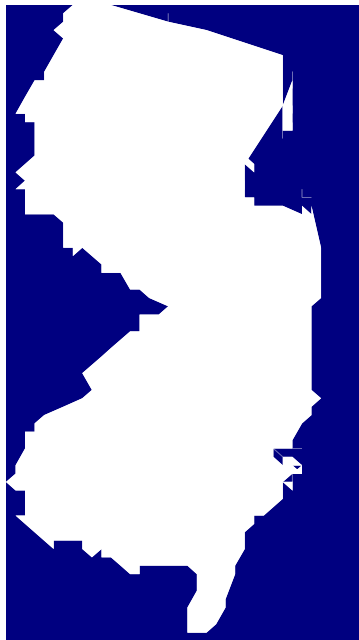


The company we keep,  
keeps getting better.



# New Jersey Economic Development Authority



## Annual Report 2009



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

## EDA 2009 Results

EDA Results 2009*	
<i>Projects Assisted</i>	<b>408</b>
<i>Total Assistance</i>	<b>\$670 Million</b>
<i>Public/Private Investments</i>	<b>\$1.65 Billion</b>
<i>Estimated New Permanent Jobs</i>	<b>9,578</b>
<i>Estimated Construction Jobs</i>	<b>14,343</b>

EDA Results 1974-2009	
<i>Projects Assisted</i>	<b>10,403</b>
<i>Total Assistance</i>	<b>\$20.3 Billion</b>
<i>Public/Private Investments</i>	<b>\$43.0 Billion</b>
<i>Estimated New Permanent Jobs</i>	<b>304,657</b>
<i>Estimated Construction Jobs</i>	<b>314,286</b>

Edison Innovation Fund 2009	
<i>Projects Assisted</i>	<b>124</b>
<i>Total Assistance</i>	<b>\$120.5 Million</b>
<i>Public/Private Investments</i>	<b>\$331.4 Million</b>
<i>Estimated New Permanent Jobs</i>	<b>2,396</b>

Urban Assistance 2009	
<i>Projects Assisted</i>	<b>212</b>
<i>Total Assistance</i>	<b>\$200.0 Million</b>
<i>Public/Private Investments</i>	<b>\$388.8 Million</b>
<i>Estimated New Permanent Jobs</i>	<b>4,071</b>

Core Activity 2009	
<i>Projects Assisted</i>	<b>163</b>
<i>Total Assistance</i>	<b>\$349.2 Million</b>
<i>Public/Private Investments</i>	<b>\$918.2 Million</b>
<i>Estimated New Permanent Jobs</i>	<b>3,249</b>

\*Note: Because of the overlap between Edison and Urban funds, EDA Results 2009 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 not-for-profit 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.

## Supporting New Jersey's Economic Growth

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The New Jersey Economic Development Authority's (EDA's) work to attract and retain businesses were particularly critical to the State during the difficult economic climate that gripped our nation in 2009. In support of these efforts and the State's broad initiatives to boost business, advance technology and the life sciences, and invest in its communities, the EDA provided more than \$670 million in financing assistance, business incentives and tax credits to over 400 companies, not-for-profit organizations and municipalities in 2009. That figure surpassed by almost 22 percent the \$551.5 million reported in the EDA's 2008 Annual Report and brought the Authority's cumulative assistance totals to over \$20 billion since it was established in 1974.

This support served as a catalyst for more than \$1.65 billion in new public/private investments in New Jersey that are expected to result in the creation of nearly 9,600 new, permanent jobs and over 14,300 construction jobs. It also helped to ensure the retention of more than 18,000 existing jobs in the State.

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 pharmaceutical companies, and manufacturers. More specifically, EDA funding support for the manufacturing industry climbed to more than \$75.4 million in 2009 from \$63.6 million in 2008. Perhaps more significant was the increase in job creation tied to the manufacturing businesses taking advantage of EDA-managed resources – 1,585 new jobs in 2009 compared with 584 jobs in the previous year. Other lending segments that realized substantial increased lending activity in 2009 over 2008 were direct investments in technology and life sciences companies, which increased from \$6.7 million to almost \$8.8 million, and guarantees provided under the New Jersey Business Growth Fund partnership with PNC Bank, which rose to \$10.1 million from \$6.7 million.

About \$200 million in EDA funding was directed toward projects in New Jersey's urban communities, more than 80 percent of which was targeted for the larger urban municipalities of Atlantic City, Camden, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton. More than \$120 million in EDA-administered

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**EDA funding support for the manufacturing industry climbed to more than \$75.4 million in 2009 from \$63.6 million in 2008...job creation tied to these businesses increased to 1,585 new jobs in 2009 compared with 584 jobs in 2008.**

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assistance also benefited technology and life sciences businesses.

