NEW JERSEY URBAN ENTERPRISE ZONE AUTHORITY MEETING

WEDNESDAY, MARCH 12, 2008

MARY ROEBLING BUILDING

SECOND FLOOR CONFERENCE ROOM NO. 218

TRENTON, NEW JERSEY

BEFORE:
KEVIN DRENNAN, Chairman
AMBAR ABELAR
PAUL STRIDICK
ELIZABETH LINDSEY
TANESHA NASH LAIRD
LOIS CUCCINELLO
PATRICIA BRUCK, DAG

J.H. BUEHRER & ASSOCIATES
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CHAIRMAN DRENNAN: Notice of this public meeting was sent by way of the Secretary of State to the following newspapers: The Star-Ledger, The Trenton Times, The Trentonian, The Atlantic City Press, The Asbury Park Press and the Bergen Record.

Roll-call.

Mr. Abelar?

MR. ABELAR: Here.

CHAIRMAN DRENNAN: Ms. Lindsey?

MS. LINDSEY: Here.

CHAIRMAN DRENNAN: Ms. Laird?

MS. LAIRD: Here.

Chairman Drennan: I'm here.

CHAIRMAN DRENNAN: Ms. Cuccinello?

MS. CUCCINELLO: Here.

CHAIRMAN DRENNAN: Paul Stridick will be late, and we have Patricia Bruck, Deputy Attorney General from the Attorney General's Office.

Moving on to the approval of the minutes from February 13, our last meeting, I will take a motion.

MS. LINDSEY: So moved.

CHAIRMAN DRENNAN: First by Ms. Lindsey.

MR. ABELAR: Seconded.

CHAIRMAN DRENNAN: Seconded by Mr. Abelar.
Any discussion?

Hearing none, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

The first item is Camden's request for $484,152 for Special Service District-Clean Team-Year 1.

Vincent Basara?

MR. BASARA: I have with me Steve Dragos from the Partnership and Mike Baccile from Services, Inc.

Good morning.

My name is Vince Basara. I am the Coordinator for Camden.

Camden today is requesting $484,152 from UEZ to pay for the Camden Special Service District Clean Team.
The funds will be used to pay for salaries and benefits of twelve full-time employees, one supervisor and three seasonal staff.

The funds will also be applied to purchasing new equipment such as uniforms and basic cleaning supplies.

The Clean Team will be responsible for providing street cleaning and allied services in five corridors, that would be (inaudible)Square, Haddon Avenue, Federal Street, River Road and Broadway.

Like I said, I have Steve Dragos from the Greater Camden Partnership and Mike Baccile from Services, Inc., who will give you a brief presentation and answer any questions that you have.

MR. DRAGOS: My name is Steven Dragos, I am with the Greater Camden Partnership, which is a Camden based not for profit organization working for Camden's revitalization.

We have undertaken some very interesting and productive activities in the City of Camden over the five or six year term of the Greater Camden Partnership, the most successful perhaps is the creation of the Camden Special Services District which has been functioning in the downtown area for
about two and-a-half years.

We decided sometime ago that Camden's revitalization starting with the downtown area would not be successful without a very active and energetic Clean and Safe Program.

In Camden we have hospitals, universities, Camden County College, ERPA, waterfront development, a whole bunch of things that are very beneficial and very successful in the downtown area, but the question has always been will people come to downtown, will businesses reinvest in the downtown area, will students come to Rutgers University and so forth.

So we formed the Camden Special Services District in a somewhat unique way because we have very few ratables in the downtown area.

We formed the Special Services District with voluntary contributions from more than twenty institutions in the City, and for about two and-a-half years now we have funded this with $500,000 in voluntary contributions.

We were able to get some funds from the Economic Development Authority as well to purchase equipment and we with that money hired Service Group, Inc., which is a vendor for the program, we
hired thirteen people full time.

At this point I think by all accounts you will find downtown Camden clean and much safer than it ever has been.

It has been a real success story in Camden and we are delighted to be part of it but that's not the whole story.

We have a city of eight or nine square miles and we have several corridors, commercial corridors in center city that need just as much attention as the downtown area.

What we are proposing to do with the support of the city and all of our members is to extend the clean and safe services into five corridors.

To do that we need additional financial support. What we are able to contribute to this, which I think is useful, is that we have funds from EDA and our own sources to purchase any heavy equipment that we need and we can use the equipment that we already purchased to continue the services from where we are today.

In addition to that we have an overall project manager who has been working with us for two and-a-half years who will continue to be the project
manager for the entire effort. But we need to hire
additional people; that's pretty much the long and
short of the story.

If I may pass out a brochure which will
save us a lot of talking, that is, first of all you
see the uniformed people on the inside of the
brochure who are on staff right now. We have
thirteen full-time people and a project director who
are on staff today and we will expand that staff.

The second part of this, on the back of
this list is the management board and supporting
organizations, and I'm pleased to say that the
management board includes the chief operating
officer of the city, the Mayor of the City of
Camden, the Freeholder Directors of Camden County
and representatives of major institutions including
hospitals and the university are all on the
management board.

The management board meets monthly, and I
have to say that these people actually come to the
meetings, this is not a ceremonial task but
something they take to heart, they are very
concerned and very much hands-on.

