fees. Lastly, the program name has been modified from the Clean Energy Solutions Edison Innovative Projects Program to the Clean Energy Solutions Edison Innovation Project Fund to better align with EDA program naming conventions.

**Recommended Program Changes:**

Add the additional boundary conditions for the EDA Clean Energy Solutions Edison Innovation Project Fund program. Exhibit 1 contains the original program description which has been augmented to further define the program as NEPA CX for the various project categories (Energy Efficiency, Renewable Energy, etc).

Additionally, the following recommendations are provided for the program to clarify private and public sector applicant eligibility and related program fees. Exhibit II contains the rule proposal around the program fees.

**Private entity applicants:**

Fees will be imposed on private sector applicants. A private sector applicant must be a small or medium sized business, the holder of a patented technology or the holder of a license to use a patented technology and must agree to use the ARRA proceeds for purposes of expanding the commercialization of that technology.

**Public sector applicants:**

Due to the public purpose associated with projects of this type, EDA will not impose fees on public entity applicants to this program. EDA may, however, consider seeking State and Federal approval to retain a small portion of the ARRA funds to compensate it for administrative expenses in connection with the handling of the public entity applications. If it decides to do so, the EDA Board will be informed.
Recommendation

Staff recommends the Board approve the name change of the program, new program parameters that would exclude projects that would likely trigger NEPA reviews, and authorize staff to submit the attached rule proposal implementing program fees to the Office of Administrative Law, subject to the review and approval of the Office of the Attorney General.

Prepared By: Barbara Pierce

[Signature]

Caren S. Franzini
EXHIBIT I: PRODUCT DESCRIPTION

Product: Clean Energy Solutions Edison Innovation Project Fund

Product Family: Grant/Investment

Approval Authority: EDA Board

Funding Source: Department of Energy – American Recovery and Reinvestment Act (ARRA) Fund

Eligibility:
- New Jersey technology company with a novel commercial technology to be deployed in their project in New Jersey
- Preference given to technologies developed in New Jersey or licensed from a NJ university
- Must have delivered a proof of concept and have successful beta results
- Business employs 75% of its domestic W-2 employees in New Jersey and will commit to growing 10 high paying jobs in New Jersey over 2 years
  - 1099 employees are not eligible
- Company has a management team that works full time only at that company and has applicable industry experience
- A management team or working founders with a financial investment in the company
- Company must either own or exclusively license Proprietary Intellectual Property

Uses:
- Fixed assets (project and site-specific)
- Working capital (project and site-specific)
  - "Last dollars" in after other state funding sources exhausted. Cannot displace other funding.

Terms/Conditions:
- Companies must have delivered a "proof of concept" and achieved successful, referenceable, independent beta results
- Both technical and experienced business owners to be part of the management team
- Warrant coverage based on same scoring models as Edison Innovation Growth Fund
- Prevailing Wage/AA or Davis-Bacon

Maximum/Limits:
- Up to $5MM, fixed at 100% grant/investment
- Total EDA ARRA funding cannot exceed 35% of project cost
- Aggregate New Jersey state public funding cannot exceed 50% of the project cost
EDA Fees: (private entity applicants only)

- Application: $5000
- Commitment: 1%
- Closing: 1%

Project Limitations as Defined by NEPA CX: (*New)

Energy Efficiency Projects:
Energy efficiency projects will be limited to retrofits of existing buildings or facilities (residential, commercial, industrial, government, academic) with energy efficient equipment, limited to efficient lighting, weather sealing, ENERGY STAR appliances, replacement windows and doors, HVAC measures, occupancy sensors, variable speed drives, programmable thermostats, refrigeration measures, domestic hot water reduction measures, barometric dampers, high efficiency water heating equipment, energy efficient appliances, geothermal heat pumps (10 tons of capacity or smaller), windows, insulation and other building shell improvements, low flow aerators/showerheads/toilets, combined heat and power systems (sized boilers appropriate to the buildings in which they are located), chillers, motors and pumps, controls, building management systems, exhaust air heat recovery, exhaust fans/air handlers/ventilation fans, swimming pool pumps and solar thermal (appropriately sized units for small commercial buildings). For historic structures, the retrofits must maintain the building’s historic character (e.g., replacement of windows and doors with appropriate designs).

Renewable Energy Projects:
For renewable energy projects, the installation of small projects located on existing buildings or existing facilities – photovoltaics (appropriately sized units on existing rooftops and parking shade structures; or 60kW systems or smaller installed on the ground within the boundaries of an existing facility) or wind turbines (20kW or smaller).

Energy storage applications:
Energy storage applications for existing or off-the-shelf technologies will also be considered, as long as they are being used to support and limit the intermittency of a renewable energy application and are installed in or on an existing facility or on developed land or a brownfield.

Alternative transportation fuel projects:
Alternative transportation fuel projects that produce transportation fuels that would be sold for commercial purposes that supports the State’s efforts to reduce greenhouse gas emissions will also be applicable under this program as long as they are alternative fueling tanks or systems installed on existing facilities (but not a large biorefinery).

Biomass projects:
Biomass projects will also be considered but will be limited to small scale projects that involve the retrofit of existing facilities and do not involve new construction and are not on a commercial scale.
EXHIBIT II: PROPOSED RULES

DRAFT
11.25.09

OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Administrative Rules

Fees
Proposed Amendments: N.J.A.C. 19:30-6.1, 6.2 and 6.3

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini, Chief Executive Officer.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2009-

Submit written comments by ________________, 2010:

Maureen Hassett, SVP Governance & Communications
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is proposing to amend its rules to establish certain fees for the Clean Energy Solutions Edison Innovation Project Fund Program ("program") as authorized under the Regional Greenhouse Gas Initiative, P.L. 2007, c. 340.

The EDA has established the Clean Energy Solutions Edison Innovation Project Fund, a $15 million competitive grant/investment program, supported by Federal Stimulus/American Recovery and Reinvestment Act (AARA) funds, to assist deserving projects most impacted by the recession. The program will support State Energy Program initiatives to promote the conservation of energy, reduce the rate of growth of energy demand and/or reduce dependence on imported oil.
The purpose of the program is to fund projects which use an innovative commercially available technology to enable the deployment of a NJ energy efficient, renewable energy or alternative energy project. The proposed amendments establish an application fee and additional commitment and closing fees for applicants and awardees under the program to fund further energy-related programs, as well as provide for the administrative costs of compliance with Federal ARRA and New Jersey Board of Public Utility sub-grantee reporting requirements.

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The EDA is an independent, self-supporting State entity which does not receive or rely on General Fund support for administrative or program costs and the proposed fees are intended to enable the Authority to cover its administrative costs to review and approve projects proposed under the program.

Economic Impact

The proposed amendments, which would establish a one-time application fee and a commitment and closing fee based on a percentage of the total grant amount, would ensure that the administrative costs charged for EDA staff review through the commitment and closing fee are commensurate with the size and scope of the project. In addition, due to the public purpose associated with the type of projects which would be funded under the Clean Energy Solutions Edison Innovation Project Fund Program, the proposed fees would be imposed only on private sector applicants and would exclude any public entity applicants.

Federal Standards Statement

The proposed rule amendments are not subject to any Federal standards or requirements; therefore, a Federal standards analysis is not required.

Jobs Impact

The proposed amendments establish fees for private entity applicants under the Clean Energy Solutions Edison Innovation Project Fund Program which requires that applicants employ 75 percent of its domestic W-2 employees in New Jersey and commit to growing 10 high paying jobs in New Jersey over two years.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

Regulatory Flexibility Statement

The proposed amendments will require any successful small business, as defined in the
Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., to comply with the EDA’s regular application procedures and grant compliance guidelines, all of which are designed to minimize reporting, recordkeeping or other administrative requirements.

**Smart Growth Impact**

The proposed amendments have no impact on smart growth and implementation of the New Jersey State Development and Redevelopment Plan, as the proposed amendments establish administrative fees for clean energy grant funding obtained through the EDA.

**Housing Affordability Impact**

The proposed amendments, which establish administrative fees for clean energy grant funding obtained through the EDA, will not impact the amount or cost of housing units.

**Smart Growth Development Impact**

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Area 1 or 2, or in designated centers, of the State Development and Redevelopment Plan, as they are intended to establish administrative fees for clean energy grant funding obtained through the EDA.

**Full text** of the proposal follows (additions indicated in boldface *thus*; deletions indicated in brackets [thus]):

SUBCHAPTER 6. FEES

**19:30-6.1 Application fee**

(a) Except as set forth in (b) and (c) below, a non-refundable fee of $1,000 shall accompany every application for Authority assistance, except for an application under the Edison Innovation Growth Fund, for which the fee is .25 percent of the loan amount, not to exceed $2,500; and except for an application submitted by a private business entity for a Clean Energy Solutions Edison Innovation Project Fund Program grant for which the fee is $5,000. The non-refundable application fee of $1,000 for a guarantee of a bond issued by the Authority is in addition to the bond application fee.

(b) – (c) (No change.)

**19:30-6.2 Commitment fees**

(a) – (c) (No change.)

(d) A non-refundable commitment fee of 1 percent of the grant amount is charged with the acceptance by a private business entity of a grant award under the Clean Energy Solutions Edison Innovation Project Fund Program.

[(d)](e) A non-refundable extension fee of $750.00, per extension requested by the
borrower, shall be charged for the granting of an extension of the commitment letter beyond the original expiration date.

19:30-6.3 Closing fees

(a) – (f) (No change.)

(g) For grants awarded under the Clean Energy Solutions Edison Innovation Project Fund Program, the fee to be paid at closing by private business entity applicants is 1 percent of the grant amount.
APPLICANT: DSM Nutritional Products, Inc. P28655

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 206 Macks Island Drive White Township (N) Warren

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core (X) Clean Energy

APPLICANT BACKGROUND:
DSM Nutritional Products, Inc., is the world's leading supplier of vitamins, carotenoids and other fine chemicals to the feed, food, pharmaceutical and personal care industries.

This project involves the purchase and installation of a 7.5 megawatt cogeneration unit. The new unit will replace an existing 40 megawatt unit that due to changing production needs is now too large to operate economically, and has been out of service for four years.

APPROVAL REQUEST:
A $2,761,258 term loan under the Clean Energy Solutions Capital Investment program is requested.

FINANCING SUMMARY:
LENDER: NJEDA

AMOUNT OF LOAN: $2,761,258

TERMS OF LOAN: Ten-year full payout. Zero percent interest rate.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment &amp; machinery</td>
<td>$10,995,193</td>
</tr>
<tr>
<td>Engineering &amp; architectural fees</td>
<td>$2,120,753</td>
</tr>
<tr>
<td>Renovation of existing equipment &amp; machinery</td>
<td>$301,585</td>
</tr>
<tr>
<td>Renovation of existing building</td>
<td>$253,616</td>
</tr>
</tbody>
</table>

TOTAL COSTS $13,671,147

JOBS: At Application 265 Within 2 years 0 Maintained 0 Construction 8

DEVELOPMENT OFFICER: M. Abraham

APPROVAL OFFICER: D. Lawyer
APPLICANT: DSM Nutritional Products, Inc.

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 205 Macks Island Drive White Township (N) Warren

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core (X) Clean Energy

APPLICANT BACKGROUND:
DSM Nutritional Products, Inc., is the world’s leading supplier of vitamins, carotenoids and other fine chemicals to the feed, food, pharmaceutical and personal care industries.

This project involves the purchase and installation of a 7.5 megawatt cogeneration unit. The new unit will replace an existing 40 megawatt unit that due to changing production needs is now too large to operate economically, and has been out of service for four years.

APPROVAL REQUEST:
A $690,315 grant under the Clean Energy Solutions Capital Investment program is requested.

FINANCING SUMMARY:
GRANTOR: NJEDA

AMOUNT OF GRANT: $690,315

TERMS OF GRANT: No repayment terms.

PROJECT COSTS:

<table>
<thead>
<tr>
<th>TOTAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 *</td>
</tr>
</tbody>
</table>

* - Indicates that there are project costs reported on a related application.

JOBS: At Application Within 2 years Maintained Construction
Jobs on Related 28655 265 0 0 8

DEVELOPMENT OFFICER: M. Abraham
APPROVAL OFFICER: D. Lawyer
INCENTIVE PROGRAMS
BUSINESS EMPLOYMENT INCENTIVE PROGRAM
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Ansmann USA, Inc.

PROJECT LOCATION: TBD
Fairfield Borough (N) Essex County

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:
Ansmann USA, Inc. (Ansmann), is a start up company, backed by Ansmann AG (AG), its majority stockholder, headquartered in Assamstadt, Germany. Ansmann will provide the parent company the opportunity to expand its mobile energy business (high tech storage batteries) with its physical presence in North America. The US operation will research, design, develop, manufacture and distribute non rechargeable and rechargeable batteries of all technologies for medical, military and industrial markets. AG was formed in 1991, and today employs 300 people on a global basis with subsidiaries in Hong Kong, Great Britain, Macau, Italy, France, Sweden and the Baltics, in addition to 50 world sales partners to cover other areas. Ansmann anticipates a quick start by hiring people being laid off by a North Jersey competitor. Based on the parent company’s financial strength and operating results, the applicant is economically viable.

MATERIAL FACTOR:
Ansmann is seeking a BEIP grant to support creating 28 engineering, research and manufacturing jobs in Fairfield. Also under consideration is Elizabethtown, Pa. The applicant is estimating project costs will exceed $395,000. The award of the BEIP grant is a material factor in management’s decision to start its operation in New Jersey.

APPROVAL REQUEST: PERCENTAGE: 30%
TERM: 10 years
The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Ansmann USA, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $126,518
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 0

ELIGIBLE BEIP JOBS: Year 1 11 Year 2 17 Base Years Total = 28

ANTICIPATED AVERAGE WAGES: $58,038

ESTIMATED PROJECT COSTS: $395,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $421,728

ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $506,073

PROJECT IS: ( ) Expansion ( ) Relocation

CONSTRUCTION: (X) Yes ( ) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP:(X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: S. Royster APPROVAL OFFICER: M. Krug
Applicant: Ansmann USA, Inc.  
Project #: P29364

**FORMULA EVALUATION**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Location: Fairfield Borough</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Job Creation: 28</td>
<td>1</td>
</tr>
<tr>
<td>Targeted:</td>
<td>Non-Targeted: X</td>
</tr>
<tr>
<td>3. Job at Risk: 0</td>
<td>0</td>
</tr>
<tr>
<td>4. Industry: other manufacturing</td>
<td>0</td>
</tr>
<tr>
<td>Designated:</td>
<td>Non-Designated: X</td>
</tr>
<tr>
<td>5. Leverage: 3 to 1 and up</td>
<td>2</td>
</tr>
<tr>
<td>6. Capital Investment: $395,000</td>
<td>0</td>
</tr>
<tr>
<td>7. Average Wage: $58,038</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

**Bonus Increases (up to 80%):**

- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan: 20%
- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs: 30%
- Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs: 20%
- Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter): 20%
- Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan: 15%
- 10% or more of the employees of the business receive a qualified transportation fringe of $30.00 or greater: 15%
- Located in an area designated by the locality as an "area in need of redevelopment": 10%
- Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site: 10%
- Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development: 10%

**Total Bonus Points:** 0 %

**Total Score:**

- Total Score per formula: 6 = 25%
- Construction/Renovation: 5%
- Bonus Increases: 0%
- Total Score (not to exceed 80%): 30%
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Edgewater Manufacturing Co., Inc. and American Fittings Corp. P29387

PROJECT LOCATION: 55 Webro Road Clifton City (T/UA) Passaic County

GOVERNOR'S INITIATIVES:
( ) Urban Fund (X) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC VIABILITY:
The group of companies, Edgewater Manufacturing Co., Inc. ("Edgewater Manufacturing") and American Fittings Corp. ("AMFICO") (collectively "Applicant" or "Edgewater Companies"). were first founded in 1946. The group is a family-owned leading domestic electrical-construction material manufacturer and developer of precision electrical conduit fittings. Edgewater Companies were established in response to industry needs for premium quality electrical construction products to serve residential, commercial, institutional, and industrial electrical distributors. Edgewater Manufacturing has mainly focused on the designing and manufacturing activities as well as OEM sales and all payroll processing while AMFICO has mainly focused on distribution and logistics, warehousing, and sales to other distributors and wholesalers.

Edgewater Companies are dedicated to manufacturing quality "Made in the USA" steel products, reflecting thoughtful design, product innovation, and excellent workmanship. Edgewater Companies offer a complete product line, including rigid conduit connectors and couplings, liquid-tight connectors, and assorted wire mesh products. Edgewater Companies provide the benefits of same day shipping, proactive customer service, product industry cross-reference, and custom packaging.

The companies are economically viable, and contemporaneously, are proceeding with a BRRAG application.

Edgewater Companies are considering consolidating their five existing facilities in Westwood, New Jersey into a larger single facility with room for growth in Clifton, New Jersey.

