

The company we keep,  
keeps getting better.



# New Jersey Economic Development Authority

## Annual Report 2007



## EDA 2007 Results

EDA Results 2007*	
Projects Assisted	380
Total Assistance	<b>\$681.5 Million</b>
Public/Private Investments	<b>\$1.6 Billion</b>
Estimated New Permanent Jobs	<b>11,466</b>
Estimated Construction Jobs	<b>14,800</b>

EDA Results 1974-2007	
Projects Assisted	9,600
Total Assistance	<b>\$19.1 Billion</b>
Public/Private Investments	<b>\$40 Billion</b>
Estimated New Permanent Jobs	<b>288,000</b>
Estimated Construction Jobs	<b>283,000</b>

Edison Innovation Fund 2007	
Projects Assisted	134
Total Assistance	<b>\$153.9 Million</b>
Public/Private Investments	<b>\$349.2 Million</b>
Estimated New Permanent Jobs	<b>2,743</b>

Urban Assistance 2007	
Projects Assisted	135
Total Assistance	<b>\$245.9 Million</b>
Public/Private Investments	<b>\$550 Million</b>
Estimated New Permanent Jobs	<b>6,376</b>

Core Activity 2007	
Projects Assisted	125
Total Assistance	<b>\$315.8 Million</b>
Public/Private Investments	<b>\$801.5 Million</b>
Estimated New Permanent Jobs	<b>3,155</b>

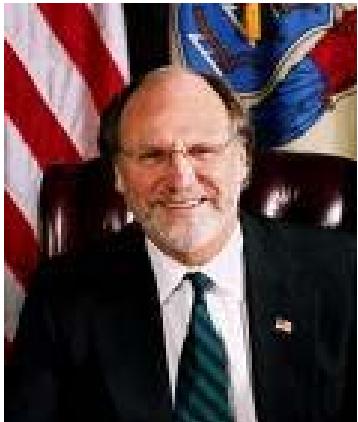
\*Note: Because of the overlap between Edison and Urban funds, EDA Results 2007 will not equal the sum of the Edison, Urban and Core charts.

### EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent, self-supporting State entity dedicated to broadening New Jersey's economic base by building vibrant, diverse communities, creating and maintaining jobs, and providing businesses and nonprofits with the necessary financial and technical support to grow and succeed.

### EDA Strategy

The EDA creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and nonprofit organizations. It supports entrepreneurial development through training and mentoring programs. It undertakes real estate development projects important to the State's economic growth that will create new jobs and business opportunities and support community development and revitalization.



Dear Friends:

Working in partnership with the Office of Economic Growth and the New Jersey Commerce Commission, the New Jersey Economic Development Authority is a vital force that supports economic growth in New Jersey.

The EDA's broad financial and real estate resources have supported business growth and promoted investments and smart growth development in communities throughout the State for nearly 35 years. Today, as we move forward with our comprehensive Economic Growth Strategy to build New Jersey's economy and create new high-paying, private-sector jobs, its efforts are more important than ever.

This Annual Report highlights many of the varied ways the EDA assisted businesses, nonprofit organizations and municipalities in New Jersey in 2007, including activities initiated under the New Jersey Urban Fund and the Edison Innovation Fund, which are administered by the EDA in support of our Economic Growth Strategy. I encourage you to review its contents to become familiar with all the resources our State makes available through the EDA to encourage economic growth, innovation and community revitalization.

Economic development is a focal point of my Administration, and I look forward to working further to grow New Jersey's economy and create new jobs in our State.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon S. Corzine".

Jon S. Corzine  
Governor

## **Advancing Governor Jon Corzine's Economic Growth Strategy**

The New Jersey Economic Development Authority (EDA) continued to work with the Office of Economic Growth, the New Jersey Commerce Commission and other State agencies in 2007 to generate new jobs, promote scientific innovation and encourage investment in New Jersey's communities. By implementing new strategic initiatives to reinforce its traditional lending function and reorganizing its management structure to strengthen the integration of its mission with Governor Jon S. Corzine's comprehensive Economic Growth Strategy, the EDA enhanced its role as a catalyst for business growth and urban revitalization.

To support the State's economic growth efforts, the EDA finalized more than \$680 million in financing assistance and State business incentives and tax credits in 2007. This assistance is supporting total new public/private investment of over \$1.6 billion in New Jersey's economy and the creation of nearly 11,500 new, full-time jobs.