They will continue to be the management
board for the expansion of the service area should
you favorably consider our request.
That's pretty much the long and short of it. I will be happy to answer any questions you might have.
You might want to hear from Mike Baccile who is principal of the firm, Service Group, Inc.
MR. BACCILE: Thank you.
My name is Mike Baccile and I represent Service Group, Incorporated.
We are a medium-sized firm that provides clean, safe programs to downtown districts throughout the United States.
I have made up some handouts which I will not go through thoroughly, you can read them at your leisure.
We are here to provide augmented clean and safe programs for five neighborhoods.
We have had success for about two and-a-half years now in downtown Camden but but we also provide services locally to Trenton, obviously Camden, Atlantic City, and also providing safe services to the Patco (phonetic) Heights Speed Line.
Our initiative is to hire twelve full-time employees. Those full-time employees will be one hundred percent Camden residents, they will be local
residents from the neighborhood. If we can we will
look to hire them from Work Force programs, Return
to Work programs.

We will be referred from the local
resident civic associations and transition
associations.

We want to clean up, we want to pull
trash, we want to pull weeds we want to clean up
graffiti, we want to remove gum.

We have been successful in Camden, you can
see the results.

Please at your leisure go through our
handouts, but we would like to clean up those five
neighborhoods also.

Thank you.

MS. BRENNAN: I’m Sue Brennan, executive
director of Fairview Ministry.

In the course of the last six years
Fairview has been undergoing a forty-two million
dollar restoration and redevelopment, and although
we have come a long way, the Clean and Safe
initiative is and has been the missing component as
to the best efforts of the community and from a
business perspective.

We have everyone to the plate and yet the
daily maintenance of our commercial corridor is something that has been lacking, and so we feel as though this project would be a huge benefit and a critical component for the continued revitalization of the neighborhood and commercial corridor business community and the residents and we look forward to working with the initiative.

MR. BASARA: I have support letters from community based organizations.

CHAIRMAN DRENNAN: I will take a motion.

MS. LINDSEY: So moved.

CHAIRMAN DRENNAN: First by Ms. Lindsey,.

MS. LAIRD: Seconded.

CHAIRMAN DRENNAN: Seconded by Ms. Laird.

Discussion?

MR. ABELAR: What is the starting salary?

MR. BACCILE: Nine-fifty an hour.

MS. LINDSEY: You have $5,000 for benefits. What benefits would the employees receive?

MR. BACCILE: They would receive sick pay, vacation pay and and holiday pay.

MS. LINDSEY: There are no medical benefits?

MR. BACCILE: For the supervisor there will
be medical benefits.

MR. ABELAR: The starting salaries are low.

MR. DRAGOS: Perhaps I can answer that. We have, as I said, hired Service Group, Inc., to be our contractor. The salaries were set based on what we felt it was worth in the community.

We run this like a business and our contributions, which I glossed over as being contributions, actually in about six or eight cases require contracts for the distribution of funds.

We have a contract with the city, we have a contract with the county, we have a contract with the USGSA, we have a contract with the Adventure Aquarium, with New Jersey Transit, et cetera, they are all approved salaries.

And in the case of the Federal Government, the USGSA, they actually had to issue, I'm not sure what the word is, but they have a chart of salaries, we didn't fit into any category, they had to approve our salary ranges going in.

I can only say that we cleared the salary ranges with them.

There is always a chance for advancement.

The salaries range from about nine-fifty to about
eleven-fifty, and I'm happy to say that of the
fourteen or fifteen people we had hired originally
we have about half of them that we still employ as
original employees and they have moved up the
ladder.

Also, I would like to make the comment
that we see this -- for many people this is
transitional employment and a few of our people have
moved on to careers in higher education, and that's
what we want to do, is to help people, to give them
a chance to get a work ethic and to succeed and move
on from there.

MR. ABELAR: I thank you very much for
your presentation, it was very good.

MS. LINDSEY: One more question.
I'm reading this and it says that the
salary range is seven-fifty to nine dollars; is that
incorrect, is the correct salary range nine-fifty to
eleven dollars?

MR. BACCILE: I have to check. I was not
aware that I needed to bring the financial records
with me.

MR. DRAGOS: The seven-fifty was the
original salary range but we moved it up from there,
that was two and-a-half years ago.
MS. CUCCINELLO: I'm sure you are aware that the Camden County One Stop is a good resource for hiring those individuals and we would like to encourage you to work with One Stop in that area and also work very hard to make sure that the underemployed, people with disabilities, veterans, ex-offenders, this is a transitionary situation and this is a good first job for many of those in the population.

Also, it appears that you are using this to augment the existing Department of Public Works. Certainly I would like to assume that this would not have a negative impact on the jobs currently being performed by the DPW and result in lay-offs in that Department.

MR. DRAGOS: I would like to respond to your first comment.

I am pleased to say that we went to the Work Force Investment Board originally and they provided us with sixty applicants virtually overnight and we hired from that block or group in the first week.

And we have gone back to them, I spoke with the new director of the Work Force Investment Board just yesterday saying that if we get this
contract we will be back talking to him about
applicants for the job.

In terms of the work-product, what we
found in downtown, and probably didn't notice in the
beginning, is that there are areas that are sort of
no man's land that nobody maintains.

We discovered a major median in the city,
Martin Luther King Boulevard, which is lushly
planted with trees, but nobody maintained it.

We talked to the Public Works Department.
It wasn't really something that they wanted or could
do with their force; we have taken that over.

Any small part or triangle or median in
the downtown area we have taken care of: nobody
trimmed the trees, we trim the trees and pull the
weeds.

And with USGSA, by the way, one of our
contract requirements is that we plant and maintain
thirty planters outside of the Federal Courthouse
and U.S. Post Office.

So there are a lot of things that you
think will get done by somebody and it turns out
they weren't getting done by anybody.

CHAIRMAN DRENNAN: Any further discussion?
Hearing none, all in favor?
Mr. Abelar: Aye.

Ms. Lindsey: Aye.

