

1 NEW JERSEY URBAN ENTERPRISE ZONE AUTHORITY MEETING

2 WEDNESDAY, JANUARY 9, 2008

3 MARY ROEBLING BUILDING

4 SECOND FLOOR CONFERENCE ROOM NO. 218

5 TRENTON, NEW JERSEY

6

7 B E F O R E:

8 KEVIN DRENNAN, Chairman

9 MARYILYN DAVIS

10 PAUL STRIDICK

11 ELIZABETH LINDSEY

12 PATRICIA BRUCK, DAG

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J.H. BUEHRER & ASSOCIATES
2295 Big Enough Way
Toms River, New Jersey 08755
(732)557-4755

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1 CHAIRMAN DRENNAN: Good morning.
2 We are going to call the meeting to order.
3 Notice of this public meeting complies
4 with the Open Public Meetings Act.
5 Forty-eight hours notice of this public
6 meeting was sent by the way of the Secretary of
7 State to the following newspapers:
8 The Star-Ledger, The Trenton Times, The
9 Trentonian, The Atlantic City Press, The Asbury
10 Park Press and the Bergen Record.
11 Roll-call.
12 Elizabeth Lindsey?
13 MS. LINDSEY: Here.
14 CHAIRMAN DRENNAN: Kevin Drennan.
15 I'm here.
16 Paul Stridick?
17 MR. STRIDICK: Here.
18 CHAIRMAN DRENNAN: Marylin Davis?
19 MS. DAVIS: Here.
20 CHAIRMAN DRENNAN: I believe Louis Hurd
21 and Ambar Abellaris are absent.
22 Of course, Patricia Bruck is here, our
23 Deputy Attorney General.
24 Moving on to the approval of the September
25 12th and the December 27th minutes, I will take them

1 together.

2 MR. STRIDICK: So moved.

3 MS. LINDSEY: Seconded.

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

6 Any discussion?

7 Hearing none, all in favor?

8 MS. DAVIS: Aye.

9 MS. LINDSEY: Aye.

10 MR. STRIDICK: Aye.

11 CHAIRMAN DRENNAN: Aye.

12 Abstentions?

13 (No response.)

14 CHAIRMAN DRENNAN: Opposed?

15 (No response.)

16 CHAIRMAN DRENNAN: The ayes have it.

17 Moving on to new business, Asbury Park's

18 Contract Amendment request for \$7,500 for Asbury

19 Works, UEZA 06-16, increasing the project from

20 \$25,000 to \$32,500 for a thirty percent increase.

21 I think this was just added to the

22 agenda.

23 MR. GILMOUR: Good morning.

24 CHAIRMAN DRENNAN: Good morning.

25 MR. GILMOUR: I'm here to ask for a

1 fairly substantial increase on a fairly small
2 project.

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

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

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

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

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

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

25 We put the contract amendment through in

1 the December meeting to change the type of service
2 so that we could use funds in this project to pay
3 for lease payments and that was approved.

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

7 I was going to point something out.

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

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

20 As you can read there, we have been
21 successful in placing two hundred forty City
22 residents in permanent positions in the last two
23 years, which I think is pretty phenomenal, and it
24 is phenomenal because we really approach it as case
25 work and, therefore, we have had very great success.

1 We work very closely with the Weave that
2 is in Neptune, we have had a good relationship with
3 them, we are not duplicating any services that they
4 have there.

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

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

12 CHAIRMAN DRENNAN: Thank you.

13 I'll take a motion.

14 MS. LINDSEY: So moved.

15 MS. DAVIS: Seconded.

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

18 Discussion.

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

22 MR. GILMOUR: That's right.

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

25 MR. GILMOUR: This request is all for

1 lease payments.

2 In the project which will be on the agenda
3 for next month there will be two thousand dollars
4 worth of relocation funds as part of that project,
5 that's all second generation funds.

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

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

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

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

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

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

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

1 space?

2 MR. GILMOUR: No, new space.

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

5 MR. GILMOUR: That's correct.

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

8 MS. DAVIS: Aye.

9 MS. LINDSEY: Aye.

10 MR. STRIDICK: Aye.

11 CHAIRMAN DRENNAN: Aye.

12 Abstentions?

13 (No response.)

14 CHAIRMAN DRENNAN: Opposed?

15 (No response.)

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20 CHAIRMAN DRENNAN: The ayes have it.

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22 MR. GILMOUR: Thank you very, very much.