The 2007 results brought the EDA's cumulative financing assistance totals to more than \$19 billion since it was established in 1974. More than 9,600 projects have been assisted during the period, resulting in the creation of about 288,000 new jobs and total investment of \$40 billion.

Although EDA programs and services assist companies and nonprofit entities of all sizes, the Authority's focus has traditionally targeted small and mid-size businesses. The EDA channels much of its activities toward several key business sectors critical to the State's economy, which include: technology, biotechnology and

pharmaceuticals; manufacturing; logistics, including warehousing, distribution and port operations; financial services; and tourism, arts and culture.

Nearly 70 manufacturers were among the more than 170 business projects that used EDA financing and State incentives in 2007. Over 20 of these businesses found tax-exempt bonds issued through the EDA to their advantage. With lower interest rates and longer terms than are usually offered by other sources of funds, tax-exempt bonds can be an affordable and effective tool to support the needs of qualifying New Jersey manufacturers, as well as other businesses and nonprofit organizations. Seven of the projects that the EDA was able to assist during the year were eligible because of an increase in capital expenditure limitations adopted under federal legislation that went into effect in 2007. The EDA worked with the nationally recognized Council of Development Finance Agencies and the New Jersey Business & Industry Association to support this legislative change.

The EDA took several steps during the year to improve the product portfolio and services it offers to assist businesses, nonprofit organizations and municipal governments. It approved significant changes to increase exposure on its direct loan and guarantee programs, raising maximum limits to \$1.25 million for fixed asset loans and \$750,000 for working capital loans as well as to \$1.5 million for both fixed asset loans and working capital loan guarantees. Increasing these loan and guarantee limits will enable the EDA to be a more meaningful partner to the

banking community and help more businesses grow, leading to the creation of more jobs.

The new lending limits will also apply to the EDA's Preferred Lender Program, which features a five-day EDA review period. The EDA provides a portion of a preferred bank's financing or guarantees part of the bank loan. The quick turnaround from approval to closing is welcome news for borrowers, while the EDA's participation in the transaction assists banks by reducing their risk. The Bank became the latest financial institution to become a Preferred Lender in 2007. The program is expanding to include more community banks in 2008.

The EDA also introduced *FastStart for small business*, a new product that makes low-interest, fixed-asset financing up to \$300,000 available to eligible credit-worthy companies operating in the State for at least one year. Under the new offering, loan approvals are based partially on guarantor credit scores as well as the applicant's credit history and business plan. Prospective borrowers will also benefit from an expedited review and approval process that can shorten the time between application and closing.

To satisfy a need for financing medium-size projects in the targeted cities of Atlantic City, Camden, East Orange, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton, the EDA developed Urban Plus, a new product that provides up to \$5 million for projects in these nine urban areas. Urban Plus loans can be made for as long as 10 years with up to a 25-year amortization and be used for fixed assets like buildings and equipment. Loans can fund up to 50% of total project costs and must have the support of the municipality. Projects

must create or maintain jobs, increase ratables or leverage public financing by a ratio of 1:1.

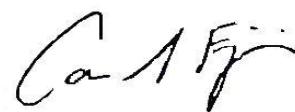
Additionally, the EDA bolstered its community development lending resources in 2007 to allow up to \$50,000 for municipalities to finance feasibility studies and other predevelopment costs associated with their redevelopment efforts, including planning and marketing expenses. Previously, such funds were available only to community development organizations.

The following pages illustrate many of the ways the EDA staff worked to stimulate economic growth in the State's key business sectors and urban communities and provides examples of how we successfully supported the goals of the Governor Corzine's Economic Growth Strategy.

We invite your comments and suggestions. For more information about doing business in New Jersey, visit [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) or call (866) 534-7789. To learn more about how the EDA can assist in financing business growth or community development projects in New Jersey, please visit [www.njeda.com](http://www.njeda.com) or call the EDA Customer Care hotline at (609) 777-4898.



Carl E. Van Horn, Ph.D., Chairman



Caren S. Franzini, Chief Executive Officer

## Encouraging Investments in Urban Communities

The New Jersey Economic Development Authority's (EDA's) work with municipalities, developers and community organizations to generate investments in the State's urban areas has been geared to advance Governor Corzine's Economic Growth Strategy. The EDA's financing assistance, coupled with the real estate services and expertise it offers, is designed to stimulate the growth of businesses and nonprofit organizations, spur the creation of new jobs, foster the investigation and cleanup of brownfield sites, and promote smart growth development.