MATERIAL FACTOR:
The Applicant is seeking a BEIP grant to support creating 25 new positions in New Jersey. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant's decision to remain, relocate and expand in New Jersey and therefore to pick New Jersey over Pennsylvania. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST:

PERCENTAGE: 55%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Edgewater Manufacturing Co., Inc. and American to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.
TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $78,650
(not to exceed an average of $50,000 per new employee over the term of the grant)
NJ EMPLOYMENT AT APPLICATION: 65
ELIGIBLE BEIP JOBS: Year 1 12 Year 2 13 Base Years Total = 25
ANTICIPATED AVERAGE WAGES: $33,600
ESTIMATED PROJECT COSTS: $6,400,000
ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $143,000
ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $135,850
PROJECT IS: (X) Expansion (X) Relocation Westwood, NJ
CONSTRUCTION: (X) Yes ( ) No
PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey
APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign
DEVELOPMENT OFFICER: M. Abraham APPROVAL OFFICER: D. Sucsuz
**Applicant:** Edgewater Manufacturing Co., Inc. and American

**Project #:** P29387

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### FORMULA EVALUATION

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Location: Clifton City</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Job Creation</td>
<td>1</td>
</tr>
<tr>
<td>Targeted: _______ Non-Targeted: X</td>
<td></td>
</tr>
<tr>
<td>3. Job at Risk: 65</td>
<td>1</td>
</tr>
<tr>
<td>4. Industry: other manufacturing</td>
<td>0</td>
</tr>
<tr>
<td>Designated: _______ Non-Designated: X</td>
<td></td>
</tr>
<tr>
<td>5. Leverage: 3 to 1 and up</td>
<td>2</td>
</tr>
<tr>
<td>6. Capital Investment: $6,400,000</td>
<td>2</td>
</tr>
<tr>
<td>7. Average Wage: $33,600</td>
<td>2</td>
</tr>
</tbody>
</table>

**TOTAL:** 8

---

**Bonus Increases (up to 80%):**

- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan
  - 20% 20%
- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs
  - 30%   
- Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs
  - 20%   
- Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter)
  - 20%   
- Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan
  - 15%   
- 10% or more of the employees of the business receive a qualified transportation fringe of $30.00 or greater.
  - 15%   
- Located in an area designated by the locality as an "area in need of redevelopment"
  - 10%   
- Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site
  - 10%   
- Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development
  - 10%   

**Total Bonus Points:** 20 %

**Total Score :**

- Total Score per formula: 8 = 30 %
- Construction/Renovation : 5 %
- Bonus Increases : 20 %
- Total Score (not to exceed 80 %): 55 %
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Edgewater Manufacturing Co., Inc. and American Fittings Corp.

COMPANY ADDRESS: 91 Woodland Avenue Westwood Boro Bergen County

PROJECT LOCATION: 55 Webro Road Clifton City Passaic County

GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison ( ) Core ( ) Clean Energy

APPLICANT BACKGROUND:
The group of companies, Edgewater Manufacturing Co., Inc. (“Edgewater Manufacturing”) and American Fittings Corp. (“AMFICO”) (collectively “Applicant” or “Edgewater Companies”), were first founded in 1946. The group is a family-owned leading domestic electrical-construction material manufacturer and developer of precision electrical conduit fittings. Edgewater Companies were established in response to industry needs for premium quality electrical construction products to serve residential, commercial, institutional, and industrial electrical distributors. Edgewater Manufacturing has mainly focused on the designing and manufacturing activities as well as OEM sales and all payroll processing while AMFICO has mainly focused on distribution and logistics, warehousing, and sales to other distributors and wholesalers.

Edgewater Companies are considering consolidating their five existing facilities in Westwood, New Jersey into a larger single facility with room for growth in Clifton, New Jersey. The companies are contemporaneously proceeding with a BEIP application.

MATERIAL FACTOR:
The Applicant is seeking a BRRAG grant to support retaining and relocating 65 existing employees in New Jersey. The company has represented that a favorable decision by the Authority to award the BRRAG grant is a material factor in the Applicant’s decision to remain, relocate and expand in New Jersey and therefore to pick New Jersey over Pennsylvania. The Authority staff recommends the award of the proposed BRRAG grant.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed BRRAG grant to Edgewater Manufacturing Co., Inc. and American Fittings Corp. to encourage the company to relocate within New Jersey. The recommended grant is based on the Project Evaluation Factors set forth on the attached BRRAG Scoresheet and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award amount. If the criteria met by the company differs from that shown on the Scoresheet, the award amount will be raised or lowered to reflect the award amount that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD: $84,500

GRANT AMOUNT PER RETAINED EMPLOYEE (see attached Scoresheet): $1,300

NEW JERSEY EMPLOYMENT AT APPLICATION: 65

ELIGIBLE BRRAG JOBS: 65

ANTICIPATED AVERAGE WAGES: $33,600

ESTIMATED PROJECT COST: $6,400,000

ESTIMATED TOTAL GROSS ANNUAL PAYROLL: $2,184,000

ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 1YR: $37,180

ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 5YRS: $185,900

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

DEVELOPMENT OFFICER: M. Abraham APPROVAL OFFICER: D. Sucsuz
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
Business Retention and Relocation Assistance Grant of Tax Credits
SCORESHEET – Project Evaluation Factors (NJAC 12A:2-1.8)

This scoring system is used to determine the award amount for BRRAG projects retaining 50 to 499 jobs. The award amount determined under the project evaluation factors is an initial determination and is subject to adjustment under the Act, the regulations thereunder, and the terms and conditions of the Project Agreement. Project Evaluation Factors (NJAC 12A:2-1.8)

Applicant: Edgewater Manufacturing Co., Inc. and American Fittings Corp. Date Scored: 11/25/2009

1. Full-time jobs retained – maximum points = 5

<table>
<thead>
<tr>
<th>Range</th>
<th>Eligible Jobs Retained</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 = 410 - 499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 = 320 - 409</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 = 230 - 319</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 = 140 - 229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 50 - 139</td>
<td>65</td>
<td>1</td>
</tr>
</tbody>
</table>

2. Quality of the retained jobs (based on average salary of retained jobs) – maximum points = 4

<table>
<thead>
<tr>
<th>Range</th>
<th>Avg. Salary</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 = $75,001 +</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 = $50,001 - $75,000</td>
<td>$33,600</td>
<td>2</td>
</tr>
<tr>
<td>2 = $30,001 - $50,000</td>
<td>$33,600</td>
<td>2</td>
</tr>
<tr>
<td>1 = $19,001 - $30,000</td>
<td>$33,600</td>
<td>2</td>
</tr>
<tr>
<td>0 = up to $19,000</td>
<td>$33,600</td>
<td>2</td>
</tr>
</tbody>
</table>

3. Capital investment by the applicant in project – maximum points = 5

<table>
<thead>
<tr>
<th>Range</th>
<th>Capital Investment</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 = $3,500,000 to $19,000,000+</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
<tr>
<td>4 = $2,900,000 to $3,499,999</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
<tr>
<td>3 = $2,200,000 to $2,899,999</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
<tr>
<td>2 = $1,500,000 to 2,199,999</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
<tr>
<td>1 = $700,000 to $1,499,999</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
<tr>
<td>0 = $0 to $699,000</td>
<td>$6,400,000</td>
<td>5</td>
</tr>
</tbody>
</table>

4. Designated industry type – maximum points = 3

<table>
<thead>
<tr>
<th>Range</th>
<th>Industry</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = manufacturing</td>
<td>manufacturing</td>
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<tr>
<td>2 = targeted (life science/biotech)</td>
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</tr>
<tr>
<td>0 = non-targeted</td>
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<td></td>
</tr>
</tbody>
</table>
5. Job creation/attraction component (impact on the state if the project moved to another state) - maximum points = 5

<table>
<thead>
<tr>
<th>Range</th>
<th>New Jobs</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 = 100 or more new jobs</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>4 = 80-99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 = 70-79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 = 60-69</td>
<td></td>
<td></td>
</tr>
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<td>1 = 50-59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 = &lt;50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. Smart Growth Targeted Areas – maximum points = 4

<table>
<thead>
<tr>
<th>Description</th>
<th>Type</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 = located in an area targeted for growth pursuant to the State Development and Redevelopment Plan, the Pinelands Comprehensive Management Plan, Highlands Commission Management Plan, and the Meadowlands Development Commission Plan. This includes brownfield sites.</td>
<td>Yes, Planning Area 1</td>
<td>4</td>
</tr>
<tr>
<td>0 = non-growth area</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Retained jobs average at least 1.5 times the hourly minimum wage – maximum points = 2

<table>
<thead>
<tr>
<th></th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 = yes</td>
<td>Yes</td>
</tr>
<tr>
<td>0 = no</td>
<td></td>
</tr>
</tbody>
</table>

8. Commitment to the State of New Jersey

a. Duration of operations - maximum points = 3

<table>
<thead>
<tr>
<th>Range of Years</th>
<th>Year Started in NJ</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = 20 plus years of operation in the State</td>
<td>1946</td>
<td>3</td>
</tr>
<tr>
<td>2 = 15-19 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 10-14 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b. Total employees in New Jersey – maximum points = 3

<table>
<thead>
<tr>
<th>Range</th>
<th>Number of Employees in NJ</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = 350 or greater</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 = 200-349</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 50-199</td>
<td>65</td>
<td>1</td>
</tr>
</tbody>
</table>

9. Urban Enterprise Zone – maximum points = 3

<table>
<thead>
<tr>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = if relocating from non-UEZ site to a site within an UEZ</td>
<td></td>
</tr>
<tr>
<td>0 = no</td>
<td>No</td>
</tr>
</tbody>
</table>

TOTALS – VALUE PER RETAINED JOB AND SCORE

<table>
<thead>
<tr>
<th>Range</th>
<th>Value Per Retained Job</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-36 = $1,500/retained job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-30 = $1,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19-24 = $1,300</td>
<td>$1,300</td>
<td>21</td>
</tr>
<tr>
<td>13-18 = $1,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7-12 = $1,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-6 = $1,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - BUSINESS EMPLOYMENT INCENTIVE PROGRAM

APPLICANT: Quidsi, Inc.
PROJECT LOCATION: TBD
GOVERNOR'S INITIATIVES:
( ) Urban Fund ( ) Other Urban ( ) Edison (X) Core ( ) Clean Energy

APPLICANT BACKGROUND/ECONOMIC ViABILITY:
Founded about four years ago, and currently located in Montclair, New Jersey, Quidsi, Inc. (currently d/b/a Diapers.com) is the largest online specialist offering baby care necessities in the United States. As dads themselves, founders Marc Lore and Vinit Bharara understood the world of diapers. Tired of the “diaper runaround” - midnight store runs for diapers, frustrated searches for the right diaper size, they turned to the convenience of the Internet for help, but found no online diaper sources. This is how Diapers.com was born. Initially, they only offered the most popular name-brand diapers, wipes and formula. Later, they added almost any baby product one can think of, from bottles and baby food, to shampoo and rash ointment, and now gear and nursery furniture! Their mission is to offer the lowest prices moms (and dads!) will find online, along with the convenience of fast, free shipping and the best customer service around.

The company has made it to several fast growing company benchmarks and online retailer hot lists. The company is backed by several angel investors and venture capital firms. And, they keep growing and the company is hiring accountants, category managers, procurement and supply managers, national call center representatives, distribution/shipping workers and managers, IT technicians and web site designers, marketing and merchandising experts.

The company is economically viable, and is looking for a larger space for its headquarters, back-office operations and growing call center.

MATERIAL FACTOR:
The Applicant is seeking a BEIP grant to support creating 100 new (non-retail) positions in New Jersey. The company has represented that a favorable decision by the Authority to award the BEIP grant is a material factor in the Applicant’s decision to remain, relocate and expand in New Jersey and therefore to pick New Jersey over New York. The Authority staff recommends the award of the proposed BEIP grant.

APPROVAL REQUEST: PERCENTAGE: 30%
TERM: 10 years

The Members of the Authority are asked to approve the proposed BEIP grant and award percentage to encourage Quidsi, Inc. to increase employment in New Jersey. The recommended award percentage is based on the company meeting the criteria as set forth on the attached Formula Evaluation and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award percentage. If the criteria met by the company differs from that shown on the Formula Evaluation, the award percentage will be raised or lowered to reflect the award percentage that corresponds to the actual criteria that have been met.
TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $411,750
(not to exceed an average of $50,000 per new employee over the term of the grant)

NJ EMPLOYMENT AT APPLICATION: 80

ELIGIBLE BEIP JOBS: Year 1 45 Year 2 55 Base Years Total = 100

ANTICIPATED AVERAGE WAGES: $55,000

ESTIMATED PROJECT COSTS: $540,000

ESTIMATED GROSS NEW STATE INCOME TAX - DURING 10 $1,372,500
ESTIMATED NET NEW STATE INCOME TAX - DURING 15 $1,647,000

PROJECT IS: (X) Expansion (X) Relocation Montclair, NJ

CONSTRUCTION: ( ) Yes (X) No

PROJECT OWNERSHIP HEADQUARTERED IN: New Jersey

APPLICANT OWNERSHIP: (X) Domestic ( ) Foreign

DEVELOPMENT OFFICER: D. Johnson APPROVAL OFFICER: D. Sucszu
### FORMULA EVALUATION

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Location: Locations Unknown</td>
<td>N/A</td>
</tr>
<tr>
<td>2. Job Creation</td>
<td>2</td>
</tr>
<tr>
<td>Targeted: _____ Non-Targeted: X</td>
<td></td>
</tr>
<tr>
<td>3. Job at Risk: 80</td>
<td>1</td>
</tr>
<tr>
<td>4. Industry: retail store/commercial sales</td>
<td>0</td>
</tr>
<tr>
<td>Designated: _____ Non-Designated: X</td>
<td></td>
</tr>
<tr>
<td>5. Leverage: 3 to 1 and up</td>
<td>2</td>
</tr>
<tr>
<td>6. Capital Investment: $540,000</td>
<td>1</td>
</tr>
<tr>
<td>7. Average Wage: $55,000</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>9</td>
</tr>
</tbody>
</table>

**Bonus Increases (up to 80%)**:

- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan: 20%
- Located in Planning Area 1 or 2 of the State's Development and Redevelopment Plan AND creation of 500 or more jobs: 30%
- Located in a former Urban Coordinating Council or other distressed municipality as defined by Department of Community Affairs: 20%
- Located in a brownfield site (defined as the first occupants of the site after issuance of a new no-further action letter): 20%
- Located in a center designated by the State Planning Commission, or in a municipality with an endorsed plan: 15%
- 10% or more of the employees of the business receive a qualified transportation fringe of $30.00 or greater: 15%
- Located in an area designated by the locality as an "area in need of redevelopment": 10%
- Jobs-creating development is linked with housing production or renovation (market or affordable) utilizing at least 25% of total buildable area of the site: 10%
- Company is within 5 miles of and working cooperatively with a public or non-profit university on research and development: 10%

**Total Bonus Points:** 0%

**Total Score**:

- Total Score per formula: \(9 = 30\%\)
- Construction/Renovation: 0%
- Bonus Increases: 0%
- Total Score (not to exceed 80 %): 30%
BUSINESS RETENTION AND RELOCATION ASSISTANCE
GRANT
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT

APPLICANT: Burlington Coat Factory Warehouse Corporation

COMPANY ADDRESS: 1830 Route 130 North Burlington Burlington County

PROJECT LOCATION: 4287 Route 130 South Edgewater Park Burlington County

GOVERNOR’S INITIATIVES: ( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core

APPLICANT BACKGROUND: Burlington Coat Factory Warehouse Corporation (Burlington) was formed in 1924 to wholesale ladies coats and junior suits. In 1972, the Company opened its first outlet store in Burlington, New Jersey. Coats were the primary offering at the original Burlington Coat Factory, but over time the concept evolved into a one-stop shopping experience. In 2006, the company was acquired by Bain Capital Partners, LLC (Bain). Today, the Company is a national department store retail chain, with 394 stores in 44 states and 28,000 employees, nationwide. The applicant offers current, high quality, designer merchandise at prices up to 60% below those at other department stores. Burlington Coat Factory stores feature coats, apparel, shoes, and accessories for the entire family.

In June 2000 the Authority approved a BEIP grant (P12400), with a projected value of $669,550 that closed in November 2002, to support the applicant’s creating 221 new jobs to staff its then new internet retail business and distribution center. Through the 2006 reporting year, Burlington has been reimbursed $47,405. In August 1995 the Authority closed a $10 million refunding tax-exempt bond (P08581), with a 15 year term, purchased by First Union Bank.

MATERIAL FACTOR: Burlington is requesting a BRRAG grant to support relocating 60 BRRAG eligible employees from its overcrowded 135,000 s. f. Burlington corporate headquarters to its nearby 731,000 s. f. Edgewater Park distribution center. BRRAG eligible jobs are those that were not part of the prior approved BEIP, mentioned above. Both buildings are owned by the applicant, with vacant space at the Edgewater Park site to accommodate the 60 jobs. Since Bain’s acquisition of Burlington in 2006, the new management team has targeted long term future growth on the West Coast and is considering moving the 60 BRRAG eligible jobs to its 440,000 s. f. underutilized San Bernardino, California regional distribution center. While no estimates are available as Burlington is in the planning stage, it is projected the future fit out cost in San Bernardino of its available space will be considerably lower than a build out of the current Burlington headquarters. The award of the BRRAG grant is a material factor in management’s decision to expand and relocate jobs in New Jersey.

APPROVAL REQUEST: TERM: 5 years
The Members of the Authority are asked to approve the proposed BRRAG grant to Burlington Coat Factory Warehouse Corporation to encourage the company to relocate within New Jersey. The recommended grant is based on the Project Evaluation Factors set forth on the attached BRRAG Score sheet and is contingent upon receipt by the Authority of evidence that the company has met said criteria to substantiate the recommended award amount. If the criteria met by the company differs from that shown on the Score sheet, the award amount will be raised or lowered to reflect the award amount that corresponds to the actual criteria that have been met.

TOTAL ESTIMATED GRANT AWARD OVER TERM OF GRANT: $ 72,000
GRANT AMOUNT PER RETAINED EMPLOYEE (see attached score sheet): $ 1,200
NEW JERSEY EMPLOYMENT AT APPLICATION: 1,100
ELIGIBLE BRRAG JOBS: 60
ANTICIPATED AVERAGE WAGES: $ 42,500
ESTIMATED PROJECT COST: $475,000
ESTIMATED TOTAL GROSS PAYROLL: $2,550,000
ESTIMATED TOTAL GROSS STATE WITHHOLDINGS 5YRS: $254,625

PROJECT IS: (X) Expansion (X) Relocation

CONSTRUCTION: (X) Yes ( ) No

APPROVAL OFFICER: M. Krug
This scoring system is used to determine the award amount for BRRAG projects retaining 50 to 499 jobs. The award amount determined under the project evaluation factors is an initial determination and is subject to adjustment under the Act, the regulations there under, and the terms and conditions of the Project Agreement.  

