

1 NEW JERSEY URBAN ENTERPRISE ZONE AUTHORITY MEETING

2 WEDNESDAY, MARCH 12, 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 AMBAR ABELAR

10 PAUL STRIDICK

11 ELIZABETH LINDSEY

12 TANESHIA NASH LAIRD

13 LOIS CUCCINELLO

14 PATRICIA BRUCK, DAG

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

6 Roll-call.

7 Mr. Abelar?

8 MR. ABELAR: Here.

9 CHAIRMAN DRENNAN: Ms. Lindsey?

10 MS. LINDSEY: Here.

11 CHAIRMAN DRENNAN: Ms. Laird?

12 MS. LAIRD: Here.

13 Chairman Drennan: I'm here.

14 CHAIRMAN DRENNAN: Ms. Cuccinello?

15 MS. CUCCINELLO: Here.

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

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

22 MS. LINDSEY: So moved.

23 CHAIRMAN DRENNAN: First by Ms. Lindsey..

24 MR. ABELAR: Seconded.

25 CHAIRMAN DRENNAN: Seconded by Mr. Abelar.

1 Any discussion?

2 Hearing none, all in favor?

3 MR. ABELAR: Aye.

4 MS. LINDSEY: Aye.

5 MS. LAIRD: Aye.

6 MS. CUCCINELLO: Aye.

7 CHAIRMAN DRENNAN: Aye.

8 Abstentions?

9 (No response.)

10 CHAIRMAN DRENNAN: Opposed?

11 (No response.)

12 CHAIRMAN DRENNAN: Motion carried.

13 The first item is Camden's request for
14 \$484,152 for Special Service District-Clean
15 Team-Year 1.

16 Vincent Basara?

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

20 Good morning.

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

23 Camden today is requesting \$484,152 from
24 UEZ to pay for the Camden Special Service District
25 Clean Team.

1 The funds well be used to pay for salaries
2 and benefits of twelve full-time employees, one
3 supervisor and three seasonal staff.

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

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

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

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

20 We have undertaken some very interesting
21 and productive activities in the City of Camden over
22 the five or six year term of the Greater Camden
23 Partnership, the most successful perhaps is the
24 creation of the Camden Special Services District
25 which has been functioning in the downtown area for

1 about two and-a-half years.

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

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

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

17 We formed the Special Services District
18 with voluntary contributions from more than twenty
19 institutions in the City, and for about two
20 and-a-half years now we have funded this with
21 \$500,000 in voluntary contributions.

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

1 hired thirteen people full time.

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

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

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

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

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

23 In addition to that we have an overall
24 project manager who has been working with us for two
25 and-a-half years who will continue to be the project

1 manager for the entire effort. But we need to hire
2 additional people; that's pretty much the long and
3 short of the story.

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

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

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

24 They will continue to be the management
25 board for the expansion of the service area should

1 you favorably consider our request.

2 That's pretty much the long and short of
3 it. I will be happy to answer any questions you
4 might have.

5 You might want to hear from Mike Baccile
6 who is principal of the firm, Service Group, Inc.

7 MR. BACCILE: Thank you.

8 My name is Mike Baccile and I represent
9 Service Group, Incorporated.

10 We are a medium-sized firm that provides
11 clean, safe programs to downtown districts
12 throughout the United States.

13 I have made up some handouts which I will
14 not go through thoroughly, you can read them at your
15 leisure.

16 We are here to provide augmented clean and
17 safe programs for five neighborhoods.

18 We have had success for about two
19 and-a-half years now in downtown Camden but but we
20 also provide services locally to Trenton, obviously
21 Camden, Atlantic City, and also providing safe
22 services to the Patco (phonetic) Heights Speed Line.

23 Our initiative is to hire twelve full-time
24 employees. Those full-time employees will be one
25 hundred percent Camden residents, they will be local

1 residents from the neighborhood. If we can we will
2 look to hire them from Work Force programs, Return
3 to Work programs.

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

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

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

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

15 Thank you.

16 MS. BRENNAN: I'm Sue Brennan, executive
17 director of Fairview Ministry.

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

25 We have everyone to the plate and yet the

1 daily maintenance of our commercial corridor is
2 something that has been lacking, and so we feel as
3 though this project would be a huge benefit and a
4 critical component for the continued revitalization
5 of the neighborhood and commercial corridor business
6 community and the residents and we look forward to
7 working with the initiative.