Almost half of the projects for which the EDA provided loans, bonds, business incentives, or environmental investigation and remediation funding in 2007 were located in the state's 57 Urban Aid communities. Total EDA assistance in these communities during the year exceeded \$245 million and was responsible for injecting \$550 million in public/private investment into New Jersey's Urban Aid communities and setting the foundation for the creation of nearly 6,400 new jobs.

In Jersey City, the principals of Sackman Enterprises, a successful New York real estate developer, formed **Journal Square Properties, LLC** to acquire a 177,000-square-foot landmark downtown commercial office building and an adjoining parking lot. The building required significant improvements and renovations before its space could be fully leased.

To enable Sackman Enterprises to make these improvements and

refinance an existing mortgage loan to reduce debt service, the EDA, through its New Jersey Community Development Entity, closed a \$4.2-million loan with the developer under the federal New Markets Tax Credits program. The loan was made at a fixed interest rate of 3% with interest-only due for seven years. Authority assistance allowed for the continued redevelopment of this underutilized building in the central business district. When completed, the structure is expected to provide jobs for more than 900 people.

When the **Newark Downtown District Management Corporation (NDD)** decided to remake 56 blocks of the city's Gateway area and nearly 600 properties – a \$17.5-million capital project believed to be the largest ever to be financed by a Special Improvement District (SID) in the State – it called upon the EDA's financing capabilities to help continue the city's remarkable downtown renaissance.

The streetscape project – decorative street



Newark Mayor Cory Booker (L) and EDA Finance Officer Mathew Abraham at the Newark Downtown District Streetscape Improvement Groundbreaking Ceremony in June.

lighting, new street signs, sidewalks and sidewalk treatments, and trees and planter boxes – was financed through an innovative partnership that included \$10 million in 30-year tax-exempt bonds issued by the EDA, underwritten by Wachovia Bank and carrying fixed interest rates ranging from 4.5% to 5.1%. The first phase of the three-year project encompassed the area immediately surrounding the Prudential Center, a major sports and entertainment venue that opened in 2007.

In New Brunswick, the EDA issued \$3.3 million in tax-exempt bonds and made a \$750,000 loan to enable **Procedyne Corporation**, an engineering and equipment manufacturing business, to acquire and renovate the 60,000-square-foot building it had been leasing and to purchase new equipment. The 20-year variable rate bond, which was directly purchased by Commerce Bank, closed at an initial interest rate of 4.9%. The five-year EDA loan closed at a fixed interest rate of 3.1%. The financings will enable the company to add 18 new jobs within two years.

The EDA also worked with PNC Bank under the innovative New Jersey Business Growth Fund to guarantee 15 bank loans to small businesses in Urban Aid communities during the year. In Gloucester City, the EDA provided a 25% guarantee of an \$800,000 PNC Bank loan to enable **Princeton Hydro, LLC**, an ecological engineering and management services firm, to purchase property to facilitate business expansion.

In Newark, a 25% guarantee of a \$225,000



*With \$3.3 million in tax-exempt bond financing and a \$750,000 loan, Procedyne Corporation was able to acquire and renovate its headquarters in New Brunswick and purchase new equipment to support its growth.*

bank loan allowed James T. Kin, owner of **Kinton, Inc.**, a supplier of seafood products, to acquire needed refrigeration equipment. In Paterson, a \$260,000 bank loan with a 25% EDA guarantee was used by **Bergen Screen Printing** to buy a new inkjet printer. The three loans, all made for five years, closed at fixed interest rates ranging from 4.04% to 4.66%, and will generate a total of 14 new jobs.

The EDA also provides funding to micro lenders who support urban revitalization. The **Cooperative Business Assistance Corporation**, which serves six counties in southern New Jersey, borrowed \$500,000 in 2007 at 3% fixed interest for 10 years with interest only for 12 months, in part so it could fund new micro loans to small businesses.

