



# New Jersey Economic Development Authority Annual Report 2010



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

# 2010 Annual Report

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2010 was an exciting year at the New Jersey Economic Development Authority (EDA) as we supported the ambitious economic development agenda of Governor Chris Christie and Lieutenant Governor Kim Guadagno. Despite the economic challenges that continue to face our State and nation, the Christie Administration's focus on making New Jersey a home for growth prompted the introduction of new programs and policies that have boosted the EDA's ability to spur lending activity, generate and maintain jobs, encourage investment in New Jersey's communities, and grow the State's innovation economy.

The EDA's role in stimulating economic growth was enhanced by the Christie Administration's creation of the Partnership for Action, a one-stop shop for all economic development activity in New Jersey. The Partnership operates with three interconnected organizational elements to attract new businesses and help existing businesses thrive. The first part of the Partnership is Choose New Jersey, a privately funded, not-for-profit corporation that will help promote New Jersey as a world-class leader in the competitive global marketplace. The second component is the Business Action Center, reporting directly to Lieutenant Governor Guadagno. The Center officially opened its doors at the end of October, bringing a more focused customer service approach to coordination across State and local government agencies for businesses looking to remain, expand or locate in New Jersey, including both domestic and abroad. The final piece of the Partnership is the EDA as the "bank for business," providing financial assistance through loans, guarantees and tax incentives to sustain New Jersey businesses.

In this role, the EDA finalized over \$567.3 million in financing assistance, business incentives and tax credits in 2010 to support New Jersey-based businesses, not-for-profit organizations and municipalities. This support served as a catalyst for more than \$1.4 billion in new public/private investment in New Jersey's economy and is expected to lead to the creation of an estimated 5,200 new, permanent jobs and the retention of 12,200 existing jobs. These 2010 results brought the EDA's cumulative financing assistance totals to more than \$20.8 billion since it was established in 1974.

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The Christie Administration's proactive approach to economic development and commitment to making New Jersey more business friendly has helped to redefine our State in the marketplace. In fact, 20 businesses that received EDA assistance in 2010 chose to relocate operations to New Jersey from Pennsylvania, New York, California, North Carolina, Georgia, Tennessee and Maryland. In his FY2011 budget, Governor Christie made clear that supporting New Jersey's small business community is also a top priority. Despite the tight fiscal environment, the Governor reinstated funding for EDA's Main Street Business Assistance program, helping to support small and mid-sized businesses throughout the State through bank partnerships. The EDA's support of entrepreneurs and small business owners was further bolstered through its strategic partnership with UCEDC, a statewide not-for-profit economic development corporation. In 2010, UCEDC marked a lending milestone, providing over \$1 million in loans to minority-owned enterprises, women-owned businesses and start-up companies. Through its other lending programs, the EDA remained steadfast in its support of the State's manufacturing industry. In 2010, 34 manufacturing companies received more than \$22 million to maintain and grow their operations in New Jersey.

# 2010 Annual Report

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To support the Christie Administration's commitment to growing New Jersey's innovation economy, the EDA provided nearly \$49 million to 39 projects in the technology, life science and clean energy sectors. The EDA worked with the New Jersey Department of Environmental Protection (DEP) and the New Jersey Board of Public Utilities (BPU) to provide assistance to manufacturers of Class I renewable and energy efficiency technologies, as well as to those companies looking to reduce the cost of doing business by installing solar electric systems or combined heat and power production facilities at their business locations. The EDA continued to support the growth of technology and life science sectors, and completed the construction of 20,000 square feet of new wet lab space at the Waterfront Technology Center at Camden. The labs have already attracted A.J. Drexel Plasma Institute, which moved into over 10,550 square feet of the new space in September.

With a focus on revitalizing New Jersey's urban communities and restoring underutilized community assets, the Christie Administration has been instrumental in advancing redevelopment projects that create jobs, spur private investment and improve the quality of life for residents. To support this commitment, the EDA provided more than \$80 million in assistance to 140 projects in the State's urban areas that are expected to create over 2,530 new, full-time jobs.

Governor Christie also signed legislation creating the Fort Monmouth Economic Revitalization Authority. This Authority has been charged with implementing a comprehensive conversion and redevelopment plan that will address the Federal government's decision that will result in the closure of the post in September 2011.

In addition, large-scale urban redevelopment projects have been approved under the Urban Transit Hub Tax Credit and Economic Redevelopment and Growth (ERG) programs. When completed, the 18 projects approved to date are expected to lead to the creation of over 5,000 new jobs in East Brunswick, Egg Harbor, Elizabeth, Newark, New Brunswick, Jersey City and Somerville.