Ms. Laird: Aye.

Ms. Cuccinello: Aye.

Chairman Drennan: Aye.

Abstentions?

Mr. Stridick: I will abstain since I missed a portion of the presentation.

Chairman Drennan: Opposed?

(No response.)

Chairman Drennan: Motion carried.

Mr. Basara: I want to thank the staff for all their help, thank you.

Chairman Drennan: The next item is Irvington's two requests, the first is $306,168 for Clean Team/Clean Community Initiative Phase III, Cassandra Chatman.

Mr. Brown: My name is Ronald Brown, with me is Cassandra Chatman.

We are requesting $306,168 for the continuation of our Clean Team/Clean Community Initiative Phase III.

This is an ongoing project which focuses on cleaning and maintaining the UEZ area, the retail sector of our UEZ.
We find that litter is a major problem for the shoppers and we also recognize that if you are going to shop in our district you want to shop in a clean and safe environment, and that's why we have this as a continuing project.

We recognize that without having a place where people can shop and feel that they are going to experience a clean environment they are not going to come to our town.

We are densely populated. We have on record sixty thousand people by census but we also recognize we have seventy thousand people in a 2.8 square mile area.

We have shoppers coming in from all the communities, the towns which connect with us are Newark, Irvington, East Orange, and we want to make sure that people come in and spend their money in an environment that will make our retail sector grow, and that's why we are here.

CHAIRMAN DRENNAN: I'll take a motion.

MR. ABELAR: So moved.

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: First by Mr. Abelar, seconded by Mr. Lindsey.

Discussion?
MR. ABELAR: How much is the hourly starting salary?

MS. CHATMAN: I believe twenty-two thousand, those are set by the DOP, so I believe that's twenty-two, that's a basic laborer.


MR. BROWN: I can't give you the hourly but we have DPW has a scale for starting and for maxing out.

MR. ABELAR: I thought I saw something about twelve-fifty; is that right?

MS. CHATMAN: That sounds about right.

MR. ABELAR: That's very good compared to the prior applicant, Camden.

MR. BROWN: We know they were starting out with seven, now they are up to ten or eleven dollars; they are going to have to go to that, it's the cost of living.

MS. LINDSEY: I also want to commend you for the medical benefits.

MR. BROWN: We have to take into consideration we are living in the East Coast area and the cost of living is very high just to maintain in this area.

CHAIRMAN DRENNAN: Thank you.
I'll take a motion.

(Inaudible.) CHAIRMAN DRENNAN:

All in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

The next item is Irvington's request for $122,423 for Marketing/Business Attraction and Retention Phase III.

MS. CHATMAN: The first marketing project I believe was four years ago basically was concentrated on getting people to take a look at Irvington.

In the second marketing project we sought to really go out there to try to attract business and we knew we needed materials to do that, so that was our focus there.
And again, it works. We have businesses now that had never looked at Irvington before, we have a new I-HOP that's there that employs I believe a hundred--

MR. BROWN: They started with a hundred, I believe there may be one hundred and ten people for a twenty-four hour a day business.

MS. CHATMAN: Exactly.

Walgreen is very interested and we just had a meeting with Wyndam Hotels, we have made a concerted effort with regard to these businesses.

Latisha Bolderon (phonetic) is the marketing person. Originally I was hired to be the marketing person and then moved to be the coordinator, so I am very pleased with the progress that she has made.

Also a few of her other commitments was for her to attract businesses, and she was successful in doing that. We signed up an additional twenty-six businesses. However, with some of the changes a lot of businesses have dropped out, but we are looking to get them back on-board again.

So that is the marketing project.

CHAIRMAN DRENNAN: Thank you.

I will take a motion.
MR. STRIDICK: So moved.

CHAIRMAN DRENNAN: First by Mr. Stridick.

MS. CUCCINELLO: Seconded.

CHAIRMAN DRENNAN: Seconded by Ms. Cuccinello.

Discussion?

MS. LINDSEY: Can you tell me what the project manager does? I just wasn't sure exactly what your role on this project would be.

MS. CHATMAN: Mr. Brown along with Latisha Bolderon has gone out to start up businesses. He works with Latisha because he is Latisha's supervisor, and he is also involved with the other aspects of business attraction, so he is really involved more so than I am in terms of business, of attracting people in terms of economic development.

MR. STRIDICK: At its most active point how many businesses did you have in the UEZ?

MS. CHATMAN: Probably about one hundred thirty at one point.

MR. STRIDICK: And then the twenty-six are in the current ninety-eight?

MS. CHATMAN: correct.

MR. STRIDICK: So you actually dropped
MS. CHATMAN: We did.

CHAIRMAN DRENNAN: In your proposal you have a line item for the League of Municipalities. Last year the policy directed from the Governor's Office was that State money wasn't going to be used to pay for accommodations, and you have that in here.

MS. CHATMAN: Yes.

CHAIRMAN DRENNAN: I mean at this time we don't have a policy but we did have a direction as of last year and there was some concern because in essence you are using State dollars for registration and attendance and travel to and from. And again, that's not my policy but the policy directed to us.

So you are looking to have those accommodations paid for with UEZ funds?

MS. CHATMAN: If you are saying we can't do that then obviously we won't do that, it is only if it is allowed.

CHAIRMAN DRENNAN: Okay, again, with that note, we appreciate that.

Any further discussion?

Thank you.
All in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

Jersey City's request for $125,000 for Rising Tide Capital Grant-Year 1.

Roberta Farber?

MS. FARBER: Good morning, everyone.

This request is for $125,000 for Rising Tide Capital which is entrepreneurial training program in Jersey City.

