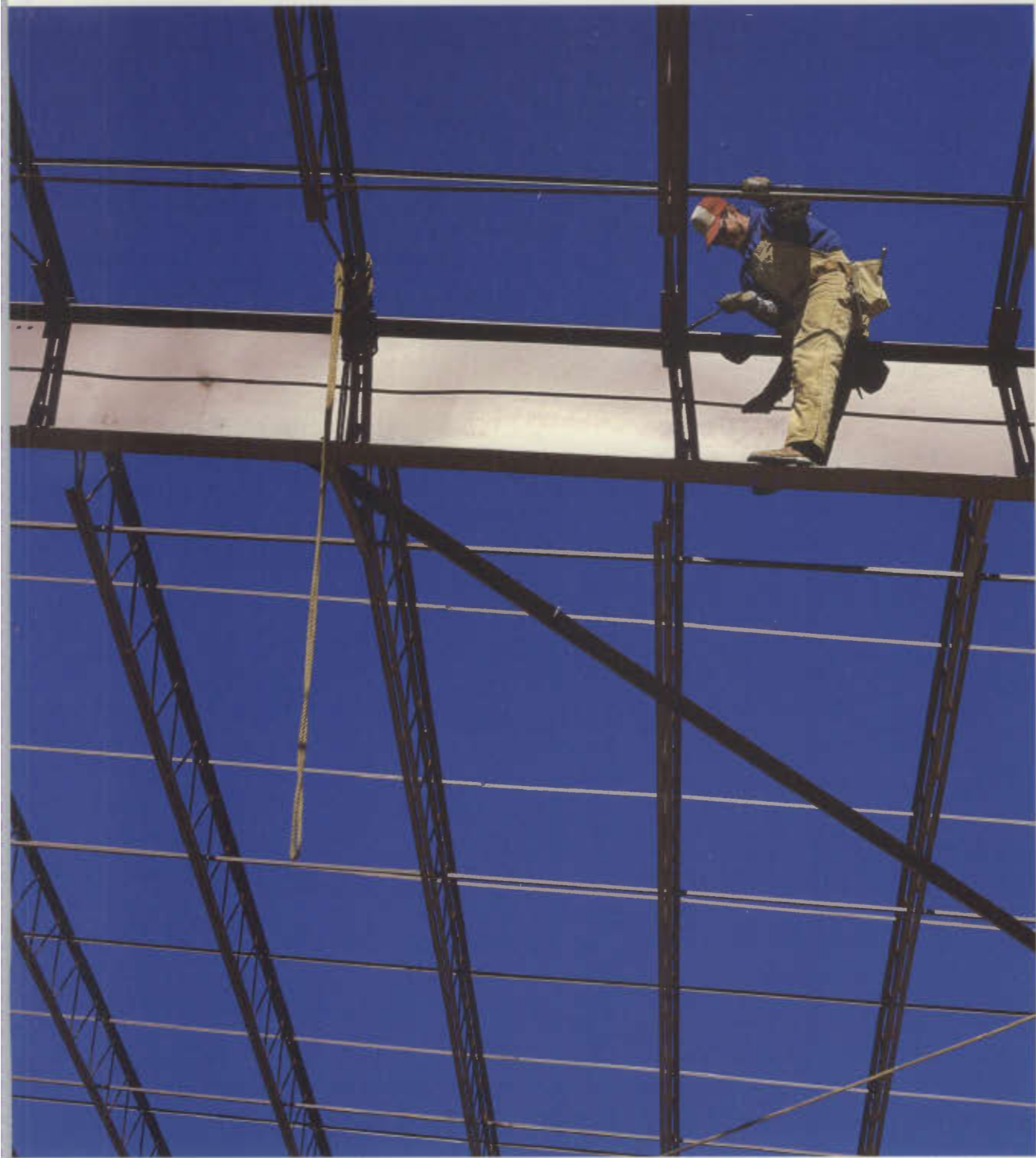


**NJEDA**

***New Jersey Economic Development Authority  
1987 Annual Report***



**Bond Programs**

**Loan Guarantees**

**Direct Loans**

**Industrial Parks**

**Trade Adjustment & Other Affiliated Programs**

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## **New Jersey Economic Development Authority**

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The New Jersey Economic Development Authority is an independent entity of the State of New Jersey created to retain and expand job opportunities, enlarge the tax base of the State and its local governments and encourage economic growth and diversity.