As we move ahead in 2011, the EDA looks forward to working with the Christie Administration as a key component of the Partnership for Action to build on the success of the past year. Our record of achievement in 2010 was a result of a talented and dedicated staff, a business philosophy that facilitates quick adaptability to marketplace changes, and productive partnerships with public, private and community organizations across the State. As we continue to cultivate an environment conducive to economic growth and prosperity, the EDA is committed to growing New Jersey's economy through financial assistance, facilitation and partnerships; optimizing internal workforce effectiveness to improve and strengthen the customer experience; and, advancing a financially sustainable business platform to ensure the Authority is able to meet the State's economic development needs.

We hope you take the time to review the pages that follow, which highlight the various ways the EDA supported and encouraged economic development in 2010. We invite you to visit [www.njeda.com](http://www.njeda.com) or the State's business portal at [www.NewJerseyBusiness.gov](http://www.NewJerseyBusiness.gov) to learn more about opportunities for business growth throughout New Jersey.



Al Koeppe  
Chairman of the Board



Caren S. Franzini  
Chief Executive Officer

# 2010 Results

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<b>EDA Results 2010</b>	
Projects Assisted	<b>377</b>
Total Assistance	<b>\$567.3 million</b>
Public/Private Investment	<b>\$1.4 billion</b>
Estimated New Permanent Jobs	<b>5,200</b>
Estimated Construction Jobs	<b>4,531</b>

<b>EDA Results 1974-2010</b>	
Projects Assisted	<b>10,780</b>
Total Assistance	<b>\$20.8 billion</b>
Public/Private Investment	<b>\$44.4 billion</b>
Estimated New Permanent Jobs	<b>309,857</b>
Estimated Construction Jobs	<b>318,817</b>

## **EDA Mission**

The New Jersey Economic Development Authority (EDA) is an independent State agency that serves as the State's "bank for business" by financing small and mid-sized businesses, administering tax incentives to retain and grow jobs, revitalizing communities through redevelopment initiatives, and supporting entrepreneurial development by providing access to training and mentoring programs.

# Promoting Business Growth and Expansion in New Jersey

With the leadership of the Lt. Governor and in partnership with the Business Action Center, the EDA helped to encourage the relocation of a variety of businesses from throughout the nation. In July, **Catapult Learning** relocated its corporate headquarters from Philadelphia to the Camden Waterfront, creating an estimated 80 new jobs in the State. Catapult, a national provider of educational services, executed a Business Employment Incentive Program (BEIP) grant worth approximately \$1.16 million over 10 years to support its move. A BEIP grant valued at \$156,975 also helped encourage **alice + olivia by Stacey Bendet** to open its new location in Secaucus. The clothing design company, which expects to create 70 new jobs in the State, recently moved to its new, 75,000-square-foot facility that will house warehouse and administrative operations.

Other companies like Atlantic Coast Media Group in Jersey City and Pinnacle Foods Group in Cherry Hill commenced expansion projects. **Atlantic Coast Media** executed a \$3.96 million BEIP grant tied to the consumer marketing company's plans to create over 300 new jobs in Jersey City and invest nearly \$1.2 million in New Jersey's economy. In September, the Lieutenant Governor was on hand to celebrate **Pinnacle Foods'** decision to open a 57,000-square-foot state-of-the-art facility at the Woodcrest Corporate Center in Cherry Hill. This project represents the private investment of more than \$6 million and will result in the creation of an estimated 90 new jobs and the retention of over 130 existing jobs. Pinnacle, a leading producer, marketer and distributor of high-quality branded food products, was awarded a \$920,000 BEIP grant and a \$182,600 Business Retention and Relocation Assistance Grant (BRRAG) to support its expansion and retention project.

EDA awards grants to qualified applicants for up to 10 years under the BEIP program. These grants can equal 10-percent to 80-percent of the total amount of State income taxes generated by the grantees' newly created jobs during the calendar year. The BRRAG program involves the utilization of corporation business tax credits (or insurance premiums tax credits as applicable) to businesses to encourage economic development and job creation while preserving existing jobs in New Jersey. Statutory revisions signed into law by Governor Christie in January 2011 enhance the effectiveness of this key incentive for businesses committed to retaining jobs in New Jersey.