The building that they are in is owned by the Martin Luther King Partnership, which is the Jersey City Economic Development Corporation, and they have trained one hundred and eighty-nine persons since they've opened their doors, they have fifty-two graduates and twenty-seven are doing
business plans and are in businesses thirteen are in planning stages.

We are looking for funding to assist them with their goal of creating more businesses for Jersey City.

There is a waiting list of two hundred fifty persons at this time for the entrepreneurial training program.

CHAIRMAN DRENNAN: I will take a motion.

MR. STRIDICK: So moved.

CHAIRMAN DRENNAN: First by Mr. Stridick.

MS. CUCCINELLO: Seconded.

CHAIRMAN DRENNAN: Seconded by Ms. Cuccinello.

Any discussion?

Hearing none, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?
(No response.)

CHAIRMAN DRENNAN: Motion carried, thank you very much.

The next item is Lakewood's request for $250,000 for Cooperative Advertising Program-Pilot.

Mr. Corby?

MR. CORBY: I am with Menachem Friedman who is the initiative coordinator for this program. We are looking to start a pilot program and it is looking to target small businesses, start-up businesses, into the UEZ area.

It is also aimed at giving us an opportunity to see if such a program would be successful in terms of our future involvement. This is a one year limited amount of money put aside for a targeted group of businesses to help promote the business activities through the cooperative advertising program.

CHAIRMAN DRENNAN: I'll take a motion.

MS. CUCCINELLO: So moved.

MS. LINDSEY: Seconded.

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

Discussion?

MR. STRIDICK: Can you explain a little
bit about the award process, how are you vetting an award from the applications that you get?

MR. CORBY: We have a finance committee and they are familiar with the level of the activities of given businesses.

We also have the board itself which has the final say, but the application process is supposed to come through the office, there is a finance committee, they would have some knowledge of that type of business as well.

I don't know if you're aware of it but there are certain advertising standards throughout the country that you can fit let's say a clothier with the type of percentage of their business that they should be spending on advertising and what kind of results they have, it is a kind of a model for individual businesses, appliance stores or clothiers.

So we have that information as well. If somebody says give me fifty thousand dollars when we know that the business is grossing five hundred thousand dollars, and so you would know whether that percentage is in line, that type of business maybe should be spending four percent; there is a standard for that.
MR. STRIDICK: And then the final award would be made by the board?

MR. CORBY: By the board.

CHAIRMAN DRENNAN: Any further discussion?

Hearing none, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

Thank you.

Millville's request for $340,000 for Economic Development Grant (Phase III) Groupe SEB(T-Fal).

Don Ayres?

MR. AYRES: This is the second phase of a project that actually we began negotiating in 2004 and the first UEZ project was approved in 2005.

At the time we had Groupe SEB and T-Fal
at that time had a 640,000 square foot distribution center in Millville, the business was declining and we were negotiating over several months as to how we could solidify the operation in Millville.

The result of that was to try to move the Krupp's product which they had recently acquired for distribution from Loredo, Texas, by offering a grant to offset one year's sales differential from the manufacturing points in Mexico and the Far East.

We did not have enough funds for a one time grant. Also we wanted to monitor at the time the commitment to the City of Millville, given that amount of money.

It was split into three grants, solidifying the operation and moving the Krupp's product to Millville and we requested that the sales service division move to Millville also.

I am happy to report that those things have happened. In addition, other product lines that they have since acquired have moved into the Millville distribution center. It's doing much better, it is profitable, some of the lines are going great guns, they are expanding into what they see is their future, which is more electric appliances.
They recently acquired All-Clad which is manufactured and distributed out of Pittsburgh.

Our future focus, we feel comfortable, now we are going through the second part of that previous commitment and our future goal is to get the All-Clad distribution into Millville and also to take the retail operation and warehouse and get that into our Downtown Arts District.

They have outlet stores in Europe principally in the resort areas that do exceedingly well, and Mayor Quinn and I will be meeting with Mr. Manny Cortez who is the North American operations vice-president on the 27th, and at that time we will try to accomplish the expansion of the distribution center, the All-Clad operation possibly moving, and also to move into our Downtown Arts District their retail outlet center.

That's the background and what our future aspirations are for this and why we are willing to commit such a large amount of grant money to this operation.

CHAIRMAN DRENNAN: I'll take a motion.
MS. CUCCINELLO: So moved.
MS. LINDSEY: Seconded.
CHAIRMAN DRENNAN: First by Ms. Cuccinello,
seconded by Ms. Lindsey.

Discussion?

MS. LAIRD: How receptive have they been to moving that operation to downtown?

MR. AYRES: They have formed a committee to work with our Downtown Development Corporation on a location. Mr. Cortez has said that the numbers have to work but he sees with the success of the Arts District and some of the other things we are doing, and this summer we expect to have a lot of affluent visitors for high end products such as the All-Clad products.

MR. STRIDICK: I have a question.

What is the total cost of this entire project with the relocation and the moving, et cetera?

MR. AYRES: The original project was simply not using the outsource warehouse and distribution in Loredo, there wasn't a movement of equipment or personnel.

But they are, in upgrading the facility they will be spending several million dollars in racking, it's a very sophisticated rack system.

What was previously an assembly area, when I say "assembly," they were putting handles on pots
and pans, and now it will be what they call a narrow isle fully integrated distribution system which will be in place with a very sophisticated fork-lift, it's not the kind with a propane tank that the guy runs around with, it's on tracks and it's a picking operation.

The assembly guys are getting eight dollars an hour, the distribution guys, over half of which were previously assembly workers, will be making fifteen dollars an hour, plus there has been over a million dollars spent in bringing the IT operation into the facility and those people are making $65,000 a year.