23 CHAIRMAN DRENNAN: The next item is

24 Kearny's two request.

25 The first is for \$164,505 for Kearny Clean

1 Project 2008.

2 Joel Freiser.

3 MR. FREISER: I have with me Jerry Kerr.

4 The first application before you today is
5 for \$164,505 for Kearny Clean Project 2008.

6 Essentially the project is going to
7 provide funds to hire a laborer to operate a
8 sidewalk cleaning machine which will be purchased
9 with project funds as well as an individual who will
10 be a Clean Neighborhood Program specialist or aide
11 who will be working with merchants, certified
12 businesses within the Urban Enterprise Zone, making
13 sure that they observe this literally and also
14 providing information about the UEZ program and
15 monitoring operations within the UEZ.

16 That is essentially what the project will
17 consist of.

18 It also will also provide landscaping
19 upgrading in the Kearny Avenue UEZ. Kearny Avenue
20 is Kearny's main shopping district.

21 For those of you who are not familiar with
22 Kearny, it is about a ten square mile town
23 consisting of the Uplands, which is the area near
24 the Passaic River where about 40,000 -- the
25 residents live up there, and the rest of it is the

1 Meadowlands, a large industrial area.

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

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

8 That is essentially what the program
9 consists of.

10 We would be happy to answer any questions.

11 CHAIRMAN DRENNAN: I'll take a motion.

12 MR. STRIDICK: So moved.

13 MS. DAVIS: Seconded.

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

16 Discussion?

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

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

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

1 bulletin board.

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

4 MS. DAVIS: Aye.

5 MS. LINDSEY: Aye.

6 MR. STRIDICK: Aye.

7 CHAIRMAN DRENNAN: Aye.

8 Abstentions?

9 (No response.)

10 CHAIRMAN DRENNAN: Opposed?

11 (No response.)

12 CHAIRMAN DRENNAN: The aye's have it.

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

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

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

23 It is interesting to point out that one of
24 our newest Kearny businesses in the Zone is
25 Wal-Mart, and there has been a significant increase

1 in the number of calls to the Police Department with
2 regard to that business.

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

8 CHAIRMAN DRENNAN: I appreciate that.

9 I'll take a motion.

10 MS. LINDSEY: So moved.

11 CHAIRMAN DRENNAN: First by Ms. Lindsey.

12 Seconded?

13 MR. STRIDICK: Seconded.

14 CHAIRMAN DRENNAN: Seconded by Mr.
15 Stridick.

16 Any discussion?

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

23 CHAIRMAN DRENNAN: All in favor?

24 MS. DAVIS: Aye.

25 MS. LINDSEY: Aye.

1 MR. STRIDICK: Aye.

2 CHAIRMAN DRENNAN: Aye.

3 Abstentions?

4 (No response.)

5 CHAIRMAN DRENNAN: Opposed?

6 (No response.)

7 CHAIRMAN DRENNAN: The aye's have it.

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

11 Roger Tees?

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

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

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

22 However, the costs leading up to actually
23 putting together a property acquisition project have
24 been substantial in that you need to have an
25 attorney, you need to have title searches, surveys

1 and environmental investigations.

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

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

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

15 CHAIRMAN DRENNAN: I'll take a motion.

16 MS. DAVIS: So moved.

17 MS. LINDSEY: Seconded.

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

20 Discussion?

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

25 MR. TEES: We went back historically to the

1 eight or twelve properties we have already purchased
2 and rounded off an average amount of time for the
3 solicitor or other attorneys, we have McManaman and
4 Scotland also under contract.

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

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

11 MS. DAVIS: Aye.

12 MS. LINDSEY: Aye.

13 MR. STRIDICK: Aye.

14 CHAIRMAN DRENNAN: Aye.

15 Abstentions?

16 (No response.)

17 CHAIRMAN DRENNAN: Opposed?

18 (No response.)

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

21 The second one for Pleasantville is
22 \$125,000 for Rehabilitation Costs for 21 North
23 Franklin Boulevard.

24 MR. TEES: 21 North Franklin Boulevard is
25 properties that we acquired through the UEZ project

1 from the Southern Railroad Company, a former coal
2 gasification location in the City of Pleasantville.

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

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

16 CHAIRMAN DRENNAN: Thank you.

17 I'll take a motion.

18 MS. DAVIS: So moved.

19 MS. LINDSEY: Seconded.

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

22 Any discussion?

23 Hearing none, all in favor?

24 MS. DAVIS: Aye.

25 MS. LINDSEY: Aye.

1 MR. STRIDICK: Aye.

2 CHAIRMAN DRENNAN: Aye.

3 Abstentions?

4 (No response.)