Legislative action to stimulate the economy during the national economic downturn led to a number of innovative initiatives that had a significant impact on EDA operations and project activity during the year. All of these programs strengthened the array of financial assistance the Authority offered to encourage economic activity, particularly in New Jersey's urban areas, and helped businesses locate, expand and retain jobs in the State.

The Economic Redevelopment and Growth (ERG) Grant Program, for example, was established during the year to help municipalities targeted for growth – urban or suburban – improve their main street, business district or downtown area through comprehensive redevelopment. The ERG program provides incentive grants so developers can capture new State and local incremental taxes derived from a project to fund the gap in total project costs for which they cannot obtain other financing. EDA approval of an ERG grant was instrumental in Depository Trust and Clearing Corporation's 2009 announcement to relocate about 1,600 employees to Jersey City when its lease on New York City property runs out in early 2013.

The year also brought a restructuring to the Urban Transit Hub Tax Credit Program, which was introduced in 2007 to encourage business development, capital investment and employment in designated transit hubs. The program was amended in 2009 to expand eligibility, clarify qualifications and limit certain provisions.

Another important effort launched during the year was the New Jersey Food Access Initiative, which was designed to spur supermarket development throughout the State's urban areas to further community revitalization and job crea-

tion and improve the health and nutrition of urban citizens. This initiative was supported through an innovative public/private partnership between the EDA and The Reinvestment Fund that created the Food Access Fund with a goal of leveraging additional public and private financing. The EDA also invested in a pilot initiative specifically targeted at promoting supermarket projects in the City of Newark.

Other notable EDA accomplishments in 2009 included:

- Advancing legislatively mandated changes to broaden and improve the Technology Business Tax Certificate Transfer Program, which allows technology and biotechnology businesses to sell unused net operating losses and research and development tax credits to finance their growth and operations.
- Rolling out three new programs under a Clean Energy Solutions portfolio to encourage "green" companies to grow here and help businesses become more energy efficient.
- Assuming responsibility for a new program created by the Legislature designed to support public-private partnerships for on-campus construction projects at State and county colleges.
- Expanding the EDA's Preferred Lender Program by adding Citizens Bank, The Provident Bank and Valley National Bank as new participants and finalizing transactions with Preferred Lender banks that totaled more than \$154 million.

Additionally, on the real estate front, we completed the fit out of generic wet lab space in our Tech 3 and Tech 4 buildings at the Technology Centre of New Jersey and executed a lease agreement with Drexel University to relocate its Drexel Plasma Institute to the Waterfront Technology Center at Camden. The Drexel lease will bring this 100,000-square-foot facility, built by the EDA as a speculative project to support Camden's growing technology cluster, to 90-percent occupancy. Also in Camden, on behalf of the Department of the Treasury we began the demolition of the Riverfront State Prison. The project, involving about 190,000 square feet of space on a 16-acre site, will enable the city to pursue the redevelopment of its North Camden waterfront.

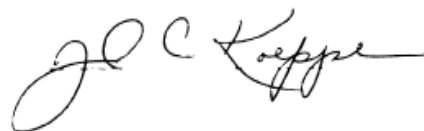
It was a busy and productive year and one in

which the EDA was challenged as never before to maintain its standing as one of the top economic development agencies in the country. The Authority's strong record of achievement has been made possible by a talented, focused and flexible staff devoted to strong financial analysis, customer service excellence, sound fiduciary responsibility, a business philosophy that enables quick adaptability to marketplace changes, and productive partnerships with public, private and community organizations statewide.

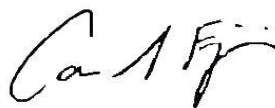
As we move ahead in 2010 with continued commitment and energy, we thank former EDA Board Chair Carl Van Horn for being instrumental in our recent success. Under Carl's leadership, we strengthened our organizational framework to ensure fiscal integrity and advanced innovative programs to effectively address the needs of our customers.

We look forward to working with Governor Chris Christie and Lieutenant Governor Kim Guadagno, who have made economic development an important element of their broad agenda. Together we can continue to build a foundation conducive to economic growth and prosperity and capitalize on the distinct advantages that make our State a destination for businesses across all industry sectors.

We invite you to review the following pages, which highlight many of the various ways the EDA was called upon to support business growth and encourage economic development. We also invite you to learn more about the resources provided by the EDA by visiting [www.njeda.com](http://www.njeda.com) or calling 1-(866) 534-7789. For general information about doing business in New Jersey, you may also visit <http://www.nj.gov/njbusiness/>.