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

10 CHAIRMAN DRENNAN: I will take a motion.

11 MS. LINDSEY: So moved.

12 CHAIRMAN DRENNAN: First by Ms. Lindsey,.

13 MS. LAIRD: Seconded.

14 CHAIRMAN DRENNAN: Seconded by Ms. Laird.
15 Discussion?

16 MR. ABELAR: What is the starting salary?

17 MR. BACCILE: Nine-fifty an hour.

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

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

23 MS. LINDSEY: There are no medical
24 benefits?

25 MR. BACCILE: For the supervisor there will

1 be medical benefits.

2 MR. ABELAR: The starting salaries are
3 low.

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

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

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

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

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

24 There is always a chance for advancement.
25 The salaries range from about nine-fifty to about

1 eleven-fifty, and I'm happy to say that of the
2 fourteen or fifteen people we had hired originally
3 we have about half of them that we still employ as
4 original employees and they have moved up the
5 ladder.

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

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

15 MS. LINDSEY: One more question.

16 I'm reading this and it says that the
17 salary range is seven-fifty to nine dollars; is that
18 incorrect, is the correct salary range nine-fifty to
19 eleven dollars?

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

23 MR. DRAGOS: The seven-fifty was the
24 original salary range but we moved it up from there,
25 that was two and-a-half years ago.

1 MS. CUCCINELLO: I'm sure you are aware
2 that the Camden County One Stop is a good resource
3 for hiring those individuals and we would like to
4 encourage you to work with One Stop in that area and
5 also work very hard to make sure that the
6 underemployed, people with disabilities, veterans,
7 ex-offenders, this is a transitional situation and
8 this is a good first job for many of those in the
9 population.

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

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

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

23 And we have gone back to them, I spoke
24 with the new director of the Work Force Investment
25 Board just yesterday saying that if we get this

1 contract we will be back talking to him about
2 applicants for the job.

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

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

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

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

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

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

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

1 MR. ABELAR: Aye.

2 MS. LINDSEY: Aye.

3 MS. LAIRD: Aye.

4 MS. CUCCINELLO: Aye.

5 CHAIRMAN DRENNAN: Aye.

6 Abstentions?

7 MR. STRIDICK: I will abstain since I
8 missed a portion of the presentation.

9 CHAIRMAN DRENNAN: Opposed?

10 (No response.)

11 CHAIRMAN DRENNAN: Motion carried.

12 MR. BASARA: I want to thank the staff for
13 all their help, thank you.

14 CHAIRMAN DRENNAN: The next item is
15 Irvington's two requests, the first is \$306,168 for
16 Clean Team/Clean Community Initiative Phase III,
17 Cassandra Chatman.

18 MR. BROWN: My name is Ronald Brown, with
19 me is Cassandra Chatman.

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

23 This is an ongoing project which focuses
24 on cleaning and maintaining the UEZ area, the retail
25 sector of our UEZ.

1 We find that litter is a major problem for
2 the shoppers and we also recognize that if you are
3 going to shop in our disctrict you want to shop in a
4 clean and safe environment, and that's why we have
5 this as a continuing project.

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

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

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

20 CHAIRMAN DRENNAN: I'll take a motion.

21 MR. ABELAR: So moved.

22 MS. LINDSEY: Seconded.

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

25 Discussion?

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

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

6 MS. LINDSEY: That's on page 13.

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

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

12 MS. CHATMAN: That sounds about right.

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

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

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

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

25 CHAIRMAN DRENNAN: Thank you.

1 I'll take a motion.

2 (Inaudible.) CHAIRMAN DRENNAN:

3 All in favor?

4 MR. ABELAR: Aye.

5 MS. LINDSEY: Aye.

6 MR. STRIDICK: Aye.

7 MS. LAIRD: Aye.

8 MS. CUCCINELLO: Aye.

9 CHAIRMAN DRENNAN: Aye.

10 Abstentions?

11 (No response.)

12 CHAIRMAN DRENNAN: Opposed?

13 (No response.)

14 CHAIRMAN DRENNAN: Motion carried.

15 The next item is Irvington's request for

16 \$122,423 for Marketing/Business Attraction and

17 Retention Phase III.

18 MS. CHATMAN: The first marketing project I

19 believe was four years ago basically was

20 concentrated on getting people to take a look at

21 Irvington.

22 In the second marketing project we sought

23 to really go out there to try to attract business

24 and we knew we needed materials to do that, so that

25 was our focus there.

