

The company we keep,
keeps getting better.



New Jersey Economic Development Authority

Annual Report 2008



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

EDA 2008 Results

EDA Results 2008*	
<i>Projects Assisted</i>	396
<i>Total Assistance</i>	\$551.5 Million
<i>Public/Private Investments</i>	\$1.4 Billion
<i>Estimated New Permanent Jobs</i>	7,018
<i>Estimated Construction Jobs</i>	16,943

EDA Results 1974-2008	
<i>Projects Assisted</i>	9,996
<i>Total Assistance</i>	\$19.6 Billion
<i>Public/Private Investments</i>	\$41.4 Billion
<i>Estimated New Permanent Jobs</i>	295,018
<i>Estimated Construction Jobs</i>	299,943

Edison Innovation Fund 2008	
<i>Projects Assisted</i>	112
<i>Total Assistance</i>	\$84.9 Million
<i>Public/Private Investments</i>	\$133.8 Million
<i>Estimated New Permanent Jobs</i>	986

Urban Assistance 2008	
<i>Projects Assisted</i>	152
<i>Total Assistance</i>	\$315.4 Million
<i>Public/Private Investments</i>	\$748.6 Million
<i>Estimated New Permanent Jobs</i>	4,411

Core Activity 2008	
<i>Projects Assisted</i>	137
<i>Total Assistance</i>	\$152.9 Million
<i>Public/Private Investments</i>	\$565.3 Million
<i>Estimated New Permanent Jobs</i>	1,875

*Note: Because of the overlap between Edison and Urban funds, EDA Results 2008 will not equal the sum of the Edison, Urban and Core charts.

EDA Mission

The mission of the New Jersey Economic Development Authority (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.

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:

Supporting business growth.
Spurring innovation. Promoting
community revitalization.
Stimulating job creation. These
tenets have been a driving force
behind the work of the New
Jersey Economic Development
Authority (EDA) for 35 years.

Today, in partnership with the
New Jersey Office of Economic
Growth, the EDA is playing an
even more vital role in imple-
menting several important
initiatives created as part of the
State's comprehensive Economic
Growth Strategy as well as
others established under our
more recent Economic Assis-
tance and Recovery Plan.

In fact, two newly established
two-year economic stimulus
programs designed to improve
our business environment fall
under the EDA's umbrella of
economic development
resources. The InvestNJ program
authorized \$120 million in grants
to spur capital investment and
job creation. The Main Street
Business Assistance Program

made available \$50 million in
new capital for small and mid-
size businesses and nonprofit
organizations through loan
participations and credit
enhancements. With these two
new programs, we have taken
critical steps to get New Jersey
businesses growing and invest-
ing again.

Despite the global economic
recession, the EDA provided
more than \$550 million in total
financing assistance during 2008
that is expected to lead to more
than 7,000 new jobs. This
report highlights many of the
varied projects that took
advantage of this funding and
benefited from programs that
encourage business growth and
promote investment and smart
growth development in commu-
nities throughout our great
State. I urge you to become
familiar with the broad spectrum
of new and traditional resources
New Jersey makes available
through the EDA.

The contributions of the EDA
will be more important than ever
as we move forward in 2009 to

help the citizens and businesses
of the Garden State cope with a
profoundly difficult national
economic crisis. I look forward
to continuing to work with the
EDA as we focus much of our
attention on meeting the
economic challenges of the days
and months ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon S. Corzine". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Jon S. Corzine
Governor

Advancing Governor Jon Corzine's Economic Growth Strategy

The New Jersey Economic Development Authority (EDA) continued to be a catalyst for job creation and business growth in 2008, working with the New Jersey Office of Economic Growth (OEG) to implement Governor Corzine's broad economic development initiatives. Despite the economic challenges facing our State and nation during the year, the EDA initiated and enhanced programs to spur lending activity, advanced several major projects to generate new jobs, promote scientific innovation and encourage investment in New Jersey's communities, and expanded its outreach to businesses and bankers.