So we think it is an upgrade and it took several million dollars of the facility to integrate.

MR. STRIDICK: So there is a lot more investment than just the UEZ funds?

MR. AYRES: Yes.

MR. ABELAR: An outright grant, public money for an enterprise?

CHAIRMAN DRENNAN: I have a question on the retention you estimate of two hundred and twenty-eight jobs?

MR. AYRES: Right.
CHAIRMAN DRENNAN: Mr. Abelar's point I think is with the grant is there any sort of condition on them?

MR. AYRES: They have to stay certified, they have to retain the jobs, it is basically replacing lower paid jobs with higher paid jobs and wherever possible the company is integrating those lower paid people and training them to get into the distribution jobs so they must retain at least that level of employment.

Of course if they add on to the building there will be a lot more jobs.

CHAIRMAN DRENNAN: Any further discussion?

Hearing none, all in favor?

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

MR. ABELAR: Aye.

CHAIRMAN DRENNAN: Mr. Abelar.

Motion carried.
The next item, we have two requests by Paterson, the first is for $125,000 for Small Business Development Year X -- there is a typo on the agenda --

Jan Northrop.

MS. NORTHROP: Paterson is here today to ask for zone assistance funds in the amount of $125,000 to offset the cost of the Small Business Development Center.

I have with me today Kate Muldoon who is the executive director of the Small Business Development Center in Paterson in case you have any questions regarding the operation as to that particular center.

We are a small proponent in this whole large picture. There are other entities that contribute to the operation of the Small Business Development Center, William Paterson University, Chase, the Small Business Administration, so there are other players in this scope of work.

I will say that Paterson's SBDC is a vital component of what we need in Paterson. Without the services that they provide there is absolutely no one else in Paterson to provide those services.

The clients that walked through the door
last year, 1,156, of those 714 of them were
Patersonians.

The training programs that they offered
last year, seventy-one, and of that a little over
four hundred, closer to five hundred people were
from Paterson.

Those seminars are given in Spanish and
English so that everyone can understand what is
going on.

And also the Small Business Development
Center also helps people with their credit repair
and also does their tax returns for residents of
Paterson.

I also will piggy-back on I think it was
Irvington, there is in the budget money to travel to
the League of Municipalities and if that is not
included in the next coming year then obviously we
will take it out and Kate will not be traveling down
there.

The reason that Kate comes to the League
of Municipalities is that she mans the booth 24/7,
she is there the entire time.

I understand why the State doesn't want to
use that money to travel because people take
advantage of it and abuse it, but there are some
cities in the northern part of the State that it is a physical hardship for those cities to exhibit down there.

I couldn't possibly go down and come back on a daily basis, and we are so busy down there and get so much out of that show. We meet with the vendors, otherwise we would not have contact with them, some of them are State vendors, we intend to do business with them.

We get a lot of developers coming in with interest in moving to Paterson, and some of them have come through.

It is just a win-win situation for us. We are a large city, even the smaller cities that want to exhibit, this is how we get businesses to get interested in our towns, but if it is the State's decision not to do that Kate will not attend.

CHAIRMAN DRENNAN: Discussion?

I appreciate your comments on that and we'll see what plays out on that.

If there is no further discussion I will take a vote.

All in favor?

MR. ABELAR: Aye.

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

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

The second $12,295 for a Contract Amendment request for Silk City Trolley.

MS. NORTHROP: I think I was down here in February and the authority did approve the Silk City Trolley for $31,000.

On the way down here that day I get a phone call from them, Jan, is there any way that we could get an additional $13,000?

What happened?

The engine blew.

The other one was strictly for repairs, the painting, the tires and all of the other things that were needed.

Now I need an additional thirteen thousand, I will round it out, the motor has to be replaced, and that's the reason for the contract
amendment.

Right now we have one trolley down which provides free service to every Patersonian within the Urban Enterprise Zone for their shopping needs, so right now we are down to the one trolley, which is not enough for a city of this size.

CHAIRMAN DRENNAN: Thank you.

I'll take a motion.

MS. LAIRD: So moved.

MR. STRIDICK: Seconded.

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

Any discussion?

MS. LINDSEY: Who else provides operating support for the trolley?

MS. NORTHROP: City Council in some small way because I do know that they use one of the trolleys when developers come into town, I believe the City Council supports that in some small way.

The Paterson Parking Authority really has maintained it for some years on their own. However, they just built a brand-new parking garage in Paterson so they are kind of strapped for money at this point.

However, we do use those trolleys for the
Urban Enterprise Zone businesses so they can get around, we want them to go down to Loew's and the Route 20 corridor so they can shop there and all the other places they could not get to because busses do not go there, but that is in the Urban Enterprise zone.

MS. CUCCINELLO: I think it is a good idea and I think it is very important to get to that Route 20 corridor.

CHAIRMAN DRENNAN: Thank you.

Hearing no further comment, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

Next is Phillipsburg's request for $85,850 for Marketing Program-Phase VI.

Mr. Portnoy.
MR. PORTNOY: Our program is designed primarily to bring visitors and tourists to our downtown area and secondarily as a use for business recruitment. Those things go hand-in-hand. It is much easier to recruit when there are feet on the street.

We offer a number of incentives to locate in our downtown area, but the bottom line is sales, and I can attest to this by showing the activity going on in our downtown.

Those businesses are not national chains by any stretch. Our goal is to recruit businesses that have a unique marketing appeal, restaurants and other retailers, and marketing is very low down in their priorities in terms of staying in business, they are very much under-capitalized and rely heavily on the UEZ to assist them in their marketing efforts.