1 And again, it works. We have businesses
2 now that had never looked at Irvington before, we
3 have a new I-HOP that's there that employs I
4 believe a hundred--

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

8 MS. CHATMAN: Exactly.

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

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

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

23 So that is the marketing project.

24 CHAIRMAN DRENNAN: Thank you.

25 I will take a motion.

1 MR. STRIDICK: So moved.

2 CHAIRMAN DRENNAN: First by Mr. Stridick.

3 MS. CUCCINELLO: Seconded.

4 CHAIRMAN DRENNAN: Seconded by Ms.

5 Cuccinello.

6 Discussion?

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

10 MS. CHATMAN: Mr. Brown along with Latisha
11 Bolderon has gone out to start up businesses.

12 He works with Latisha because he is
13 Latisha's supervisor, and he is also involved with
14 the other aspects of business attraction, so he is
15 really involved more so than I am in terms of
16 business, of attracting people in terms of economic
17 development.

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

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

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

24 MS. CHATMAN: correct.

25 MR. STRIDICK: So you actually dropped

1 below --

2 MS. CHATMAN: We did.

3 CHAIRMAN DRENNAN: In your proposal you
4 have a line item for the League of Municipalities.

5 Last year the policy directed from the
6 Governor's Office was that State money wasn't going
7 to be used to pay for accommodations, and you have
8 that in here.

9 MS. CHATMAN: Yes.

10 CHAIRMAN DRENNAN: I mean at this time we
11 don't have a policy but we did have a direction as
12 of last year and there was some concern because in
13 essence you are using State dollars for registration
14 and attendance and travel to and from.

15 And again, that's not my policy but the
16 policy directed to us.

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

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

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

24 Any further discussion?

25 Thank you.

1 All in favor?

2 MR. ABELAR: Aye.

3 MS. LINDSEY: Aye.

4 MR. STRIDICK: Aye.

5 MS. LAIRD: Aye.

6 MS. CUCCINELLO: Aye.

7 CHAIRMAN DRENNAN: Aye.

8 Abstentions?

9 (No response.)

10 CHAIRMAN DRENNAN: Opposed?

11 (No response.)

12 CHAIRMAN DRENNAN: Motion carried.

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

15 Roberta Farber?

16 MS. FARBER: Good morning, everyone.

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

20 The building that they are in is owned by
21 the Martin Luther King Partnership, which is the
22 Jersey City Economic Development Corporation, and
23 they have trained one hundred and eighty-nine
24 persons since they've opened their doors, they have
25 fifty two graduates and twenty-seven are doing

1 business plans and are in businesses thirteen are in
2 planning stages.

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

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

9 CHAIRMAN DRENNAN: I will take a motion.

10 MR. STRIDICK: So moved.

11 CHAIRMAN DRENNAN: First by Mr. Stridick.

12 MS. CUCCINELLO: Seconded.

13 CHAIRMAN DRENNAN: Seconded by Ms.

14 Cuccinello.

15 Any discussion?

16 Hearing none, all in favor?

17 MR. ABELAR: Aye.

18 MS. LINDSEY: Aye.

19 MR. STRIDICK: Aye.

20 MS. LAIRD: Aye.

21 MS. CUCCINELLO: Aye.

22 CHAIRMAN DRENNAN: Aye.

23 Abstentions?

24 (No response.)

25 CHAIRMAN DRENNAN: Opposed?

1 (No response.)

2 CHAIRMAN DRENNAN: Motion carried, thank
3 you very much.

4 The next item is Lakewood's request for
5 \$250,000 for Cooperative Advertising Program-Pilot.

6 Mr. Corby?

7 MR. CORBY: I am with Menachem Friedman who
8 is the initiative coordinator for this program.

9 We are looking to start a pilot program
10 and it is looking to target small businesses,
11 start-up businesses, into the UEZ area.

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

19 CHAIRMAN DRENNAN: I'll take a motion.

20 MS. CUCCINELLO: So moved.

21 MS. LINDSEY: Seconded.

22 CHAIRMAN DRENNAN: First by Ms.

23 Cuccinello, seconded by Ms. Lindsey.

24 Discussion?

25 MR. STRIDICK: Can you explain a little

1 bit about the award process, how are you vetting an
2 award from the applications that you get?

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

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

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

19 So we have that information as well. If
20 somebody says give me fifty thousand dollars when
21 we know that the business is grossing five hundred
22 thousand dollars, and so you would know whether
23 that percentage is in line, that type of business
24 maybe should be spending four percent; there is a
25 standard for that.