**Pinnacle Foods Ribbon Cutting**

*Pictured (l-r): Debra DiLorenzo, Executive Director, Southern NJ Chamber of Commerce; Caren Franzini, CEO, NJ Economic Development Authority; Rob Andrews, U.S. Representative, 1st Congressional District; Bernie Platt, Mayor of Cherry Hill Township; Bob Gamgort, CEO, Pinnacle Foods Group LLC; Kim Guadagno, Lieutenant Governor, State of New Jersey; John Adler, U.S. Representative, 3rd Congressional District; Jim Beach, State Senator, NJ 6th Legislative District; Lou Greenwald, State Assemblyman, NJ 6th Legislative District; and, Kathy Davis, Deputy Executive Director, Southern NJ Chamber of Commerce.*

# Advancing Partnerships to Support Small Business

The EDA's work to fuel economic growth and job creation is bolstered by the Authority's strong relationship with New Jersey's banking community. In partnership with commercial banks, approximately 100 small and mid-sized companies and not-for-profit organizations across New Jersey received assistance under the State's small business lending and bond financing programs.



## Manhattan Maintenance Company

*Pictured (l-r): Nestor Callejas, Adeline Barnes, Taryn J. Peppo, TJ Barnes, Mari Mendez, and Tyrone Barnes.*

Fairfield-based **Manhattan Maintenance Company**, a woman- and minority-owned cleaning and janitorial services company, was able to refinance its mortgage, lower its debt service, increase its profit margins, expand into a new niche business line and create 15 new jobs with the help of a \$600,000 Provident Bank term loan that included a 25-percent Main Street Business Assistance Program participation. **Global Essence, Inc.** of Freehold closed on a refinancing package from TD Bank consisting of a \$2 million asset based line of credit and an \$800,000 term loan with a 25-percent participation and 33.33-percent guarantee under the Main Street program. Global Essence was incorporated in 1996 and acts as an importer and exporter of premium flavoring and fragrance ingredients. The woman-owned company operates from a 28,000-square-foot warehouse facility in Freehold.

The Main Street Business Assistance Program was advanced in order to help businesses in New Jersey access capital. The program provides capital to EDA to offer loan guarantees, loan participations and, for the first time in EDA's history, provide line of credit guarantees to eligible businesses.

The Small Business Fund is another way in which the EDA supports small and mid-size businesses in the State. An expedited approval process helps the Small Business Fund program provide below-market rate financing to eligible businesses through direct loans or guarantees, with the choice of a variable or fixed interest rate. Formed in 1910, **Galvanic Printing & Plate Co.** received a \$250,000 loan through the Fund to purchase a new press and expand its business capabilities. The Moonachie-based commercial printing company expects to maintain its staff of nearly 60 and create four new jobs. **Riding High Farm** of Allentown closed a \$290,000 Small Business Fund loan to support the not-for-profit organization's new Riding High Day Program, which serves the disabled community with training in equine care and farm management. Riding High expects to add three new positions to its staff of 11.



## Riding High Farm

*Located on Route 526 in Allentown.*

# Advancing Partnerships to Support Small Business

Through the New Jersey Business Growth Fund, the EDA partners exclusively with PNC Bank to support credit-worthy companies that are retaining or creating jobs in New Jersey. Small and mid-sized businesses may be eligible for up to a \$3 million PNC Bank loan with a 25-percent or 50-percent EDA guarantee. In 2010, the program supported 40 businesses across the State that expect to maintain more than 500 existing jobs and create nearly 160 new jobs. Companies that benefited include: **Romanelli's Garden Café**, a Galloway-based restaurant; and, Flemington-based **Mechanical Precision, Inc.**, a machine shop specializing in CNC machining, prototypes, precision welding, machine building, engineering and design. In early 2011, PNC announced it would double its financing commitment from \$25 million in 2010 to \$50 million in 2011.

An additional small business resource is the Preferred Lender Program, an EDA banking partnership which enables certain banks to utilize a streamlined loan approval process with the EDA, the result of which speeds the flow of capital to growing businesses in New Jersey. This program features a five-day turnaround time for loan approval and applies to transactions in which the EDA buys a participation in bank financing and/or guarantees a portion of a bank loan. The EDA's current Preferred Lenders include: The Bank, Bank of America, Capital One Bank, Citizens Bank, Columbia Bank, Cornerstone Bank, Peapack-Gladstone Bank, PNC Bank, Provident Bank, Roma Bank, Sovereign Bank, Sun National Bank, Susquehanna Bank, TD Bank, and Valley National Bank. Harrison-based **Envision Consultants, Inc.**, a woman-owned construction management consulting firm, received a \$590,000 Susquehanna Bank loan with a \$177,000 EDA participation to purchase and renovate an adjacent property in Gloucester County to support its expansion. Envision plans to add 11 new jobs to its existing staff of 15.