Company: Burlington Coat Factory Warehouse Corporation  
Date Scored: November 20, 2009

1. **Full-time jobs retained – maximum points = 5**

<table>
<thead>
<tr>
<th>Range</th>
<th>Eligible Jobs Retained</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 = 410 – 499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 = 320 – 409</td>
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<td>2 = 140 – 229</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 50 – 139</td>
<td>60</td>
<td>1</td>
</tr>
</tbody>
</table>

2. **Quality of the retained jobs (based on average salary of retained jobs) – maximum points = 4**

<table>
<thead>
<tr>
<th>Range</th>
<th>Avg. Salary</th>
<th>Score</th>
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<tbody>
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<tr>
<td>3 = $50,001 - $75,000</td>
<td>$42,500</td>
<td>2</td>
</tr>
<tr>
<td>2 = $30,001 - $50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = $19,001 - $30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 = up to $19,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Capital investment by the applicant in project – maximum points = 5**

<table>
<thead>
<tr>
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<th>Capital Investment</th>
<th>Score</th>
</tr>
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<tbody>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>2 = $1,500,000 to 2,199,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = $700,000 to $1,499,000</td>
<td>$475,000</td>
<td>0</td>
</tr>
<tr>
<td>0 = $0 to $699,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. **Designated industry type – maximum points = 3**

<table>
<thead>
<tr>
<th>Range</th>
<th>Industry</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>2 = targeted = (life science/biotech)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 = non-targeted</td>
<td>Clothing Distribution</td>
<td>0</td>
</tr>
</tbody>
</table>
5. Job creation/attraction component (impact on the state if the project moved to another state)  
   maximum points = 5

<table>
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<tr>
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<th>Score</th>
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<td></td>
</tr>
<tr>
<td>1 = 50-59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 = &lt;50</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

6. Smart Growth Targeted Areas – maximum points = 4

<table>
<thead>
<tr>
<th>Description</th>
<th>Type</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 = located in an area targeted for growth pursuant to the State Development and Redevelopment Plan, the Pinelands Comprehensive Management Plan, Highlands Commission Management Plan, and the Meadowlands Development Commission Plan. This includes brownfield sites.</td>
<td>PA 1</td>
<td>4</td>
</tr>
<tr>
<td>0 = non-growth area</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Retained jobs average at least 1.5 times the hourly minimum wage – maximum points = 2

| 2 = yes | Yes | 2    |
| 0 = no  |     |      |

8. Commitment to the State of New Jersey

   a. Duration of operations - maximum points = 3

<table>
<thead>
<tr>
<th>Range of Years</th>
<th>Year Started in NJ</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = 20 plus years of operation in the state</td>
<td>1924</td>
<td>3</td>
</tr>
<tr>
<td>2 = 15-19 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 10-14 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**  
**BUSINESS RETENTION AND RELOCATION ASSISTANCE GRANT OF TAX CREDITS**  
Score Sheet – Project Evaluation Factors (NJAC 12A:2-1.8)

### 8 b. Total employees in New Jersey – maximum points = 3

<table>
<thead>
<tr>
<th>Range</th>
<th>Number of Employees in NJ</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = 350 or greater</td>
<td>1,100</td>
<td>3</td>
</tr>
<tr>
<td>2 = 200-349</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = 50-199</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 9. Urban Enterprise Zone – maximum points = 3

<table>
<thead>
<tr>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3 - if relocating from non-UEZ site to a site within an UEZ</td>
<td></td>
</tr>
<tr>
<td>0 - no</td>
<td></td>
</tr>
</tbody>
</table>

**Totals – Value Per Retained Job and Score**

<table>
<thead>
<tr>
<th>Range</th>
<th>Value Per Retained Job</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-36</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>25-30</td>
<td>$1,400</td>
<td></td>
</tr>
<tr>
<td>19-24</td>
<td>$1,300</td>
<td></td>
</tr>
<tr>
<td>13-18</td>
<td>$1,200</td>
<td>15</td>
</tr>
<tr>
<td>7-12</td>
<td>$1,100</td>
<td></td>
</tr>
<tr>
<td>0-6</td>
<td>$1,000</td>
<td></td>
</tr>
</tbody>
</table>
SALES AND USE TAX EXEMPTION PROGRAM
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – SALES & USE TAX EXEMPTION PROGRAM

APPLICANT: The Chubb Corporation

COMPANY ADDRESS: 15 Mountain View Road Warren Township Warren County

PROJECT LOCATION: 202 Halls Mill Road Readington Township Hunterdon County

GOVERNOR'S INITIATIVES: ( ) NJ Urban Fund ( ) Edison Innovation Fund (X) Core

APPLICANT BACKGROUND:
For more than 125 years, the Chubb Group of Insurance Companies has been delivering property and casualty insurance products and services to businesses and individuals around the world. Founded in 1882 by Thomas Caldecot Chubb, the company’s mission was to provide marine underwriting in the seaports of New York City. Today, Chubb is the 11th largest property and casualty insurer in the United States and has a worldwide network of some 120 offices in 27 countries. The company was incorporated in 1967 and maintains its headquarters in Warren, New Jersey.

MATERIAL FACTOR:
In February 2000, the Authority approved a BEIP grant as well as assistance through the Structured Finance Program to induce Chubb to undertake a project to expand and relocate some of its operations within New Jersey. This project would mean an increase of 250 employees as well as the retention of over 1,300 current employees. As a result of these incentives, Chubb constructed two facilities consisting of approximately 427,000 square feet in Readington Township. The construction was completed in March 2003 and the site is now host to some of Chubb’s underwriting, customer service, and technology functions.

The Structured Finance incentive provided for a sales tax exemption on purchases of construction materials, furniture, fixtures, and equipment in the amount of $413,665,000. Of the approved amount, Chubb has made approximately $115,000,000 in tax-exempt purchases to date. Due to changes in the tax law, the Authority is no longer able to offer a sales tax exemption under the Structured Finance Program. Chubb is applying to retain its exemption for the project under the Sales & Use Tax Exemption Program pursuant to the terms approved by the Authority for the Structured Finance Program.

APPROVAL REQUEST:
The Members of the Authority are asked to approve the proposed Sales & Use Tax Exemption so that the applicant can continue to purchase furniture, fixtures, and equipment relating to the project. The maximum purchase amount is not to exceed $413,665,000 including the purchases made under the Structured Finance Program. The Sales & Use Tax Exemption will be coterminous with the Structured Finance agreement plus an additional 6 months to accommodate for the gap in assistance between the two programs, subject to repayment by Chubb of 3 months of sales tax. If not repaid, the extension will be 3 months.

TERM: ending 02/07/2013
MAX PURCHASE AMOUNT: $413,665,000
ESTIMATED AWARD: $28,956,550
PROJECT IS: ( ) Expansion (X) Relocation
CONSTRUCTION: (X) Yes ( ) No
APPROVAL OFFICER: Kevin McCullough
UEZ/SALEM SALES TAX EXEMPTION
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: Omni Baking Company

The members are asked to approve the Urban Enterprise Zone ("UEZ") Energy Sales Tax Exemption ("U-STX") Renewal Application of Omni Baking Company ("Omni"), a contract baking manufacturer that is located in Vineland. The estimated annualized U-STX benefit to Omni is $132,000.

To qualify for a U-STX, a company must be a UEZ-certified manufacturer with at least 250 full-time employees, at least 50% of who are involved in the manufacturing process. In addition, the company must certify that it is not in default with any other State program.

Omni has a UEZ certified facility in Vineland with 256 employees of whom 83% are involved in the manufacturing process. In addition, the company has certified that it is not in default under any State program and the Department of Labor and Workforce Development and the Division of Taxation attest that they are not aware of any defaults. Having met all statutory and regulatory requirements, it is recommended that Omni be granted a renewal, which would continue through November 3, 2010.

Prepared by: Tyshon Lee
MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
       Chief Executive Officer
DATE: December 8, 2009
SUBJECT: Actavis Elizabeth, LLC

Approval is requested to approve Actavis Elizabeth, LLC ("AE") for the Urban Enterprise Zone Energy Sales Tax Exemption ("USTX") thru December 5, 2010. The estimated annualized benefit to the company is $231,000.

To qualify for a USTX, a company must be a UEZ-certified manufacturer with at least 250 full-time employees, at least 50% of whom are involved in the manufacturing process. In addition, the company must certify that it is not in default with any other State program.

AE is a UEZ certified manufacturer that has 562 employees with 74.6% involved in the manufacturing process and has certified that it is not in default under any State program. The Department of Labor and Workforce Development has confirmed that the company is in good standing and a valid Tax Clearance Certificate has been received.

Prepared by: Sean V.M. Brady

Caren S. Franzini
MEMORANDUM

TO: Members of the Board

FROM: Caren S. Franzini

DATE: December 8, 2009

RE: Urban Transit Hub Tax Credit Program – Reproposed Rule Amendments and New Rules

Summary

The Members of the Board are provided with reproposed rule amendments and new rules implementing several revisions to the recently-proposed rule package for the Urban Transit Hub Tax Credit Program.

Background

On November 2, 2009, amendments and new rules to the Urban Transit Hub Tax Credit Program Act, as approved by the EDA Board at its September meeting, were published in the New Jersey Register to implement statutory revisions enacted pursuant to the “New Jersey Economic Stimulus Act of 2009,” P.L. 2009, c. 90.

Subsequent to the Board’s approval of original proposed rules, the Attorney General’s office has provided further advice on the tax allocation process for projects approved under the program. The new proposal eliminates the concept of project agreement and annual issuance of a tax certificate over the ten year tax credit allocation period. Instead the entire credit will be awarded upon approval with conditions that will need to be met.

This new structure meets the concern that had been raised by the Attorney General’s office that the pledge of future credits made under a project agreement would impermissibly tie the hand of future Legislature’s and, in essence, appear to be creating a debt obligation of the State. Also, the modification has the added benefit of providing more certainty to the development and investor community that may look to the sale of credits as part of the deal structure.

In addition to the elimination of project agreements for the allocation of tax credits under the Urban Transit Hub Tax Credit Program, the reproposed amendments and new rules (see attached) also would 1) revise the proposed fee structure for the program for uniformity with proposed fees for other similar EDA programs and 2) include other revisions based on EDA
review and public comments, specifically a cap on soft costs of 20 percent to be consistent with the Economic Redevelopment and Growth (ERG) Grant Program, and as otherwise summarized in the reproposal.

**Recommendation**

We are requesting action by the Members of the Board to approve the reproposed amendments and new rules for the Urban Transit Hub Tax Credit Program and authorize staff to file the reproposal with the Office of Administrative Law, subject to the approval of the Office of the Attorney General. With the exception of the new fee structure, the amendments to the rules will be effective upon filing with OAL. The new fees will be incorporated at adoption and applicants notified of risk if fees are not adopted as proposed.

Attachment
Prepared by: Jacob Genovay

Caren S. Franzini
OTHER AGENCIES
NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Authority Assistance Programs
Urban Transit Hub Tax Credit Program

Authorized By: New Jersey Economic Development Authority, Caren S. Franzini, Chief Executive Officer.


Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2009-

Submit written comments by January 1, 2010:

Maureen Hassett, SVP Governance & Communications
New Jersey Economic Development Authority
PO Box 990
Trenton, NJ 08625-0990

The agency proposal follows:

Summary

The New Jersey Economic Development Authority ("EDA" or "Authority") is reproposing amendments to the Urban Transit Hub Tax Credit Program Act which were originally proposed on November 2, 2009, based on statutory revisions to the Urban Transit Hub Tax Credit Act, P.L. 2007, c. 346, enacted pursuant to P.L. 2009, c. 90.

The main purpose for the reproposal is to eliminate the use of project agreements for establishing terms and conditions for tax credits based on a legal interpretation from the Division of Law/Office of the Attorney General. In addition, the reproposal revises the proposed fee structure for uniformity with proposed fees for other similar Authority programs and includes other necessary revisions based on EDA review and public comments.

The following provides a summary of the major revisions contained in the reproposed
amendments and identifies differences in provisions which were proposed on November 2, 2009 as necessary:

N.J.A.C. 19:31-9.1 Applicability and scope

The reproposed amendments reflect changes to the summary of the scope and purpose of the program pursuant to the provisions contained in P.L. 2009, c. 90. Specifically, the proposed amendments include a citation for P.L. 2009, c. 90 which amends the Urban Transit Hub Tax Credit Act; revise the capital investment requirements for owners and tenants in a qualified business facility; notice the new incentive for a developer making a capital investment in a qualified residential project; include a new standard for reduction of credits for failure to create 200 new jobs in the New Jersey; and include the 2006 date for which a municipality shall have met real property tax exemption requirements for eligibility for the program.

N.J.A.C. 19:31-9.2 Definitions

The reproposed amendments redefine certain terms used in this subchapter as follows: “affiliate” also means any business under common control with the business; control for affiliate purposes, as determined by the Division of Taxation, may be at lesser percentages of ownership than required by statute, and affiliates may contribute to meeting eligibility requirements of a business; “business” is clarified to include an S corporation or a limited liability corporation as eligible to participate in the program and includes an affiliate of the business; “capital investment” excludes investments that have received financial assistance from any other State funding source as well as any non-permanent vehicles and heavy equipment, in commercial development project components exempted from financing are detailed, in residential development all elements of project may constitute capital investment, and new deadlines are added for undertaking and completing residential development and constructing a new building and acquiring, renovating or reconstructing an existing building; “eligible municipality” shall have had 30 percent or more of the value of real property exempt from local property taxation during tax year 2006; “full-time employee” requirement may be met by persons employed by a professional employer organization pursuant to an employee leasing agreement for at least 35 hours a week, and out-of-State residents working in New Jersey; “light rail station” is revised to conform with reference in definition of urban transit hub; “rail station” is amended to remove prohibition of all light rail stations; “tenant” is added to distinguish between a lessee or owner of a condominium in a qualified business facility and qualified residential project; “urban transit hub” is amended to include (1) all light rail stations located within an urban transit hub; (2) property within a one-mile-wide zone in a qualified municipality under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.); (3) property located within a one-half mile radius surrounding the mid-point of one of up-to-two underground light rail stations’ platform areas that are most proximate to an interstate rail station; and (4) property adjacent to, or connected by rail spur to, a freight rail line if the business utilizes that freight rail line for loading and unloading freight cars on trains; and “urban transit tax credit” or “tax credit” is amended to eliminate the New Jersey Gross Income Tax from taxes upon which the urban transit hub tax credits may be applied against. The proposed amendments also provide additional definitions for “developer,” “full-time employee at the qualified business facility,” “professional employer organization,” “qualified residential project,” “residential developer,”
and “residential unit” based on revisions in P.L. 2009, c. 90.

The reproposed amendments to the section differ from the November 2nd proposal as follows: amendments redefine certain terms used in this subchapter as follows: “affiliate” clarified to also include not-for-profit entities; “approval letter” replaces “agreement” or “project letter” and the revised definition clarifies that the letter will set forth conditions subsequent to the approval and will require the applicant to submit timely progress reports to preserve approval of tax credits; and, “capital investment” amended to include associated soft costs. The reproposed amendments to the section, which also differ from the November 2nd proposal, also provide additional definitions for “letter of compliance”, “progress information” and “soft costs” for better implementation of the revisions in P.L. 2009, c. 90.

N.J.A.C. 19:31-9.3 Eligibility criteria

The reproposed amendments 1) reduce the capital investment threshold from $75 million to $50 million for an owner of a qualified business facility and from $50 million to $17.5 million for a tenant that occupies a leased area of the qualified business; 2) include the capital investment made by a tenant in the owner's capital investment to meet the minimum capital investment threshold and provide that any capital investment made by a tenant above this amount is added to the amount of tax credit the tenant is otherwise entitled to receive based on its portion of the net leasable area in the qualified business facility; 3) allow up to three tenants, in the aggregate, to meet the 250 employee requirement; 4) require qualified businesses to demonstrate that a proposed capital investment will result in a net positive economic benefit for the State and eligible municipality; 5) establish eligibility criteria for residential developers including demonstrating that the qualified residential project may not be accomplished without the provision of tax credits and, in certain instances, at least 20 percent of residential units shall be reserved for low and moderate income households pursuant to Mt. Laurel housing reforms enacted pursuant to P.L. 2008, c. 46; 6) remove a provision relating to acquisition of a capital investment which is redundant due to the revised definition of “capital investment”; 7) allow a developer that acquires a qualified residential project to be deemed to have acquired the capital investment made or acquired by the seller; and 8) enable a business investing in a qualified business facility to apply for tax credits valued at less than the total amount of the capital investment in its project.

The reproposed amendments to the section differ from the November 2nd proposal as follows: 9.3(a)iii clarifies that the State’s financial support of the proposed capital investment will yield a net positive economic benefit equal to 110 percent of the approved tax allocation amount and deletes the “whichever is greater” provision relating to the period equal to 75 percent of the useful life of the investment; and 9.3(a)2v clarifies that the State’s financial support of the proposed capital investment will yield a net positive economic benefit equal to 110 percent of the approved tax allocation amount and deletes the “whichever is greater” provision relating to the period equal to 75 percent of the tenant’s lease.

N.J.A.C. 19:31-9.4 Restrictions

The reproposed amendments remove the restriction on eligibility for casino licensees to
quality for the program; preclude from qualification any business which has qualified for a tax credit based on capital investment and employment of full-time employees used for a grant provided under the InvestNJ Business Grant Program Act, P.L. 2008, c. 112 (N.J.S.A. 34:1B-237 et seq.); clarify dates for allowed commencement and completion of construction projects; and extend authorization for businesses receiving assistance under the InvestNJ Business Grant Program and Municipal Rehabilitation and Economic Recovery Act to repay assistance to be eligible for urban transit hub tax credits.

N.J.A.C. 19:31-9.5 Application submission requirements

The proposed amendments expand the application submission requirements to include a certification that the State’s financial support of the proposed project will yield a net positive economic benefit to both the State and the eligible municipality; a pro forma analysis indicating that a proposed qualified residential project needs the tax credits to be accomplished; a description of certain green building standards to be incorporated into the proposed project; and a submission, from any tenant helping meet the employment requirement, certifying that subject employees will be full-time employees at the qualified business facility and listing the average annual wage and benefits of such employees.