Al Koeppe  
Chairman of the Board



Caren S. Franzini,  
Chief Executive Officer

## Encouraging Investments in Urban Communities

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The revitalization of New Jersey's cities is a major focus of the New Jersey Economic Development Authority's (EDA's) mission because it is critical to strengthening the State's economy and creating well-paying jobs. Urban areas face particular challenges in attracting investment and, in 2009, the EDA brought its resources to the market to stimulate activity in a severe economic downturn. Approximately \$200 million of the financing and business incentive dollars provided by the EDA in 2009 were directed toward stimulating investment in New Jersey's 57 Urban Aid communities.

This assistance supported the growth of businesses and not-for-profit organizations, spurred the creation of new jobs, encouraged the investigation and cleanup of brownfield sites, and promoted smart-growth development. EDA funding was responsible for stimulating more than \$388 million in total public/private investment in these communities during the year and setting the foundation for the creation of more than 4,000 permanent, full-time jobs.

EDA tax-exempt bonds, which enable borrowers to obtain long-term financing at favorable rates, proved to be the perfect solution for businesses like **EASCO Shower Doors Company** in Trenton and **Longfield Brothers, LLC** in Vineland. The EDA issued a \$1.7-million tax-exempt bond to EASCO that enabled the company to purchase machinery and equipment for a newly formed subsidiary, Mercer Glass Fab LLC, which fabricates and tempers glass for use in EASCO's glass shower enclosures and by other glass users. The 15-year bond, directly purchased by TD Bank, closed at a monthly variable interest rate of just under 2 percent. Longfield Brothers was able to expand the warehouse and distribution facility it leases to its operating company, Garden State Bulb Co., a direct importer and distributor of Dutch bulbs. A \$7-million tax-exempt bond directly purchased by Susquehanna Bank was used to add 120,000 square feet of space, including new coolers and an office area as well as related equipment, resulting in 15 new jobs. The 20-year bond closed at a fixed interest rate of 4.35 percent for the first 10 years.

Tax-exempt bonds can also be useful to not-for-profit organizations that offer valuable community services. The **Greater Brunswick Regional Charter School**, one of the first charter schools in New Jersey, borrowed \$6.55 million to renovate a building in New Brunswick so it could open its doors to more children and expand its staff by 11 employees. The 25-year bonds were directly purchased by Sun National Bank and carried an initial interest rate at closing of 4.6 percent. The charter school also borrowed \$1 million from the EDA at 5 percent fixed interest for five years so it could create 11 new classrooms, a gymnasium/multi-purpose room and additional office space.

A \$150,000 EDA loan participation in a \$450,000 TD Bank loan made at a 5-percent fixed interest rate for five years allowed the owners of the **Cavalier Restaurant and Banquet Hall** to finance renovations to their facility in Roselle. Another business, **McKella280 Inc.**, a Pennsauken-based provider of graphic design, digital imaging, printing and fulfillment services, was the first company to finalize a line of credit guarantee, closing a \$1.2-million line with Susquehanna Bank that included a \$250,000 EDA guarantee. The company also borrowed \$2 million from Susquehanna Bank with a \$500,000 EDA participation and a \$375,000 EDA guarantee of the bank's portion of the loan to refinance higher-cost debt.

**Paramount Bakeries, Inc.**, a commercial bakery in Newark primarily serving supermarket chains, was able to add 15 new positions and maintain 40 existing jobs with the help of a \$2.7-million TD Bank loan that included a \$1.25-million EDA Statewide Loan Pool for Business participation. The EDA loan, made for 10 years with a variable interest rate set at 3 percent for the first five years, was used to purchase new equipment and refurbish existing equipment, complete renovations and refinance an existing loan. "Newark has been an ideal place to grow Paramount Bakeries and this project will help ensure we continue to thrive and create more jobs in the city," said Shruga Zabludovsky, who purchased the 85-year-old



business with his wife in 1994.

Another Newark business, **Selected Arrow Enterprises**, a full-service oil company, used EDA's Small Business Fund to borrow \$300,000 for working capital purposes, including hiring six employees, purchasing furniture and creating marketing materials, in conjunction with its move to a new building in the city. The five-year loan was made at a fixed interest rate of 3 percent.