To carry out its mandate, the Authority issues tax-exempt and taxable bonds to enable businesses and other qualified users to obtain low cost financing; makes direct loans and loan guarantees for business retention, expansion and modernization; operates an industrial parks development program in under utilized areas; arranges technical and financial assistance to help manufacturers combat foreign competition; and conducts research related to its legislative mandate.

The Authority's programs are targeted to areas of the State that have the greatest need for private and public investment and to projects which offer the most economic growth and diversity for New Jersey.

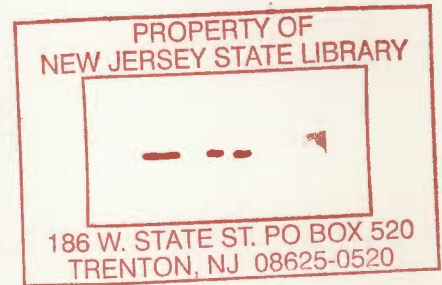
## **To the Governor and Members of the Legislature**

I am pleased to transmit the 1987 Annual Report of the New Jersey Economic Development Authority.

Last year, I reported to you that the Authority was facing unprecedented challenges due to changes in the federal tax laws. I also expressed my confidence in the Authority's ability to surmount these challenges and continue to be a major financing resource for New Jersey's business community.

I am pleased to report that my confidence is well placed. Although the volume of its tax-exempt financings is reduced, the Authority has developed new program opportunities and continues to take an aggressive posture in addressing the financing needs of business and industry in New Jersey.

As a result of these efforts, we are confident that the Authority will prove itself to be in 1988, as always, a strong force in New Jersey's economic growth and diversity.



Borden R. Putnam  
Chairman

March 21, 1988

Thomas H. Kean  
Governor



Borden R. Putnam  
Chairman



## Financial Highlights

	1987	1986	Cumulative Totals 1974-1987
<b>Investments</b>			
Amount of Authority Financings	\$219,924,800	\$485,759,078	\$7,171,189,512
Number of Projects	83	218	4,162
Total Investments Stimulated by Financings	\$199,294,404*	\$558,008,181*	\$9,068,600,637
<b>Jobs Created</b>			
Permanent Jobs to be Created by Financings	1,900	6,600	121,900
Construction Jobs to be Created by Financings (estimated)	4,700	7,900	114,900

Permanent job figures for projects closed during the years 1974-1984 have been adjusted to reflect jobs actually created by those projects. The job figures for 1985-1987 projects are estimates.

This chart does not include bond refundings.

\*Total investments for certain multi-year projects have been included in prior years' totals and therefore are not noted here.

*A copy of the 1987 financial statements is available upon request from the Authority's Office of Public Affairs, CN-990, Trenton, N.J. 08625*



*The Authority's modernization of this industrial complex has brought new jobs and ratables to the City of Newark.*

*Approximately 100 New Jersey farmers will benefit from the new receiving and processing station for cranberries being built in Woodland by Ocean Spray Cranberries, Inc. with Authority bond financing.*



# Authority Programs

## Bond Programs

The Authority may issue tax-exempt bonds for manufacturing facilities, acquisition of land or property by first-time farmers, certain nonprofit activities and for other specified eligible projects. The interest income earned by bond purchasers is exempt from federal taxation in most instances and from the state gross income tax. These exemptions enable an approved applicant to borrow money at more favorable interest rates on a long term basis.

The Authority also may provide taxable bond financing to help companies obtain long-term loans for fixed asset and working capital needs at attractive interest rates.

Authority bonds are purchased by financial institutions or private investors. They may also be underwritten and publicly sold or privately placed.

The Authority also may issue tax-exempt or taxable composite bonds, where financings for small, individual projects are grouped into a larger issue that is sold in the public markets.



## Loan Guarantees

The loan guarantee program assists credit worthy businesses which may need some additional security to obtain a conventional loan or bond financing. The Authority can guarantee a portion of a loan to be used for fixed assets, such as land, buildings, machinery and equipment, and for working capital needs, including purchases of raw materials and inventory, debt refinancing and other operating expenses.

The assistance is generally targeted to businesses which are involved in manufacturing, processing or distribution of materials and products, will create or maintain a significant number of jobs, or are located in an economically distressed community. Retail, commercial and service activities will be considered with priority given to businesses that are located in an economically distressed community and are job intensive.