1 MR. STRIDICK: And then the final award
2 would be made by the board?

3 MR. CORBY: By the board.

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

6 MR. ABELAR: Aye.

7 MS. LINDSEY: Aye.

8 MR. STRIDICK: Aye.

9 MS. LAIRD: Aye.

10 MS. CUCCINELLO: Aye.

11 CHAIRMAN DRENNAN: Aye.

12 Abstentions?

13 (No response.)

14 CHAIRMAN DRENNAN: Opposed?

15 (No response.)

16 CHAIRMAN DRENNAN: Motion carried.

17 Thank you.

18 Millville's request for \$340,000 for

19 Economic Development Grant (Phase III)Groupe

20 SEB(T-Fal).

21 Don Ayres?

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

25 At the time we had Groupe SEB and T-Fal

1 at that time had a 640,000 square foot distribution
2 center in Millville, the business was declining and
3 we were negotiating over several months as to how we
4 could solidify the operation in Millville.

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

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

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

18 I am happy to report that those things
19 have happened. In addition, other product lines
20 that they have since acquired have moved into the
21 Millville distribution center. It's doing much
22 better, it is profitable, some of the lines are
23 going great guns, they are expanding into what they
24 see is their future, which is more electric
25 appliances.

1 They recently acquired All-Clad which is
2 manufactured and distributed out of Pittsburgh.

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

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

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

22 CHAIRMAN DRENNAN: I'll take a motion.

23 MS. CUCCINELLO: So moved.

24 MS. LINDSEY: Seconded.

25 CHAIRMAN DRENNAN: First by Ms. Cuccinillo,

1 seconded by Ms. Lindsey.

2 Discussion?

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

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

13 MR. STRIDICK: I have a question.

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

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

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

24 What was previously an assembly area, when
25 I say "assembly," they were putting handles on pots

1 and pans, and now it will be what they call a narrow
2 isle fully integrated distribution system which will
3 be in place with a very sophisticated fork-lift,
4 it's not the kind with a propane tank that the guy
5 runs around with, it's on tracks and it's a picking
6 operation.

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

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

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

19 MR. AYRES: Yes.

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

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

25 MR. AYRES: Right.

1 CHAIRMAN DRENNAN: Mr.Abelar's point I
2 think is with the grant is there any sort of
3 condition on them?

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

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

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

15 MS. LINDSEY: Aye.

16 MR. STRIDICK: Aye.

17 MS. LAIRD: Aye.

18 MS. CUCCINELLO: Aye.

19 CHAIRMAN DRENNAN: Aye.

20 Abstentions?

21 (No response.)

22 CHAIRMAN DRENNAN: Opposed?

23 MR. ABELAR: Aye.

24 CHAIRMAN DRENNAN: Mr. Abelar.

25 Motion carried.

1 The next item, we have two requests by
2 Paterson, the first is for \$125,000 for Small
3 Business Development Year X-- there is a typo on the
4 agenda --

5 Jan Northrop.

6 MS. NORTHROP: Paterson is here today to
7 ask for zone assistance funds in the amount of
8 \$125,000 to offset the cost of the Small Business
9 Development Center.

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

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

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

25 The clients that walked through the door

1 last year, 1,156, of those 714 of them were
2 Patersonians.

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

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

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

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

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

23 I understand why the State doesn't want to
24 use that money to travel because people take
25 advantage of it and abuse it, but there are some

1 cities in the northern part of the State that it is
2 a physical hardship for those cities to exhibit down
3 there.

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

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

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

18 CHAIRMAN DRENNAN: Discussion?

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

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

23 All in favor?

24 MR. ABELAR: Aye.

25 MS. LINDSEY: Aye.

1 MR. STRIDICK: Aye.

2 MS. LAIRD: Aye.

3 MS. CUCCINELLO: Aye.

4 CHAIRMAN DRENNAN: Aye.

5 Abstentions?

6 (No response.)

7 CHAIRMAN DRENNAN: Opposed?

8 (No response.)

9 CHAIRMAN DRENNAN: Motion carried.

10 The second \$12,295 for a Contract

11 Amendment request for Silk City Trolley.

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

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

18 What happened?

19 The engine blew.

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

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

1 amendment.