Urban businesses in Neptune, Mount Holly and Clifton were among the companies taking advantage of the EDA-PNC Bank New Jersey Business Growth Fund partnership to finance new locations. **Atlantic Cardiology, LLC**, a medical practice, borrowed \$2 million from PNC Bank with a 50-percent EDA guarantee to fund its third build-

ing, in Neptune. A 25-percent EDA guarantee in a \$765,000 PNC loan was used by family-operated **Highway Tire Distributors, Inc.** to acquire the building used by its Goodyear dealership in Mount Holly. **Placko Signs, LLC**, a manufacturer and installer of signs, borrowed \$360,000 from PNC with a \$180,000 EDA guarantee, also to purchase commercial real estate in Clifton where the business is located.

The real estate holding company for **GDB International, Inc.** of New Brunswick found the EDA-managed Local Development Financing Fund a key to its project, borrowing \$2 million over five years at 2-percent fixed interest to acquire and renovate a building and purchase equipment for its export company, which trades worldwide in plastics, paints and paper.

Along with all these funding efforts, the EDA expanded and improved its urban resources by creating and enhancing certain other programs to re-energize New Jersey cities.

**Somerset Street Urban Renewal LLC**, established by the New Brunswick Development



*In April 2009, the EDA closed a loan under the Local Development Financing Fund to help **Passaic Family Head Start, Inc.** acquire the building it had been leasing from the city since 1986. In conjunction with assistance from PNC Bank, the not-for-profit organization, which provides educational, nutrition, health and social services to low-income children and their families, was able to purchase the 15,424-square-foot building in the City of Passaic.*

Corporation in partnership with Pennrose Properties, the New Brunswick Parking Authority and Rutgers University, benefited from the modified Urban Transit Hub Tax Credit Program at the end of 2009. It was approved for a 20-percent tax credit worth approximately \$27.1 million for a project near the New Brunswick Train Station. The planned \$135.6-million development will consist of approximately 632,000 square feet and include market-rate rental apartments, for-sale residential condominiums, office and retail space, and an onsite parking structure for more than 650 vehicles.

The **New Jersey Food Access Initiative** also was introduced in 2009 to spur supermarket development throughout New Jersey's urban centers to further community revitalization, job creation and the health of urban residents. This initiative was supported through an innovative public/private partnership between the EDA and The Reinvestment Fund, which was established to meet the financing needs of supermarket operators looking to locate within

underserved areas where infrastructure costs and credit requirements are often higher and unmet by conventional financing institutions. The EDA completed a \$3-million investment through its Fund for Community Economic Development in TRF to create the Food Access Fund with a goal of leveraging additional public and private funding. The EDA also invested \$1 million in a pilot initiative specifically targeted at promoting supermarket projects in the City of Newark.

To further support economic development projects in the nine designated urban centers targeted for growth in the New Jersey Redevelopment Plan – Atlantic City, Camden, East Orange, Elizabeth, Jersey City, New Brunswick, Newark, Paterson and Trenton – the EDA made a limited partnership investment in the **New Jersey UrbanAmerica Advantage Fund** in 2009. The fund plans to invest in office, retail, mixed-use, industrial, hospitality, distribution, special-purpose and other types of commercial real estate properties to help increase local tax revenues.

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 40 urban projects shared over \$16.5 million in funding through the Hazardous Discharge Site Remediation Fund in 2009. The **Rahway Redevelopment Agency**, for example, received two grants totaling more than \$1 million. One grant was associated with site investigation and remedial investigation activities on property formerly used for book binding, metal fabricating, glassware etching and fabric manufacturing that the city wants to redevelop for residential use. Another grant provided preliminary assessment, site investigation and remedial investigation funding for a former laundry facility that has been designated for future use as an amphitheater and performing arts center.

Additionally, **Cameron Bayonne Urban Renewal, LLC**, formed to acquire a 31-acre brownfield site for a new 350,000-square-foot retail center along Route 440 North in

Bayonne, closed a \$1-million Smart Growth Predevelopment Funding Program loan with the EDA in 2009. Most of the planned space has been preleased. Tenants are expected to include such well-known retailers as Lowe's, Wal-Mart, Sleepy's, New York Sports Club, Subway, Supercuts and LongHorn Steakhouse. The one-year loan was made at a fixed interest rate of 2.25 percent, with interest-only for 11 months.

More than \$8.8 million in financing and business lease and improvement incentives also were provided to 14 projects through an EDA subsidiary, the **Economic Recovery Board for Camden**, which was created under the Municipal Rehabilitation and Economic Recovery Act of 2002. Projects included a \$2.3-million soft loan under the Residential Neighborhood Improvement Fund to support infrastructure costs included in the construction of 162 rental units in the Cramer Hill section of the city and a \$1-million grant from the Demolition and Redevelopment Financing Fund to assist **Respond, Inc.** in constructing its New Worker Job Development Center, a 25,000-square-foot facility dedicated to training in culinary arts and auto technology, with state-of-the-art classrooms to serve up to 90 preschoolers.