Guarantees may be provided for a maximum of 10 years and may not exceed 90% of the loan amount, up to \$1 million exposure for fixed assets and up to \$600,000 exposure for working capital.



## Direct Loans

Companies which are unable to obtain sufficient bank credit even with an Authority guarantee may apply for direct loans. Like the guarantees, this assistance is primarily directed to businesses which are involved in manufacturing, processing or distributing materials and products, will create or maintain jobs, or are located in an economically targeted area. Retail, commercial and service enterprises may qualify for assistance but preference is given to those projects which are located in a targeted community and are job intensive.

Direct loans are made for up to \$500,000 for fixed assets and \$250,000 for working capital with a maximum term of 10 years. The interest rate is equal to the federal discount rate at the time of loan approval or closing, whichever is lower. This rate was 6% at the end of 1987.

The Authority's lending activities include the Urban Centers Small Loan Program which provides financing from \$5,500 to \$30,000 to encourage merchants and service operators to remain in downtown urban areas and upgrade their properties. The interest rate is set at 1% below the federal discount rate, with a minimum of 4% and a maximum of 10%.

Under its Export Financing Program, the Authority will provide a one-year revolving line of credit of up to \$100,000 for companies wishing to export goods and services produced in New Jersey.



## Industrial Parks

The Authority develops modern business parks and commercial facilities, primarily in urban areas, to provide affordable, improved space and facilities for growing businesses. The Authority acquires, improves and subdivides either vacant sites or existing facilities for sale to private developers and business operators.

All the business parks are equipped with modern infrastructure, including updated utilities and new or improved roads, and offer such amenities as landscaping, fencing, limited access roads and room for expansion. They tend to be situated close to major transportation arteries, key consumer markets and skilled labor.

The parks are ideal for small and medium-sized companies that have been priced out of the traditional real estate market. Companies that locate in an Authority park receive priority in applying for assistance under the Authority's financing programs. Local property tax abatement is usually available through the municipality for newly constructed buildings.



## Trade Assistance & Other Affiliated Programs

The Authority's Trade Adjustment Assistance Center (TAAC) operates a federally funded program of consulting assistance for manufacturers whose employment and sales, or production, have declined due to foreign competition.

TAAC will help a company petition the U.S. International Trade Administration for certification as a trade-impacted business. TAAC works with certified firms to diagnose problems and opportunities and develop a practical recovery plan. Once the plan has been approved at the federal level, TAAC will work with the client and obtain bids for consulting services on a cost-share basis. Assistance is provided in such areas as planning, engineering, marketing, sales, production, and accounting.

For three other affiliated programs, the Authority performs credit evaluation, loan processing and loan servicing functions. They are: The N.J. Department of Commerce's Local Development Financing Fund, a fixed-asset loan program for industrial and commercial projects in Urban Aid communities; the N.J. Department of Environmental Protection's loan program for existing businesses that recycle waste materials into new products; and the federal SBA 504 program, which provides federally guaranteed, long-term loans for fixed assets through the Corporation for Business Assistance in New Jersey.



## Message from the Executive Director

In the most recent issue (February) of the Authority's periodic newsletter *Update*, we noted "the Authority, overall, had another exceptionally good year in 1987. One which will be reported with great pride, and in considerable detail, in our Annual Report." Now is the time and this is the place.

In spite of severe restrictions placed upon industrial development bonds by the Tax Reform Act of 1986, the Authority continued to arrange substantial amounts of tax-exempt financing for New Jersey's manufacturers and other qualified users. We are especially pleased to announce that

this enabled us to achieve a significant milestone in 1987. By year end, the Authority surpassed \$7 billion in the total amount of financing arranged for over 4,000 New Jersey businesses since 1974. This has resulted in more than \$9 billion in private dollars being disbursed into New Jersey's economy during this time period. Even more importantly, this can be related to the creation of approximately 122,000 permanent jobs and an estimated 115,000 construction jobs.

Specifically, for 1987, two bond program items are worthy of special note. The first is the altering mix of this program, as the Authority continues to respond to the wrenching changes wrought by tax reform. It is evident that the "plain vanilla" small issue industrial development bond, which was the mainstay of the Authority's financing assistance for many years, still remains an important component of the Authority's many and diverse programs. However, it is now restricted solely to manufacturing projects. On the other hand, the Authority's bond programs have been experiencing a metamorphosis of their own as adaptation to tax reform becomes a necessary way of life. The following table clearly brings this out.

