NEW JERSEY URBAN ENTERPRISE ZONE AUTHORITY MEETING

WEDNESDAY, JANUARY 9, 2008

MARY ROEBLING BUILDING
SECOND FLOOR CONFERENCE ROOM NO. 218
TRENTON, NEW JERSEY

BEFORE:
KEVIN DRENNAN, Chairman
MARYILYN DAVIS
PAUL STRIDICK
ELIZABETH LINDSEY
PATRICIA BRUCK, DAG

J.H. BUEHRER & ASSOCIATES
2295 Big Enough Way
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CHAIRMAN DRENNAN: Good morning.

We are going to call the meeting to order.

Notice of this public meeting complies with the Open Public Meetings Act.

Forty-eight hours notice of this public meeting was sent by the way of the Secretary of State to the following newspapers:


Roll-call.

Elizabeth Lindsey?

MS. LINDSEY: Here.

CHAIRMAN DRENNAN: Kevin Drennan.

I'm here.

Paul Stridick?

MR. STRIDICK: Here.

CHAIRMAN DRENNAN: Marylin Davis?

MS. DAVIS: Here.

CHAIRMAN DRENNAN: I believe Louis Hurd and Ambar Abelaris are absent.

Of course, Patricia Bruck is here, our Deputy Attorney General.

Moving on to the approval of the September 12th and the December 27th minutes, I will take them
together.

MR. STRIDICK: So moved.

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: First by Mr. Stridick, seconded by Ms. Lindsey.

Any discussion?

Hearing none, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The ayes have it.

Moving on to new business, Asbury Park's Contract Amendment request for $7,500 for Asbury Works, UEZA 06-16, increasing the project from $25,000 to $32,500 for a thirty percent increase.

I think this was just added to the agenda.

MR. GILMOUR: Good morning.

CHAIRMAN DRENNAN: Good morning.

MR. GILMOUR: I'm here to ask for a
fairly substantial increase on a fairly small project.

However, what the increase is for, we have an organization in town called Asbury Works which works with our City residents as far as assisting them in getting employment not only with UEZ businesses but also other businesses within the City.

It is a very successful program that we have run for two years.

We have been fortunate to have space donated to us so we didn't have to pay any rent for the first two years, Brookdale Community College gave us space, but they have since moved out of the City and unfortunately we are in a very critical situation right now; we are going to get kicked out of the building we're in right now.

Brookdale has already left but the landlord is getting ready to kick us out.

We found another space in town which we will have to pay rent for.

I have a project on next month's agenda to utilize second generation funds to pay the lease at that property.

We put the contract amendment through in
the December meeting to change the type of service so that we could use funds in this project to pay for lease payments and that was approved.

I am asking now for an additional $7,500 to tide us over between now and next month when our other project gets on the agenda.

I was going to point something out.

During project review one of the concerns that came up about our second generation fund was that we also have a youth program that we run in conjunction with this that takes kids who are in the high school, provides them with job training programs, skills and actually places them in jobs.

But none of that work is done at our Asbury Works offices, all that work is done in the high school, so if there was a concern about the youth program being done at the facility, that will not happen; all of the work we do for the youth is in the high school.

As you can read there, we have been successful in placing two hundred forty City residents in permanent positions in the last two years, which I think is pretty phenomenal, and it is phenomenal because we really approach it as case work and, therefore, we have had very great success.
We work very closely with the Weave that is in Neptune, we have had a good relationship with them, we are not duplicating any services that they have there.

So my request is to help us outright now. We are in an emergency situation, quite frankly, because we need to be able to sign this lease and get ready to relocate the program.

If not we are going to probably have to close it down until we figure out what will happen next.

CHAIRMAN DRENNAN: Thank you.

I'll take a motion.

MS. LINDSEY: So moved.

MS. DAVIS: Seconded.

CHAIRMAN DRENNAN: First by Ms. Lindsey, seconded by Ms. Davis.

Discussion.