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## Advancing the Growth of Tech and Life Sciences Companies

More than \$120 million in direct investments, business incentives, tax credits and venture fund commitments were delivered by the EDA in 2009 to spur innovation, grow new jobs and cultivate an entrepreneurial environment for technology and life sciences companies in New Jersey. A total of 124 early-stage and established businesses that plan to create almost 2,400 jobs were the beneficiaries of this support. Total public/private investment in these projects is estimated at more than \$330 million.

The assistance was provided under the Edison Innovation Fund, a State effort managed by the EDA in consultation with the New Jersey Commission on Science and Technology (CST).

The Fund offers a broad continuum of support to the technology and life sciences communities ranging from various forms of financing and incentives to modern laboratory and office space located within specially created Edison Innovation Zones located in Camden, the greater New Brunswick area and Newark.

In 2009, the EDA finalized direct, equity-like investments totaling nearly \$8.8 million with 13 companies. Technology and life sciences businesses that received the maximum \$1 million to be used as growth capital included: **Alphion Corporation**, a communications systems manufacturer in West Windsor; **Bluenog Corporation**, a software developer in Piscataway; **Evident Software, Inc.**, which provides network monitoring and diagnostics for the financial services industry out of a New Jersey Institute of Technology business incubator in Newark; **mVisum, Inc.**, a medical data communications business located at the EDA's Waterfront Technology Center at Camden, and **TimeSight Systems, Inc.**, a surveillance video storage developer in Mount Laurel. Although the EDA continues to support this sector, currently there is limited capital available for new direct Edison Innovation Fund investments.



***Chromocell Corporation** celebrated an exciting milestone in 2009 by moving from the EDA's Commercialization Center for Innovative Technologies into 15,000 square feet of space at the new Biotechnology Development Center (BDC) on the campus of the EDA's Technology Centre of New Jersey. Chromocell has grown from a three-person operation located in a single, 800-square-foot laboratory to now employing 80 researchers and support staff at the BDC.*

**Compact Power, Inc.**, a battery technology packager in Dover, took advantage of the Edison Innovation R&D Fund supplemental wraparound financing, receiving a \$100,000 direct investment from the EDA on top of the \$500,000 R&D grant it was awarded from the CST. The funding may be used for non-research and development-related costs.

Fourteen technology and life sciences businesses planning to create nearly 2,000 new jobs and invest more than \$244 million in New Jersey's economy executed Business Employment Incentive Program (BEIP) grants with the EDA during the year. Grant recipients included **ImClone Systems, Inc.** of Branchburg, a wholly owned subsidiary of Eli Lilly and Company and a developer of oncology treatments, which expects to create more than 900 new jobs, **Sun Pharmaceutical Industries, Inc.**, a specialty pharmaceuticals business with U.S. headquarters in Michigan, which plans to establish more than 315 jobs, and **Integra LifeSciences Corporation**, a regenerative medicine manufacturer in Plainsboro, which anticipates establishing more than 200 new positions. Other businesses finalizing BEIP grants in 2009 that each plan to create 150 new jobs were **inVentiv Health, Inc.** of Frank-



lin, a provider of outsourced services for life sciences-related industries, and **AustarPharma, LLC**, an Edison-based pharmaceutical business.

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 biotechnology and technology businesses to raise cash to support their growth and operations by selling unused net operating losses and research and development tax credits to unrelated profitable corporations. In 2009, 97 businesses were approved to share the \$60 million available through this program, including nine that took advantage of the \$10 million set aside for companies located in the State's Edison Innovation Zones.

Changes enacted in 2009 to enhance this tax transfer program included increasing the maximum lifetime benefit per business to \$15 million, raising the amount of net operating loss carryover that may be surrendered to a corporate business taxpayer to 80 percent, establishing net operating loss as the determining factor for eligibility, eliminating the 75-percent New Jersey employee requirement, altering the minimum employee threshold, and returning unused Innovation Zone set-aside funding to the general program pool.

On the real estate front, **Chromocell Corporation** marked a significant expansion in 2009 by moving from the EDA's Commercialization Center for Innovative Technologies (CCIT) into 15,000 square feet of space at the new Biotechnology Development Center (BDC) on the campus of the Technology Centre of New Jersey. The 26,000-square-foot BDC was created to attract emerging technology companies and make "tweener" space available to growing businesses graduating from the CCIT and other incubators throughout the State. The new space provides Chromocell with its own conference rooms, reception area and visitor lobby and also features laboratories customized to the company's workflow. The drug discovery company began as a three-person operation located in a single, 800-square-foot CCIT lab in 2003, expanding to 6,000 square feet of



***Nistica**, which benefited under the Technology Business Tax Certificate Program in 2009, is a global supplier of agile optical modules that simplify, automate and make affordable the delivery of high bandwidth applications.*

CCIT space by 2007. The BDC space was designed to accommodate Chromocell's current staff of 80 and enhance its ability to expand in the near-term future.