These numbers are obviously well under the nearly \$500 million bonds issued in 1986, and certainly well under the billion dollar halcyon years of 1985 and 1984. Nevertheless, we are pleased that the Authority's initiative and adaptability have enabled it to maintain a strong and aggressive bond issuing capability, tax reform notwithstanding.

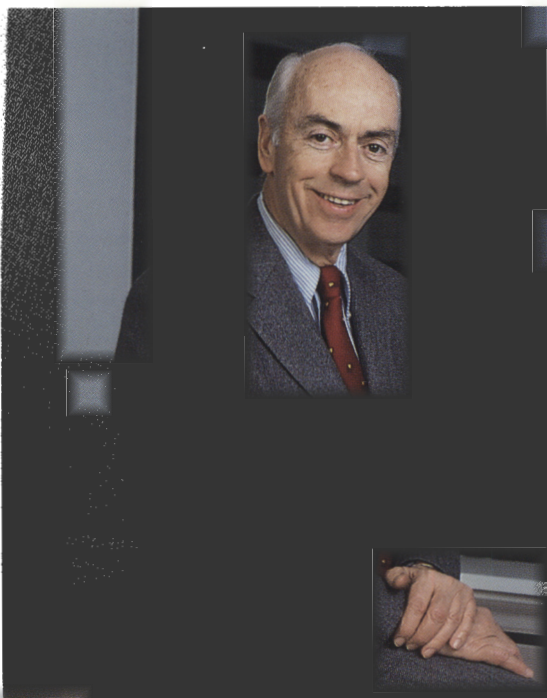
The second item of special interest, relative to the bond program, was the successful completion of a \$17.1 million composite, or pooled, bond issue that the Authority sold on behalf of six New Jersey companies. Despite the turmoil in the credit markets, the Authority was able, through this composite approach, to tap public capital markets normally unavailable to small businesses and to bring their borrowing costs down to the level of large, well-established corporations.

Structured to provide long-term financing at short-term rates, the pooled issue is enabling these six companies to enjoy an extremely attractive interest rate to finance equipment and building needs.

**Type of Bonds Issued by Authority in 1987**

	Amount	Issues
Tax-Exempt Bonds Issued Against 1987 Cap	\$ 81,456,000	25
Previous Years Carryforward Tax-Exempt Bonds	77,500,000	4
501(c)(3) Tax-Exempt Bonds	49,039,300	11
Taxable Bonds	950,000	1
Refunding Tax-Exempt Bonds*	102,508,007	10
<b>Total Bonds Issued</b>	<b>\$311,453,307</b>	<b>51</b>

\*Not included in totals presented elsewhere in this report.



In regard to its other business lending activities, the Authority now has approximately \$110 million in outstanding or committed loans and guarantees, provided through Authority and/or State funds, for which it has direct or indirect responsibility. These funds include the direct loan and loan guarantee programs, the federal 504 small business program, the State's Recycling Loan Program and the Local Development Financing Fund. Also included is a \$300,000 financing commitment from the State's recently formed Urban Development Corporation, for which the Authority has provided loan evaluation services.

As part of its ongoing effort to fill business financing gaps, the Authority has initiated an export financing program to assist businesses that wish to begin exporting goods or services. Aimed at small businesses that cannot obtain affordable financing through conventional means, the program offers qualified companies a one-year, revolving line of credit for up to \$100,000 to finance the purchase of materials and production costs.

The Authority's industrial parks program continues to be a source of special pride and enviable success. The Seaport Industrial Center in Elizabeth and the Airport Industrial Center in Newark each received special commendations in 1987. Meanwhile, in what may be the Authority's boldest real estate venture ever, it has agreed to participate in the redevelopment project for Camden's waterfront.

Plans for construction of a new world headquarters and visitors center by Campbell Soup Company are contingent upon a land exchange between Campbell and RCA and relocation of RCA's parking facilities. The Authority has agreed to demolish certain buildings owned by Campbell and to construct a parking lot for RCA on the cleared site. The Authority's

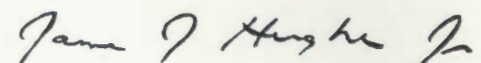
involvement will allow the land swap to occur and the development plans to move ahead. In exchange for assuming \$4.5 million in demolition and construction costs, the Authority will receive 17 acres of urban renewal land adjacent to the new state aquarium. This parcel will be developed jointly by the Authority and Cooper's Ferry Development Association into a festival market, hotel/conference center and office/retail space.