That's why this program has been so successful and well received by our community, and we ask for your consideration today.

CHAIRMAN DRESSAN: I will take a motion.

MR. ABELAR: So moved.

MS. CUCCINELLO: Seconded.

CHAIRMAN DRENNAN: First by Abelar,
seconded by Ms. Cuccinello.

Discussion?

Hearing none, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

Plainfield's Contract Amendment request for $72,000 for UEZ Police Officers, UEZAQ 06-114.

We have with us Wayne Awald.

MR. AWALD: The UEZ police program over the last few years has been very successful.

In the contract amendment application we are going to be coming in for a full Phase II in May.

This request is to align the City's fiscal year with the project so that the City can adequately budget its match for the full project.
request coming up in May.

CHAIRMAN DRENNAN: Thank you.

I will take a motion.

MS. LINDSEY: So moved.

CHAIRMAN DRENNAN: First by Ms. Lindsey.

MS. CUCCINELLO: Seconded.

CHAIRMAN DRENNAN: Seconded by Ms. Cuccinello.

A question on this: is there a 20 percent match on this?

MR. AWALD: Yes.

MS. LINDSEY: Where is that?

CHAIRMAN DRENNAN: I didn't see that as well.

MR. ABELAR: It is not a contract but an amendment.

MS. LINDSEY: But they are coming in for an amended amount.

MR. AWALD: It's in the resolution.

MS. LINDSEY:

Now I see it.

MR. AWALD: We will be coming back for a full match.

MS. LAIRD: The match is going to be 18,000?
MS. LINDSEY: Yes.

MR. AWALD: But it still says 20 percent.

MS. BRUCK: It says 20 percent or 15.

CHAIRMAN DRENAN: Any further discussion on the amendment?

MR. STRIDICK: What is the average salary of a Police Officer in Plainfield? Some of the salary ranges here are kind of on the higher end.

MR. AWALD: The program was originally designed to put the most seasoned Officers downtown, we thought they would be most effective in face-to-face contact with the businesses and the public.

Their salaries are now up in the $100,000 range per Officer.

MR. STRIDICK: So these are the highest paid Officers other than the Chief, probably, in the City?

MR. AWALD: I am sure there are Sergeants and people like that at the supervisory level that make over that but, again, these Officers have been shown to be very effective in the program by the drop in crime in the downtown area and we want to continue that trend.

MR. STRIDICK: Do you know what the
average salary is for a Police Officer?

MR. AWALD: No, I don't.

MS. BRUCK: So the budget is this number plus 20 percent?

MR. AWALD: Right.

CHAIRMAN DRENNAN: Any further discussion? Hearing none, I'll take a vote.

All in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Next is Pleasantville's request for $516,622 for Zone Marketing Phase IV.

Roger Tees?

MR. TEES: Good morning.
This project is for $516,622 for Phase IV.

It has been four years since we last had a formal marketing project. Over that course of time we have been pretty effective in parceling out the remaining profile kits and so on, but we have not been able to maintain the branding of the City's enterprise zone and its Urban Enterprise Zone program and to respond to the changing economic conditions.

And now with the downtown of the economy we are seeing an effect on our UEZ program, a loss of business from participation, and we need to address some of these issues, that's why we are getting back to a more formal marketing presentation.

They were selected from a formal RFP process, a copy of which is in your packet, there were six agencies that responded, and all were interviewed.

We have a joint marketing committee of the City Council and the Urban Enterprise Zone Corporation.

They selected this firm and City Council did approve it by resolution authorizing a contract with them upon certification.

I wanted to comment quickly, one of the
arrangements in this process was that the winning agency would spend the necessary time and resources pro bono to help us prepare this project, so that we had like thirty days to write this and present it.

What Mr. (inaudible) and his firm did, to their credit, they actually went out and did that work first and came in with a full-blown presentation so that the materials that you have in here, that is what was given to us at the interview, unlike the other agencies that did more of the dog and pony shows about their previous experiences.

One of the things that surprised us was that Paul and his staff conducted what used to be described as a secret shopper program, they called up as a prospective UEZ business interested in investing in Pleasantville and watched how we responded to their inquiries and then whether or not we followed up.

If you have a chance to read it you will see that this part of this project is helping us to better sustain and maintain our business relations.

I think that what I want to leave you with is the purpose of this, even though it is a big ticket for this particular proposal, the goal, the final goal is the sustainability of it that in a way
is built into his presentation leaving this project
after a year or eighteen months so that the City and
the UEZ program can sustain those services
ourselves, so we don't necessarily need the services
of an advertising agency or marketing professional.

I would like to leave open the option of
coming back for an extension of this if at some time
we feel we need those services.

CHAIRMAN DRENNAN: I will take a motion.

MR. ABELAR:  So moved.

CHAIRMAN DRENNAN:  First by Mr. Abelar.

MR. STRIDICK:  Seconded.

CHAIRMAN DRENNAN:  Seconded by Mr.

Stridick.

Discussion: The proposal is pretty
impressive and it looks good.  Good luck with it and
hopefully you will be coming back and reporting on
the success of having businesses coming back into
the city with potentially the hundred jobs that you
expect to create.