5 CHAIRMAN DRENNAN: Opposed?

6 (No response.)

7 CHAIRMAN DRENNAN: The aye's have it.

8 Thank you.

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

12 Jim Lelli.

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

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

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

20 Sun National Bank is providing nine
21 forty-one.

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

24 This one hundred thirty-five really
25 involves the cost of the new building and the new

1 businesses that will come into it.

2 CHAIRMAN DRENNAN: Okay, I'll take a
3 motion.

4 MS. LINDSEY: So moved.

5 MR. STRIDICK: Seconded.

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

8 Discussion?

9 Hearing none , all in favor?

10 MS. DAVIS: Aye.

11 MS. LINDSEY: Aye.

12 MR. STRIDICK: Aye.

13 CHAIRMAN DRENNAN: Aye.

14 Abstentions?

15 (No response.)

16 CHAIRMAN DRENNAN: Opposed?

17 (No response.)

18 CHAIRMAN DRENNAN: The aye's have it.

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

22 MR. LELLI: That's a subsidiary of R.K.
23 Chevrolet, one of our largest automobile dealers.
24 They decided they need to have their own body shop
25 operation and that's what this is all about.

1 The total acquisition is three hundred
2 seven. We are going to supply ninety-two thousand
3 of that three hundred seven as a second mortgage on
4 the property which allows them to be more profitable
5 in their own business.

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

9 That's it.

10 CHAIRMAN DRENNAN: I'll take a motion.

11 MR. STRIDICK: So moved.

12 MS.DAVIS: Seconded.

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

15 Discussion?

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

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

22 MR. LELLI: Let me see.

23 Yes, we had Sun National Bank on the first
24 one, I'm not sure I can answer your question about
25 the second one.

1 It is a bank, though, and it's probably
2 the First People's Bank, that's probably the one
3 that is doing this.

4 MR. STRIDICK: But it is a bank?

5 MR. LELLI: It is a bank. We don't
6 require, the primary lender could be a finance
7 company.

8 Normally we like to leverage our loans.

9 MR. STRIDICK: I was just curious.

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

12 MS. DAVIS: Aye.

13 MS. LINDSEY: Aye.

14 MR. STRIDICK: Aye.

15 CHAIRMAN DRENNAN: Aye.

16 Abstentions?

17 (No response.)

18 CHAIRMAN DRENNAN: Opposed?

19 (No response.)

20 CHAIRMAN DRENNAN: The aye's have it.

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

24 MR. LEILLI: Yes.

25 CHAIRMAN DRENNAN: The next item on the

1 agenda is the consent agenda which we will move in
2 one motion, items 8 through 11 in one motion.

3 MS. DAVIS: So moved.

4 MS. LINDSEY: Seconded.

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

7 Discussion?

8 Hearing none, all in favor?

9 MS. DAVIS: Aye.

10 MS. LINDSEY: Aye.

11 MR. STRIDICK: Aye.

12 CHAIRMAN DRENNAN: Aye.

13 Abstentions?

14 (No response.)

15 CHAIRMAN DRENNAN: Opposed?

16 (No response.)

17 CHAIRMAN DRENNAN: The aye's have it.

18 Moving on to other business.

19 First, happy New Year to everybody.

20 Secondly, yesterday, I guess it was

21 Monday, it came out of both houses of the

22 Legislature, it's is a new bill that affected the

23 UEZs with reference to the sales tax rebate program.

24 For the last two years or two and-a-half

25 years the rebate program has been for point of

1 purchase business that was for a million dollars or
2 below, everybody else had to do a rebate form.

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

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

12 AN UNKNOWN GENTLEMAN: Just a question.

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

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

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

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

23 MR. STRIDICK: So moved.

24 MS. DAVIS: Seconded.

25 CHAIRMAN DRENNAN: First by Mr. Stridick,

1 seconded by Ms. Davis.

2 All in favor?

3 MS. DAVIS: Aye.

4 MS. LINDSEY: Aye.

5 MR. STRIDICK: Aye.

6 CHAIRMAN DRENNAN: Aye.

7 Abstentions?

8 (No response.)

9 CHAIRMAN DRENNAN: Opposed?

10 (No response.)

11 CHAIRMAN DRENNAN: The aye's have it.

12 We are adjourned.

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C E R T I F I C A T E

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.

I am not related to any parties involved in this action; I have no financial interest nor am I related to an agent of or employed by anyone with a financial interest in the outcome in which this transcript was taken; and furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto or financially interested in the action.

WILLIAM SOKOL

Certified Shorthand Reporter
and Notary Public

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