The proposed amendments to the section differ from the November 2nd proposal as follows: 9.5(a)2iv deletes the “whichever is greater” provision relating to the period equal to 75 percent of the useful life of the investment or the tenant’s lease and inserts requirement that the net positive economic benefit equal of at least 110 percent of the requested tax allocation amount; and clarifies that the applicant submit any other information required by the Authority to conduct an analysis of the economic impact of the project.

N.J.A.C. 19:31-9.6 Applicant and servicing fees

The proposed amendments establish a uniform application fee and establish a fee for the costs of any third party analysis required by P.L. 2009, c. 90 to verify that the financial support of the proposed capital investment in a qualified business facility will yield a net positive economic benefit to both the State and the eligible municipality; and impose a fee for application of a tax credit transfer certificate.

The proposed amendments to the section differ from the November 2nd proposal as follows: 9.6(b) deletes the $2,500 fee for the costs of the fiscal impact analysis which are included as part of the proposed application fee; 9.6(c) is added to provide for a .5 percent fee of the approved tax credit not to exceed $300,000 upon approval of the tax credit; 9.6(d) is added to provide for a .5 percent fee of the tax credit not to exceed $300,000 upon issuance of the tax credit; and 9.6(e) revises the annual servicing fee to be a review fee which is reduced from .35 percent of the tax credit taken for each tax accounting or privilege period, not to exceed $40,000 to a fee of $2,500.

N.J.A.C. 19:31-9.7 Review of application and certification of project completion

The proposed amendments establish deadlines for residential developers to apply for
the tax credit within five years and to submit documentation for approval of their credit amount within eight years, after the effective date of P.L. 2009, c. 90; provide EDA flexibility to institute a competitive application process which may be needed at the end of the statutory timeframes should allocation for tax credits under the $1.5 billion cap still be available; outline the parameters for the net benefits test certified by applicants pursuant to N.J.A.C. 19:31-9.5(a)2iv; specify the factors which the Authority will consider in determining the allocation of credits to residential projects; and clarify that the EDA shall determine the maximum amount of tax credits to be granted and, in the case of a residential developer, the percentage amount of allowed tax credits for its capital investment in a qualified residential project.

The reproposed amendments to the section differ from the November 2nd proposal as follows: 9.7(a) inserts and deletes language relating to deadlines to apply for tax credits for a qualified business facility and a qualified residential facility to better clarify the process based on statutory revisions pursuant to P.L. 2009, c. 90; 9.7(e) includes new language clarifying that the award of credits will be subject to certain conditions which must be met in order to retain credits, which will be set forth in an approval sent to the applicant, and shall include, but not be limited to, compliance with prevailing wage and affirmative action requirements, environmental laws and use of renewable energy, energy-efficient technology, and non renewable resources; 9.7(f) includes new provisions relating to progress information which each business shall submit within one year following the date of application approval; 9.7(g) pertains to the certification to be submitted evidencing that the business has satisfied conditions relating to capital investment and employment requirements; 9.7(g)1 revises term benefit to tax credit, the amount of which shall be defined in the certification and new language is inserted that in no event will the amount of tax credits exceed the amount of credits previously approved by the Board; 9.7(g)2 revises the date for the certification from five years after execution of the project agreement to five years after the Authority’s receipt of the progress report; 9.7(g)2 clarifies that project applications shall be for a qualified business facility; 9.7(h) includes new language clarifying that the Authority shall notify the business that it has satisfied the capital investment and employment requirements once the Authority determines that other necessary conditions have been met, deletes the requirement that the business shall receive its tax credit certificate upon submission of a satisfactory report pursuant to 9.11(a) and provides that the use of the tax credit certificate shall be subject to the receipt of an annual letter of compliance.

N.J.A.C. 19:31-8 Tax credit certificate

The reproposed amendments expand certain terms and conditions under tax certificate agreements, including the starting date of the eligibility period, the amount of tax credits, letter of submission of the letter of compliance, schedule setting forth eligible affiliates, events that would reduction and forfeiture of tax credits, as well as other reporting requirements.

The reproposed amendments to the section differ from the November 2nd proposal as follows: all references to project agreement are deleted as are other requirements which are contained in other sections; 9.8(a)1, 2 and 3 are revised for technical purposes; and 9.8(a)5, 6, 7, 9 and 12 are deleted as the provisions in these sections are represented in other sections of the subchapter.
N.J.A.C. 19:31-9.9 Tax credit amount; application and allocation of the tax credit

The repoposed amendments clarify that the amount of tax credit allowed, subject to the maximum amount of tax credits approved, and in the case of a residential developer, the maximum percentage amount of allowed credits in a qualified residential project, shall be equal to the capital investment made by the business or the capital investment represented by the business's leased area or area owned by the business as a condominium; remove superseded language pertaining to allocation of credits for partnerships; and eliminate the New Jersey Gross Income Tax from taxes upon which the urban transit hub tax credits may be applied against.

The repoposed amendments to the section differ from the November 2nd proposal as follows: 9.9(a) clarifies that the amount of tax credit also shall be equal to the capital investment made by the business or equal to the business' leased area or area owned by the business as a condominium and that the amount of tax credits shall not exceed the amount of credits previously approved by the Board; 9.9(a)2 inserts a reference to condominium regarding capital investment attributed toward the amount of tax credits; 9.9(b) revises the parameters under which a business may apply tax credits from 10 consecutive years following satisfaction of certain requirements to following notification pursuant to N.J.A.C. 19:31-9.7(h); and 9.9(c) deletes a reference to project agreement and clarifies requirements for allocation of credits to affiliates.

N.J.A.C. 19:31-9.10 Application for tax credit transfer certificate

The repoposed new section allows a developer who is a holder of a credit, upon application and approval by the Division of Taxation in Treasury and the Authority, to sell their credit, covering one or more years, under the tax credit transfer certificate program for consideration received by the business of not less than 75 percent of the transferred credit amount.

N.J.A.C. 19:31-9.11 Cap on total credits

The repoposed new section caps the value of all credits approved under the program at $1.5 billion and allows for $150 million of the cap, as adjusted by the Authority, to be allocated to developers for residential projects within certain municipalities.

N.J.A.C. 19:31-9.12 Reduction and forfeiture of tax credits

The repoposed amendments to N.J.A.C. 19:31-9.10, recodified as N.J.A.C. 19:31-9.12, require that only for a business applying before January 1, 2010, there shall be no reduction of tax credits if the business relocates to an urban transit hub from another location(s) in the same municipality; and, increases the trigger for forfeiture of the credit so that a business cannot reduce its Statewide workforce by more than 20 percent in the last tax accounting or privilege period prior to approval. The repoposed amendments also delete language regarding the forfeiture of tax credits due to sale or lease of a qualified facility which is being relocated to proposed new N.J.A.C. 19:31-9.13.

The repoposed amendments to the section differ from the November 2nd proposal as
follows: 9.12(a) clarifies that the amount of annual tax credit otherwise available shall be reduced and deletes the provision that the reduction shall be determined pursuant to final calculation of the award of tax credits.

**19:31-9.13 Effect of sale or lease of qualified facilities**

The reproposed new section relocates language from existing N.J.A.C. 19:31-9.10 regarding the forfeiture of tax credits due to the sale or lease of a qualified facility, incorporates a new requirement for the sale of a qualified residential facility and clarifies that tenants in a qualified residential project are not eligible to apply for tax credits and that an owner or a qualified residential facility may not assign tax credits to a tenant.

**19:31-9.14 Reporting requirements; Letter of Compliance**

The reproposed new section relocates language from existing N.J.A.C. 19:31-11 establishing reporting requirements and contains new provisions which differ from the November 2nd proposal establishing requirements for submission of a certification of compliance by the business and issuance of letter of compliance by the Authority.

The reproposed amendments to the section differ from the November 2nd proposal as follows: 9.14(a) revises timeframe in which the business shall furnish its report to after notification pursuant to N.J.A.C. 19:31-9.7(h) and requires that the report be certified by a certified public account and licensed architect; 9.14(a)(2) clarifies that the business’ certification pertains to compliance with the approval, the Act or this subchapter; 9.14(c) deletes reference to project agreement which is replaced with tax credit certificate; and 9.14(d) provides parameters under which the Authority will issue the letter of compliance.


Finally, the reproposed amendments delete these subsections in their entirety as provisions contained in both sections are included in other general sections of Authority rules.

As the Authority has provided a 60-day comment period in this notice proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)(5).

**Social Impact**

The reproposed amendments and new rules expand eligibility for the Urban Transit Hub Tax Credit Program, which spurs capital investment and increased employment in targeted urban rail transit hubs to catalyze economic development in those transit hubs. By increasing development and resulting capital investments and jobs to transit hubs in nine major urban municipalities, the reproposed amendments and new rules are intended to have a positive social impact.

**Economic Impact**
The reproposed amendments and new rules implement statutory revisions intended to re-energize the State's economy by stimulating new economic development. To qualify, each project must result in the creation of 250 or more jobs. With at least 20 projects expected to qualify under the revisions, a minimum of 5,000 new jobs could be created or retained along with up to $3 billion that could be leveraged in total investment over the life of the program. In addition, the Urban Transit Hub Tax Credit Program, as revised by the proposed amendments and new rules, will also produce an indirect revenue gain encompassing purchases by businesses from their suppliers to spending by employees of all impacted businesses and payments entering the State’s economy from constructing the qualified facilities and benefits if recipient businesses maintain their credit-induced jobs beyond the 10-year eligibility period of the credit.

The reproposed amendments and new rules will not increase the minimal costs incurred by businesses to comply with reporting requirements, specifically certification of having met the capital investment and employment requirements and the annual reports of employment during the eligibility period required to determine compliance with the terms and conditions of the Program.

Finally, the Authority is reproposing increasing certain the existing application fee and establishing others to recoup some of the additional administrative costs in processing applications and monitoring the compliance of projects with Program requirements.

**Federal Standards Statement**

A Federal standards analysis is not required because the reproposed amendments and new rules are not subject to any Federal requirements or standards.

**Jobs Impact**

The Authority believes that the reproposed amendments and new rules will result in retaining existing private sector jobs and stimulating the creation of new private sector jobs in urban transit hubs, as well as supporting job growth in the construction industry due to the capital investment requirements of the program.

**Agriculture Industry Impact**

The reproposed amendments and new rules will have no impact on the agriculture industry of the State of New Jersey.

**Regulatory Flexibility Statement**

The reproposed amendments and new rules do not impose reporting, recordkeeping, or other compliance requirements on small business, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because the Urban Transit Hub Tax Credit Program requires that a business, or up to three businesses, house a minimum of 250 full-time employees in a qualified business facility. Therefore, a regulatory flexibility analysis is not required.
Smart Growth Impact

The repoposed amendments and new rules are intended to achieve smart growth and implement the State Development and Redevelopment Plan because program eligibility is restricted to urban areas.

Housing Affordability Impact

The repoposed amendments and new rules may increase an indeterminate amount of housing units, particularly multi-family rental housing and for-sale housing, in qualifying residential developments and mixed-use projects including residential space. Under the repoposed amendments and new rules, developers may be allowed a credit of up to 20 percent of its capital investment in a "qualified residential project" without having to meet the 250-employee requirement to be eligible for the tax credits. The number of housing units, as well as any increase or decrease in the average cost of housing affected by the regulation may not be estimated, because the actual development which may be eligible as creditable capital investments is not known.

Smart Growth Development Impact

The repoposed amendments and new rules are intended to further encourage new construction, including commercial, retail and residential components, in Planning Area 1 of the State Development and Redevelopment Plan. The number of housing units, as well as any increase or decrease in the average cost of housing affected by the amendments and new rules, may not be estimated, because the actual development which may be eligible and proposed as creditable capital investments is not known.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

19:31-9.1 Applicability and scope

These rules are promulgated by the New Jersey Economic Development Authority (the "Authority") to implement the Urban Transit Hub Tax Credit Act, P.L. 2007, c. 346 (the "Act"), as amended by P.L. 2009, c. 90. The Act establishes a tax credit program for capital investment and increased employment in targeted urban rail transit hubs to catalyze economic development in those transit hubs. The Act further provides that the Urban Transit Hub Tax Credit Program (the "Program") is to be administered by the New Jersey Economic Development Authority and that the Authority consults with the Director of the Division of Taxation in the Department of the Treasury when adopting rules for the Program. The Program provides that businesses making at least [$75 million] $50,000,000 in new capital investments in a qualified business facility in an "urban transit hub" and employing at least 250 full-time employees at that facility may be eligible for tax credits in order to catalyze economic development in those urban areas. Businesses may apply for the tax credits by January 13, 2013 and satisfy the capital investment and employment conditions for award of the credits by January 13, 2016, subject to the rules in this subchapter. The tax credits are equal to 100 percent of the claimants' qualified capital
investments made, and taxpayers may apply 10 percent of the total credit amount per year over a
10-year period against their corporation business tax, insurance premiums tax or gross income
tax liability. Tenants in qualified business facilities may also receive tax credits, if they occupy
space in a qualified business facility that proportionally represents at least [$25 million]
$17,500,000 of the capital investment in the facility and employ at least 250 full-time employees
in that facility. Developers may apply for a credit of up to 20 percent of their capital
investment in a qualified residential project by July 28, 2014 and satisfy the capital
investment conditions for award of credits by July 28, 2017, subject to the rules in this
subchapter. The tax credits are reduced to 80 percent if 200 new jobs (to the State) are not
created, or forfeited if certain facility and Statewide employment levels are not maintained. The
program is limited to municipalities that are eligible for urban aid, that [have a] had at least 30
percent of their real property value exempt from property taxes during 2006, and that have a
specified commuter rail station, excluding any rail station located at an international airport [and
all light rail stations].

19:31-9.2 Definitions

The following words and terms, when used in this subchapter, shall have the following
meanings, unless the context clearly indicates otherwise.

... “Affiliate” means an entity that directly or indirectly controls, is under common control
with, or is controlled by the business, and may include not-for-profit entities. [Evidence of
such control shall include whether] Control exists in all cases in which the entity is a member
of a controlled group of corporations as defined pursuant to Section 1563 of the Internal Revenue
Code of 1986, as amended, 26 U.S.C. §1563 or the entity [being] is an organization in a group of
organizations under common control as defined in Section 414(b) or (c) of the Internal Revenue
Code of 1986, as amended, 26 U.S.C. §414(b), (c). A taxpayer may establish by clear and
convincing evidence, as determined by the Director of the Division of Taxation in the
Department of the Treasury, that control exists in situations involving lesser percentages of
ownership than required by those statutes. An affiliate [is an entity that contributes to meeting
either the capital investment or employment requirements or both for the project] of a business
may contribute to meeting either the qualified investment or full-time employee
requirements of a business that applies for a credit under section 3 of P.L. 2007, c. 346
(N.J.S.A. 34:1B-209).

[“Agreement” or “project agreement”] “Approval letter” means [an agreement between a
business and] the letter sent by the Authority that sets forth the conditions subsequent to the
approval, the forecasted schedule for completion and occupancy of the project, the date the 10-
year eligibility period is scheduled to commence, the estimated amount of tax credits, and other
such [provisions] information which further the purposes of P.L. 2007, c. 346. The approval
letter will require the applicant to submit progress information by a certain date in order
to preserve the approval of the tax credits.

...
"Business" means a corporation that is subject to the tax imposed pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), a corporation that is subject to the tax imposed pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15) or N.J.S.A. 17B:23-5, or is an entity classified as a partnership, an S corporation, or a limited liability company [for Federal income tax purposes. If a business is using an affiliate to satisfy the employment or capital investment requirements of both, of the Program, a business shall include such affiliate or affiliates]. A business shall include an affiliate of the business if that business applies for a credit based upon any capital investment made by the affiliate or full-time employees of an affiliate are necessary to evidence compliance with eligibility requirements. [For purposes of identifying full-time employees of a business, any such employees hired by or taxes paid by a professional employer organization (PEO) with which the business has entered into an employee leasing agreement shall be allocable to the business.]

"Capital investment" in [commercial development] a qualified business facility and a qualified residential project means the site preparation and construction, repair, renovation, improvement, equipping, or furnishing of a building, structure, facility or improvement to real property, and associated soft costs. Capital investment includes obtaining and installing furnishings and machinery, apparatus or equipment for the operation of a business in a building, structure, facility or improvement to real property, site-related utility and transportation infrastructure improvements, plantings or other environmental components required to attain the level of silver rating or above in the LEED<sup>(R)</sup> building rating system, but only to the extent that such capital investments have not received any grant financial assistance from any other State funding source including N.J.S.A. 52:27H-80 et seq.[, except that it does not include soft costs such as financing and design, furniture or decorative items such as artwork or plants, or office equipment with a useful life of under five years.] Vehicles and heavy equipment not permanently located in the building, structure, facility or improvement shall not constitute a capital investment. (The United States Green Building Council has developed the Leadership in Energy & Environmental Design (LEED) Green Building Rating System for measuring the energy efficiency and environmental sustainability of buildings. The LEED Rating System is a third party certification program and the nationally accepted benchmark for the design, construction and operation of high performance buildings.) Also included is remediation of the qualified business facility or qualified residential project site, but only to the extent that such remediation has not received financial assistance from any other Federal, State, or local funding source. [In residential development, only core and shell elements of the project shall constitute capital investment, for example all finishes, furnishings, plumbing and lighting fixtures, and tenant amenities shall be excluded.] With respect to [both] commercial [and residential] development, to be included the capital investment must be undertaken after the January 13, 2008 effective date of the Act and [completed] the applicant submits its documentation for approval of its credit amount by the eighth anniversary of that date. To be considered, the project consisting of construction of a new building shall not have progressed beyond site preparation prior to January 13, 2008; the project consisting of acquisition of an existing building shall not have closed title prior to January 13, 2008; and the project consisting of renovation or reconstruction of an existing building shall not have commenced construction prior to January 13, 2008. With respect to residential development, to be included the capital
investment must be undertaken after July 28, 2009, the effective date of P.L. 2009, c. 90, and the applicant submits its documentation for approval of its credit amount by the eighth anniversary of that date, that is by July 28, 2017. To be considered, the project consisting of construction of a new building shall not have progressed beyond site preparation prior to July 28, 2009; the project consisting of acquisition of an existing building shall not have closed title prior to July 28, 2009; and the project consisting of renovation or reconstruction of an existing building shall not have commenced construction prior to July 28, 2009.