Hearing no further discussion, all in
favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.
MS. LAIRD: Aye.
MS. CUCCINELLO: Aye.
CHAIRMAN DRENNAN: Aye.
Abstentions?
(No response.)
CHAIRMAN DRENNAN: Opposed?
(No response.)
CHAIRMAN DRENNAN: Motion carried.
Next is Vineland's two requests, the first one is for $756,000 for Landis Avenue Closed Circuit Cameras,
Jim Lelli.
MS. FORSISKY: And Sandy Forsisky.
I am here to request $756,800 for security cameras for our downtown.
Over the last few years we have invested probably one hundred and twenty million to revitalize our downtown in the redevelopment area.
We have many projects that have been approved and that we are working on.
But all that is for nought if there is a perception that you're not safe downtown.
There are several articles you will see in the application, we have time and time again said that's fine, you can do everything, you can make it
beautiful, but if people don't feel safe they are not going to come; one of the problems we think is that the perception is worse than the reality, if people feel unsafe people don't come.

So the cameras give a sense of security, and the Police do want to use the cameras when there is crime, it will help to capture that on video.

It is digital, it will actually be, the cameras will be able to capture a license plate number, and we are going to install them in our Main Street area; that's the plan for the first stage.

CHAIRMAN DRENNAN: I'll take a motion.

MR. ABELAR: So moved.

CHAIRMAN DRENNAN: First by Mr. Abelar.

Second?

MS. LINDSEY: Seconded.

CHAIRMAN DRENNAN: Seconded by Ms. Lindsey.

Discussion?

MS. CUCCINELLO: How big is this area that the cameras will be placed in?

MS. FORSISKY: It's from Myrtle Street, six blocks.

MS. CUCCINELLO: Six blocks lineal?

MS. FORSISKY: Yes.

MS. CUCCINELLO: How many Police Officers
could you hire for $756,800?

MS. FORSISKY: Probably ten, with

benefits --

MS. CUCCINELLO: Perhaps the better use of
the money would be if you hired additional Police
Officers because people like to see law enforcement
officials, they like to see their presence in
shopping areas.

MS. FORSISKY: This is a one time expense.

We worked with the Police Department to do this.

MS. CUCCINELLO: I understand that the
Police Officers like to have an eye in the ski, so
to speak, but I believe that with Police Officers,
you are hiring people, you are having people on the
street, shoppers see them and there is a real
connection with having Officers on the street.

That's just a comment.

MS. FORSISKHY: Sure.

And you are not alone in that. And as the
Police said, this will not solve the crime problem,
but this is a one time expense, but to hire
additional Police Officers, we did put more feet on
the street, too, we have considered a bike patrol,
but it is granted that we do need more Police, you
never have enough Police.
MR. STRIDICK: The bond ordinance, you have about thirteen thousand and change in your budget that's coming from a bond ordinance, is that being paid by the municipality?

MS. FORSISKY: That's the municipality.

MR. STRIDICK: So that would equal a 20 percent match?

MS. FORSISKY: Yes.

MR. STRIDICK: I appreciate the 20 percent match.

MR. LELLI: We are very jealous about our UEZ money, we have a fight with the City all of the time.

MR. ABELAR: This will be operated by the Police Department, right?

MS. FORSISKY: Yes.

MR. ABELAR: You won't need more Police Officers just to man the cameras?

MS. FORSISKY: No, that was discussed.

There are thirty days of tape so even if something happened and it wasn't real-time it will stay there for for up to thirty days.

CHAIRMAN DRENNAN: Thank you.

Any further discussion?

Hearing none, all in favor?
MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

MS. CUCCINELLO: Abstain

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried, five-zero, one.

The second item is $3,810,000 for Second Generation Funds for Economic Development Loan to Family Venturers, LLC, and Vineland Ice Arena, LLC.

MR. LELLI: Vineland needs another 3.8 million dollars to fund the Vineland Ice Arena and its complex in Industrial Park.

The ice arena was started about five years ago. It has been very successful but with the downturn in the economy and everything else it is just not working out the way it should, and so they came to us to see if we could give them some relief or time either to get it going the right way or possibly sell it to another operator of an ice
arena or, God forbid, turn it into a cold storage unit, which is the last thing the City wants to do. It really serves a great purpose in Vineland. This last year even, two high school teams, St. Augustus Prep and Vineland High School, have started ice hockey teams and use the rink for their home ice, and basically that keeps another twenty-five or fifty kids off the street and it adds another thing to the programs, athletic programs in Vineland.

In addition, the ice arena provides a facility for a mentally challenged group that comes in and works out there and also a physically challenged group in addition to family skating two or three nights a week and helps us with other people who are interest in hockey.

And given the financial mess with the subprime market and just no mortgages available anywhere, I will tell you that this program is going to be a saviour because we are about the only ones that can provide the financing to keep this thing going as an ice arena or what have you.

The authorities a long time ago set this up.

I will tell you right now, I don't think
anywhere in New Jersey that you can go to a City and
get this type of loan to get them up and running and
on their way.

Again, the benefits to the City are pretty
obvious: we will have a first position mortgage
and control the property.

The family has put up all their equity at
risk, if they went to try to sell it they don't know
what kind of a price they would get, as you know
with the mortgage market things aren't going that
great for the next few years or so.

But in the first two years they are going
to really have to market-- in fact, they have
already put it on the market.

They cannot use it as an incentive for
somebody else to buy it, whoever is going to buy it
if they want to buy it has to do it on their own
merits and we will be back to you.

CHAIRMAN DRENNAN: You mean you will get
the money back?

MR. LELLI: We'll get the money back and we
will be back and it will be a whole new show.

CHAIRMAN DRENNAN: I'll take a motion.

MS. LINDSEY: So moved.

MR. STRIDICK: Seconded.
CHAIRMAN DRENNAN: First by Ms. Lindsey and seconded by Mr. Stridick.