In support of New Jersey's efforts to stimulate economic growth, the EDA finalized over \$550 million in financing assistance, State business incentives and tax credits, and venture fund investments in 2008, which supported more than \$1.4 billion in total new public/private investment in the State's economy and the creation of over 7,000 new jobs. These 2008 results brought the EDA's cumulative financing assistance totals to more than \$19.6 billion since its formation in 1974.

The EDA maintained a strong focus on aiding small and mid-size businesses and those business sectors critical to the State's economy, such as technology, biotechnology and

pharmaceuticals, financial services, and manufacturing. More than \$250 million in EDA assistance alone was directed to 177 business projects. Of these, 62 projects involved manufacturers. Forty businesses executed Business Employment Incentive Program grants worth an estimated \$81.3 million over 10 years in connection with their plans to relocate to or expand in New Jersey and bring more than 4,400 new jobs into the State. This assistance is expected to support over \$488 million in total project costs.

Over \$208 million in EDA 2008 funding was targeted to projects in seven of New Jersey's larger urban municipalities – Atlantic City, Camden, Elizabeth, Jersey City, Newark, Paterson and Trenton – nearly tripling the funding goal for New Jersey Urban Fund cities in the EDA's 2008 Strategic Plan. Another nearly \$85 million in EDA-administered assistance also benefited technology and life sciences businesses through the Edison Innovation Fund.

As a result of legislation signed by Governor Corzine, the EDA and Commerce Commission also completed their consolidation during the year. This significant milestone streamlines how the State undertakes economic development and gives businesses a single contact point for information,

applications and assistance. The smooth transition of responsibilities that was completed in the fall enabled many businesses to take advantage of an uninterrupted continuum of State programs and services.

Programs that had been part of Commerce, including the Business Retention and Relocation Act Grant Program, Sales Tax Exemption Program, Brownfields and Contaminated Site Remediation Program, and Urban Transit Hub Tax Credit programs, were brought into the EDA. The international trade function to bolster foreign direct investment and offer exporting assistance to New Jersey businesses, Commerce's marketing and communications responsibilities, and the State's Business Assistance Call Center, which handled more than 43,000 telephone inquiries last year, were also moved to the EDA under a new Business Retention and Attraction Division.

This law also changed the makeup of the EDA Board, replacing representatives of Commerce and the Department of Education with representatives of the Executive Branch of government appointed by the Governor.

The EDA furthered a number of other measures during the year to improve and augment its product portfolio and the services it offers to assist

businesses, nonprofit organizations, municipal governments and other entities. Included in these actions was the reduction of interest rate floors by 1 percent on several EDA lending programs to spark economic activity and meet the changing needs of the marketplace.

Also in 2008, the EDA:

- Finalized the first loans under Urban Plus, a lending program that offers up to \$3 million in financing for fixed assets in nine key State urban centers, and the FastStart for Small Business program, which provides credit-worthy companies operating in the State for at least one year with fixed-asset financing up to \$300,000;
- Established the Urban Transit Hub Tax Credit and approved the first two projects under the program, which was created to spur private capital investment, business development and employment in designated transit hubs located within one-half mile of New Jersey Transit, PATH or PATCO stations in nine urban municipalities;
- Made available \$4 million through the Fund for Community Economic Development to support intermediary organizations with track records of financing successful grocery stores and supermarkets in urban areas;
- Launched a wraparound funding mechanism to provide recipients of



Pictured at Campbell Soup Company's groundbreaking in October are, from left, Robert Zane, Campbell's Vice President of Real Estate Operations; Gwendolyn Faison, Camden Mayor; Governor Jon S. Corzine; Douglas R. Conant, Campbell's President and Chief Executive Officer; Congressman Rob Andrews; Judge Theodore Z. Davis, Camden Chief Operating Officer, and Louis Capelli, Jr., Camden County Freeholder Director.

Edison Innovation research and development grants from the New Jersey Commission on Science and Technology with supplemental financing for non-research and development-related costs, such as rent, construction and utilities; and,

- Announced plans for an Edison Innovation Clean Energy Manufacturing Fund, to be managed in conjunction with the New Jersey Board of Public Utilities, to support the use of renewable energy and energy-efficiency

technologies and further the goals of New Jersey's Energy Master Plan. The program is being rolled out in 2009.