During 1987, the New Jersey Trade Adjustment Assistance Center (TAAC), operated by the Authority, contacted 115 manufacturers impacted by import competition. Since 1978, TAAC has met with over 500 businesses, helping 263 become certified for technical assistance and helping many of them obtain federal funds directly applied to technical consulting assistance.

The past year also saw another first for the Authority. Samuel D. Calaby became the Authority's first official "retiree." After many years of distinguished federal service, Sam joined the Authority within a few years of its founding in 1974. As director of its Division of Policy and Planning, he was a prime architect of its targeting regulations, and much of the research behind its several programs, among other things. He was also a key player in the battles to stave off the deleterious effects on IDBs resulting from tax law changes (thrice—at least!).

The Authority continued to benefit from strong support for its programs from the State's Administration, Legislature and, most importantly, its dedicated members and staff. Regrettably, Peter A. Gold, Esq. was only able to serve for a short period of time as a member of the Authority, due to the pressing demands of his legal practice. However, in this brief period, he showed an interest and commitment that could well serve as a role model for those undertaking pro bono public service. We are fortunate that he has been replaced by someone who has already displayed the same characteristics. Mr. Joseph Simunovich is a prominent and successful business executive and his contributions to the Authority are already evident.

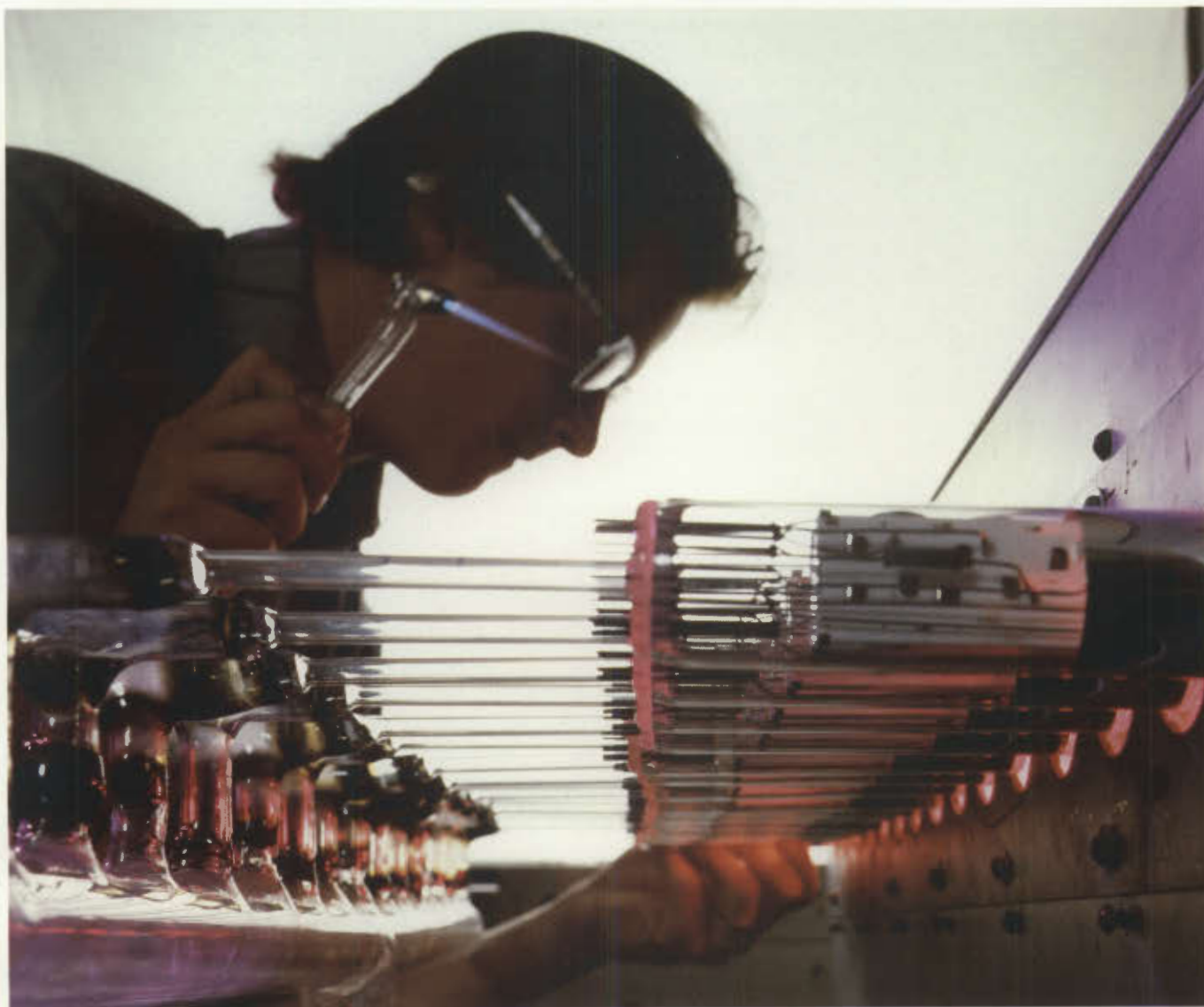
For some time now there have been many predictions of the negative impact on economic development resulting from the 1986 Tax Reform Act—which I have frequently referred to as the ultimate oxymoron. Unfortunately, these predictions are coming to pass. Fortunately, however, the New Jersey Economic Development Authority has been found neither waiting nor wanting by such consequences. We hope this 1987 Annual Report will help comfort those concerned about the effects of tax reform on economic expansion in New Jersey. We hope even further that the Authority's response will give everyone cause to be optimistic for the future.