The EDA managed State assistance of more than \$100 million in estimated Business Employment Incentive Program (BEIP) funds for 20 companies that plan to bring over 4,300 new jobs into New Jersey's urban areas. Businesses that took advantage of this incentive program

and closed multiple-year grant agreements for amounts ranging from \$60,000 to nearly \$40 million included: **Beau Label Manufacturing, Inc.**, a maker of pressure-sensitive labels relocating to Hillside from New York and bringing 55 jobs into the State; **Homeland Vinyl Products, Inc.**, a building materials manufacturer expecting to add 125 new jobs in Millville, and Deutsche Bank subsidiary **DB Services New Jersey, Inc.**, relocating its central banking support service functions from New York City and creating 1,600 new jobs in Jersey City.

The EDA also offers important resources to restore brownfield sites, many of which are located in urban communities, and return them to productive use. In 2007, the EDA approved a grant for more than \$100,000 to enable the **City of Newark** to perform a site investigation on property located on 18<sup>th</sup> Avenue. The site had been utilized for a mix of residential, commercial and industrial uses and has environmental areas of concern. The city hopes to redevelop the property for Nat Turner Park, which would be Newark's largest city-owned parkland.

Additionally, through a 2007 predevelopment funding initiative, up to \$50,000 per project is available to municipalities to finance feasibility studies and other predevelopment costs associated with their redevelopment efforts, including planning and marketing expenses. The EDA approved a \$47,500 loan to the **City of Pleasantville**, enabling the municipality to conduct

a feasibility study for the redevelopment of property it owns that houses local government services. The study will analyze the relocation of these services and the redevelopment of the vacant site. EDA funds will be repaid if the project advances and generates revenue.

The EDA also provided more than \$23 million in financing and business lease incentives for 20 projects through its subsidiary, the Economic Recovery Board for Camden (ERB), which is contributing to the city's revitalization and leading to the creation of nearly 175 new jobs.

**Centro Comunal Borincano** was among the recipients of ERB funding in 2007, securing an \$800,000 loan at 3-percent interest over five years to build a new 16,000-square-foot child care center to serve nearly 200 infants, toddlers and preschool students. The project, expected to create 24 new jobs, also received funding from other sources, including \$400,000 from the EDA's Fund for Community Economic Develop-



*Homeland Vinyl Products, Inc., a manufacturing company located in Millville, received a BEIP grant worth an estimated \$326,250 over 10 years based on its plans to create 125 new jobs. Pictured, from left, Dan Bello, Blending Supervisor, Dariusz Pajek, Production Manager, and Orlando Rios, Maintenance Manager.*

ment made at an initial weekly variable interest rate of 3% for five years.

Through the **Portfields Initiative**, the EDA continued to work with the Port Authority of New York and New Jersey, other state agencies and major private developers to transform underutilized sites within the Port District of New Jersey into modern warehousing and distribution centers. Several projects have moved forward. **ProLogis** has leased most of the 360,000 square feet it has developed in Woodbridge and Carteret.

**Panattoni Development Company** has continued the development of 1.2 million square feet of space in Carteret, the first phase of the iPort 12 International Trade and Logistics Center. **The Morris Companies** is developing 1.5 million square feet in Linden and Perth Amboy and **J.G. Petrucci** has embarked on the development of 570,000 square feet in Edison. Many other projects are at various stages of the investigation, remediation and permitting processes.

An international marketing campaign to promote the Portfields Initiative, which encompasses more than 20 key sites from Kearny to Perth Amboy, was launched during the year with partners PSE&G and the New Jersey Commerce Commission. The success of



*Panattoni Development Company's iPort 12 International Trade and Logistics Center in Carteret will be fully completed in April 2008 and is currently available for lease. iPort 12 is a 1.2 million-square-foot development located at Exit 12 of the New Jersey Turnpike. The project is one of the first to offer state-of-the art warehousing and represents a success story for brownfields redevelopment as well.*

these collaborative efforts to expand and modernize warehousing and distribution facilities will put businesses in a better position to take advantage of emerging domestic and overseas market opportunities and achieve greater efficiency, productivity and profitability.

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## Advancing the Growth and Location of Tech and Life Sciences Companies

The EDA arranged for nearly \$154 million in Edison Innovation Fund investments, State business incentives and tax credits, and other forms of financing in 2007 as it moved forward with carrying out Governor Corzine's Economic Growth Strategy to spur scientific innovation, create new, high-paying jobs and cultivate an entrepreneurial environment for technology and life sciences companies in New Jersey. This assistance supported the creation of more than 2,700 new jobs and total public/private investment of close to \$350 million in the State's technology and life sciences economy.