“Developer” means, with respect to a qualified business facility, a business that intends to construct and lease a business facility. A developer may seek to receive approval that the facility will constitute a qualified business facility conditioned upon identification of tenants that will have qualifying employment and pro formas indicating that the capital investment requirements will be met.

“Eligible municipality” means a municipality: which qualifies for State aid pursuant to P.L. 1978, c. 14 (N.J.S.A. 52:27D-178 et seq.) or which was continued to be a qualified municipality thereunder pursuant to P.L. 2007, c. 111; and in which 30 percent or more of the value of real property was exempt from local property taxation during tax year 2006. The percentage of exempt property shall be calculated by dividing the total exempt value by the sum of the net valuation, which is taxable and that which is tax exempt. For State fiscal year 2008, the eligible municipalities are: Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson, Trenton and Hoboken. For subsequent State fiscal years, the Authority, after consultation of the Department of Community Affairs, shall annually publish at www.newjerseybusiness.gov a notice listing the eligible municipalities.

“Full-time employee” means a person employed by the business for consideration for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, as determined by the Authority, or a person who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization, in accordance with P.L. 2001, c. 260 (N.J.S.A. 34:8-67 et seq.) for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, as determined by the Authority, and whose wages are subject to withholding as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., or an employee who is a resident of another State but whose income is not subject to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. or who is a partner of a business who works for the partnership for at least 35 hours a week, or who renders any other standard of service generally accepted by custom or practice as determined by the Authority as full-time employment, and whose distributive share of income, gain, loss, or deduction, or whose guaranteed payments, or any combination thereof is subject to the payment of estimated taxes, as provided in the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq. “Full-time employee” shall not include any person who works as an independent contractor or on a consulting basis for the business.
“Full-time employee at the qualified business facility” means a full-time employee whose primary office is at the site and who spends at least 80 percent of his or her time at the site, or who spends any other period of time generally accepted by custom or practice as full-time employment at the site, as determined by the Authority.

“Letter of compliance” means the letter issued annually by the Authority pursuant to N.J.A.C. 19:31-9.14 that must accompany the use of the tax credit certificate.

“Light rail station” [is] means a location where passengers board or alight River Line Light Rail, the Hudson-Bergen Light Rail, the Newark Light Rail services, or any other light rail service owned and/or operated by New Jersey Transit Corporation, Port Authority Transit Corporation or Port Authority Trans-Hudson Corporation in the State of New Jersey. Light rail is a transit mode with a lighter volume traffic capacity compared to commuter rail service and characterized by lighter vehicles operating in one or two-car trains on fixed rails, powered by electric or diesel, and not regulated by the Federal Railroad Administration unless covered by a waiver for shared-use operation of freight and light rail passenger service.

“Professional employer organization” means an employee leasing company registered with the Department of Labor and Workforce Development pursuant to P.L. 2001, c. 260 (N.J.S.A. 34:8-67 et seq.).

“Progress information” means the information that must be submitted pursuant to N.J.A.C. 19:31-9.8.

“Qualified residential project” means any building, complex of buildings or structural components of buildings, including a mixed use project, the majority of which, as measured by square footage, consists of residential units, located in an urban transit hub within an eligible municipality.

“Rail station” [shall include] means a rail station, including light rail stations, of the New Jersey Transit Corporation, Port Authority Transit Corporation or Port Authority Trans-Hudson Corporation, but shall not include any rail station located at an international airport [or any light rail station].

“Residential developer” means a business that intends to make or acquire capital investments in a qualified residential project pursuant to sections 34 and 35 of P.L. 2009, c. 90.

“Residential unit” means a residential dwelling unit such as a rental apartment, a condominium or cooperative unit, a hotel room, or a dormitory room.
“Soft costs” means all costs associated with financing, design, engineering, legal, real estate commissions, furniture, or office equipment with a useful life of less than five years, provided they do not exceed 20 percent of total capital investment.

“Tenant” means a business that is a lessee or owner of a condominium in a qualified business facility and does not include a lessee or owner of a condominium in a qualified residential facility.

“Urban transit hub” means property located within a one-half mile radius surrounding the mid point of a New Jersey Transit Corporation, Port Authority Transit Corporation or Port Authority Trans-Hudson Corporation rail station platform area, including all light rail stations, and property located within a one-mile radius of the mid point of the platform area of such a rail station if the property is in a qualified municipality under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.); property located within a one-half mile radius surrounding the mid point of one of up to two underground light rail stations' platform areas that are most proximate to an interstate rail station; and property adjacent to, or connected by rail spur to, a freight rail line if, as part of its regular course of business, as determined by the Authority, the business utilizes that freight rail line for loading and unloading freight cars on trains delineated by the Authority pursuant to subsection e. of section 3 of P.L. 2007, c. 346 (N.J.S.A. 34:1B-3e). A property, which is partially included within the radius, shall only be considered part of the hub if over 50 percent of its land area falls within the radius. In the case of a rail station with multiple rail lines, a separate midpoint shall be determined for each such rail line. Once the hubs have been delineated, the Authority will post eligible rail stations and corresponding midpoints on the website at www.newjerseybusiness.gov. The posting will be updated if the eligible rail stations change and to reflect changes in station midpoints.

“Urban transit hub tax credit” or “tax credit” means the tax credit permitted under P.L. 2007, c. 346, as amended by P.L. 2009, c. 90 and this subchapter, which may be applied against the tax liability otherwise due for corporation business tax, insurance premiums tax or gross income tax pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), pursuant to section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15), or pursuant to N.J.S.A. 17B:23-5[, or pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq].

19:31-9.3 Eligibility criteria

(a) [To qualify for the tax credit, a business shall enter into a project agreement with the Authority to undertake a project as follows] In order to be eligible to be considered for an urban transit hub tax credit:
1. For a qualified business facility, if the business is other than a tenant, the business shall:

   i. Make or acquire capital investments in a qualified business[or in a mixed-use] facility [capital and residential capital investments] totaling not less than [$75,000,000] $50,000,000 [in a qualified business facility]. The capital investments of the owner shall include capital investments made by a tenant and may include any tenant allowance provided by the owner in the lease and any tenant improvements funded by a tenant(s), but only to the extent necessary to meet the owner's minimum capital investment of $50,000,000 provided that the owner so indicate in his application or certification and further provided that such tenant allowance or tenant improvements meet the definition of capital investment; [and]

   ii. Employ not fewer than 250 full-time employees at the qualified business facility[.]; and

   iii. Demonstrate to the Authority that the State's financial support of the proposed capital investment will yield a net positive economic benefit, equaling at least 110 percent of the approved tax allocation amount, to both the State and the eligible municipality for the period equal to 75 percent of the useful life of the investment, not to exceed 20 years.

2. If the business is a tenant in a qualified business facility:

   i. The owner of the qualified business facility shall make or acquire capital investments, or in a mixed-use facility capital and residential capital investments in the facility totaling not less than [$75,000,000] $50,000,000, as calculated in accordance with (a)1i above; [The capital investments of the owner may include any tenant allowance provided by the owner in the lease and any tenant improvements funded by a tenant(s) provided that the owner so indicate in his application or certification and further provided that such tenant allowance or tenant improvements meet the definition of capital investment;]

   ii. The tenant shall occupy a leased area of the qualified business facility that represents at least [$25,000,000] $17,500,000 of the capital investment in the facility, as calculated pursuant to (b) below;

   iii. The tenant business and up to two other tenants shall employ not fewer than 250 full-time employees in the aggregate at the qualified business facility; [and]

   iv. The business shall lease the qualified business facility for a term of not less than 10 years[.]; and

   v. Except for tenants of a qualified business facility for which the owner has previously demonstrated a net positive benefit and received approval of the project site or approval of tax credits, demonstrate to the Authority that the State's financial support of the proposed capital investment will yield a net positive economic benefit, equaling at least 110 percent of the approved tax allocation amount, to both the State and the eligible municipality for the period equal to 75 percent of the useful life of the term of the tenant's lease, not to exceed 20 years. For purposes of this evaluation, the tenant may include the benefit derived from
the owner's capital investment, but not from employees other than those referenced in (a)2iii above. For purposes of this evaluation, the tenant may include the benefit derived from the owner's capital investment and from all employees located in the qualified business facility.

3. For a qualified residential project, the residential developer shall:

i. Make or acquire capital investments totaling not less than $50,000,000 in a qualified residential project. This requirement may be met by the residential developer or by one or more of its affiliates;

ii. Demonstrate to the Authority that the qualified residential project is likely to be realized with the provision of tax credits at the level requested, but is not likely to be accomplished by private enterprise without the tax credits;

iii. Not be required to meet the employment requirements required for a qualified business facility; and

iv. Shall be required, pursuant to section 40.b of P.L. 2008, c. 346 (N.J.S.A. 52:27D-329.9) to reserve at least 20 percent of the residential units constructed for occupancy by low or moderate income households, as those terms are defined in section 4 of P.L. 1985, c. 222 (N.J.S.A. 52:27D-304), with affordability controls as required under the rules of the Council on Affordable Housing, unless the municipality in which the property is located has received substantive certification from the Council and such a reservation is not required under the approved affordable housing plan, or the municipality has been given a judgment of repose or a judgment of compliance by the court, and such a reservation is not required under the approved affordable housing plan.

(b) In order to determine whether the tenant's leasable area of the qualified business facility satisfies the capital investment eligibility threshold, the Authority shall multiply the owner's capital investment by the fraction, the numerator of which is the leased net leasable area and the denominator of which is the total net [leaseable] leasable area. Capital investments made by a tenant and not allocated to meet the owner's minimum capital investment threshold of $50,000,000 shall be added to the amount of capital investment represented by the tenant's leased area in the qualified business facility.

(c) (No change.)

(d) A business that acquires a qualified business facility shall also be deemed to have acquired the capital investment made or acquired by the seller. Any right by the seller to the tax credits terminates upon sale of the qualified business facility and such tax credits may not be transferred to the buyer.

(e) A business shall be treated as owner of a qualified business facility or a qualified
residential project if it holds title to the facility, whether it ground leases the land underlying
the facility for at least 50 years or holds title to the land underlying the facility.

(f) A business that is investing in a qualified business facility or qualified residential
project may apply for tax credits valued at less than the total amount of the capital
investments in its project.

19:31-9.4 Restrictions

(a) A business shall not be allowed urban transit hub tax credits if:

1. The business participates in a Business Employment Incentive Program grant pursuant to
P.L. 1996, c. 26 (N.J.S.A. 34:1B-124 et seq.) relating to the same capital investment, employees,
and site that qualify the business for urban transit hub tax credits; or

2. The business receives assistance from the Business Retention and Relocation Assistance
Grant Program pursuant to P.L. 1996, c. 25 (N.J.S.A. 34:1B-112 et seq.)[; or]

[3. The business is a casino as defined by licensee as pursuant to section 33 of P.L. 1977, c.
110 (N.J.S.A. 5:12-33).]

(b) A business that is allowed a tax credit under this section shall not be eligible for
incentives authorized by the Municipal Rehabilitation and Economic Recovery Act pursuant to
P.L. 2002, c. 43 (N.J.S.A. 52:27BBB-1 et seq.).

(c) A business shall not qualify for a tax credit based upon capital investment and
employment of full-time employees, if that capital investment or employment was the basis
for which a grant was provided to the business pursuant to the InvestNJ Business Grant
Program Act, P.L. 2008, c. 112 (N.J.S.A. 34:1B-237 et seq.).

[(c)] (d) Capital investments in a qualified business facility must be incurred after the
effective date of P.L. 2007, c. 346, which is January 13, 2008, and must be applied for within
five years of January 13, 2008. An approved business must submit its documentation for
approval of its credit amount [but] before the end of the eighth year after the effective date,
and thus, before [the end of] January 13, 2016. The credit amount allowed for a tax period
ending after January 16, 2008 during which documentation of a business’ credit amount
remains unapproved shall be forfeited, although credit amounts for the remainder of the
ten years shall remain available to it. This eighth year limit is expected to afford businesses
applying toward the end of the five-year application period at least three years to complete the
project. Capital investments in a qualified residential facility must be incurred after the
effective date of P.L. 2009, c. 90, which is July 28, 2009, and be applied for within five years
of July 28, 2009. A residential developer must submit its documentation for approval of its
credit amount within eight years after July 28, 2009. The credit amount allowed for a tax
period ending after July 28, 2017 during which documentation of a business' credit amount
remains unapproved shall be forfeited, although credit amounts for the remainder of the
ten years shall remain available to it. This eight-year limit is expected to afford businesses
applying toward the end of the five-year application period at least three years to complete the project.

[(d) (e)] If a business participating in a Business Employment Incentive Program grant for the same capital investment, employees, and site or receiving assistance from the Business Retention and Relocation Assistance Grant Program, InvestNJ Business Grant Program, or incentives authorized by the Municipal Rehabilitation and Economic Recovery Act, seeks to qualify for urban transit hub tax credits, it shall first repay and terminate assistance pursuant to the rules governing the Business Employment Incentive Program, [or] Business Retention and Relocation Assistance Grant Program, InvestNJ Business Grant Program or Municipal Rehabilitation and Economic Recovery Act, as applicable.

19:31-9.5 Application submission requirements

(a) Each application to the Authority made by an owner, [or a] tenant or residential developer shall include the following information in an application format prescribed by the Authority:

1. Business information, including information on all affiliates contributing either full-time employees or capital investment or both to the project, shall include the following:

   i. – xiii. (No change.)

   xiv. In the event that the business is a partnership and chooses to allocate the [amount of credit] revenue realized from the sale of the tax credits other than as a proportion of the owners’ distributive share of income or gain of the partnership, the business shall provide an agreement that sets forth the allocation among the owners [which at minimum must conform with N.J.A.C. 19:31-9.8(b)10]. This agreement will be submitted to the Director of the Division of Taxation in the Department of Treasury by such time and with such information as the Director may require[.]; and

   xv. (No change.)

2. Project information shall include the following:

   i. (No change.)

   ii. A description of the capital investments planned by the business, if other than a tenant at the proposed qualified business facility, or, if the business is a tenant, represented by the leased area of the business, at the proposed qualified business facility; and if the business is a residential developer, a description of the capital investment planned to be made or acquired in a qualified residential project;

   iii. (No change.)

   iv. A certification from the owner, with supporting evidence, that the State's financial
support of the proposed capital investment in a qualified business facility will yield a net
positive economic benefit, equaling 110 percent of the requested tax allocation amount, to
the State and the eligible municipality for the period equal to 75 percent of the useful life of
the investment or the term of the tenant’s lease, not to exceed 20 years, taking into account
the criteria listed at N.J.A.C. 19:31-9.7(c). The applicant may be required to submit any
other information required by the Authority to conduct an analysis of the economic impact
of the project;

v. If the capital investment is a qualified residential project, a pro forma analysis
demonstrating that the project is likely to be realized with the provision of the tax credits at
the level requested to be realized but is not likely to be accomplished by private enterprise
without the credits;

vi. A description of how the green building standards to be set forth in the green
building manual prepared by the Department of Community Affairs, pursuant to section 1
of P.L. 2007, c. 132 (N.J.S.A. 52:27D-130.6) are to be incorporated into the proposed
project including use of renewable energy, energy-efficient technology, and non-renewable
resources in order to reduce environmental degradation and encourage long-term cost
reduction;

Recodify existing vii – ix. as x. – xii. (No change in text.)

3. Employee information shall include the following:

i. A written certification that the employees that are the subject of this application [are] will
be full-time employees [as defined in this chapter] at the qualified business facility and are
subject to withholding as provided in the New Jersey Gross Income Tax Act;

ii. The average annual wage and benefit rates of full-time employees and new full-time
positions [that would occupy] at the qualified business facility;

iii. To the extent a tenant is meeting the employment requirement together with up to
two other tenants in the qualified business facility, a submission from the other tenants
relating to (a)3l above;

Recodify existing iii. and iv. as iv and v. (No change in text.)

(b) – (c) (No change.)

19:31-9.6 Application and servicing fees

(a) A business applying for benefits under this program shall submit the following one-time
non-refundable application fee, with payment in the form of a check, payable to the "New Jersey
Economic Development Authority";

1. (No change.)
2. If a business is a tenant of the proposed qualified business facility wherein the owner has not made application for the approval of tax credits, the application fee is [$2,500] $5,000; or

3. (No change.)

(b) In addition to the application fees in (a)1, 2 and 3 above, for a qualified business facility, a business shall pay to the Authority the full amount of direct costs of an analysis by a third party retained by the Authority, if the Authority deems such retention to be necessary, whichever is greater.

(c) A non-fundable fee of .5 percent of the approved tax credit, not to exceed $300,000, shall be charged by the Authority upon the approval of the tax credit.

(d) A non-fundable fee of .5 percent of the tax credit, not to exceed $300,000, shall be paid prior to the receipt of the tax credit certificate.

[(b)](e) A business shall pay to the Authority an annual [servicing] review fee, beginning the tax accounting or privilege period in which the Authority accepts the certification that the business has met the capital investment and employment qualifications, and for the duration of the eligibility period. The annual [servicing] review fee shall be paid to the Authority by the business at the time the business submits [information to the Authority required for an annual review of full-time employment at the qualified business facility] its annual letter of compliance. The annual [servicing] review fee shall be [.25 percent of the amount of tax credit taken for each tax accounting or privilege period of the business. If the tenant or owner is a business engaged in financial services, life sciences and technology, communications, logistics, renewable energy and manufacturing, this fee shall not exceed $40,000] $2,500 per year.