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

7 CHAIRMAN DRENNAN: Thank you.

8 I'll take a motion.

9 MS. LAIRD: So moved.

10 MR. STRIDICK: Seconded.

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

13 Any discussion?

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

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

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

25 However, we do use those trolleys for the

1 Urban Enterprise Zone businesses so they can get
2 around, we want them to go down to Loew's and the
3 Route 20 corridor so they can shop there and all the
4 other places they could not get to because busses
5 do not go there, but that is in the Urban Enterprise
6 zone.

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

10 CHAIRMAN DRENNAN: Thank you.

11 Hearing no further comment, all in favor?

12 MR. ABELAR: Aye.

13 MS. LINDSEY: Aye.

14 MR. STRIDICK: Aye.

15 MS. LAIRD: Aye.

16 MS. CUCCINELLO: Aye.

17 CHAIRMAN DRENNAN: Aye.

18 Abstentions?

19 (No response.)

20 CHAIRMAN DRENNAN: Opposed?

21 (No response.)

22 CHAIRMAN DRENNAN: Motion carried.

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

25 Mr. Portnoy.

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

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

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

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

22 CHAIRMAN DRESSAN: I will take a motion.

23 MR. ABELAR: So moved.

24 MS. CUCCINELLO: Seconded.

25 CHAIRMAN DRENNAN: First by Abelar,

1 seconded by Ms. Cuccinello.

2 Discussion?

3 Hearing none, all in favor?

4 MR. ABELAR: Aye.

5 MS. LINDSEY: Aye.

6 MR. STRIDICK: Aye.

7 MS. LAIRD: Aye.

8 MS. CUCCINELLO: Aye.

9 CHAIRMAN DRENNAN: Aye.

10 Abstentions?

11 (No response.)

12 CHAIRMAN DRENNAN: Opposed?

13 (No response.)

14 CHAIRMAN DRENNAN: Motion carried.

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

17 We have with us Wayne Awald.

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

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

23 This request is to aline the City's
24 fiscal year with the project so that the City can
25 adequately budge its match for the full project

1 request coming up in May.

2 CHAIRMAN DRENNAN: Thank you.

3 I will take a motion.

4 MS. LINDSEY: So moved.

5 CHAIRMAN DRENNAN: First by Ms. Lindsey,.

6 MS. CUCCINELLO: Seconded.

7 CHAIRMAN DRENNAN: Seconded by Ms.

8 Cuccinello.

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

11 MR. AWALD: Yes.

12 MS. LINDSEY: Where is that?

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

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

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

19 MR. AWALD: It's in the resolution.

20 MS. LINDSEY:

21 Now I see it.

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

24 MS. LAIRD: The match is going to be
25 18,000?

1 MS. LINDSEY: Yes.

2 MR. AWALD: But it still says 20 percent.

3 MS. BRUCK: It says 20 percent or 15.

4 CHAIRMAN DRENNAN: Any further discussion
5 on the amendment?

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

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

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

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

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

25 MR. STRIDICK: Do you know what the

1 average salary is for a Police Officer?

2 MR. AWALD: No, I don't.

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

5 MR. AWALD: Right.

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

8 All in favor?

9 MR. ABELAR: Aye.

10 MS. LINDSEY: Aye.

11 MR. STRIDICK: Aye.

12 MS. LAIRD: Aye.

13 MS. CUCCINELLO: Aye.

14 CHAIRMAN DRENNAN: Aye.

15 Abstentions?

16 (No response.)

17 CHAIRMAN DRENNAN: Opposed?

18 (No response.)

19

20

21

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

24 Roger Tees?

25 MR. TEES: Good morning.

1 This project is for \$516,622 for Phase IV.
2 It has been four years since we last had a formal
3 marketing project. Over that course of time we have
4 been pretty effective in parceling out the remaining
5 profile kits and so on, but we have not been able
6 to maintain the branding of the City's enterprise
7 zone and its Urban Enterprise Zone program and to
8 respond to the changing economic conditions.

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

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

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

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

25 I wanted to comment quickly, one of the

1 arrangements in this process was that the winning
2 agency would spend the necessary time and resources
3 pro bono to help us prepare this project, so that we
4 had like thirty days to write this and present it.

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

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

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

22 I think that what I want to leave you with
23 is the purpose of this, even though it is a big
24 ticket for this particular proposal, the goal, the
25 final goal is the sustainability of it that in a way

1 is built into his presentation leaving this project
2 after a year or eighteen months so that the City and
3 the UEZ program can sustain those services
4 ourselves, so we don't necessarily need the services
5 of an advertising agency or marketing professional.