The CCIT also became one of only 14 business incubation facilities in the world to earn the Soft Landings International Incubator designation from the National Business Incubation Association in 2009. The honor recognizes an incubator's focus on accepting non-domestic firms into its market. The CCIT currently has 25 tenants, including nine companies that it welcomed in 2009.

Additionally, the EDA embarked on plans to construct 20,000 square feet of generic wet labs on the fifth floor of the Waterfront Technology Center at Camden. Drexel University's A. J. Drexel Plasma Institute (DPI) plans to occupy about 10,500 square feet of the space in 2010. DPI is a major research initiative of Drexel University for the application of plasma science to biology and medicine.

The EDA also finalized its \$1-million limited partnership investment in the OmniCapital Fund, which was created by the OmniCapital Group, LLC to invest in next-generation communication and information technologies. There is a minimum requirement of 2:1 matching for the EDA commitment, which will triple the investment

dollars available to New Jersey companies.

New Jersey's Energy Master Plan calls for the State to reduce electricity and heating consumption by 20 percent by the year 2020 and meet 20 percent of its energy needs through Class I renewable energy involving sources such as solar, wind, photovoltaics, fuel cells, wave tidal renewably generated hydrogen, sustainable harvested biomass and methane gas from landfills.

In connection with these goals, the EDA in 2009 partnered with the Board of Public Utilities (BPU) and the Department of Environmental Protection (DEP) to launch a suite of Clean Energy Solutions programs. These programs were designed to encourage clean energy-related businesses to grow in New Jersey and to help other companies become more energy efficient. The EDA managed funding totaling \$125 million through the new programs to reduce the amount of greenhouse gases in New Jersey and foster the creation of green-collar jobs.

The Clean Energy Solutions Capital Investment (CESCI) Loan/Grant program was one of those resources. It was created to support commercial, institutional or industrial entities advancing energy-efficient end-use projects, combined heat and power or cogeneration production facilities or electric generation facilities.

Northvale-based **Hausmann Industries, Inc.** was the first company to be approved for funding under CESCI. A 50-year-old manufacturer of equipment primarily used in the healthcare industry, Hausmann finalized a \$670,000 loan to purchase a 210 kw solar electric system that is expected to reduce greenhouse gas emissions by more than 3,200 metric tons over its 25-year life.

Through another new program, the Clean Energy Manufacturing Fund (CEMF), New Jersey clean technology manufacturers were able to receive funding under two separate components—project assessment and design, and project construction and operation. A qualified



**Petra Solar**, a thriving solar panel manufacturer, was the first company to receive funding under the Clean Energy Manufacturing Fund. The company was subsequently awarded a \$200-million PSE&G contract to manufacture smart solar systems for installation on PSE&G utility poles and street light poles.

manufacturer of Class I renewable energy or energy efficiency systems, products or technologies could qualify for a grant up to \$300,000 to assist with the manufacturing site identification and procurement, design and permits, and up to \$3 million as a zero-interest, 10-year loan to support site improvements, equipment purchases, and facility construction and completion.

**Petra Solar, Inc.** of South Plainfield received the maximum \$3.3 million under CEMF to support the purchase of equipment and machinery and the planning/design process. This project will result in a total public/private investment of more than \$7.6 million and the company expects to create 164 new jobs over the next two years. Founded in 2006, Petra Solar designs, develops and manufactures electric power and power management products focused on the solar energy and smart grid markets. The company's flagship product is the SunWave™, a utility grade AC solar module that enhances the reliability of electric distribution systems by combining distributed solar generation with Smart Grid technology.

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## Promoting New Business Growth and Expansion in New Jersey

The EDA supports a wide range of businesses, not-for-profit organizations and other entities through its core assistance programs to fuel economic growth and job creation in New Jersey. Core financing activity totals reached nearly \$350 million in 2009 with 163 projects receiving assistance, more than tripling the EDA's Strategic Plan goal. These projects are anticipated to result in total public/private investment of more than \$918 million and the creation of over 3,200 new, full-time jobs and 9,300 construction jobs throughout New Jersey.

Borrowers utilized 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 expenses and to refinance higher-cost debt.