Our efforts were productive in other ways as well. We met Strategic Plan goals for initiating or advancing real estate projects, including those related to the State's nine targeted urban cities and Innovation Zones. In October, we celebrated the ceremonial groundbreaking for Campbell Soup Company's new \$90-million corporate campus in Camden. A collaborative effort among the EDA, the OEG, other

State departments, the city and the county resulted in an agreement for the company to maintain its headquarters and 1,200 employees in Camden and invest over \$70 million to expand its facilities. The public partners will invest in infrastructure improvements and the company will lead private investment to develop a business park that will lead to new rentals and jobs for Camden-area residents.

We also reached an agreement to lease almost 15,000 square feet of space in our Tech IV building at the Technology Centre of New Jersey in the Greater New Brunswick Innovation Zone to Chromocell Corporation, a growing biotechnology company that has been a tenant at our Commercialization Center for Innovative Technologies since 2002.

Among other major projects that we saw come to fruition in 2008 was the \$200-million, 450-bed Greystone Park Psychiatric Hospital, which opened to patients in July. The project, which replaced five aging treatment buildings and a 131-year-old administration building, was a four-way partnership involving the State departments of Human Services and the Treasury, the New Jersey Health Care Facilities Financing Authority, which arranged the financing, and the EDA, which managed the design and construction of the new state-of-the-art facility in Morris Plains.

We also exceeded our Strategic Plan goal by adding five community banks to our list of Preferred Lenders. The addition of Cornerstone Bank, Columbia Bank, Peapack-Gladstone Bank, Roma Bank and Susquehanna Bank helped smaller New Jersey companies increase their access to timely and affordable financing. Additionally, we continued to build other important relationships in the State's major urban centers and with our business partners.

The following pages highlight many of the various ways that EDA staff members worked to champion business growth in New Jersey and promote the State's economic development strategies. We applaud their creativity, hard work and enthusiasm. We invite you to review this document for more details on the many programs and initiatives that New Jersey offers through the EDA.

To learn more about our products and services, visit www.njeda.com or call 1-(866) 534-7789. For more information about doing business in New Jersey, visit www.newjerseybusiness.gov.

We look forward to continuing our work with the OEG in 2009 to carry out Governor Corzine's Economic Assistance and Recovery Plan to boost New Jersey's economy. As always, we welcome your comments and suggestions.



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



Caren S. Franzini,
Chief Executive Officer

Encouraging Investments in Urban Communities

Almost two thirds of the financing and business incentive dollars provided by the New Jersey Economic Development Authority (EDA) in 2008 were directed toward stimulating investments in the State's 57 Urban Aid communities.

This funding supported the growth of businesses and nonprofit organizations, spurred the creation of new jobs, encouraged the investigation and cleanup of brownfield sites, and promoted smart-growth development as it advanced Governor Corzine's Economic Growth Strategy. Total EDA assistance in these communities during the year exceeded \$315 million and was responsible for injecting almost \$750 million in total public/private investment into New Jersey's urban economy and setting the foundation for the creation of more than 4,400 new jobs.

In 2008, the EDA introduced a new financing product called Urban Plus, which offers up to \$3 million in financing for projects in the State's nine targeted urban centers. 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.

To accommodate significant growth in its international food importation business, **Atalanta Corporation** used Urban Plus to borrow \$2 million at 2

percent interest fixed for five years, to purchase new machinery associated with its \$20-million warehouse expansion project in Elizabeth. The company also obtained a \$5.5 million loan from the EDA through the New Markets Tax Credits Program for costs involved with the warehouse construction. The loan was made at a 3-percent interest rate with interest-only payments due for the first 84 months of an 85-month term. The project will add 65 jobs to Atalanta's workforce.