**Envision Consultants' Headquarters**  
*Harrison, Gloucester County*

Through the Preferred Lender Program, a number of manufacturing companies were supported in 2010. **Sisco Manufacturing Company** received a \$1.35 million Citizens Bank loan with a 30-percent EDA participation to acquire a building that will serve as its new corporate headquarters. This Pennsauken-based manufacturer and distributor of HVAC component parts expects to maintain its staff of 11 and create six new jobs. Incorporated in 1967, **Diamond Chemical Company** of East Rutherford is a family-owned manufacturer of laundry, floor care, housekeeping and industrial products. Through the Preferred Lender Program, the company received a \$1.5 million Valley National Bank loan with a 50-percent EDA participation to purchase and install equipment that will allow the company to make its own plastic bottles for internal production. Diamond Chemical plans to add 13 new positions to its staff of 190.

# Advancing Partnerships to Support Small Business

Sisco and Diamond Chemical represent two of the 34 manufacturing companies the EDA supported in 2010 through its various programs. **Weiss-Aug Co., Inc.**, a custom manufacturer of precision metal stamping, plastic insert moldings and customer assemblies, benefited from tax-exempt bond financing. The EDA is authorized by the Internal Revenue Service to serve as a conduit to issue tax-exempt private activity bonds to provide long-term, tax advantaged financing, with either a fixed or variable interest rate. Bond Financing gives eligible manufacturing companies and not-for-profit organizations access to low-cost, long term capital. East Hanover-based Weiss-Aug, which performs all of its precision metals and plastic molding manufacturing in New Jersey, received a \$3 million in tax-exempt bond proceeds to acquire new manufacturing equipment. The bond was directly purchased by TD Bank. The company expects to maintain its staff of 150 and create 30 new jobs.

In June, Lt. Governor Guadagno visited another manufacturing company that took advantage of tax-exempt bond financing – Carlstadt-based **Tribeca Oven**. The bread bakery and manufacturer received \$4 million in tax-exempt bonds to acquire a state-of-the-art thermal-oil oven that will reduce the company's energy bill by 25 percent and enable it to triple production. The bonds were directly purchased by Sun National Bank.

The EDA also teams with not-for-profit economic development corporations to leverage the resources available to aspiring entrepreneurs and business owners in New Jersey. In 2008, the EDA formed a strategic partnership with UCEDC to expand the array of training, technical and financial assistance services available to entrepreneurs and small businesses. Through this partnership, over \$1 million in loans were closed in 2010, marking one of UCEDC's highest levels of annual lending. In 2010, the partnership supported ten minority-owned enterprises, 19 women-owned firms and 14 start-up companies that are expected to create nearly 200 new jobs and retain over 230 existing jobs. Businesses that received assistance include **Prep Boyz, LLC**, an Elizabeth-based company that provides bed bug eradication preparation

services for homeowners and businesses. Owner Edward Roberts received personalized technical assistance to start his business, followed by a \$10,000 microloan in February to improve cash flow, purchase equipment and supplies, and better promote his company. He came back to UCEDC in December for a \$15,000 microloan, which enabled him to get a performance bond and a contract with the City of East Orange. Roberts has already added two new employees to his staff of eight.



**Prep Boyz**  
*Owner Edward Roberts*

The EDA also works in partnership with the New Jersey Small Business Development Centers (SBDCs) network, which is comprised of 11 centers across the State. Small business owners and entrepreneurs can use these centers to develop a business plan, create marketing strategies, learn principles of accounting and financial analysis and identify capital financing. In 2010, more than 4,900 clients were counseled by New Jersey's SBDCs and over 14,000 small business owners and entrepreneurs received training.

# Growing New Jersey's Innovation Economy

New Jersey's rich history of scientific research and discovery has had a profound impact on our State, our nation and throughout the world. In 2010, the EDA supported our thriving innovation economy by welcoming four new companies to the State and assisting over 100 expansion and retention projects in the technology, life science and clean energy sectors.

When **Otsuka America Pharmaceutical** was evaluating whether to expand its U.S. corporate headquarters in Maryland or establish a new facility in New Jersey, a State BEIP grant offered by the EDA worth an estimated \$1.4 million over ten years was a material factor in the pharmaceutical and medical device company's decision to locate in New Jersey. The company, a subsidiary of Japan-based Otsuka Pharmaceutical Co., Ltd., expects to create 50 new jobs and invest an estimated \$2.5 million in its new West Windsor-based facility.

After **Watson Pharmaceuticals, Inc.** determined that it would need a larger facility to accommodate its expected growth, it faced the choice of expanding at its corporate headquarters in California, or maintaining and growing its business in New Jersey. Lieutenant Governor Guadagno was instrumental in ensuring Watson remained in the State through her proactive outreach to the company. New Jersey's BEIP also proved again to be a powerful inducement. The EDA executed a 10-year grant worth an estimated \$3 million for Watson to remain and build its business in New Jersey. The company will expand into new administrative headquarters in Parsippany that will ultimately house approximately 500 employees. The company also executed a \$289,900 BRRAG to support the retention of 207 existing jobs in the State.