Often the EDA works in partnership with banks and other financial institutions throughout New Jersey to meet customer financing needs. It issues bonds directly purchased or underwritten by financial institutions so small and mid-size businesses can grow and not-for-profit organizations can upgrade their facilities and services.

The EDA is authorized by the Internal Revenue Service to issue conduit tax-exempt private activity bonds for a variety of purposes such as capital improvements and expansions, including real estate acquisitions, new equipment and machinery, and building construction and renovations. For-profit companies like manufacturers can borrow up to \$20 million with either a fixed or variable interest rate and terms up to 20 years for real estate and 10 years for equipment. Ten of the nearly 70 manufacturing projects that the EDA assisted in 2009 took advantage of the EDA's capacity to issue tax-exempt bonds.

**East Coast Panelboard, Inc.** of Tinton Falls, an electrical component manufacturer and family-owned business, combined \$8.8 million in



**Absolutely Energized Solar Electric, Inc.**, which benefited from EDA assistance in 2009, installed one of the largest pitched roof solar electric systems in New Jersey at **Fellowship Village Retirement Community** in Basking Ridge. Fellowship received a tax-exempt bond from the EDA to support the solar panel installation, which is expected to reduce 900,000 pounds of CO<sub>2</sub> each year.

tax-exempt bond financing issued by the EDA with \$2.25 million in EDA direct loans and a \$750,000 EDA guarantee to purchase land and a building it had been leasing as well as new metal-working machines and storage and powder coat paint systems. The bonds for the \$13.6-million project were directly purchased by Provident Bank. A 10-year, \$6.55-million bond was issued to the real estate holding company for East Coast Panelboard for building acquisition and renovation. It closed at a fixed rate of 4.39 percent. A \$2.2-million bond was issued for a 15-year term to East Coast Panelboard for the purchase of equipment and machinery. It closed at a fixed interest rate of 4.06 percent. The company is adding 23 new jobs to its 41-person staff.

**Century Packaging, Inc.** which specializes in meeting packaging needs across a wide range of industries, also made use of EDA-issued tax-exempt bonds during the year, borrowing more than \$2.5 million for new equipment purchases and building renovations for its East Brunswick facility. The bonds were issued for eight years at a fixed interest rate of 3.52 percent, with interest only for six months. They were directly



purchased by People's Capital and Leasing Corp.

Tax-exempt bonds also proved to be the right choice for several core not-for-profits.

**Cape Counseling Services, Inc.**, a behavioral health organization that provides mental health and substance abuse services to more than 5,000 families annually, was one of them. It acquired, renovated and equipped a 15,600-square-foot building in Middle Township, allowing it to consolidate leased space from two other Cape May County locations, with a \$1.3-million bond directly purchased by Crest Savings Bank. The bond was issued for 20 years at a fixed interest rate of 4.25 percent for the first half of the term.

Several credit-worthy core companies operating in the State for at least one year took advantage of the EDA's Small Business Fund, which offers financing up to \$300,000 for fixed assets. **Direct Cabinet Sales, Inc.** of South Brunswick, which designs, distributes and installs kitchen cabinetry to residential, commercial and new construction markets, borrowed \$300,000 to buy equipment and machinery. **Mercy Transportation, Inc.** of Franklin Township purchased used school buses to add to its fleet with a \$208,000 loan. Both loans were made for five years at a fixed interest rate of 3 percent. Together, the two businesses plan to create nearly 60 new jobs.

Twelve core projects availed themselves of the Statewide Loan Pool for Business program, which enables the EDA to participate in bank loans by providing part of the financing. **Metro Packaging & Imaging, Inc.** a folding carton manufacturer with New Jersey facilities in Wayne, was able to acquire forklifts, gluing and paper-cutting machines and plan for the hiring of 12 additional employees with a loan of nearly \$2.2 million from Sun National Bank. The financing included a 50-percent EDA participation made at 3.16 percent fixed interest for the first five years of a 10-year term, with interest only through 2009. **Fox Rehabilitation Services, P.C.**, a provider of in-home physical, occupational and speech therapy, maintained 400 jobs and plans to add as many as 240 new positions over the next two years with its relocation to larger facilities in



***MAQUET Cardiovascular** marked a significant milestone in 2009 with its decision to consolidate its U.S. facilities in Wayne and create 350 new jobs in the State. The company also made a private investment totaling \$40 million as a result of the expansion.*

Cherry Hill Township. The move became possible with a \$6.25-million TD Bank loan that included a \$1.25-million EDA Statewide Loan Pool participation. The EDA portion of the loan was fixed at 3 percent interest for five years.