Accurate Box, Inc., a Paterson-based, woman-owned manufacturer of paperboard packaging and displays and an EDA customer since 1980, also took advantage of the program, using a \$3-million loan arranged under Urban Plus and nearly \$7 million in EDA tax-exempt bond financing in 2008 to purchase printing press, laminator and aerator equipment and make leasehold improvements to its production area. The EDA's bond financing capability enables borrowers to obtain long-term financing at favorable interest rates. The 11-year, variable-rate bond for Accurate Box, underwritten by Wells Fargo Brokerage Services, closed at an initial interest rate of 1.8 percent. The interest rate on the Urban Plus loan was fixed at 2 percent for the first five years of a 10-year term. The company expects to add 15 new jobs as a result



During a May groundbreaking ceremony hosted by Atalanta's parent company, Gellert Global Group, city officials and state development representatives praised the company for its contributions to the local economy. Pictured, from left, Carlos Sanchez, Elizabeth Development Company; Bill O'Dea, Elizabeth Development Company; Andy Gellert, President of Gellert Global Group; Mathew Abraham, EDA Senior Business Development Officer.

of the equipment purchase.

Omni Baking Company was another urban enterprise that benefited from tax-exempt bonds in 2008, finalizing \$9.1 million in financing to build an

addition to its Vineland plant, refund the outstanding balance of an EDA-issued 2001 bond and acquire new production equipment to meet increased production goals resulting from a new contract with the Amoroso Baking Company of Philadelphia. Omni plans to add 145 jobs to meet the demands of that new contract. The bonds were directly purchased by Brown Brothers Harriman and carry a fixed interest rate of 4.7 percent for the 15-year term.

The EDA also worked with PNC Bank under the innovative New Jersey Business Growth Fund to guarantee 16 bank loans to small businesses in Urban Aid communities during the year. **Vogel Bus Company, Inc.** of Roselle used the program in 2008 for the fourth time, borrowing \$600,000 from PNC Bank with a 50-percent EDA guarantee to purchase eight new buses that will result in the creation of 14 new jobs. The EDA also guaranteed 25 percent of a \$365,000 PNC Loan that allowed the family-owned **International Welding Technologies, Inc.** to purchase commercial real estate in Lindenwold and add four new positions.

Sixteen businesses planning to expand and create more than 2,700 new jobs in New Jersey's urban communities executed 10-year Business Employment Incentive Program (BEIP) grants with the EDA in 2008 worth an estimated \$55 million. They included **AXA Equitable Life Insurance Company**, one of the larger life insurance companies in the



Wayne Meyer, HANDS Housing Director, left, and Patrick Morrissy, HANDS Executive Director, are pictured in the former F. Berg Hat Factory in Orange, one of six properties the community development corporation is renovating into affordable housing.

United States, and **Tullett Prebon (Americas) Holding Inc.**, a financial services business, which are planning to relocate 950 jobs and 330 jobs, respectively, from New York City to Jersey City's Gold Coast. Other urban BEIP recipients executing grants included **Standard Chartered Bank**, for creating 300 jobs in Newark, and **International Delights LLC**, a wholesale baker, for bringing 200 jobs to Clifton.

Community development organizations,

educational institutions and health facilities were among the nonprofits that used EDA financing resources to advance their urban projects in 2008.

A \$555,000 loan from the Fund for Community Economic Development and a \$1.2-million EDA direct loan helped **Housing and Neighborhood Development Services, Inc. (HANDS)** to refinance existing acquisition debt associated with six properties in Orange and West Orange that are being reno-

vated as affordable housing. Both loans were made at an interest rate fixed at 3.31 percent for the first five years of a 10-year term.

CityWorks, a nonprofit corporation established to facilitate real estate projects in economically distressed neighborhoods throughout New Jersey, broke ground in December 2008 for a large-scale redevelopment project in Neptune Township involving a family health center, retail stores, office space, senior housing and a park. The EDA provided various components of the project's financing package, including loans made under three different programs totaling nearly \$15 million at interests rates ranging from 2 percent to 5.6 percent with terms from two-and-a-half years to seven years and a \$1-million guarantee of a \$10.8-million TD Bank loan. The project will involve 370 construction jobs and is expected to create nearly 100 new full-time jobs when it is completed.