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

9 CHAIRMAN DRENNAN: I will take a motion.

10 MR. ABELAR: So moved.

11 CHAIRMAN DRENNAN: First by Mr. Abelar.

12 MR. STRIDICK: Seconded.

13 CHAIRMAN DRENNAN: Seconded by Mr.

14 Stridick.

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

21 Hearing no further discussion, all in
22 favor?

23 MR. ABELAR: Aye.

24 MS. LINDSEY: Aye.

25 MR. STRIDICK: Aye.

1 MS. LAIRD: Aye.

2 MS. CUCCINELLO: Aye.

3 CHAIRMAN DRENNAN: Aye.

4 Abstentions?

5 (No response.)

6 CHAIRMAN DRENNAN: Opposed?

7 (No response.)

8 CHAIRMAN DRENNAN: Motion carried.

9 Next is Vineland's two requests, the
10 first one is for \$756,000 for Landis Avenue Closed
11 Circuit Cameras,

12 Jim Lelli.

13 MS. FORSISKY: And Sandy Forsisky.

14 I am here to request \$756,800 for
15 security cameras for our downtown.

16 Over the last few years we have invested
17 probably one hundred and twenty million to
18 revitalize our downtown in the redevelopment area.

19 We have many projects that have been
20 approved and that we are working on.

21 But all that is for nought if there is a
22 perception that you're not safe downtown.

23 There are several articles you will see in
24 the application, we have time and time again said
25 that's fine, you can do everything, you can make it

1 beautiful, but if people don't feel safe they are
2 not going to come; one of the problems we think is
3 that the perception is worse than the reality, if
4 people feel unsafe people don't come.

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

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

12 CHAIRMAN DRENNAN: I'll take a motion.

13 MR. ABELAR: So moved.

14 CHAIRMAN DRENNAN: First by Mr. Abelar.

15 Second?

16 MS. LINDSEY: Seconded.

17 CHAIRMAN DRENNAN: Seconded by Ms. Lindsey.

18 Discussion?

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

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

23 MS. CUCCINELLO: Six blocks lineal?

24 MS. FORSISKY: Yes.

25 MS. CUCCINELLO: How many Police Officers

1 could you hire for \$756,800?

2 MS. FORSISKY: Probably ten, with
3 benefits --

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

9 MS. FORSISKY: This is a one time expense.
10 We worked with the Police Department to do this.

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

17 That's just a comment.

18 MS. FORSISKHY: Sure.

19 And you are not alone in that. And as the
20 Police said, this will not solve the crime problem,
21 but this is a one time expense, but to hire
22 additional Police Officers, we did put more feet on
23 the street, too, we have considered a bike patrol,
24 but it is granted that we do need more Police, you
25 never have enough Police.

1 MR. STRIDICK: The bond ordinance, you
2 have about thirteen thousand and change in your
3 budget that's coming from a bond ordinance, is that
4 being paid by the municipality?

5 MS. FORSISKY: That's the municipality.

6 MR. STRIDICK: So that would equal a
7 20 percent match?

8 MS. FORSISKY: Yes.

9 MR. STRIDICK: I appreciate the 20
10 percent match.

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

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

16 MS. FORSISKY: Yes.

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

19 MS. FORSISKY: No, that was discussed.
20 There are thirty days of tape so even if something
21 happened and it wasn't real-time it will stay there
22 for for up to thirty days.

23 CHAIRMAN DRENNAN: Thank you.

24 Any further discussion?

25 Hearing none, all in favor?

1 MR. ABELAR: Aye.

2 MS. LINDSEY: Aye.

3 MR. STRIDICK: Aye.

4 MS. LAIRD: Aye.

5 CHAIRMAN DRENNAN: Aye.

6 Abstentions?

7 MS. CUCCINELLO: Abstain

8 CHAIRMAN DRENNAN: Opposed?

9 (No response.)

10

11 CHAIRMAN DRENNAN: Motion carried, five-

12 zero, one.

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

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

19 The ice arena was started about five years
20 ago. It has been very successful but with the
21 downturn in the economy and everything else it is
22 just not working out the way it should, and so they
23 came to us to see if we could give them some relief
24 or time either to get it going the right way or
25 possibly sell it to another operator of an ice

1 arena or, God forbid, turn it into a cold storage
2 unit, which is the last thing the City wants to do.