One comment for everybody is that the City of Vineland is taking the money out of the second generation funds because it believes in the opportunity for this business, the quality of life that this provides for Vineland is vital to their economy, and we appreciate your looking at it from a second generation project using City funds for the project, thank you for that and good luck to the business.

Any other comments?

MR. ABELAR: What is the value of this property, and how much is the City in for this?

MR. LELLI: The property is listed right now for six million dollars, whether they'll get that, what you ask and what you get are two different stories, but that's the starting point. We are in for almost, a little more than 50 percent, and we also have the personal guarantees of all of the family members who have incomes from their other businesses so we feel we feel that we are in the best position we can possibly have.

MR. ABELAR: It seems to me that we are throwing money into a failed business.
MR. LELLI: We are trying to save it. In Vineland my slogan is, failure is not an option, if you do business in Vineland we will do whatever we can to save you.

The bank has to follow their own regulations as far as charges and foreclosure and all that.

The City doesn't have to do that. The City can work with the company and get it squared away the way it needs to be squared away, and that's the benefit of the whole program.

MS. FORSISKY: The point is we are giving them time to sell it. We are not saying, keep the status quo and all of a sudden they are going to start making money because they haven't made money. They recognize that they need someone who knows how to operate this, so it would be a change.

CHAIRMAN DRENNAN: The City would take it out of second generation funds, you know, the City is willing to take this on with the protections that have been laid out for us, so I mean we believe after reviewing it that the City has done a lot to protect the money in case the business fails so that they are not out on a limb and therefore this authority is not out on a limb.
MR. ABELAR: I would vote for it but I am uneasy about it. This is public money and a very liberal loan.

MR. LELLI: If it wasn't for the interest rate conditions and the financial conditions in the United States, the sub-prime mortgage condition, this would have been an easily bankable loan.

And again, the only ones that are going to lose any money if anybody does will be the family members themselves. We're in good shape.

MR. STRIDICK: You are taking a first position?

MR. LELLI: Yes.

MR. STRIDICK: All previous borrowed money is rolled into --

MR. LELLI: The bond issue, the NJ EDA is the only thing that is coming out, no salary, no expenses, none of that.

MS. FORSISKY: The bank wants out, they financed their other operations which have been subsidizing this, so the bank has been pushing to be taken out of the bonds because they are watching the other businesses having to draw out $200,000 a year to subsidize this operation, it's not like we want to take out bondholders that want to hold on to
their bonds.

MR. STRIDICK: And there are no other borrowed funds other than the Susquehanna (phonetic)?

MR. LELLI: Susquehannas want out.

MR. STRIDICK: They have a maintenance plan and that is still ongoing?

MR. LELLI: Yes, we are in great shape.

Saturdays and Sundays the parking lots are full with families and things like that. It is only five years old, so it actually a state-of-the-art.

MR. ABELAR: You mentioned something about marketing, what is that?

MR. LELLI: The company has hired a broker to list the property. He said it is available for sale or lease, but again, he understands that if it is for sale that the new buyer, if there is one, has to stand up to our standards to get financing.

MR. ABELAR: What is the asking price?

MR. LELLI: I think it is around six million dollars.

CHAIRMAN DRENNAN: Any further discussion?

Hearing none, all in favor.

MR. ABELAR: Aye.

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

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

CHAIRMAN DRENNAN: Motion carried.

MR. LELLI: Thank you very much.

CHAIRMAN DRENNAN: Now moving on to our consent agenda, items 14 and 15, at this moment without objection I would like to take a motion to consider as one motion.

MS. LINDSEY: So moved.

MR. STRIDICK: Seconded.

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

Any discussion?

CHAIRMAN DRENNAN: Hearing none, all in favor?

MR. ABELAR: Aye.

MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.
MS. CUCCINELLO: Aye.
CHAIRMAN DRENNAN: Aye.

Abstentions?
(No response.)
CHAIRMAN DRENNAN: Opposed?
(No response.)
CHAIRMAN DRENNAN: Motion carried.

Moving on to other business, just as a note to share with you in our first meeting after the Governor's budget, and the Governor's budget addressed the Commerce Commission powers to be absorbed by the Economic Development Authority of which we would be the Authority within the Commerce Commission.

The details of this are still being worked out, the Authority will continue, and we will work with the Governor's office and the Economic Development Authority regarding the transition for this Commission.

I will try to update you as there are more updates but as of now details are still being worked out as to what this may look like in July.

If you have questions feel free to ask them now. Hopefully by next month's meeting we will have a little more of the details for you.
AN UNIDENTIFIED GENTLEMAN: Who will be authoring the legislation, is that going to be assigned to the Assembly Commerce Committee, the Senate, do you know who is going to have to write the legislation to make this happen?

CHAIRMAN DRENNAN: I don't know but obviously legislation will be needed, but no, I don't know.

Hopefully next month I will try to give you an update again. As of right now it is in transition and moving forward with the Governor's goal as to streamlining economic activity for the State. We will be working with him and the Economic Development Authority on this.

MR. STRIDICK: I apologize because I was late.

But on page 13, as a clarification, I referenced what is called a CDD, in fact it is a CDBG, on page 13.

CHAIRMAN DRENNAN: If there are no further comments, I'll take a motion to adjourn.

MR. STRIDICK: So moved.

(Inaudible.)

CHAIRMAN DRENNAN: All in favor?

MR. ABELAR: Aye.
MS. LINDSEY: Aye.
MR. STRIDICK: Aye.
MS. LAIRD: Aye.
MS. CUCCINELLO: Aye.
CHAIRMAN DRENNAN: Aye.
Abstentions?
(No response.)
CHAIRMAN DRENNAN: Opposed?
(No response.)
(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.

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