**Watson Pharmaceuticals**

*New administrative headquarters in Parsippany*

In addition to larger businesses, New Jersey's extensive incubator network has ensured the cultivation of promising young companies. In fact, the National Business Incubation Association (NBIA) announced in 2010 that they were formalizing their first affiliate relationship in the country with the New Jersey Business Incubation Network (NJBIN). This partnership will serve as a national model for the integration of global best practices in entrepreneurship, business incubation, access to capital, and job creation.

One new addition to NJBIN is **CGC Genetics**, a Portugal-based medical genetics testing laboratory that opened its U.S. headquarters at NJIT's Enterprise Development Center in Newark in April. A BEIP grant will support the creation of 15 new, high-paying technology jobs in the State. Formed in April 2007, **3D Biotek** is a biomedical device company that develops innovative technologies and devices for drug discovery and orthopedic applications. The company, which is located at the Commercialization Center for Innovative Technologies (CCIT) on the EDA's Technology Centre of New Jersey campus in North Brunswick, received a \$39,000 EDA loan to help support the development of a platform technology for producing bioactive 3D scaffolds for tissue/organ repair and regeneration.

# Growing New Jersey's Innovation Economy

CCIT and the Enterprise Development Center are two of 15 business incubation programs from around the world that have earned the Soft Landings International Incubator designation from the National Business Incubation Association. The honor recognizes incubators that have demonstrated success in helping non-domestic firms enter the U.S. market.



## CGC Genetics

*In May, Deputy Mayor of Economic and Housing Development Stefan Pryor, Councilman Augusto Amador, Consul General of Portugal in Newark Maria Amélia Paiva, CGC Genetics CEO Purificação Tavares, Portuguese Ambassador to the United States Joao de Vallera, and bcpbank Chairman and CEO Pedro Belo celebrated the addition of CGC Genetics to NJIT's Enterprise Development Center in Newark.*

Another important component of the EDA's support for technology and life science companies is the Technology Business Tax Certificate Transfer Program. Since 1999, New Jersey has allowed qualified biotechnology and technology businesses to sell unused net operating losses and R&D tax credits to unrelated profitable corporations. Proceeds can be used to finance growth and operations either as working capital or to fund research. In 2010, a \$30 million allocation was utilized by 77 emerging technology and life science companies.

Among those that benefited are Cranbury-based **Cornerstone Pharmaceuticals, Inc.**, a pharmaceutical company engaged in the discovery and development of innovative cancer treatment products and cancer therapies; **BlueNog Corp.** of Piscataway, an enterprise software and solutions company; Boonton-based **Unigene Laboratories, Inc.**, a biopharmaceutical company focusing on the oral and nasal delivery of large-market peptide drugs; and, **Songbird Hearing, Inc.**, a Sarnoff spin-off that develops and manufactures digital hearing aids out of its North Brunswick-based facility.

To support the Christie Administration's commitment to growing New Jersey's clean energy industry, the EDA's goals are to work in partnership with DEP and BPU to create and deploy incentives that encourage businesses to become more energy efficient and lower their operating costs; encourage manufacturing of these energy efficient technologies in New Jersey; and, grow the supply chain in the State. New Jersey's commitment to driving both the demand and supply in the energy industry has already been demonstrated in several ways.

Through the Clean Energy Manufacturing Fund (CEMF), the EDA, in partnership with BPU, offers up to \$3.3 million in the form of grants and loans for manufacturers of Class 1 renewable and energy efficiency technologies. Up to \$300,000 is available as a grant to assist with the manufacturing site identification and procurement, design and permits. Up to \$3 million is available as a loan to support site improvements, equipment purchases and facility construction and completion. One-third of the loan may convert to a performance grant if certain business and technology-based milestones are met.

# Growing New Jersey's Innovation Economy

Under CEMF, **Princeton Power Systems, Inc.**, a West Windsor-based company that is developing advanced power conversion technologies, received \$3.3 million to help it advance its second-generation grid-tied inverter. This project will leverage an estimated \$6.6 million in total public/private investment and the company expects to create 91 new jobs. Princeton Power's technologies, including AC-link™, provide a more reliable and cost-effective means for converting electric power cleanly and efficiently. Its newly opened facility on Washington Road is dedicated to manufacturing inverters and energy storage systems for alternative energy including solar, wind power, and smart grid applications.