The EDA also manages programs offering important resources to restore brownfield sites, many of which are located in the State's urban communities, and return them to productive use. More than \$22 million in Hazardous Discharge Site Remediation Fund grants was among the funding directed to this objective in 2008. The **City of Millville**, for example, received a grant of nearly \$2.8 million to perform additional remedial investigation activities at the Millville Airport Industrial Park, which it

wants to redevelop for mixed uses. The latest grant brought total funding awarded for this site to almost \$7.6 million since 2005. The **City of Paterson** also received remedial investigation funding of more than \$1.7 million in connection with its redevelopment of a former brewery and dye and finishing manufacturing business site for affordable housing.

The EDA also provided more than \$8.9 million in financing and business lease and improvement incentives to 12 projects through its subsidiary, the **Economic Recovery Board for Camden**. The Camden Redevelopment Agency received funding for four of these projects – nearly \$3.1 million in recoverable infrastructure grants associated with property acquisitions connected to the Cooper Plaza Redevelopment Plan and other mixed sites, and \$3.7 million in grants to fund environmental remediation at a former tire and battery facility on Admiral Wilson Boulevard and the re-establishment of Roosevelt Park in the city's central business district.

Additionally, in accordance with the Commerce reorganization statute, the EDA replaced Commerce on the Urban Enterprise Zone (UEZ) Authority Board in 2008 at which time EDA Chief Executive Officer Caren Franzini assumed the role of chair. The UEZ Program was created over 25 years ago to foster an economic climate that revitalizes designated urban communities and stimulates their growth by encouraging businesses to develop

and create private-sector jobs through public and private investment. The program offers participating businesses many incentives that encourage business growth and stimulate local economies. It became part of the Department of Community Affairs in 2008.

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Advancing the Growth and Location of Tech and Life Sciences Companies

The EDA delivered almost \$85 million in Edison Innovation Fund direct investments, business incentives, tax credits and venture fund investments in 2008 in support of Governor Corzine's comprehensive Economic Growth Strategy to spur innovation, create new, high-paying jobs and cultivate an entrepreneurial environment for technology and life sciences companies in New Jersey. This assistance, which benefited 112 early-stage and established businesses, is expected to lead to the creation of almost 1,000 new jobs and total public/private investment of nearly \$134 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 (CST) and the New Jersey Commission on Higher Education that offers a continuum of broad support to the technology and life sciences communities. This support ranges 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 research colleges and universities and



In 2008, the EDA exercised an option to convert half of its \$1-million Edison Innovation Fund investment in Nistica, Inc. to preferred stock. Ashish Vengsarkar, Nistica CEO, is pictured above at the company's Bridgewater-based facility.

the business world in strategic areas that complement economic development. Since its launch in October 2006, the Edison Innovation Fund has provided nearly \$340 million in assistance leveraging over \$700 million in total investment and supporting the creation of over 4,650 new jobs.

In 2008, the EDA finalized direct, equity-like investments totaling \$5.45 million with 12 Edison Innovation Fund

projects and initiated the flow of several additional projects through our review and analysis pipeline that are expected to culminate in 2009 funding.

Reldata, Inc. a technology company that designs and delivers data storage systems, was one of the businesses to secure this funding in 2008. The Parsippany company received a \$1-million direct investment to enhance its product commercialization efforts and

accelerate the hiring of 36 new employees. **GlobalPrint Systems, Inc.** of Evesham, a provider of mobile printing solutions, was another, receiving a \$200,000 investment to help expand its operations and create 26 new jobs.

In 2008, the EDA also exercised an option to convert half of its \$1-million Edison Innovation Fund investment in **Nistica, Inc.** to preferred stock. Nistica, based in Bridgewater, is an optical networking company and a global supplier of agile optical modules for high-bandwidth applications. As a preferred stockholder, the EDA, like other investors, will have the opportunity to share in equity returns, including cumulative dividends.

Aestus Therapeutics, a tenant at the EDA's **Commercialization Center for Innovative Technologies** in North Brunswick, and **TreadStone Technologies, Inc.** of Princeton, formerly located at the EDA's **Waterfront Technology Center of Camden**, were the first two businesses to take advantage of Edison Innovation R&D Fund supplemental wraparound financing, which became available in 2008. Aestus, a pharmaceutical company focused on the treatment of nervous system disorders, and TreadStone, a developer of hydrogen-based technologies, both received the maximum \$100,000 loan at a fixed interest rate of 2 percent for five years. The wraparound funding is open to companies that receive an Edison Innovation R&D grant from the CST and

can be used for non-research and development-related costs.