The Edison Innovation Fund is a State effort managed by the EDA in consultation with the New Jersey Commission on Science and Technology and the New Jersey Commission on Higher Education. It was established at the end of 2006 to offer a broad continuum of assistance ranging from various forms of financial assistance to modern, state-of-the-art laboratory and office space located within specially created

Edison Innovation Zones in Camden, the greater New Brunswick area and Newark. These zones are designed to stimulate collaboration between State universities and the business community.

Eleven businesses planning to create nearly 280 new jobs received direct Edison Innovation Fund investments in 2007 totaling \$9.75 million. **Signum Biosciences, Inc.** of South Brunswick, a developer of pharmaceuticals, skin-care

products and nutritional supplements, was one of these companies, receiving a \$1-million investment to finance claims validation testing procedures, its research on botanical compositions and the hiring of new employees.

**IntegraChain, Inc.** of Princeton, which supplies secure supply chain intelligence to the health care industry, was another. It obtained a \$1-million Edison Fund investment to expand sales and marketing, customer services and data operations and to purchase computer hardware to support its corporate data center and backup operations. **Dynamic Mobile Data Systems, Inc.** of Franklin Township, a pioneer in the development of mobile resource management systems, also secured a \$750,000 Edison Fund investment to develop and market new software focused on customized wireless data communications.

In 2007, the EDA also exercised an option to convert one-fourth of a \$1-million investment in **Archive Systems, Inc.** of Fairfield to preferred



EDA CEO Caren Franzini toured the Fairfield headquarters of Archive Systems, Inc. with company CEO Rick Kushel in September. Kushel said, 'The EDA's investment demonstrates New Jersey's commitment to high-tech companies and provides the foundation for this State to become a global technology leader.'

stock, which would pay a dividend that would accumulate and be paid to the EDA if and when the digital document management systems company goes public or is acquired. This money would be used to sustain and expand EDA lending through the Edison Innovation Fund. This is the first such conversion of debt for equity or stock the EDA has undertaken.

Through its lending and bond finance resources and lease incentives, the EDA assisted nine other technology and life sciences projects in 2007 with an additional \$26.6 million. **Tris Pharma, Inc.** of South Brunswick, for example, took advantage of \$4.9 million in tax-exempt bonds issued through the EDA to expand its manufacturing capacity. The EDA has supported Tris Pharma, a pharmaceutical company engaged in the research and development of drug delivery technologies, since 2002 and has helped the company grow from a staff of eight to more than 70 within five years. The latest financing will enable the company to add 50 new jobs. The bond, directly purchased by The Provident Bank, was issued at a fixed, low-interest rate with interest-only payments due for the first three months of the 10-year term. The EDA also provided a \$1-million guarantee.

In 2007, the EDA also executed BEIP grants worth more than \$57 million with 22 technology and life sciences companies planning to expand or relocate in New Jersey. The businesses final-



*Tris Pharma, Inc.'s Director of Facilities & Engineering, Rajul Parikh, discusses the pharmaceutical company's manufacturing capabilities with EDA CEO Caren Franzini. To keep pace with its growth rate, Tris Pharma will use EDA financing to further expand its facility to include additional manufacturing and research space.*

izing the grants expect to create a total over 2,300 new jobs and invest more than \$200 million in the State.

Among the BEIP recipients were **NovaDel Pharma Inc.** of Raritan, a pharmaceutical company engaged in the development of oral delivery systems for prescription, over-the-counter and veterinary drugs, and Bayer Pharmaceutical's **Berlex, Inc.** of Montville, a pharmaceutical business committed to research and development in the areas of oncology, gastroenterology, women's health, diagnostic imaging and neurology and specialized therapeutics for life-threatening and disabling diseases of the central nervous and cardiovascular systems.

NovaDel finalized a 10-year grant worth an estimated \$530,600 in connection with its plans to add 15 new jobs; the Berlex award was estimated at \$12.5 million over 10 years based on the company's expectations of relocating 350 positions from Connecticut to its existing New Jersey facility, an expansion move that was fa-

cilitated by the strong teamwork of the EDA, the Office of Economic Growth and the Commerce Commission.