## **Princeton Power Systems**

*Co-founder and Executive Vice President Darren Hammell (l) and Erik Limpaecher (r), Co-founder and Chief Technology Officer*

With the goal of reducing the amount of greenhouse gases produced in New Jersey, the Clean Energy Solutions Capital Investment Grant/Loan (CESCI) Program provided loans and grants to support commercial, institutional, and industrial entity end-use energy efficiency projects, CHP production facilities, and new state-of-the-art efficient electric generation facilities, including renewable energy applications. In 2010, EDA closed six projects for just over \$12.3 million in assistance that is expected to create 50 new jobs and leverage over \$30 million in private investment.

**Nautilus Solar** received a total of \$5 million to build the largest solar energy facility at a university in the United States. The 3.5 MW solar energy project will comprise of rooftop and parking lot solar installations on the campus of William Paterson University in Wayne. The system is estimated to save the University \$4.3 million in energy costs over the next 15 years and will provide 15 to 20 percent of the University's energy needs. This project is leveraging over \$15.5 million in total public/private investment and is expected to lead to the creation of an estimated 10 new jobs. The EDA also finalized assistance to **Hausmann Industries, Inc.**, a Northvale-based manufacturer of equipment primarily used in the healthcare industry. The \$670,000 loan helped the company purchase a 210kW solar electric system that is estimated to reduce greenhouse gas emissions by 3,212 metric tons over its 25-year life. Hausmann was the first in its industry to introduce a green line of "eco-friendly" treatment tables, carts and medial cabinetry for safer air quality and healthier patients. The company expects to add five new positions to its staff of 81 as it continues to expand in New Jersey.



**Hausmann Industries New Solar Electric System**  
*The company offers live renewable energy monitoring at [www.hausmann.com/green/liveupdates.html](http://www.hausmann.com/green/liveupdates.html).*

# Growing New Jersey's Innovation Economy

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In 2010, the EDA and BPU also launched the Clean Energy Solutions ARRA Combined Heat and Power (CHP) Program, a competitive solicitation that made project based grants available to commercial, institutional or industrial entities (including public and not-for-profit entities) in New Jersey with a CHP project. The federally allocated funding was available in an amount of \$450 per kW of installed electric generation. The EDA has approved six projects for nearly \$16 million in assistance. The projects are expected to leverage over \$92 million in capital investment. The projects approved for funding include:

- **ACB Energy Partners LLC**, which was approved for a \$3.2 million grant to establish a 7.965MW cogeneration plant to expand the District Energy Center in Atlantic City currently serving the Borgata Hotel and Casino;
- **ACR Energy Partners LLC**, which was approved for a \$3.2 million grant to construct a 7.965MW cogeneration facility to serve a new casino and development district in Atlantic City;
- **Anheuser-Bush**, which was approved for a \$3.2 million grant to establish a 7.965MW cogeneration plant at its Newark brewery;
- **DSM Nutritional Products** of Belvidere, which was approved for a \$4 million grant to purchase and install a 9.5MW cogeneration unit;
- **NRG Thermal Energy** of Plainsboro, which was approved for a \$1.9 million grant to establish a 4.6MW cogeneration facility that is part of an Energy Center it is developing to serve the new University Medical Center of Princeton at Plainsboro; and,
- **Ocean County College**, which was approved for a \$475,200 grant to support the construction of a 1.1MW gas engine generator at the college.

2010 also provided an opportunity for New Jersey to establish itself as a leader in offshore wind development. In June, Governor Christie signed a Memorandum of Understanding with the federal government and fellow East Coast governors to promote the development of offshore wind power. Additionally, three of the first five leases approved by the federal government to explore offshore wind projects are for tracts located off the coast of New Jersey. These projects are expected to yield 1,100MW of offshore wind and represent a long term commitment to implementing New Jersey's Energy Master Plan that will provide developers with a pipeline of projects.

In August, Governor Christie signed the Offshore Wind Economic Development Act to provide tax credits to support the development of offshore wind projects, as well as energy certificates that will provide the reliability needed to get qualified projects financed. Through the Act, the EDA's role will be to administer the tax credits to qualified businesses that construct manufacturing, assembly and water access facilities in support of offshore wind projects. Specifically, a business may be allowed a credit of 100 percent of its capital investment in a qualified wind energy facility, up to \$100 million. Eligible wind energy zones are defined in the statute as property located within the South Jersey Port District. To be eligible, businesses must make at least \$50 million in new capital investments and employ at least 300 new, full-time employees at the facility.

# Encouraging Investments in Urban Communities

The revitalization of New Jersey's cities is a major focus of the Christie Administration and a top priority of the EDA because it is critical to strengthening the State's economy and creating new job opportunities for residents. While urban areas have historically faced challenges in attracting private investment, EDA resources helped to stimulate more than \$245.6 million in leveraged investment in 2010. The 140 projects the EDA supported received just over \$81 million in assistance and are responsible for the retention of more than 4,640 existing jobs in the State. This assistance will also lead to the creation of an estimated 2,535 new, full-time jobs in New Jersey.