MS. BRUCK: You are saying that none of these funds will be dedicated toward the summer job program; is that right?

MR. GILMOUR: That's right.

MR. STRIDICK: Are any of these funds being used for relocation as well?

MR. GILMOUR: This request is all for
In the project which will be on the agenda for next month there will be two thousand dollars worth of relocation funds as part of that project, that's all second generation funds.

MR. STRIDICK: So to tide you over a month, there is a seventy-five hundred dollar lease payment?

MR. GILMOUR: There is no seventy-five hundred dollar lease payment, we're still negotiating that right now.

I think it probably will be about five thousand dollars but I just wanted to have some leeway there in case things don't happen next month.

MR. STRIDICK: Is that five thousand dollars kind of backspacing since Brookdale has left?

MR. GILMOUR: I know we haven't signed the lease yet so we haven't made any payments, we haven't made any commitments yet.

And right now we are just sort of praying, we are not paying any rent so we are going to get kicked out by the end of the month probably.

MR. STRIDICK: So the seventy-five hundred dollars is for lease payments for the existing
space?

MR. GILMOUR: No, new space.

MR. STRIDIC: New space that will roll over into next month's application?

MR. GILMOUR: That's correct.

CHAIRMAN DRENNAN: Without hearing any further discussion, I will take a vote.

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The ayes have it.

MR. GILMOUR: Thank you very, very much.

CHAIRMAN DRENNAN: The next item is Kearny's two request.

The first is for $164,505 for Kearny Clean
MR. FREISER: I have with me Jerry Kerr. The first application before you today is for $164,505 for Kearny Clean Project 2008. Essentially the project is going to provide funds to hire a laborer to operate a sidewalk cleaning machine which will be purchased with project funds as well as an individual who will be a Clean Neighborhood Program specialist or aide who will be working with merchants, certified businesses within the Urban Enterprise Zone, making sure that they observe this literally and also providing information about the UEZ program and monitoring operations within the UEZ. That is essentially what the project will consist of. It also will also provide landscaping upgrading in the Kearny Avenue UEZ. Kearny Avenue is Kearny's main shopping district. For those of you who are not familiar with Kearny, it is about a ten square mile town consisting of the Uplands, which is the area near the Passaic River where about 40,000 -- the residents live up there, and the rest of it is the
Meadowlands, a large industrial area.

The UEZ is concentrated in the Uplands and also extends into the South Kearny area.

Another element of this project is to also provide contracted street-sweeper services in the Kearny Urban Enterprise Zone in the industrial area called South Kearny.

That is essentially what the program consists of.

We would be happy to answer any questions.

CHAIRMAN DRENNAN: I'll take a motion.

MR. STRIDICK: So moved.

MS. DAVIS: Seconded.

CHAIRMAN DRENNAN: First by Mr. Stridick, seconded by Ms. Davis.

Discussion?

MR. STRIDICK: I would just like to see that the laborer has kind of a decent wage and the benefits that go along with that.

MS. DAVIS: What is the process for posting the position of laborer, how will you go about recruiting it?

MR. FREISER: It will be recruited through the Town's Personnel Office with public advertisements on the internet and on the public
bulletin board.

CHAIRMAN DRENNAN: Not hearing any further discussion, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

The second project for Kearny, $99,998 for Public Safety Project-Year 1.

MR. FREISER: This is a project that complements the 2008 Clean Project.

It essentially consists of adding two newly hired and trained Police Officers whose responsibility will be exclusively limited to the boundary areas of the Urban Enterprise Zone to provide increased public safety and presence during shopping hours.

It is interesting to point out that one of our newest Kearny businesses in the Zone is Wal-Mart, and there has been a significant increase
in the number of calls to the Police Department with regard to that business.

So with good increases in retailing also come the additional burdens of public safety, and both Mr. Kerr and Chief Gallier (phonetic) are available to answer any questions you may have about this project as well.

CHAIRMAN DRENNAN: I appreciate that.