(f) A business applying for a tax credit transfer certificate pursuant to N.J.A.C. 19:31-9.10 shall pay to the Authority a fee of $2,500.

19:31-9.7 Review of application and certification of project completion

(a) A business seeking an approval of tax credits for a qualified business facility may apply for tax credits for a qualified business facility that was commenced after January 13, 2013 within five years after January 13, 2008, the effective date of the Act (that is, by January 13, 2013). A residential developer may apply for tax credits for a qualified residential facility that was commenced after July 28, 2009 within five years after July 28, 2009, the effective date of P.L. 2009, c. 90 (that is, by July 28, 2014). [The application is a two stage process, with the first being the application for eligibility of a hub project, and the second being a certification by the business within the timeframe of (d) below evidencing completion of the project and satisfaction of the conditions for award of the hub tax credits. A developer may apply to have a building approved as a qualified business facility within five years after January 13, 2008, the effective date of the Act (that is, by January 13, 2013). Any tenant seeking an approval of tax credits for a qualified business facility so approved may apply after this date provided its application and certification are received by the date set forth in subsection (d)3 hereof.]
(b) The Authority shall conduct a review of the applications commencing with the application bearing the earliest submission date or if interest in the program so warrants, at its discretion and upon notice, institute a competitive application process whereby all applications submitted by a date certain will be evaluated as if submitted on that date. The Authority may require the submission of additional information to complete the application or may require the resubmission of the entire application, if incomplete. The review will determine whether the applicant:

1. – 3. (No change.)

(c) In determining whether the company meets the net economic benefits test, as certified by the owner pursuant to N.J.A.C. 19:31-9.5(a)2iv, the Authority's consideration shall include, but not be limited to, the local and State taxes paid directly by and generated indirectly by the business, property taxes or payment in lieu of taxes and taxes paid directly or generated indirectly by new or retained employees, and peripheral economic growth caused by the business's relocation to the urban transit hub.

(d) In developing a recommendation for allocating credits to qualified residential projects, the chief executive officer shall take into account, together with other factors deemed relevant by the Executive Director:

1. An evaluation of the residential developer's pro forma analysis submitted pursuant to N.J.A.C. 19:31-9.5(a)2v;

2. Input from the municipality in which the project is located;

3. Whether the project furthers specific State or municipal planning and development objectives, or both; and

4. Whether the project furthers a public purpose, such as catalyzing urban development or maximizing the value of vacant, dilapidated, outmoded, government-owned, or underutilized property or both.

[(c)] (e) Upon completion of the review of an application pursuant to (b) through (d) above, and receipt of a recommendation from Authority staff on the application, the Board shall determine whether or not to approve the application, the maximum amount of tax credits to be granted and, in the case of a residential developer, the maximum percentage amount of allowed tax credits for its capital investment in a qualified residential project, and promptly notify the applicant and the Director of the Division of Taxation of the determination. The Board's award of the credits will be subject to conditions subsequent that must be met in order to retain the credits. An approval letter setting forth the conditions subsequent will be sent to the applicant. Such conditions shall include but not be limited to, the requirement that the project complies with the Authority's prevailing wage requirements P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) and affirmative action requirements P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4), that the project does not violate any environmental law requirements,
and requirements regarding the use of renewable energy, energy-efficient technology, and non-renewable resources in order to reduce environmental degradation and encourage long-term cost reduction.

(f) Within one year following the date of application approval by the Authority, each approved business shall submit progress information indicating that the business has site plan approval, financing for and site control of the qualified business facility or qualified residential project. Unless otherwise determined by the Authority in its sole discretion, the Authority's approval of the tax credits shall expire if the progress information is not received by the Authority within one year of the date of application approval.

[(d)] (g) Upon completion of the capital investment and employment requirements of the program, the business shall submit a certification of a certified public accountant which may be made pursuant to an “agreed upon procedures” letter acceptable to the Authority evidencing that [it] the business has satisfied the conditions relating to [such] capital investment and any employment requirements[, and is therefore eligible to be awarded the tax credits].

1. The certification with respect to the capital investment shall define the amount of the [benefit] tax credits and shall not be increased regardless of additional capital investment in the qualified business facility, provided however that in no event will the amount of tax credits exceed the amount of tax credits previously approved by the Board or, in the case of a residential developer, the maximum percentage amount of allowed tax credits approved by the Board for the business’s capital investment in a qualified residential project. If the certification indicates that the capital investment is less than the minimum eligibility requirement, the business shall no longer be eligible for tax credits.

2. In general, this certification shall be submitted to the Authority no later than five years after [execution of the project agreement] the Authority’s receipt of the progress information.

3. For project applications for a qualified business facility approved in the fifth year that the Act is in effect, the certification shall be submitted no later than eight years after the effective date of the Act (that is, by January 13, 2016). For developer applications approved in the fifth year that the Act is in effect, any tenant's application and certification relating to a qualified business facility so approved shall be submitted no later than eight years after the effective date of the Act (that is, by January 13, 2016). For residential developers approved in the fifth year that P.L. 2009, c. 90 is in effect, any certification relating to a qualified residential project so approved shall be submitted no later than eight years after the effective date of the Act, (that is, by July 28, 2017).

4. (No change.)

[(e)] (h) Once the Authority accepts the certification of the business that it has satisfied the capital investment and employment requirements, if any, of the program, and the Authority determines that other necessary conditions have been met, the Authority [it] shall notify the business and notify the Director of the Division of Taxation, and the business shall receive its tax credit certificate [upon submission of a satisfactory report pursuant to N.J.A.C. 19:31-9.11(a)].
The use of the tax credit certificate shall be subject to the receipt of an annual letter of compliance.

19:31-9.8 [Project agreement] Tax credit certificate

[(a) Within one year following application approval by the Authority, all applicants shall execute a project agreement to establish the terms and conditions of the tax credits.]

[(b)](a) The [project agreement] tax credit certificate shall set forth [shall include, but not be limited to,] the following terms [and conditions as determined by the Authority]:

1. [Terms establishing the] The starting date[; or event that will determine the starting date and ending date,] of the eligibility period;

2. Requirements and time period for undertaking the project;

3. Representations pertaining to the capital investment for the project The amount of the tax credits;

4. [Requirements for maintaining full-time employees and new full-time positions at the qualified business facility and maintaining full-time employees in the business's Statewide workforce] A requirement that any use of the tax certificate be accompanied by a letter of compliance;

5. Representations that the business is in good standing, the project complies with all applicable law, and specifically, that the project complies with the Authority's prevailing wage requirements P.L. 2007, c. 245 (N.J.S.A. 34:1B-5.1) and affirmative action requirements P.L. 1979, c. 303 (N.J.S.A. 34:1B-5.4), and the project does not violate any environmental law;

6. Indemnification and insurance requirements;

7. Limitations on the award of tax credits;

8. [In the event that the Board has approved an application for a business using one or more affiliates in order to satisfy the employment and or capital investment requirements of the program, a schedule setting forth the eligible affiliates and [an agreement] a requirement by the business to notify the Authority at least seven days prior to date of filing relating to each tax accounting or privilege period the proposed allocation of tax credits by the business.] Such allocation may be adjusted as a result of future audits by the Internal Revenue Service or a state tax agency. Any such adjustment of the allocation will be reported by the business to the Division of Taxation and the Authority 30 days prior to filing an amended return or closing agreement or final determination. Any affiliate that receives an allocation must have contributed either capital investments to the business facility or employees at the business facility during the tax period for which the tax credits are issued. In the event the business allocates to an affiliate that was not included in the business's initial application, the business shall submit the name of the affiliate and the information required pursuant to N.J.A.C. 19:31-9.5(a)1vi through xv to the
Authority staff for its review with the submission of the report required pursuant to N.J.A.C. 19:31-9.11(b). Upon satisfactory review, the schedule to the project agreement that lists eligible affiliates shall be amended;

9. Designation of the tax year in the event the business is using one or more affiliates in order to satisfy the employment and/or capital investment requirements of the program;

10. In the event that the business is a partnership and chooses to allocate the amount of credit other than as a proportion of the owners’ distributive share of income or gain of the partnership, the business shall notify the Authority and the Division at least 30 days prior to the date of filing relating to each tax accounting or privilege period the proposed allocation of the tax credits. Such allocation may be adjusted as a result of future audits by the Internal Revenue Service or a state tax agency. Any such adjustment of the allocation will be reported by the business to the Division of Taxation and the Authority 30 days prior to filing an amended return or closing agreement or final determination;

11. Events that would trigger reduction and forfeiture of tax credit amounts;

12. Default and remedies; and

13. Reporting requirements, such as an annual report and an annual tax clearance certificate issued by the Division of Taxation pursuant to P.L. 2007, c. 200.

19:31-9.9 Tax credit amount; application and allocation of the tax credit

(a) The amount of tax credit allowed shall be equal to the capital investment made by the business or the capital investment represented by the business’ leased area, or area owned by the business as a condominium, subject to any reduction or disqualification provided in the Act[,] and this subchapter[, or the project agreement.] and, provided that in no event will the amount of tax credits exceed the amount of tax credits previously approved by Board or, in the case of a residential developer, the maximum percentage amount of allowed tax credits approved by the Board for the business’s capital investment in a qualified residential project as follows:

1. (No change.)

2. In order to determine the amount of the tenant’s or condominium’s capital investment that will be attributed toward the amount of its tax credits, the Authority shall add the amount of capital investment that results from the calculation in N.J.A.C. 19:31-9.3(b) to any tenant allowance provided by the owner in the lease and any tenant improvements funded by a tenant, provided that the owner has not included such tenant allowance or tenant improvements in its calculation of capital investment and further provided that such tenant allowance or tenant improvements meet the definition of capital investment.

(b) For the 10 consecutive years following the notification pursuant to N.J.A.C. 19:31-9.7(h) [satisfaction of the investment capital and employment requirements of the program to be
awarded the tax credit, a business may apply 10 percent of the total credit amount per each tax accounting or privilege period, subject to the provisions of the Act and these regulations.

[(c) A business that is a partnership shall not be allowed a credit under this program directly, but the amount of credit of any owner of a business shall be determined by allocating to each owner of the partnership that proportion of the credit of the business that is equal to the owner of the partnership's share, whether or not distributed, of the total distributive income or gain of the partnership for its tax period ending within or with the owner's tax period, or that proportion that is allocated by an agreement, if any, among the owners of the partnership that has been provided to the Director of the Division of Taxation in the Department of the Treasury pursuant to N.J.A.C. 19:31-9.5(a)xiv.]

[(d)] (c) The business may apply the credit against their corporation business tax[,] or insurance premiums tax [or gross income tax liabilities] otherwise due pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), pursuant to section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15), or pursuant to N.J.S.A. 17B:23-5[, or pursuant to the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq]. The credit awarded to the business using one or more affiliates to satisfy the employment and or capital investment requirements of the program shall be applied on the basis of the allocation(s) submitted pursuant to the [project agreement] application, or as subsequently adjusted pursuant to N.J.A.C. 19:31-9.14 provided however, that any affiliate that receives an allocation must have contributed either capital investments to the business facility or employees at the business facility during the tax period for which the tax credits are issued.

Recodify existing (e) – (h) as (d) – (g) (No change in text.)

19:31-9.10 Application for tax credit transfer certificate

(a) A business may apply to the Director of the Division of Taxation in the Department of Treasury and the Authority for a tax credit transfer certificate covering one or more years, in lieu of the business being allowed any amount of the credit against the tax liability of the business. Such application shall identify the specific tax credits to be sold. Once approved by the Authority and the Director of the Division of Taxation, a tax certificate shall be issued. The tax credit certificate, upon receipt thereof by the business from the Director and the Authority, may be sold or assigned, in full or in part, to any other person(s) that may have a tax liability pursuant to section 5 of P.L. 1945, c. 162 (N.J.S.A. 54:10A-5), pursuant to sections 2 and 3 of P.L. 1945, c. 132 (N.J.S.A. 54:18A-2 and 54:18A-3), pursuant to section 1 of P.L. 1950, c. 231 (N.J.S.A. 17:32-15), or pursuant to N.J.S.A. 17B:23-5. The certificate provided to the business shall include a statement waiving the business's right to claim that amount of the credit against the taxes that the business has elected to sell or assign. Any amount of a tax credit transfer certificate used by a purchaser or assignee against a tax liability shall be subject to the same limitations and conditions that apply to the use of the credit by the business that originally applied for and was allowed the credit.
(b) The sale or assignment of any amount of a tax credit transfer certificate allowed under this section shall not be exchanged for consideration received by the business of less than 75 percent of the transferred credit amount. In order to evidence this requirement, the business shall submit to the Authority an executed form of standard selling agreement which states that the consideration received by the business is not less than 75 percent of the transferred credit amount.

(c) In the event that the business is a partnership and chooses to allocate the revenue realized from the sale of the tax credits other than as a proportion of the owners' distributive share of income or gain of the partnership, the selling agreement shall set forth the allocation among the owners which has previously been submitted to the Director of the Division of Taxation in the Department of Treasury pursuant to N.J.A.C. 19:31-9.5(a).

19:31-9.11 Cap on total credits

The value of all credits approved by the Authority shall not exceed $1,500,000,000 of which the Authority may approve up to $150,000,000 in credits in the aggregate for residential developers making capital investments in qualified residential projects, provided that for each qualified residential facility, the residential developer shall be allowed tax credits of no more than 20 percent of its capital investment. Based on application and allocation activity and if sufficient credits are available, the Authority may direct that the $150,000,000 cap be exceeded for allocation to qualified residential projects, as is deemed reasonable, justified and appropriate.


(a) Unless excepted pursuant to (a)2 below, the amount of the annual credit otherwise available [determined pursuant to final calculation of the award of tax credits] shall be reduced by 20 percent for that tax period if:

1. Fewer than 200 full-time employees [of the business] at the qualified business facility or, if the applicant is a tenant and has qualified under N.J.A.C. 19:31-9.3(a)ii, fewer than 200 full-time employees in the aggregate are employed in new full-time positions in any tax period.

   i. - ii. (No change.)

2. For businesses applying before January 1, 2010, [There] there shall be no reduction if a business relocates to an urban transit hub from another location or locations in the same municipality.

   (b) If, in any tax period, the business reduces the total number of full-time employees in its Statewide workforce by more than [10] 20 percent from the number of full-time employees in its Statewide workforce in the last tax accounting or privilege period prior to the credit amount approval under this section, then the business shall forfeit its credit amount for that tax period and each subsequent tax period until the first tax period for which documentation demonstrating the restoration of the business's Statewide workforce to the threshold levels
required by this subsection has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the credit shall be allowed. For purposes of this section, "business" shall include any affiliate that has contributed to the capital investment, received the tax credit or contributed to the 250 full-time employees at the qualified business facility.

(c) (No change.)

(d) If in any year the qualified residential facility no longer meets the definition thereof, the residential developer or his assignee shall forfeit its annual credit amount for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating that the qualified residential facility meets such definition has been reviewed and approved by the Authority, for which tax period and each subsequent tax period the full amount of the annual credit shall be allowed.

[(d) The tax credit amount shall be forfeited in the event of sale of the qualified business facility or sublease of the business's tenancy as follows:

1. If the qualified business facility is sold in whole or in part during the 10-year eligibility period, the new owner shall not acquire the capital investment of the seller and the seller shall forfeit all credits for the tax period in which the sale occurs and all subsequent tax periods, except that any credits of tenants shall remain unaffected. The new owner may not apply for tax credits based upon the seller's capital investment. If the business merges with or consolidates with another entity, and the surviving, resulting or transferee entity assumes in writing the obligations of the business under the project agreement, the surviving, resulting or transferee entity shall not be considered the new owner.

2. If a tenant subleases its tenancy in whole or in part during the 10-year eligibility period, the sublessee shall not acquire the credit of the sublessor, and the sublessor tenant shall forfeit all credits for the tax period of its sublease and all subsequent tax periods, except that if the sublessor tenant retains sufficient capital investment and employment to remain eligible for the program, the forfeiture shall affect only the credits attributable to the subleased portion of the facility. For the purposes of calculating the total annual lease payments of the business, the lease payments of the sublessee shall be subtracted.]

19:31-9.13 Effect of sale or lease of qualified facilities

(a) The tax credit amount shall be forfeited in the event of sale of the qualified business facility or sublease of the business's tenancy as follows:

1. If the qualified business facility is sold in whole or in part during the 10-year eligibility period, the new owner shall not acquire the capital investment of the seller and the seller shall forfeit all credits for the tax period in which the sale occurs and all subsequent tax periods, except that any credits of tenants shall remain unaffected. The new owner may not apply for tax credits based upon the seller's capital investment. If the business merges with or consolidates with another entity, resulting or transferee entity
shall not be considered the new owner.

2. If a tenant subleases its tenancy in whole or in part during the 10-year eligibility period, the sublessee shall not acquire the credit of the sublessor, and the sublessor tenant shall forfeit all credits for the tax period of its sublease and all subsequent tax periods, except that if the sublessor tenant retains sufficient capital investment and employment to remain eligible for the program, the forfeiture shall affect only the credits attributable to the subleased portion of the facility. For the purposes of calculating the total annual lease payments of the business, the lease payments of the sublessee shall be subtracted.

(b) In the event of sale of the qualified residential facility in whole or in part, the seller may either retain the tax credit amount or assign to the new owner a tax credit amount equal to the amount of the capital investment that is sold, provided that the capital investment sold represents at least $17,500,000 of the capital investment in the facility. In order to determine the amount of capital investment sold, the Authority shall multiply the owner's capital investment by the fraction, the numerator of which is the square footage of the portion of the qualified residential facility that is sold and the denominator of which is the total square footage of the qualified residential facility.

(c) Tenants in a qualified residential project are not eligible to apply for tax credits and an owner may not assign tax credits to a tenant.


(a) After notification pursuant to N.J.A.C. 19:31-9.7(h) [the submission of the certificate that the project is complete and that the business has satisfied the capital investment and employment requirements for the award of credit], the business shall furnish to the Authority a [certified] report certified by a certified public accountant in conjunction with a licensed architect in a format as may be determined by the Authority, which shall contain the following information:

1. (No change.)