The EDA executed 14 BEIP agreements with companies that expect to create 1,630 new jobs and invest more than \$20 million in the communities of Camden, Jersey City, Newark, Montclair, Carteret, and Elizabeth.

**Oxford Instruments** was considering expanding at its existing Carteret facility or relocating to sites in Maryland and California. A BEIP grant valued at \$642,900 over ten years is helping to ensure this company remains and grows in New Jersey. Oxford, which develops and manufactures superconductors for the medical diagnostic market, expects to create 75 new jobs and invest more than \$6 million in its expansion project.

In May, Lieutenant Governor Guadagno celebrated **Pitney Bowes** new International Mail Distribution Center in Newark. The relocation and expansion project will lead to the retention of 180 existing jobs and the creation of an estimated 25 new jobs in the city. Pitney Bowes Mail Services is the nation's largest provider of presort services. The company executed a BEIP grant and a BRRAG agreement to support its \$5 million project. Prior to deciding to relocate to Newark, the company had been considering moving to a location in New York.



**Pitney Bowes**

*Lt. Governor Guadagno joined Pitney Bowes staff on a tour of the company's new International Mail Distribution Center in Newark following the ribbon cutting ceremony in May.*

# Encouraging Investments in Urban Communities

The Main Street program also proved to be an important tool for businesses in New Jersey's urban communities.

**Kids Palace Inc.**, a children's clothing, supplies and accessories retailer, received a \$500,000 working capital line of credit from Sun National Bank, which included a 50-percent Main Street guarantee. The company expects to maintain its staff of 15 at its location on Main Street in Paterson. Another business, **NexAge Technologies USA** of Woodbridge, is using its \$500,000 Bank of America line of credit, backed by a 50-percent Main Street guarantee, to meet working capital needs as it takes advantage of new business opportunities. This IT/software services firm, which is ranked among the Fast 50 Asian American Businesses, expects to create more than 25 new jobs in the next few years. Steel processing and distribution company **Camden Yards Steel** received a \$500,000 loan from the EDA in conjunction with \$1.3 million in financing from Sun National Bank. Camden Yards Steel, which is located at the Broadway Terminal industrial park complex on the Camden Waterfront, will use the loan for working capital. The company expects to maintain its staff of 28.



## **NexAge Technologies**

*A certified Minority Business Enterprise, NexAge Technologies offers technology and regulatory compliance consulting for the life sciences and health care industry; strategic IT consulting staffing; and, web-based work flow automation applications for small businesses.*

Twenty-three businesses in the State's urban areas benefited from the New Jersey Business Growth Fund in 2010, including **Jersey Gasoline Corporation**, a Woodbridge-based transporter of petroleum to gas stations throughout Central New Jersey; Asbury Park-based **Knock-Out Graphics, Inc.**, a woman-owned company that provides graphics and printing enhancement services to commercial businesses; and, **Happy Today and Bright Tomorrow**, a learning day care school in Union City. In total, the Fund, which is an EDA partnership with PNC Bank, is expected to create nearly 100 new jobs in New Jersey's cities and help lead to the retention of nearly 340 existing jobs.

In partnership with DEP, EDA manages the Hazardous Discharge Site Remediation Fund (HDSRF) to help restore contaminated properties in New Jersey, many of which are located in the State's urban communities.

In 2010, nearly 60 urban projects shared more than \$9.6 million in funding through HDSRF. EDA and DEP will reimburse \$375,000 of the anticipated \$500,000 in remediation costs associated with the \$15.2 million redevelopment of **Lion's Head Plaza** in Camden County. This project is part of a larger development planned for the communities of Somerdale and Magnolia, which involves the creation of a larger retail area across the two towns. The redevelopment is expected to create 80 construction jobs and 100 permanent jobs upon completion.

With a focus on revitalizing and restoring underutilized community assets, the EDA also has approved larger-scale urban redevelopment projects under the Urban Transit Hub Tax Credit and Economic Redevelopment and Growth (ERG) programs.

# Encouraging Investments in Urban Communities

The Urban Transit Hub Tax Credit Program, originally created in 2007, benefits a developer, owner, or tenant making a qualified capital investment within a designated Urban Transit Hub. Under the program, qualified businesses receive tax credits equal up to 100% of the qualified capital investments made within an eight year period. Total credits approved under this program are capped at \$1.5 billion, with \$150 million allocated towards residential projects which may receive a 20% credit. Businesses may apply for the tax credits within five years of the program's January 13, 2008 effective date and satisfy the capital investment and employment conditions within eight years of that date. Urban Transit Hubs are located within ½ mile of New Jersey Transit, PATH, PATCO, or Light Rail stations in Camden, (expanded to 1 mile), East Orange, Elizabeth, Hoboken, Jersey City, Newark, New Brunswick, Paterson and Trenton.