The EDA also administers the State's Technology Business Tax Certificate Transfer Program, which enables qualified businesses to sell tax losses or research and development tax credits to raise cash to finance their growth and operations. In 2007, 92 technology and biotechnology companies were approved to share the \$60 million available through the program, including seven that took advantage of the \$10 million set aside for companies located in the State's three Edison Innovation Zones. The allocation of about \$650,000 per company brought total funding under the tax transfer program to \$445 million since the program was established in 1999.

To further encourage innovation in New Jersey during the year, the EDA finalized a \$5-million limited partnership investment in **Commerce**

**Health**, a diversified health care equity fund managed by NewSpring Capital, LLC of Short Hills, that will invest in companies in the health care services, life sciences and medical device fields. The minimum 2:1 matching requirement for the EDA's commitment will triple the investment dollars available to New Jersey companies. The Commerce Health participation complements previous EDA venture fund investments, including NextStage Capital, LP, the Edison VI Venture Fund, the Garden State Life Sciences Venture Fund and the

New Jersey Technology Council Venture Capital Fund.

On the real estate front, the EDA's **Commercialization Center for Innovative Technologies (CCIT)** in North Brunswick was awarded the Soft Landings International Incubator designation from the National Business Incubation Association. The designation recognized the support CCIT offers to help nondomestic firms adjust to domestic markets, access capital and navigate government bureaucracy. It also lauded the facility for providing added benefits such as translation services and market research assistance.

There are 20 companies that have leased space at the CCIT, which is part of the larger **Technology Centre of New Jersey** campus located within the Greater New Brunswick Edison Innovation Zone along the Route 1 R&D corridor between Rutgers and Princeton universities. Prominent CCIT tenants in 2007 included



*John Geary, President and CEO of myLEADERBOARD, Inc. said, 'As a young but rapidly growing company, we were looking for a business environment that provided support and access to the right resources to enhance our growth, and a move to the Waterfront Technology Center at Camden fit the bill perfectly.'*

pharmaceutical and biotechnology-related companies such as **Chromocell Corporation**, **MaxyBio Corporation** and **Orthocon, Inc.**

The EDA's **Waterfront Technology Center at Camden** also was honored, receiving the Economic Impact Deal of the Year award from the New Jersey Chapter of the National Association of Industrial and Office Properties and the Project of the Year award by the Northeast Economic Developers Association.

The five-story, 100,000-square-foot building, the first of several technology structures planned for the site along the Camden waterfront owned by the Delaware River Port Authority, welcomed its latest tenants in 2007. **Cooper Health System** signed a lease to operate a Center for Special Diagnostics, a pathology laboratory that will process blood samples from patients with tumors and leukemia. **Agilence, Inc.**, which provides event-based video analytics to the retail, transportation and gaming industries, and **myLEADERBOARD, Inc.**, a service provider of real-time event information at professional golf tournaments, also moved into the facility. Agilence and myLEADERBOARD also received \$1-million Edison Fund investments and business lease incentives in 2007.

These businesses joined **Gestalt, Inc.**, **the ACIN (Applied Communications and Information Networking) Camden Center for Entrepreneurship in Technology** operated by



*EDA's award-winning Waterfront Technology Center at Camden welcomed three new tenants in 2007 - Cooper Health System, Agilence, Inc. and myLEADERBOARD, Inc. Total employment at the Center is now well over 500.*

Drexel University and the Sarnoff Corporation, and the **Rutgers Camden Technology Campus**, which became the first tenants in the building in 2006. Well over 500 people are now employed at the Waterfront Technology Center.

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## Promoting New Business Growth and Expansion in New Jersey

In addition to its efforts focused on stimulating urban investment and spurring technological innovation in the State, the EDA supports a wide range of businesses, nonprofit organizations and other entities with low-cost financing, entrepreneurial training and technical assistance, and real estate development services to fuel economic growth and job creation throughout the State.

The EDA closed 125 core (non-Urban Aid, non-Edison Innovation Fund) business and nonprofit projects in 2007 as it worked to implement Governor Jon S. Corzine's comprehensive Economic Growth Strategy. These projects supported the creation of more than 3,150 new, full-time jobs and total public/private investment of over \$800 million in New Jersey's economy.

Borrowers used EDA assistance to acquire, construct and renovate buildings, upgrade equipment and machinery to enhance efficiency and competitiveness, for working capital to cover day-to-day operational costs, and to refinance higher-interest debt. The EDA itself often acts like a bank, lending its own money, or issues bonds directly purchased or underwritten by financial institutions so small and mid-size businesses can grow.