As part of our effort to assist businesses during the national economic crisis, the EDA implemented two major State initiatives in 2009 created by legislation, the Main Street Business Assistance Program and InvestNJ, to ease the tightened credit market and provide new job creation and capital investment tools to New Jersey businesses. EDA has a long history of working with the banking community to provide assistance to small businesses throughout New Jersey. It was that strong partnership we called upon to develop and implement the Main Street Business Assistance Program.

Seventeen core projects were finalized under the Main Street program to help New Jersey businesses and not-for-profits cope with the effects of a national recession. Ten loan participations totaling almost \$5.4 million and seven line of credit guarantees amounting to \$925,000 were completed during the year.

A specialty food market and catering service in Mount Laurel was the first business to use the program. **Abbruzzi and Giunta's Italian Mar-**

**ket & Catering** closed a \$1.5-million loan with Cornerstone Bank that included a \$211,000 EDA participation made under the program. The market used the funding to consolidate existing financing and expand the catering operations of the business that co-owners Joe Abbruzzi and Mark Giunta purchased in 1991.

Another business found the program useful for purchasing a building. A \$300,000 EDA Main Street participation in a \$1.2-million TD Bank loan was used by **Montclair Avenue, LLC** to acquire the structure in Pompton Lakes for one of its operating companies, PCA Engineering, Inc., a provider of design, installation and testing services for corrosion protection systems. Both EDA participations were made for five years at a fixed interest rate of 5 percent.

The line of credit guarantees provided under the Main Street program were the first ever offered by the EDA. Among core businesses that benefited from EDA guarantees were **Absolutely Energized Solar Electric, Inc.** of Millstone, a solar panel provider for residential and commercial buildings, and **Savona Foods, LLC** of West Deptford, an Italian food distributor servicing restaurants in southern and central New Jersey and the greater Philadelphia metro markets. The EDA provided \$250,000 guarantees on an \$800,000 line issued by The Bank for Absolutely Energized Solar Electric and a \$750,000 line approved by TD Bank for Savona Foods.

More than 1,350 applications were also received for grants under InvestNJ for job creation and capital investments. Funding for both programs has been halted in 2010 in accordance with Governor Chris Christie's efforts to curtail State spending to balance the New Jersey budget.

**MAQUET Cardiovascular LLC** and **The MLB Network, LLC** were two of the 10 core projects expecting to create over 2,000 new jobs that executed Business Employment Incentive Program grants in 2009. MAQUET moved new product lines to Wayne, signing a grant agreement worth an estimated \$3.9 million over 10 years based on its plans to create 350 new jobs. The BEIP grant was also a material factor in MLB's decision to establish new headquarters and more than 200 jobs in Secaucus. MLB's launch in 2009 was the largest network debut in cable history, reaching 50 million homes. Its 10-year grant was

estimated at more than \$8 million.

The Business Retention and Relocation Assistance Grant (BRRAG) program, which provides grants of corporate business tax credits to companies that are relocating within New Jersey and retaining jobs, was instrumental in keeping **Global Aerospace, Inc.** operating in the State in 2009. When this major provider of aviation insurance was considering a move out of State due to cost pressures facing the industry, a BRRAG worth an estimated \$185,000 was an important incentive in the company's decision to relocate its administrative, operations, finance and human resources staffs to Madison from Short Hills and maintain 154 jobs in New Jersey.

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Newark Alliance

### **EDA Vice Chairman**

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

Director  
Laborers Employers Cooperation and  
Education Trust

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Department of Banking & Insurance  
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#### **Bob Martin**

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### **Nonvoting Member**

#### **Rodney Sadler**

Economic Recovery Board for  
Camden

## EDA Executive Team

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**Caren S. Franzini**  
Chief Executive Officer

**Maureen M. Hassett**  
Senior Vice President  
Governance and Public Information

**Timothy J. Lizura**  
Senior Vice President  
Business Development

**Cynthia G. Osofsky**  
Senior Vice President  
Customer Solutions

**Kathleen E. Stucy**  
Senior Vice President  
Operations

**Anne Kurzenberger**  
Chief Talent & Learning Officer

**Tom Murphy**  
Chief Information Officer

**Greg Ritz, CPA**  
Chief Financial Officer

## Certifications Pursuant To E.O. 37

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March 29, 2010

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2009 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 22, 2010, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Caren Franzini, certify that during 2009, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the authority for the year in question.



Caren S. Franzini  
Chief Executive Officer

I, Greg Ritz, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the authority for the year in question.



Greg Ritz, CPA  
Chief Financial Officer