3 It really serves a great purpose in
4 Vineland. This last year even, two high school
5 teams, St. Augustus Prep and Vineland High School,
6 have started ice hockey teams and use the rink for
7 their home ice, and basically that keeps another
8 twenty-five or fifty kids off the street and it adds
9 another thing to the programs, athletic programs in
10 Vineland.

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

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

23 The authorities a long time ago set this
24 up.

25 I will tell you right now, I don't think

1 anywhere in New Jersey that you can go to a City and
2 get this type of loan to get them up and running and
3 on their way.

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

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

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

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

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

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

23 CHAIRMAN DRENNAN: I'll take a motion.

24 MS. LINDSEY: So moved.

25 MR. STRIDICK: Seconded.

1 CHAIRMAN DRENNAN: First by Ms. Lindsey
2 and seconded by Mr. Stridick.

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

12 Any other comments?

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

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

24 MR. ABELAR: It seems to me that we are
25 throwing money into a failed business.

1 MR. LELLI: We are trying to save it. In
2 Vineland my slogan is, failure is not an option, if
3 you do business in Vineland we will do whatever we
4 can to save you.

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

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

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

18 CHAIRMAN DRENNAN: The City would take it
19 out of second generation funds, you know, the City
20 is willing to take this on with the protections that
21 have been laid out for us, so I mean we believe
22 after reviewing it that the City has done a lot to
23 protect the money in case the business fails so that
24 they are not out on a limb and therefore this
25 authority is not out on a limb.

1 MR. ABELAR: I would vote for it but I am
2 uneasy about it. This is public money and a very
3 liberal loan.

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

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

11 MR. STRIDICK: You are taking a first
12 position?

13 MR. LELLI: Yes.

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

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

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

1 their bonds.

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

5 MR. LELLI: Susquehannas want out.

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

8 MR. LELLI: Yes, we are in great shape.
9 Saturdays and Sundays the parking lots are full with
10 families and things like that. It is only five
11 years old, so it actually a state-of-the-art.

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

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

19 MR. ABELAR: What is the asking price?

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

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

24 MR. ABELAR: Aye.

25 MS. LINDSEY: Aye.

1 MR. STRIDICK: Aye.

2 MS. LAIRD: Aye.

3 MS. CUCCINELLO: Aye.

4 CHAIRMAN DRENNAN: Aye.

5 Abstentions?

6 (No response.)

7 CHAIRMAN DRENNAN: Opposed?

8 (No response.)

9 CHAIRMAN DRENNAN: Motion carried.

10 MR. LELLI: Thank you very much.

11 CHAIRMAN DRENNAN: Now moving on to our

12 consent agenda, items 14 and 15, at this moment

13 without objection I would like to take a motion to

14 consider as one motion.

15 MS. LINDSEY: So moved.

16 MR. STRIDICK: Seconded.

17 CHAIRMAN DRENNAN: First by Ms. Lindsey,

18 seconded by Mr. Stridick.

19 Any discussion?

20 CHAIRMAN DRENNAN: Hearing none, all in

21 favor?

22 MR. ABELAR: Aye.

23 MS. LINDSEY: Aye.

24 MR. STRIDICK: Aye.

25 MS. LAIRD: Aye.

1 MS. CUCCINELLO: Aye.

2 CHAIRMAN DRENNAN: Aye.

3 Abstentions?

4 (No response.)

5 CHAIRMAN DRENNAN: Opposed?

6 (No response.)

7 CHAIRMAN DRENNAN: Motion carried.

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

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

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

23 If you have questions feel free to ask
24 them now. Hopefully by next month's meeting we will
25 have a little more of the details for you.

1 AN UNIDENTIFIED GENTLEMAN: Who will be
2 authoring the legislation, is that going to be
3 assigned to the Assembly Commerce Committee, the
4 Senate, do you know who is going to have to write
5 the legislation to make this happen?

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

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

15 MR. STRIDICK: I apologize because I was
16 late.

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

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

22 MR. STRIDICK: So moved.

23 (Inaudible.)

24 CHAIRMAN DRENNAN: All in favor?

25 MR. ABELAR: Aye.

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MS. LINDSEY: Aye.

MR. STRIDICK: Aye.

MS. LAIRD: Aye.

MS. CUCCINELLO: Aye.

CHAIRMAN DRENNAN: Aye.

Abstentions?

(No response.)

CHAIRMAN DRENNAN: Opposed?

(No response.)

(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
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