In conjunction with the CST and the New Jersey Division of Taxation, the EDA 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 2008, 80 technology and biotechnology businesses were approved to share the \$60 million available through the program, including 12 that took advantage of the \$10 million set-aside for companies located in the State's three Edison Innovation Zones. The allocation of about \$750,000 per company brought total funding under the program to more than \$500 million since the program was established in 1999.

To further attract and develop technology businesses and support job growth in New Jersey, the EDA also finalized a limited partnership investment in NewSpring Health Capital II, L.P., a diversified health care equity fund, and approved a limited partnership investment in the **OmniCapital Fund**, a venture fund created to invest in next-generation communications and information technologies. To date, the EDA has committed over \$30 million in venture capital funds, which has resulted in more than \$90 million being invested in New Jersey companies.

The EDA also assisted 18 other technology and life sciences businesses through



Octapharma's new corporate headquarters in Hoboken.

its financing and business incentive resources. **Stealth Microwave, Inc.**, for example, a designer and manufacturer of power amplifiers for the commercial wireless industry and military applications, closed \$2 million in tax-exempt bond financing in 2008 to acquire and renovate a warehouse/office building in Ewing Township for light manufacturing.

Thirteen businesses either expanding in or relocating to New Jersey took advantage of the Business Employment Incentive Program, which provides enhanced benefits to technology and life sciences companies. **Octapharma USA, Inc.**, a wholly owned U.S. subsidiary of Switzerland-based Octapharma AG employing 18,000 employees worldwide, executed a business incentive grant

agreement worth an estimated \$500,000 over 10 years in connection with the move of its corporate headquarters from Virginia to Hoboken and the creation of 25 new jobs. Its core business is the development, production and sale of plasma derivatives. Octapharma expects its staff to at least triple from the initial 25 employees over the next year. Generic pharmaceutical manufacturer **Novel Laboratories, Inc.** also benefited from the business incentive program, executing a 10-year agreement worth over \$600,000, which supports its plans to create 100 new jobs in Franklin Township.

On the real estate front, the EDA approved \$11.5 million in funding to fit out 38,000 square feet of generic wet laboratory space at its **Technology Centre of New Jersey** in North Brunswick. The space will help attract emerging technology companies to the state and make “tweener” incubator space more readily available as growing tenants graduate from the Technology Centre’s Commercialization Center for Innovative Technologies. The space includes four wet laboratories in facilities known as Tech III and Tech IV ranging from 5,000 square feet to 15,000 square feet.

The Technology Centre is home to 25 growing early-stage and established businesses. One of those companies, **Chromocell Corporation**, a drug discovery company focused on the identification and development of novel



The EDA’s new Biotechnology Development Center at the Technology Centre of New Jersey in North Brunswick.

therapeutics against complex and challenging drug targets, signed a lease with the EDA in 2008 to move into nearly 15,000 square feet of wet lab and office space in the Tech IV building, which has been named the Biotechnology Development Center. Chromocell, one of the first tenants to occupy space when the Commercialization Center opened in 2002, has grown from just three employees to more than 40 employees, mostly scientists, while at the commercialization facility.

Additionally, the Waterfront Technol-

ogy Center at Camden earned its fifth LEED (Leadership in Energy and Environmental Design) Gold Certification, awarded for its first floor as part of the U.S. Green Building Council (USGBC) Commercial Interiors Program. The USGBC is a Washington, D.C.-based coalition of building industry leaders that administers these national ratings standards for high-performance, sustainable buildings.

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Promoting New Business Growth and Expansion in New Jersey

The EDA's work to fuel economic growth and job creation throughout the State extends far beyond its efforts to stimulate urban investment and technological innovation. The EDA supports a wide range of businesses, nonprofit organizations and other entities in its core assistance (non-Urban Aid, non-Edison Investment Fund) areas as well.

In 2008, the EDA provided nearly \$153 million in financing assistance to 137 core projects as it advanced Governor Corzine's comprehensive Economic Growth Strategy. These projects involved the creation of 1,875 new jobs and total public/private investment of over \$565 million.