I'll take a motion.

MS. LINDSEY: So moved.

CHAIRMAN DRENNAN: First by Ms. Lindsey.

Seconded?

MR. STRIDICK: Seconded.

CHAIRMAN DRENNAN: Seconded by Mr. Stridick.

Any discussion?

MR. STRIDICK: Again, with regard to the salary for the Police Officers, I think it is reasonable and I like the fact that it is at the lower end of the salary scale rather than at the higher end that sometimes we see, an imbalance there, so I appreciate that.

CHAIRMAN DRENNAN: All in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.
MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

Next is Pleasantville's two requests, the first is $136,250 for UEZ Property Acquisition Services.

Roger Tees?

MR. TEES: The Urban Enterprise Zone City Center Redevelopment plan has been in place for sometime.

In support of that we have been using UEZ funds to acquire properties that will be redeveloped at some point.

In has helped us to avoid the issues of relocation and having to have people be moved out of this redevelopment area because we are buying those properties vacant.

However, the costs leading up to actually putting together a property acquisition project have been substantial in that you need to have an attorney, you need to have title searches, surveys
and environmental investigations.

Previously we had been supporting that through the admin budgets, as you may know, but that is more restricted in the funds that are generated to use.

So we have written a project which we believe would be eligible to help us prepare the acquisition.

Right now we have eight to ten properties where we have either identified or started discussions with property owners and we would like to now use project funds to further acquire these properties and to do all these pre-acquisition work involving that.

CHAIRMAN DRENNAN: I'll take a motion.

MS. DAVIS: So moved.

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: First by Ms. Davis, seconded by Ms. Lindsey.

Discussion?

MR. STRIDICK: With regard to the legal work that needs to be done, is it, you have ten properties and each one is going to take sixty hours of time?

MR. TEES: We went back historically to the
eight or twelve properties we have already purchased
and rounded off an average amount of time for the
solicitor or other attorneys, we have McManaman and
Scotland also under contract.

So this is an average, this is an amount
not to exceed, we don't expect sixty hours for each
one, but some could be more difficult, so this would
be the average based upon historical data.

CHAIRMAN DRENNAN: Hearing no further
discussion, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried, the
aye's have it.

The second one for Pleasantville is
$125,000 for Rehabilitation Costs for 21 North
Franklin Boulevard.

MR. TEES: 21 North Franklin Boulevard is
properties that we acquired through the UEZ project
from the Southern Railroad Company, a former coal
gasification location in the City of Pleasantville.

These are properties that are in the City Center Redevelopment Area immediately adjacent to a large commercial laundry, and under a draft redevelopment agreement with that laundry they would be acquiring this property from us as well as using another contaminated site by South Jersey Gas.

We have identified soil contamination that needs to be removed. We have a remediation action work plan with the DEP, and so this covers the cost of the removal of that material and provides for groundwater testing just to make certain that there is nothing else underground before we put this property to the redeveloper.

CHAIRMAN DRENNAN: Thank you.

I'll take a motion.

MS. DAVIS: So moved.

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: First by Ms. Davis, seconded by Ms. Lindsey.

Any discussion?

Hearing none, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.
MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

Thank you.

Vineland's two Second Generation Fund requests, the first is for $135,000 for Economic Development Loan to RKS Holdings of New Jersey, LLC.

Jim Lelli.

MR. LELLI: The first one is for $135,000.

This is a mortgage for expansion of one of our existing businesses in our Industrial Park and in our UEZ Zone.

The total project is really a million seventy-six of which we are supplying one hundred thirty-five thousand.

Sun National Bank is providing nine forty-one.

A lot of that is refinancing which we don't get involved in.

This one hundred thirty-five really involves the cost of the new building and the new
CHAIRMAN DRENNAN: Okay, I'll take a motion.

MS. LINDSEY: So moved.

MR. STRIDICK: Seconded.

CHAIRMAN DRENNAN: First by Ms. Lindsey, seconded by Mr. Stridick.