Since inception, 10 projects have been approved for a total of up to \$394 million under the Urban Transit Hub Tax Credit program. These projects, which span Elizabeth, Jersey City, Newark and New Brunswick, are expected to leverage more than \$962 million in private investment and lead to the creation of more than 1,400 new, permanent jobs and over 3,815 construction jobs. **RBH-TRB Newark Holdings** was approved for up to \$17.38 million under the program to support \$ Halsey Street Teacher Village project, which involves an estimated \$ 124.2 million in capital investment. The 368,993-square-foot development planned for downtown Newark will include workforce housing, three charter schools and a mix of retail amenities. Teacher Village is the first development phase in the SoMa Newark redevelopment plan, which consists of 12 square blocks and 15 million square feet of development in the city's downtown. When completed, Teacher Village is expected to create 450 construction jobs and 466 full-and part-time jobs. The project was also approved for up to \$20.5 million in tax reimbursements for up to 20 years under the ERG program.



## Rendering of Halsey Street Teacher Village

*The Teacher Village is located on both sides of Halsey Street, connecting the existing University Heights area with the Prudential Center and the rest of downtown Newark's existing core.*

The ERG Program provides incentives in the form of new State and local incremental revenues derived from a project to fund a part of the total project costs for which the developers cannot otherwise find financing. The program includes safeguards to ensure that there is a positive economic benefit to the State before project assistance is finalized. In order to be eligible, a financing gap must exist within the project and the overall public assistance provided to the project must result in net benefits to the municipality or State pursuant to a fiscal impact analysis conducted by EDA and approved by the State Treasurer. A financial review is required prior to approval of State and local assistance and a developer seeking an incentive grant is required to contribute its own capital for at least 20% of the project total cost.

# Encouraging Investments in Urban Communities

Since inception, 11 projects have been approved for a total of up to \$354 million under the ERG program. These projects encompass East Brunswick, Egg Harbor, Elizabeth, Jersey City, Newark Somerville, and Atlantic City and involve more than \$1.8 billion in private investment. They are expected to lead to the creation of 9,180 new, permanent jobs and over 7,200 construction jobs. **Saker ShopRites, Inc.** was approved for up to \$5 million for up to 20 years under ERG to support the development of a 70,000-square-foot supermarket in Somerville. The \$28.1 million project is expected to lead to the creation of 116 construction jobs and 155 permanent jobs. The project is located within a declared redevelopment area and will result in the municipality's first supermarket since 2007.

2010 also marked the creation of the **Fort Monmouth Economic Revitalization Authority (FMERA)**, a new Authority that was created to guide investment, continuity and economic growth to the three Monmouth County communities impacted by the federal government's decision to close Fort Monmouth. FMERA replaced the Fort Monmouth Economic Revitalization Planning Authority (FMERPA) and will advance that entity's Reuse and Redevelopment Plan for economic development, growth and planning, with a focus on technology-based industries. Per the statute, the EDA staffs FMERA and will serve as the redeveloper of the 1,127-acre property.

Fort Monmouth has been a significant presence in Monmouth County and New Jersey since it was established over 94 years ago, and a 2008 report completed by the New Jersey Department of Labor and Workforce Development shows that the base supported 22,000 jobs statewide. As such, the Fort Monmouth Reuse and Redevelopment Plan strives to balance development with the protection and enrichment of natural resources in order to establish a framework that emphasizes the creation of jobs, vibrant neighborhoods, and new housing opportunities. The mix of proposed uses for the site was determined through an extensive interactive process that focused largely on the master plans of Eatontown, Oceanport and Tinton Falls.

As staff to FMERA, EDA created an organizational structure to take on the redevelopment effort. The First FMERA Board meeting took place in September, and in November, Bruce Steadman was selected to serve as the Authority's Executive Director. Steadman is the former President and CEO of the Plattsburgh Airbase Redevelopment Corporation in Plattsburgh, NY, where he led and managed the redevelopment of the former Plattsburgh Air Force Base, totaling 3,500 acres. As FMERA takes the next steps in the closure and redevelopment process, it is critical to remember the enormity of the project and the 20-year timeframe that the Fort Monmouth Economic Revitalization Planning Authority envisioned to implement the comprehensive revitalization plan for the base.



**Fort Monmouth**

*The flags at Fort Monmouth are coming down in September 2011. The redevelopment of the 1,127-acre property will subsequently commence.*

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