Borrowers used EDA assistance to acquire, construct and renovate buildings and purchase new equipment and machinery to enhance their efficiency and competitiveness. With EDA financing, they also were able to cover day-to-day operational costs and to refinance higher-cost debt.

Often the EDA works in concert with banks and other financial institutions throughout the State to meet customer financing needs. Sometimes it works independently to lend its own money, or it issues bonds directly purchased or underwritten by financial institutions so small and mid-size businesses can grow and nonprofit organizations can



Howard Epstein, the founder of Kari Out, Inc., pictured in the company's 157,000 square-foot building in Rockaway.

enhance their facilities and improve their services.

When **Kari Out, Inc.**, a food packaging and paper product manufacturer based in Totowa, and **Tripak Industrial USA, LLC**, a Canada-based designer and developer of food containers, wanted to establish a new location for their plastic food container manufacturing business, they called upon the EDA. A \$10-million tax-

exempt bond issued by the EDA and a \$1.25-million direct EDA loan enabled the companies to acquire almost 10 acres of land and a 157,000-square-foot building in Rockaway as well as related machinery and equipment to establish the business and create 40 new jobs. The bond was directly purchased by Capital One, N.A. and closed at a fixed interest rate of 2.7 percent for the first 10 years of a 20-year

term. The 10-year loan closed at a fixed rate of 4-percent interest for the first five years. Capital One also provided additional financing for the project.

Triangle Manufacturing Company, Inc. has partnered with some of the more advanced medical device companies in the world for over half a century, specializing in the precision engineering and manufacturing of highly complex, tight-tolerance machined parts and assemblies. To expand its manufacturing capabilities in 2008, this Upper Saddle River business arranged for EDA-issued tax-exempt bonds totaling \$5.16 million to buy a leased 25,000-square-foot facility and new equipment. Sovereign Bank directly purchased the two bonds, which were issued for 10-year and 25-year terms at a fixed interest rate of 4.14 percent. Triangle expects to add five new jobs.

Tax-exempt bonds also proved to be the right financing choice for several core nonprofit projects during the year. Among them was **Bristol Glen, Inc.**, a wholly owned subsidiary of United Methodist Homes, which borrowed \$9 million to construct a 40,000-square-foot addition to its continuing care retirement community facility in Newton. The new building will include 16 residential apartments, 16 assisted-living apartments and 14 memory-support apartments. The 30-year bond was underwritten by Herbert J. Sims & Co., and closed at a fixed rate of 6.625 percent.

Also, the **Count Basie Theatre** in Red



An \$8-million bond from the EDA helped Count Basie Theatre complete the third phase of its renovation project, which included the restoration of decorative plaster in the theatre's interior lobbies.

Bank used an \$8-million bond to complete the third phase of its major renovation project, which included the restoration of decorative plaster in the theatre's interior lobbies and auditorium and other upgrades. The 10-year variable-rate bond, directly purchased by Sovereign Bank, closed at an initial interest rate of 4.45 percent. The **Visiting Nurse Association of Northern New Jersey, Inc.**, refinanced existing debt associated with the purchase of a building in Morristown by arranging for a \$4-million tax-exempt

bond directly purchased by Provident Bank. The loan was finalized at a fixed interest rate of 4.4 percent for the first 10 years of a 30-year term.

Several credit-worthy core companies operating in the State for at least one year took advantage of a new FastStart for Small Business program offering financing up to \$300,000 for fixed assets. Vasu Ranganathan and Winifred Casaletto, the owners of **ArborSys Group** of Lawrence, a provider of information technology consulting services, borrowed \$200,000 at 3.64-

percent interest fixed for five years to refinance existing debt and purchase new equipment to support the expansion of their business. **Envision Consultants, Ltd.**, of Harrison Township, a construction management consulting firm owned by the husband/wife team of Victoria and Stephen Malaszecki, obtained a \$187,500 FastStart loan to purchase and renovate property in Harrison Township to facilitate business expansion. The 10-year loan was made at an interest rate of 3.06 percent fixed for the first five years. These two projects expect to result in the creation of 10 new jobs.