2. A certification indicating whether or not the business is aware of any condition, event, or act which [constitutes a default or an event of default of the project agreement, of which would constitute an event of default with the giving of notice or passage of time, or both, under the project agreement] would cause the business not to be in compliance with the approval, the Act or these regulations.

(b) (No change.)

(c) The [project agreement] tax credit certificate may provide for additional reporting requirements.

(d) Upon satisfactory review of all information submitted, the Authority will issue a letter of compliance. No tax credit certificate will be valid without the letter of compliance.
issued for the relevant tax privilege period. The letter of compliance will indicate whether the business may take all or a portion of the credits allocable to the tax privilege period.

[(d)](e) The Authority shall prepare and transmit to the Governor and the Legislature on or before November 1st of each year, a report concerning the impact of the program on employment in urban transit hubs.

[19:31-9.12 Events of default]

(a) The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute an "event of default" under the project agreement:

1. The business fails to strictly observe or comply with the limitations and conditions of the use of the tax credits as set forth in this subchapter, the tax credit certificate and the project agreement;

2. Any representation or warranty made by the business in its application or in the project agreement that is false, misleading, or inaccurate in any material respect; or the business has violated the debarment standards of the Authority; or

3. The business fails to observe or perform in any other material respect any other term, covenant or condition of the business under the project agreement and this subchapter and such failure shall have continued for 30 days after the earlier of delivery to the business of written notice thereof from the Authority or the business's actual or constructive knowledge of such failure; provided, however, that if such failure is capable of cure, but cannot be cured by the payment of money or by diligent efforts within such 30-day period, but diligent efforts are properly commenced within the cure period and the business is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional period of time, not to exceed an additional 45 days and in no case to extend beyond the expiration of the project agreement. Violations of the "events of default" provision of the project agreement shall be cause for immediate termination of the tax credit certificate as provided by law and repayment of State tax.

19:31-9.13 Remedies

(a) Upon the occurrence of any event of default as described in N.J.A.C. 19:31-[9.12]9.15 and the project agreement, the Authority may, so long as such event of default is continuing, do one or more of the following as the Authority in its sole discretion shall determine, without limiting any other right or remedy the Authority may have on account of such event of default:

1. The Authority may require the surrender by the business to the Authority of the tax credit certificate for suspension or cancellation; and/or
2. The Authority may exercise any other right or remedy that may be available under applicable law or under the project agreement, including, without limitation:

   i. Recapturing all or a portion of the tax credits if a representation of the business is false, misleading, or inaccurate in any material respect by notifying the Director of the Division of Taxation, who shall issue a recapture assessment which shall be based upon the proportional value of the tax credits that corresponds to the amount and period of noncompliance;

   ii. Recovering damages for loss of a bargain for any default during the eligibility period;

   iii. Terminating the project agreement; or

   iv. Proceeding by appropriate court action (legal or equitable) to enforce the terms of the project agreement.

(b) The rights and remedies of the Authority under this subchapter and the project agreement shall be cumulative and shall not exclude any other rights and remedies of the Authority allowed by law with respect to any event of default under this subchapter or the project agreement.

Recodify existing N.J.A.C. 19:31-9.14 and 9.15 as 9.15 and 9.16 (No change in text.)
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini, Chief Executive Officer

DATE: December 8, 2009

SUBJECT: Edison Innovation Fund (“Edison”) Loans

Request: Authorize the restructure of Edison loans for companies requesting continued payment relief following an initial temporary principal moratorium.

Pursuant to the terms of this memorandum, staff will be permitted under Delegated Authority (Credit Approval Delegations by Staff Level, approved 3/10/09) to extend loan maturities for up to five additional years and change monthly principal payments to annual payments based on a percentage of revenues. EDA will obtain additional warrants and be permitted to file its springing lien on intellectual property (IP) as consideration for the extension.

Background:
In 2005, EDA launched an initiative to finance early stage technology and life sciences companies in New Jersey. Through Edison Innovation Fund, EDA provides 5-year term loans up to $1 million to develop and commercialize new technology and products. After an interest only period of up to 24 months principal is fully amortized over the remaining term. EDA receives warrants as consideration, with the number of warrant shares (“coverage”) determined by a scoring model.

The current economic recession and illiquid conditions in the IPO and venture capital markets have negatively impacted many companies’ ability to repay principal as originally agreed. EDA has closed 39 Edison loans since inception of the program. 14 loans were scheduled to begin principal repayments of which 11 have required short term principal moratoria approved by staff, with 6 of these requiring a year deferral approved via board action.

To address the historical portfolio performance and the challenges affecting our customers, a cross-function team (Technology & Life Sciences, Accounting, Underwriting and Portfolio Services) collaborated to develop a customer-focused restructuring model. Feedback was also sought from venture capital and angel investor partners and incorporated in this recommendation. Proposed restructuring terms, including additional warrants and filing a lien on IP, were viewed as appropriate.
**Changes to Loan Terms:**
An extend repayment term will be provided with principal payments made annually instead of monthly. The proposed repayment structure is similar to Springboard 1 and 2 recoverable grants which resulted in a significant recovery of funds for EDA. **However, unlike Springboard programs, these are loans with interest due monthly and repayment in full required.** The 10-year term is also similar to the period expected by venture investors for a return on investment.

The proposed repayment structure is shown below.

<table>
<thead>
<tr>
<th><strong>Requirement</strong></th>
<th><strong>Detail</strong></th>
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<tr>
<td><strong>Qualification:</strong></td>
<td>Written certification from company that scheduled principal payments</td>
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<td>would cause undue hardship, and request indicating repayment period</td>
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<td>needed (up to 5 years), subject to review by staff and provided that,</td>
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<td>generally, the company does not have more than 6 of months of expendable</td>
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<td>cash available to sustain operations and make payments on the loan.</td>
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<td><strong>Modification Fee:</strong></td>
<td>Standard ($1,000)</td>
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<td><strong>Term:</strong></td>
<td>Loan maturity will be extended for up to 5 years (not to exceed 10 years</td>
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<td>from original closing).</td>
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<td><strong>Repayment:</strong></td>
<td>Interest monthly (unchanged).</td>
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<td>Principal payments will be due annually and based on a percent of gross</td>
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<td>revenue (sales and revenue before expenses) using a graduated repayment</td>
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<td>scale. For example, in year 2 of the loan, a principal payment equal to 2%</td>
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<td>of revenue will be due; in year 3, a principal payment equal to 3% of</td>
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<td>revenue will be due, and so on.</td>
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<td>Principal payments tied to revenues may be insufficient to retire the</td>
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<td>loan over the extended term, resulting in a balloon payment due at</td>
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<td>maturity.</td>
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<td>If a company is unable to make the required annual payment in a lump sum,</td>
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<td>the company will be allowed up to 12 months to repay. For example, a</td>
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<td>company owes $120,000 for its annual payment which it needs to pay over</td>
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<td>time. Staff will allow up to 12 months for the company to make periodic</td>
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<td>payments such as 4 payments of $30,000, or 6 payments of $20,000, etc.</td>
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<td><strong>Default:</strong></td>
<td>Default occurs if annual, periodic or balloon principal payments or</td>
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<td>monthly interest payments are not received when due.</td>
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<td><strong>Warrants:</strong></td>
<td>EDA will receive an additional 10 year warrant as consideration for</td>
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<td>granting extended repayment terms. The number of warrant shares will be</td>
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<td>determined using EDA’s scoring model so that with the existing warrants</td>
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coverage requirements for the current loan balance are met.

If less than a 5 year extension is required, the number of new warrants will be prorated based on the length of the extension.

Collateral: EIF loans are secured by a lien on corporate assets and a “springing” lien to file on IP upon an event of default. The lien on IP will be filed upon a restructuring. However, EDA will agree in advance that in the event the Borrower raises equity in an amount at least equal to the outstanding balance of the loan, EDA will revert to a springing lien on IP.

Recommendation:
Staff recommends that the Members authorize the restructure of Edison loans for companies requesting continued payment relief following an initial temporary principal moratorium.

Pursuant to the terms of this memorandum, staff will be permitted under Delegated Authority to extend loan maturities for up to five additional years and change monthly principal payments to annual payment based on a percentage of revenues. EDA will obtain additional warrants and be permitted to file its springing lien on intellectual property (IP) as consideration for the extension.

By providing longer repayment terms, EDA will support early stage technology and life science companies in difficult economic and investment environments. In exchange for extended repayment terms, the Authority will receive additional warrants that may provide additional future funding to support companies in New Jersey.

Prepared by: Daniel Weick
MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini
      Chief Executive Officer
DATE: December 8, 2009
SUBJECT: Juvent, Inc.
         Somerset, New Jersey
         Edison Innovation Loan
         Original Loan Amount: $1,000,000
         Principal Balance: $784,372

Proposal:

Write off the subject loan without recourse.

Background:

Founded in 2003, Juvent, Inc. was an emergent medical device company specializing in the non-pharmaceutical treatment of osteoporosis.

In February 2006, the NJEDA approved a $1,000,000 Edison Innovation Loan to Juvent, Inc. to support working capital. The investment was secured by a first UCC lien on corporate assets deemed to have no liquidation value and a first lien on intellectual property with an undetermined value. There are no personal guarantors.

This loan was transferred to SLM in February 2009 due to Juvent, Inc. filing Chapter 11 Bankruptcy. The company filed Bankruptcy due to lack of sales, insufficient cash flow and inability to service its debts. Juvent has since ceased operations.

As part of its Chapter 11 Bankruptcy case, Juvent held an auction sale of its intellectual property on July 10, 2009. The Members were advised of the upcoming auction in May 2009 in advance of the sale. Because no other creditors asserted claims on the auction proceeds, a settlement was not required. At auction, the highest bid was $325,000. After legal expenses associated with the
auction sale were paid, EDA received the net proceeds of $243,182. These proceeds were applied against the EDA outstanding balance.

**Recommendation:**

As stated above, the company has ceased operations. The intellectual property was auctioned off and EDA received the net proceeds of $243,182. The remaining corporate assets offer no potential for recovery and there are no personal guarantors. Based upon these factors, no further source of recovery remains and it is recommended EDA write the loan off without recourse. The investment was previously risk rated Loss and therefore writing it off will have no effect on the EDA’s financial statements.

The Attorney General’s Office has reviewed this matter and concurs with this recommendation.

Prepared by: Jerome T. Stesney
I. **Sale of PTS and Its Parent to Phoenix Charter LLC**

On April 10, 2007, Phoenix Charter LLC, a newly formed investment corporation owned by The Blackstone Group, acquired PTS and its parent, Cardinal Health 409. Various holding companies were formed (BHP PTS Holdings, LLC, Phoenix Charter LLC, & PTS Holdings Corp) to effect the acquisition. All the stock of the parent company was acquired by PTS Holding Corp, which merged with and into Catalent Pharma Solutions, Inc. Catalent Pharma Solutions, Inc. became the surviving corporation and the parent of the Catalent group of subsidiary companies.

The Blackstone Group is a private equity investor that pursues transactions throughout the world, including leveraged buyout acquisitions of seasoned companies, transactions involving growth equity or start-up businesses in established industries, minority investments, corporate partnerships, distressed debt, structured securities and industry consolidations.

The company has reported that none of the companies listed above have control over, nor are they responsible for any actions, liabilities or obligations of Catalent Pharma Solutions, LLC (the grantee). All rights, duties, obligations, management and operations are controlled by the grantee and its parent, Catalent Pharma Solutions, Inc.

II. **Name change of PTS to CPS**

The company is requesting the name change from Cardinal Health PTS, LLC to Catalent Pharma Solutions, LLC. The Catalent name was created to combine the ideas embodied by the words "catalyst" and "talent." Catalent serves as a catalyst for success for its customers, enabling them to ensure product supply and improve product effectiveness, while "talent" underscores the company's breadth and depth of scientific, technical and local market expertise around the world.

This change will not have any effect on the grant award percentage or the New Employment Commitment, and nor has there been any change insofar as management or the operations of the company.

**Recommendation:**

The Members of the Authority are asked to approve the sale of Cardinal Health PTS, LLC and its parent to Phoenix Charter LLC; and the name change from Cardinal Health PTS, LLC to Catalent Pharma Solutions, LLC.

Prepared by: Charlene M. Craddock
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

DATE: December 8, 2009

SUBJECT: R. P. Scherer, Inc. /Cardinal Health PTS, LLC
P12220
Franklin Township, NJ

Modification Request:

Cardinal Health PTS, LLC is requesting approval of:

I. The sale of Cardinal Health PTS, LLC ("PTS") and its parent to Phoenix Charter LLC. As a result of this sale, PTS became Catalent Pharma Solutions, LLC ("CPS").

II. Change of Name from PTS to CPS.

Background

PTS, an affiliate company of R. P. Scherer, Inc. ("RPS"), is a leading provider of advanced technologies and outsourced services for the pharmaceutical, biotechnology and consumer health industry that develops, manufactures and packages pharmaceutical and other products for nearly 100 countries.

In August 1999, the members approved a 70% /10 year BEIP grant for RPS based on the proposed expansion of its operations in Franklin Township, Somerset County and its New Employment Commitment ("NEC") of 205 jobs. The company satisfied the Minimum Eligibility Threshold of 75 in 2002.

Modifications to the Agreement:

In July 2000, the grant agreement was amended to add Cardinal Health Product Development Center, Inc. ("CHPDC") to the grant. Since that modification, CHPDC has gone through a series of approved name changes, and currently the grantee is PTS.
MEMORANDUM

TO:        Members of the Authority
FROM:      Caren S. Franzini, Chief Executive Officer
DATE:      December 8, 2009
SUBJECT:   PNC Business Growth Fund

On September 14, 2004, the Board approved the “New Jersey Business Growth Fund” (BGF) which expanded the relationship between PNC Bank and the Authority. Through the Business Growth Fund, PNC agreed to make $100 million in low interest loans available to fund New Jersey companies committed to job creation or retention. At that time, PNC anticipated making approximately 400 loans over a two year period. Capital made available by PNC Bank is offered at below market interest rates, with a fixed or variable rate option. EDA provides either a 25% or 50% guarantee on loans of up to $2 million for qualified projects under the program.

Since program inception, 215 projects have been closed which represents approximately $104 million in loans with approximately $32.8 million in Authority guarantees. 2009 volume as of October 31 was 49 closed projects with $27.7 million in bank loans with $9.3 million in Authority guarantees. There are an additional 13 projects that have been approved for approximately $6 million in loans with approximately $1.7 million in guarantees that have not yet closed. All closed projects are current, and there have been no calls on any guarantees. In March, 2009, Portfolio Services performed an audit of the BGF portfolio and found no material issues.

The agreement with PNC will expire as of December 31, 2009. PNC has requested that the Authority extend the program for an additional year, with two modifications to the program. The first change is to limit program loan volume to $25 million for the 2010 calendar year. In 2009, program loan volume was limited to $20 million. This was the first year that PNC had placed a limit on program volume. The limit was reached in July, and at that time PNC indicated their desire to continue the program which they did. PNC will monitor production, and if the limit is reached, they will make a determination at that time whether they will continue to accept applications for this program year. The second change will be to the interest rate for the program. As of January 1, 2010, the interest rate will increase by 100 bp, which results in a fixed rate of the 5 year treasury + 250 bp or a variable rate of Prime –50 bp. As of 11/18/09, the 5 year treasury rate was 2.19% which results in a current indicative rate of 4.69%. For the variable rate
loans, the current prime rate is 3.25% which results in a current indicative rate of 2.75%. These rates compare favorably to conventional commercial loan rates being offered, which are currently in the 6%-6.5% range. It is requested that the CEO continue to have authority to negotiate alternative interest rates changes not to exceed 50 bp as may be requested by PNC.

It is recommended that the “New Jersey Business Growth Fund” program be extended for one year. To effectuate this, the Memorandum of Understanding with PNC Bank will be amended subject to DAG review.

Prepared by: S. Mania
MEMORANDUM

TO: Members of the Authority
FROM: Caren S. Franzini, Chief Executive Officer
DATE: December 8, 2009
SUBJECT: Projects Approved Under Delegated Authority - For Informational Purposes Only

The following projects were approved under Delegated Authority in November 2009:

New Jersey Business Growth Fund:

1) Breast Imaging & Biopsy Specialists, LLC (P29444), located in West Long Brach, Monmouth County, was formed in 2001 as a medical practice specializing in imaging and diagnostic services for early detection of breast cancer. PNC Bank approved a $353,500 loan with a five-year, 25% guarantee, not to exceed $88,375. Loan proceeds will be used to purchase a new imaging machine to facilitate business expansion. Currently the company has fifteen employees and plans to create an additional two new jobs over the next two years.

2) Delaware Valley Plastic Surgery, PA (P29263), located in Cherry Hill Township, Camden County, was established in 2003 as a provider of plastic and reconstructive surgery. PNC Bank approved a $985,000 loan with a five-year, 25% guarantee, not to exceed $246,250. Loan proceeds will be used to purchase a building to facilitate business expansion, including an operating room suite, surgical center staff and expand services such as a MedSpa and laser treatments. The company currently has four employees and plans to create an additional ten new jobs within the next two years.

3) Ellis Real Estate Holdings LLC (P29060) is located in Gloucester City, Camden County. Ellis Holding LLC is a newly formed real estate holding company that is purchasing the project property. The operating company, Elite Eyecare Associates, PC is an optometry business that has been operating from the project location in Sicklerville for eighteen years. PNC Bank approved a $382,280 loan, with a five-year, 25% guarantee, not to exceed $95,570. Loan proceeds will be used to purchase the commercial real estate. Currently, the company has three employees and plans to create an additional four new jobs within the next two years.