Discussion?

Hearing none, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

CHAIRMAN DRENNAN: The second item for Vineland is $92,000 for Economic Development Loan to BK Park Avenue Realty, LLC.

MR. LELLI: That's a subsidiary of R.K. Chevrolet, one of our largest automobile dealers.

They decided they need to have their own body shop operation and that's what this is all about.
The total acquisition is three hundred seven. We are going to supply ninety-two thousand of that three hundred seven as a second mortgage on the property which allows them to be more profitable in their own business.

And this is one of the things where the sales tax of seven percent goes to the State of New Jersey, sharing.

That's it.

CHAIRMAN DRENNAN: I'll take a motion.

MR. STRIDICK: So moved.

MS. DAVIS: Seconded.

CHAIRMAN DRENNAN: First by Mr. Stridick, seconded by Ms. Davis.

Discussion?

MR. STRIDICK: I'm just trying to figure out, who has the first mortgage on this and did they do the ultimate underwriting on it?

It might be buried in here, I looked a couple of times but I just didn't see if it was a bank.

MR. LELLI: Let me see.

Yes, we had Sun National Bank on the first one, I'm not sure I can answer your question about the second one.
It is a bank, though, and it's probably the First People's Bank, that's probably the one that is doing this.

MR. STRIDICK: But it is a bank?
MR. LELLI: It is a bank. We don't require, the primary lender could be a finance company.

Normally we like to leverage our loans.

MR. STRIDICK: I was just curious.

CHAIRMAN DRENNAN: Any further discussion? Hearing none, all in favor?

MS. DAVIS: Aye.
MS. LINDSEY: Aye.
MR. STRIDICK: Aye.
CHAIRMAN DRENNAN: Aye.

Abstentions?
(No response.)

CHAIRMAN DRENNAN: Opposed?
(No response.)

CHAIRMAN DRENNAN: The aye's have it.

Along with that I will follow up that the two projects both need certification, as we discussed.

MR. LEILLI: Yes.

CHAIRMAN DRENNAN: The next item on the
agenda is the consent agenda which we will move in one motion, items 8 through 11 in one motion.

MS. DAVIS: So moved.

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: First by Ms. Davis, seconded by Ms. Lindsey.

Discussion?

Hearing none, all in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

Moving on to other business.

First, happy New Year to everybody.

Secondly, yesterday, I guess it was Monday, it came out of both houses of the Legislature, it's is a new bill that affected the UEZs with reference to the sales tax rebate program.

For the last two years or two and-a-half years the rebate program has been for point of
purchase business that was for a million dollars or below, everybody else had to do a rebate form.

The Legislature moved that threshold up to three million dollars as far as revenue. From my understanding, it creates just about a thousand new businesses State-wide into the point of purchase program versus the rebate program that the rest of the businesses will have to follow.

I just wanted to make that point, that that happened and the Governor hasn't signed it yet but we do expect the Governor to sign it.

AN UNKNOWN GENTLEMAN: Just a question.

Will it also include the aspect of the legislation if you have one business --

CHAIRMAN DRENNAN: No, it just raises that threshold level, changing it from one million to three million that was at one time discussed but they made it simple.

That's it. Any other discussion from the Board members or the public?

No, hearing none, I will take a motion to adjour.

MR. STRIDICK: So moved.

MS. DAVIS: Seconded.

CHAIRMAN DRENNAN: First by Mr. Stridick,
seconded by Ms. Davis.

All in favor?

MS. DAVIS: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: The aye's have it.

We are adjourned.
CERTIFICATE

I, William Sokol, Certified Shorthand Reporter of the State of New Jersey, License No. 30X100030700, and Notary Public of the State of New Jersey, do hereby certify that the foregoing is a verbatim record of the testimony provided under oath before any Court, Referee, Commission or other body created by statute of the State of New Jersey.

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WILLIAM SOKOL

Certified Shorthand Reporter

and Notary Public