Other core projects made use of the Statewide Loan Pool for Business program in which the EDA participates in a bank financing by providing part of the loan. **Everflow Supplies, Inc.**, a plumbing wholesaler for residential and commercial applications in Linden, secured working capital and refinancing funds by borrowing \$5.63 million from TD Bank, N.A., which included a \$750,000 EDA participation finalized at 4.18 percent for the first five years of a 10-year term. **Formation, Inc.** of Moorestown, which specializes in the design, engineering and manufacturing of electronics for the aviation, data communication, defense and transportation industries, was able to purchase equipment with a \$375,000 EDA participation in a \$750,000 Sovereign Bank loan arranged under the Preferred Lender Program. The EDA portion of the

loan was made for five years at a fixed interest rate of 4.5 percent. Everflow plans to create 15 new jobs, while Formation is committed to establishing 10 new jobs.

The Business Retention and Relocation Assistance Grant (BRRAG) program and the Business Employment Incentive Program (BEIP) worked together to keep a major professional services firm operating and expanding in New Jersey. **Deloitte & Touche** signed a BRRAG project agreement in 2008 to maintain 822 jobs in New Jersey, relocating employees from offices in Parsippany and Summit to a new leased office space in Parsippany. Deloitte also executed a BEIP grant worth an estimated \$9 million for the creation of 280 new jobs at the site. The company was also considering properties in Pennsylvania and New York for its corporate location project.

The EDA also promotes business growth by encouraging community development. **Bald Eagle Urban Renewal at Wanaque LLC** transformed several underutilized and deteriorating properties along Wanaque's main street into a thriving new downtown business complex in 2008 known as the Haskell Town Centre with the help of a \$1.25-million EDA loan. The loan, which closed at an interest rate of 3.55 percent for the first five years of a 10-year term, was part of a funding package that also included financing from Columbia Bank. The centre features a three-story, 49,000-square-foot brick building offering retail,

commercial and medical office space.

Linden Development, LLC utilized the Brownfields and Contaminated Site Remediation Program during the year, executing an agreement with the EDA related to its plans to redevelop the former General Motors assembly plant in Linden into mixed-use retail and senior housing space. The 100-acre project is expected to result in more than 1,300 new jobs when it is completed. The program enables developers to recover up to 75 percent of approved costs associated with a remediation effort – in this case, estimated at \$27 million.

Additionally, the **Borough of Woodbine** obtained \$50,000 in predevelopment financing in December 2008 to cover the costs of a feasibility study to determine if an ethanol manufacturing plant is an economically viable project. Repayment is contingent upon a determination that the project is feasible. If the project moves forward, the principal, plus interest calculated at 3 percent, will be repaid from the proceeds of the permanent financing or from the sale of the property. The project has three years to proceed.

With the integration of the international trade function within the EDA, successful efforts continued with New Jersey's global trading partners to increase foreign direct investment and to provide New Jersey businesses with export assistance. **Critical Links, Inc.**, for example, an information technology company based in Portugal, executed a

10-year BEIP grant worth an estimated \$139,000 associated with plans to create 12 jobs at its Fairfield facility. The EDA also helped by educating the company about the State's technology programs and by arranging introductions with information technology organizations serving New Jersey. **Sun Pharmaceutical Industries, Inc.**, an India-based company, was considering an expansion in Michigan until New Jersey officials met with the business in 2008. As a result, the company decided to seek a BEIP grant to grow 318 jobs in Cranbury, which was approved in September for an estimated \$2.4 million over 10 years.

Pathfinder, LLC, a consulting company with expertise in process engineering and project management, was introduced by New Jersey to a large international mining business in Brazil. The introduction led to new contract opportunities in South America for the Cherry Hill company.

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With the help of a BEIP grant, Sun Pharmaceuticals expects to grow 318 jobs at its Cranbury-based facility, pictured above.

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March 19, 2009

In accordance with Executive Order No. 37 issued by Governor Jon S. Corzine on September 26, 2006, the New Jersey Economic Development Authority's 2008 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 12, 2009, 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 2008, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

Sincerely,

Caren S. Franzini
Chief Executive Officer