When **Novel Box Company, Ltd.** wanted to relocate from Brooklyn to New Jersey to expand its jewelry-related manufacturing and wholesale business, the EDA issued \$2.4 million in tax-



*With \$9 million in tax-exempt bond financing, Advanced Drainage Systems, Inc. was able to build its new plant in Logan Township.*

exempt bonds and made a \$480,000 direct loan so the company's real estate affiliate could purchase a 53,000-square-foot building in Union. The 20-year bond was directly purchased by North Fork Bank and was issued at a fixed interest rate of 4.6% for the first 10 years; the direct loan was made at an interest rate fixed at 4.86% for the first five years of a 10-year term. The relocation brings 40 new jobs into the State.

**Advanced Drainage Systems, Inc.** was one of the manufacturers to benefit, borrowing \$9 million to build and equip a new plant in Logan Township to produce polyethylene drainage pipe and fittings. The 12-year tax-exempt bond, underwritten by NatCity Investments, Inc. and backed by a five-year letter of credit from National City Bank, closed at an initial weekly variable interest rate of 3.62%.

Among the core businesses to finalize loans with PNC Bank, which were supported with EDA

guarantees under the New Jersey Business Growth Fund, were manufacturers **Quality Sheet Metal & Welding, Inc.** of Piscataway and **Recycle, Inc. East** of South Plainfield. The sheet metal fabricator borrowed \$1.1 million at a 5.13% fixed interest to purchase the building it occupied, while the recycler of industrial containers borrowed \$1.35 million at 4.55% to buy new equipment. Both loans were made for five years and carried 25% EDA guarantees.

**Garden State Precast, Inc.**, a Wall-based manufacturer of precast concrete like catch basins and utility vaults, borrowed nearly \$3 million from Sun National Bank that included an EDA participation of \$750,000 made under its Preferred Lender Program. The funds were used to purchase new equipment and refinance existing bank debt. The EDA portion of the loan was made at an interest rate of 4% fixed for the first five years of a 10-year term.

There also were 20 core projects in 2007 for which Business Employment Incentive Program (BEIP) grants totaling over \$20 million over 10 years were executed. These projects are expected to result in the creation of almost 2,200 new jobs in New Jersey and generate total public/private investment of more than \$190 million.

Among those businesses planning to expand or relocate in non-urban areas of the state and closing incentive grants was

#### **Global Document Solutions**

**Corporation**. This document management company finalized a 10-year grant of just over \$1

million based on its expectations to relocate 184 employees from New York City to Carlstadt.

There were 14 nonprofit organizations that closed financings with the EDA in 2007.

**Community Options**, a national organization based in Princeton that provides housing and employment support for people with disabilities, was one of them, using a \$4.84-million tax-exempt bond to refinance existing higher-interest mortgages, make renovations to an existing building, purchase equipment and to buy a building in Moorestown for another of its Daily Plan It facilities. The 20-year bond closed at an initial weekly variable interest rate of 3.9% and will enable Community Options to create 17 new jobs.

The **Mental Health Association in Southwestern NJ** also used a \$325,000 Commerce Bank, N.A. loan with a \$160,000 EDA participation to purchase a building in Haddon Heights to consolidate its Voorhees and Camden facilities. The organization serves Burlington, Camden and



*The Mental Health Association in Southwestern NJ used a \$325,000 Commerce Bank loan with a \$160,000 EDA participation to purchase this building in Haddon Heights. The new facility will enable the organization to relocate its facilities in Voorhees and Camden to one central location, resulting in major cost savings.*

Gloucester counties, working to eradicate the stigma of mental illness through community education, advocacy and support services. The EDA portion of the five-year loan was finalized at a fixed interest rate of 4.75%.

The EDA's efforts to provide a continuum of support to foster the growth and success of small and mid-size businesses starts with its work to encourage entrepreneurship. Angela Milton, for example, received a five-year, \$60,000 loan to re-establish her **All About Hair Salon** in Lumberton from the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, whose programs are staffed and managed by the EDA. The loan was made at a fixed interest rate of 7.25%.