4) Heaton, Joseph Sr. and Thermal Chek Inc. (P28991) are located in Westville Borough, Gloucester County. Thermal Chek Inc. was established as a manufacturer of vinyl windows, fencing and railings, and has been owned and operated by Joseph Heaton, Sr. since 1979. PNC Bank approved a $578,000 loan, with a five-year, 25% guarantee, not to exceed $144,500. Loan proceeds will be used to refinance an existing mortgage, and to add six additional positions. Currently, the company has nine employees, and plans to create an additional six new positions within the next two years.
5) JEHB Management LLC and Preform Labs Inc. (P29041) are located in Paterson City, Passaic Co. JEHB Management LLC is the real estate holding company for the project property. The operating company, Preform Labs Inc., was established in 1984 as an orthotics manufacturer that makes custom foot orthotics to fill prescriptions issued by podiatrists in the area. PNC Bank approved a $500,000 loan, with a five-year, 25% guarantee, not to exceed $125,000. Loan proceeds will be used to purchase the project property. The company currently has 28 employees and plans to create an additional five new positions within the next two years.

6) Koch Financial Group, LLC (P29171), located in Collingswood Borough, Camden County, was established by the current owner in 2005, to operate as an insurance company. PNC Bank approved a $400,000 loan with a five-year, 50% guarantee, not to exceed $200,000. Loan proceeds will be used to purchase the project property. The company currently has two employees and plans to create an additional four new jobs over the next two years.

7) VSI Properties, LLC and Vacuum Sales, Inc. (P29183) is located in Lindenwold Borough, Camden County. VSI Properties, LLC is the real estate holding company for the project property. The operating company, Vacuum Sales, Inc., was established in 1977 to sell and service new and used equipment, service liquid and semi-liquid waste systems, including vacuum trucks, portable toilet trucks, DOT hazardous waste trucks, and stand-alone pumps. The company also builds equipment for municipal and private clients. PNC Bank approved a $275,000 loan with a five-year, 25% guarantee, not to exceed $68,750. Loan proceeds will be used to refinance an existing mortgage. Currently, the company has fifteen employees and plans to create an additional two new positions within the next two years.

**Fast Start Direct Loan Program:**

1) 833 Cass Street, LLC (P29042) is located in Trenton City, Mercer County and was formed to purchase the project property. The operating company, Home Solutions Direct, LLC, renovates and manages rental properties. The company was approved for a $65,275 loan to be used to refinance matured LDFF loan. The company is planning to hire two employees.

**NJ Main Street Program:**

1) Green Acres Manor, Inc., et al (P28754) is located in Dover Township, Ocean County. Green Acres Manor is a 185 bed skilled nursing facility that offers long term and 24 hour skilled nursing care, rehabilitation/subacute care and dementia/memory disorder care. TriState Capital Bank approved a $14,066,000 loan with a $1,000,000 Main Street participation used to refinance multiple properties and purchase licenses for additional skilled nursing beds. The company currently has 130 employees.

**Preferred Lender Program:**

1) Fantasy Furniture, Inc. or Nominee (P28853), located in Hillside Township, Union County, was formed in 1995 as a designer and manufacturer of high-end custom order furniture, hotel-grade fire proof doors, custom veneers and visual merchandising displays for upscale retail stores. The company was approved for a $1,000,000 loan, which supplements a $1,940,000 tax-exempt bond to be purchased by Sun National Bank. Proceeds will be used to purchase the project property to facilitate business expansion and the company has committed to creating 35 new positions over the next two years.
Camden ERB:

1) JAE Enterprises, Inc. (P28337), located in Camden City, Camden County, was formed in 2000 as a consulting services provider to women and minority owned businesses. In addition, the company assists not-for-profit organizations located in Camden to achieve their missions and goals. The company was approved for a $36,009 Business Improvement Incentive Grant to be used to subsidize a portion of their rental costs. Currently, the company has one employee and plans to create an additional sixteen new jobs within the next two years.

Prepared by: S. Mania
SM/gvr
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: Retail Lease Amendment – Community Health Law Project
Renaissance Place at Trenton Office Complex

DATE: December 8, 2009

Summary
At the December meeting of the Authority, I will seek your approval to grant Community Health Law Project (CHLP), a current tenant at the Trenton Office Complex’s retail space, a Lease extension of five (5) years, with an additional renewal option of five (5) years.

Background
Pursuant to the guidelines of the Capital City Redevelopment Corporation, the Authority included 23,000 square feet of ground floor retail space within the Motor Vehicles Services building on East State Street (Renaissance Place). As part of our sublease agreement with the New Jersey Department of the Treasury, the Authority has installed necessary improvements and marketed this space to retail and professional office tenants.

Community Health Law Project, a non-profit advocacy and legal services organization that is dedicated to serving the needs of low-income people with disabilities in New Jersey, presently occupies 3,170 square feet in Renaissance Place. CHLP’s initial five year lease expired on December 31, 2004, when they exercised a five year renewal option. They would now like to extend their Lease, which expires on December 31, 2009, for an additional five (5) years, from January 1, 2010 through December 31, 2014. CHLP has also requested an option to renew for an additional five year term. Their current rent of $14 per square foot will increase by 5% to $14.70 per square foot, which is consistent with current market rental rates. The Authority will provide up to $20,000 in tenant improvements, or a maximum of $6.31 per square foot. Rent for the renewal term will be negotiated at the time of renewal. CHLP has performed in accordance with the terms of its existing Lease.

The attached form of the Second Lease Term Extension Agreement is in substantially final form. The final document may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the extension agreement will be subject to the approval of the Chief Executive Officer and the Attorney General’s Office.
**Recommendations**

In conclusion, I am requesting the Members’ approval to enter into this Second Lease Term Extension with CHLP at the Trenton Office Complex on terms generally consistent with this memorandum.

[Signature]

Caren S. Franzini

Attachment

Prepared by: Diane Wong
SECOND LEASE TERM EXTENSION AGREEMENT

THIS SECOND LEASE TERM EXTENSION AGREEMENT, made as of the _____ day of ____________, 2009, is by and between COMMUNITY HEALTH LAW PROJECT, whose address is 185 Valley Street, South Orange, New Jersey 07079 ("TENANT"),

and

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, whose address is 36 West State Street, PO Box 990, Trenton, New Jersey 08625-0990 ("LANDLORD").

WHEREAS, the TENANT and the LANDLORD entered into a certain Lease Agreement made as of May 13, 1999 (the "Lease"); and

WHEREAS, by Lease Term Extension Agreement dated September 22, 2005, the Lease Term of the Lease was extended for a period beginning on January 1, 2005 and ending on December 31, 2009 (the "LEASE TERM EXTENSION AGREEMENT").

WHEREAS, the TENANT and the LANDLORD wish to extend the term of the Lease; and

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties amend the Lease as follows:

1. **Lease Term.** The term of the Lease shall be extended for a period beginning on January 1, 2010 and ending on December 31, 2014 (the "Extended Lease Term").

2. **Fixed Minimum Rent.** During the Extended Lease Term, TENANT shall pay to LANDLORD Fixed Rent as follows:

<table>
<thead>
<tr>
<th>Renewal Year Rent</th>
<th>Annual Fixed Rent</th>
<th>Monthly Fixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2010 to December 31, 2014 (Lease Years 1 to 5)</td>
<td>$46,599.00</td>
<td>$3,883.25</td>
</tr>
</tbody>
</table>

CAM is currently $6.97 per square foot and will continue to increase annually based on CPI.

3. **Additional Lease Term Renewal Options.** Subject to the terms set forth below, in addition to the renewal exercised in this Second Lease Term Extension
Agreement, Tenant is hereby granted an additional consecutive option of one (5) year "Additional Renewal Term" to renew the Lease. Upon prior written notice given by Tenant at least (12) months prior to the expiration of the prevailing Term of the Lease, Tenant shall have the right to renew and extend this Lease for a period of five years. In the event that this Lease is renewed and extended, all conditions contained in the Lease, or as modified prior to the expiration of the Lease, shall apply unless modified in writing by mutual consent, including the Fixed Minimum Rent as set forth in this paragraph. Tenant and Landlord shall work with each other in good faith to agree upon the Fixed Minimum Rental rate for each Additional Renewal Term.

4. **Repairs to be made by LANDLORD.** LANDLORD agrees to provide up to $20,000 for the following improvements to the Demised Premises: replace the existing carpeting with comparable standard carpeting, paint existing interior walls, and supply a runner for the main entryway.

5. **New Article.** A new Article XXI “POLITICAL CAMPAIGN CONTRIBUTIONS” is added to the Lease as follows:

21.01 For the purpose of this Article XXI, the following shall be defined as follows:

a) Contribution means a contribution reportable as a recipient under The New Jersey Campaign Contributions and Expenditures Reporting Act. P.L. 1973, c. 83 (C.10:44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19:25-7 and N.J.A.C. 19:25-10.1 et seq., a contribution made to a legislative leadership committee, a contribution made to a municipal political party committee or a contribution made to a candidate committee or election fund of any candidate for or holder of the office of Lieutenant Governor. Currently, contributions in excess of $300 during a reporting period are deemed reportable under these laws.

b) Business Entity means:

i. a for-profit entity as follows:

A. in the case of a corporation: the corporation, any officer of the corporation, and any person or business entity that owns or controls 10% or more of the stock of the corporation;
B. in the case of a general partnership: the partnership and any partner;
C. in the case of a limited partnership: the limited partnership and any partner;
D. in the case of a professional corporation: the professional corporation any shareholder or officer;
E. in the case of a limited liability company: the limited liability company and any member;
F. in the case of a limited liability partnership: the limited liability partnership and any partner;
G. in the case of a sole proprietorship: the proprietor; and
H. in the case of any other form of entity organized under the laws of this State or other state or foreign jurisdiction: the entity and any principal, officer, or partner thereof;

ii. any subsidiary directly or indirectly controlled by the business
any political organization organized under section 527 of the Internal Revenue Code is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and

iv. with respect to an individual who is included within the definition of business entity the individuals spouse or civil union partner, and any child residing with the individual, provided, however, that, this Order shall not apply to a contribution made by such spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides unless such contribution is in violation of section 9 of P.L. 2005, c. 51 (C.19:44A-20.1 et seq.) ("Chapter 51").


21.02 The terms, restrictions, requirements and prohibitions set forth in P.L. 2005, C.51 are incorporated into this LEASE by reference as material terms of this LEASE with the same force and effect as if P.L. 2005, C.51 were stated herein its entirety. Compliance with P.L. 2005, C.51 by TENANT shall be a material term of this LEASE.

21.03 In addition to any other Event of Default specified in this LEASE, LANDLORD shall have the right, but not the obligation, to declare an event of default under this LEASE if: (i) TENANT makes or solicits a Contribution in violation of P.L. 2005, C.51, (ii) TENANT knowingly conceals or misrepresents a Contribution given or received; (iii) TENANT makes or solicits Contributions through intermediaries for the purpose of concealing or misrepresenting the source of the Contribution; (iv) TENANT makes or solicits any Contribution on the condition or with the agreement that it will be contributed to a campaign committee or any candidate or holder of the public office of Governor, or to any State or county party committee; (v) TENANT engages or employs a lobbyist or consultant with the intent or understanding that such lobbyist or consultant would make or solicit any Contribution, which if made or solicited by LANDLORD or any LANDLORD member that constitutes a Business Entity itself, would violate the restrictions of P.L. 2005, C.51; (vi) TENANT funds Contributions made by third parties, including consultants, attorneys, family members, and employees; (vii) TENANT engages in any exchange of Contributions to circumvent the intent of P.L. 2005, C.51; (viii) TENANT directly or indirectly through or by any other person or means, does any act which would violate the restrictions of P.L. 2005, C.51; or (ix) any material misrepresentation exists in any Executive Order Certification and Disclosure which was delivered by TENANT to LANDLORD in connection with this LEASE.

21.04 TENANT hereby acknowledges and agrees that pursuant to P.L. 2005, C.51, TENANT shall have a continuing obligation to report to the Office of the State Treasurer, P.L. 2005, C.51 Review Unit of any Contributions it makes during the TERM of this LEASE. If after the COMMENCEMENT DATE, any Contribution is made by TENANT and the Treasurer of the State of New Jersey determines such Contribution to be a conflict of interest in violation of P.L. 2005, C.51, LANDLORD shall have the right, but not the obligation, to declare this LEASE to be in default.

21.05 TENANT is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC"), pursuant to C. 19:44A-20.13 (P.L. 2005, c. 271, section 3) during the TERM of this LEASE. Failure to so file can result in the imposition of
financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Except as amended herein, all of the provisions of the Lease shall remain in full force and effect and shall continue in their entirety for the Second Extended Lease Term. Capitalized terms used within the Second Lease Term Extension Agreement but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

This Second Lease Term Extension Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

This Second Lease Term Extension Agreement shall become effective immediately upon its execution and delivery by the parties hereto.

If any provision of this Second Lease Term Extension Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or of the Lease.

IN WITNESS WHEREOF, the parties hereto have duly executed this Second Lease Term Extension Agreement as of the date first written above.

ATTEST

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, LANDLORD

By: __________________________
NAME: __________________________
TITLE: __________________________

ATTEST:

COMMUNITY HEALTH LAW PROJECT. TENANT

By: __________________________
NAME: __________________________
TITLE: __________________________
MEMORANDUM

TO: Members of the Authority

FROM: Caren S. Franzini
Chief Executive Officer

RE: The Technology Centre of New Jersey Operating Budget – 2010

DATE: December 8, 2009

Summary
I am requesting the Members’ approval of the attached 2010 operating budget (“2010 budget”) for the Technology Centre of New Jersey, L.L.C. (“LLC”).

Background
The LLC is the entity formed by the Authority’s joint venture with the AFL-CIO Building Investment Trust (BIT). The Authority, through its Real Estate Division, is the LLC’s managing member. As managing member, the Authority is charged with the day-to-day operations of the Technology Centre, including the preparation of an annual operating budget.

Attached, for your review and approval, is the Technology Centre’s 2010 budget, which includes projected revenues, budgeted expense categories. The 2010 budget is based on projections using 2009 actual costs and revenues with inflationary adjustments where anticipated.

The attached budget indicates the forecasted year end 2009 results, which indicate that the project will have sufficient revenue to support the 2010 budget. Net Cash Flow for 2009 is estimated to be $3,000,000 with approximately $2,600,000 payable to the BIT for their preferred rates of return and proportionate share of the remaining net cash flow, after preferred payments and administration fees are allocated. The remaining balance, approximately $400,000, is to be allocated to the NJEDA.

Since its inception, the Centre has not missed a preferred return payment to its LLC partner. The Technology Centre’s 2010 projected Return on Investment is estimated to be approximately 6.25%. The Authority’s 2010 annual total Return on Equity is estimated to be 2.5%. Please note that the EDA equity includes the Authority’s direct resources, as well as non-cash items and third party grants. Pursuant to the Operating Agreement, implementation of the annual budget is subject to approval by the BIT.

Recommendation
I am requesting that the Members approve the attached 2010 budget for the Technology Centre of New Jersey, L.L.C.

Attachment
Prepared by: Mark Lestuk
## Technology Centre of New Jersey
### 2010 Operating Budget

#### INCOME:

**Rental Income & Reimbursables**

<table>
<thead>
<tr>
<th>Tenant</th>
<th>2010 Budget</th>
<th>2009 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitehouse</td>
<td>413,000</td>
<td>411,000</td>
</tr>
<tr>
<td>Anthem</td>
<td>1,275,000</td>
<td>1,234,000</td>
</tr>
<tr>
<td>Merial</td>
<td>1,014,000</td>
<td>983,000</td>
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<tr>
<td>Meda Pharmaceutical</td>
<td>185,000</td>
<td>655,000</td>
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<tr>
<td>Cambrex</td>
<td>1,426,000</td>
<td>1,326,000</td>
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<tr>
<td>Tech IV: Ground Lease (to EDA)</td>
<td>223,000</td>
<td>215,000</td>
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<tr>
<td>Tech IV: Advance Care Bldg</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Commercialization Center</td>
<td>314,000</td>
<td>279,000</td>
</tr>
<tr>
<td>Commercialization Center (Expansion)</td>
<td>323,000</td>
<td>289,000</td>
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<tr>
<td><strong>Total Rental Income</strong></td>
<td>5,173,000</td>
<td>5,392,000</td>
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**Interest Income**

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<tr>
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<th>2009</th>
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<tbody>
<tr>
<td></td>
<td>413,000</td>
<td>411,000</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>5,187,000</td>
<td>5,406,000</td>
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#### EXPENSES:

**Recoverable**

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<tr>
<th>Category</th>
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<th>2009</th>
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<tbody>
<tr>
<td>Utilities</td>
<td>$71,000</td>
<td>$73,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$260,000</td>
<td>$228,000</td>
</tr>
<tr>
<td>Landscaping/Snow Removal</td>
<td>$410,000</td>
<td>$360,000</td>
</tr>
<tr>
<td>Waste</td>
<td>$11,000</td>
<td>$10,000</td>
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<tr>
<td>Management</td>
<td>$218,000</td>
<td>$177,000</td>
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<tr>
<td>Insurance - Tenant Reimbursable</td>
<td>$153,000</td>
<td>$160,000</td>
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<tr>
<td>PILOT</td>
<td>$1,037,000</td>
<td>$1,053,000</td>
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**Non-Recoverable**

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<tr>
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<tbody>
<tr>
<td>NJEDA Administration Fee</td>
<td>$259,000</td>
<td>$257,700</td>
</tr>
<tr>
<td>Insurance - Director's &amp; Officers (Non-Tenant)</td>
<td>$10,000</td>
<td>$10,000</td>
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<tr>
<td>Marketing</td>
<td>$10,000</td>
<td>$0</td>
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<tr>
<td>Annual Audit</td>
<td>$25,000</td>
<td>$23,200</td>
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<td>Consulting (A&amp;E, Environmental, Appraisal)</td>
<td>$30,000</td>
<td>$28,000</td>
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<tr>
<td>R/E Commission</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Contingency/Miscellaneous</td>
<td>$0</td>
<td>$1,000</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$2,494,000</td>
<td>$2,380,900</td>
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#### NET CASH FLOW:

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<th></th>
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<th>2009</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$2,693,000</td>
<td>$3,025,100</td>
</tr>
</tbody>
</table>