Entrepreneurial Training Institute (ETI) sessions for new and aspiring business owners provided through the EDA were offered on a limited schedule in 2007 as EDA staff worked directly with the Office of Economic Growth to define a broader, customer-centric technical assistance model to enhance small business growth in New Jersey. The net result of this effort was an enhanced business portal at [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov), which provides in-depth information on State resources for businesses. EDA staff created a Funding and Incentive Resource List sorted by county and city so that entrepreneurs and service providers can tap into the financing opportunities throughout the State. The web-



A \$60,000 low-interest loan helped Angela Milton, seated, re-establish the All About Hair Salon in Lumberton and hire five full-time employees. Stylists include, from left, Dannielle, Michelle, Golda-Ann, Chennita and Anita.

site is [www.nj.gov/njbusiness/forms/Funding\\_Incentive\\_Resources\\_11\\_2\\_07.pdf](http://www.nj.gov/njbusiness/forms/Funding_Incentive_Resources_11_2_07.pdf).

ETI alumni enjoyed many successes in 2007. James Smith completed the ETI program and began his executive search firm, **J. Anderson & Associates, Inc.**, in Sussex County targeting large vendors in the telecom sector. Sharon Gould made her hobby her career by opening **Lucky Dog Racewear, Inc.**, a retailer of NASCAR clothing and memorabilia, in Burlington County. Anthony Lamme launched his free family and friends social networking website, **FAMZAM**, in Bergen County with \$150,000 in funding from Columbia Bank, which became familiar with his business plan during the ETI classes.

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## ***EDA Board Members***

### **Chairman**

#### **Carl E. Van Horn, Ph.D.**

Director  
Heldrich Center for Workforce Development  
and Professor of Public Policy,  
Rutgers University

### **Public Members**

#### **Timothy L. Carden**

Partner  
Public Private Strategy Group

#### **Philip Kirschner**

President  
New Jersey Business & Industry Association

### **EDA Vice Chairman**

#### **Joseph A. McNamara**

Director  
Laborers Employers Cooperation and  
Education Trust

#### **Thomas J. Manning**

Business Manager  
Steamfitters, Pipefitters and Apprentices  
Local Union No. 475

#### **Steven D. Plofker, Esq.**

Real Estate Developer, Investor and  
Attorney

### **Ex Officio Members**

#### **R. David Rousseau**

Acting Treasurer  
Department of the Treasury

#### **Lopa Kolluri (Designee)**

\**EDA Board Treasurer*

#### **Charles H. Sarlo, Esq.**

Vice President and General Counsel  
*DMR Architects*

#### **Richard Tolson**

Director  
Bricklayers and Allied Craftworkers of NJ

#### **Lucille Davy**

Commissioner  
Department of Education  
**Bernie Piaia (Designee)**

### **Alternate Public Member**

#### **Kevin J. Drennan**

Executive Director  
New Jersey Commerce Commission  
**Angie McGuire (Designee)**

#### **Raymond Burke**

President  
Burke Motor Group

#### **Carmen Twillie Ambar**

Dean  
Douglass College

#### **Elliot M. Kosoffsky**

New Jersey Chapter  
National Association of Industrial and  
Office Properties

#### **David J. Socolow**

Commissioner  
Department of Labor and Workforce  
Development  
**Marilyn Davis (Designee)**

### **Nonvoting Member**

#### **Rodney Sadler**

Public Member  
Economic Recovery Board for Camden

## **EDA Executive Leadership Team**

### **Caren S. Franzini**

Chief Executive Officer

### **Stanley M. Kosierowski**

Chief Operating Officer and  
Senior Vice President, Business Support

### **Gregory Ritz, CPA**

Chief Financial Officer

### **Maureen M. Hassett**

Senior Vice President  
Governance and Communications

### **Timothy J. Lizura**

Senior Vice President  
Business Development

### **Cynthia G. Osofsky**

Senior Vice President  
Customer Solutions

### **Kathleen E. Stucy**

Senior Vice President  
Operations

### **Lori Matheus**

Vice President  
Regional Business Development



March 31, 2008

In accordance with Executive Order No. 37 issued by Governor Jon S. Corzine on September 26, 2006, the New Jersey Economic Development Authority's 2007 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Mercadien, P.C., dated March 5, 2008, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

In addition, I certify that during 2007, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

Sincerely,

A handwritten signature in black ink, appearing to read "Caren S. Franzini".

Caren S. Franzini  
Chief Executive Officer