James J. Hughes, Jr.  
Executive Director

March 21, 1988

## Bond Programs



*Precision and quality control are key to the successful production of photomultiplier tubes by Hamamatsu Corporation in Middlesex. The tubes, elaborate sensing devices that detect and convert photons into electrical signals, are used in medical, aerospace and military applications.*



*A physician is available 24 hours a day to treat emergency and other outpatient needs at the nonprofit Kimball-Manchester Ambulatory Care Center, Inc., in Manchester.*

Refusing to succumb to the roadblocks created by the 1986 Tax Reform Act, the Authority continued in 1987 to issue tax-exempt bonds for the benefit of manufacturing companies and other qualified users.

The tax rules changed dramatically for 1987 and the Authority realized at the outset that it faced a difficult year. It had to address reduced incentives for investors and confusion about the implications of the new tax law, among other issues. The challenge was to redesign the industrial development (renamed private activity) bond program to comply with the new tax provisions yet still offer attractive financing for business expansion and modernization.

The Authority has met this challenge through persistence, aggressive marketing and efforts to educate the business and lending communities. In 1987, the Authority arranged approximately \$209 million in low-cost private activity bond financing for 23 manufacturing companies, 11 nonprofit organizations and five other qualified users. It also issued more than \$100 million in refunding bonds for 10 existing projects whose borrowing costs had increased due to the tax law.

For the most part, these financings reflect the "new" tax-exempt bond models that have emerged in response to the 1986 tax legislation. Exemplifying the break with the past is the \$17.1 million composite, or pooled, bond issue sold by the Authority for the benefit of six New Jersey manufacturers.

The tax law had severely curbed the appetite of the traditional bond buyers, i.e., banks, for tax-exempt bonds, so the Authority had to find an alternative source of investors. This was accomplished by selling the composite issue in the public market. Along with the federal tax exemption feature, investor interest was sparked through a master bank letter of credit backing the bond and local bank letters of credit for each project. These letters of credit guarantee timely payment of principal and interest and therefore reduce investors' risk.

The composite approach enabled the participating companies to share

their bond issuance costs and obtain long-term financing at short-term interest rates, resulting in significant savings over the life of the debt.

The Authority also continued its practice of issuing individual bonds for individual projects. These amounted to approximately \$48.6 million for 16 manufacturers and \$49 million for 11 nonprofit organizations. The Authority saw a surge in the use of tax-exempt bonds in 1987 for eligible nonprofit projects, amounting to a 98% volume increase. Treated favorably under the new tax legislation, nonprofit organizations may use tax-exempt financings for fixed assets, working capital and debt refinancings.

The individual bonds for both manufacturing and nonprofit use generally sold at interest rates below prime, meaning substantial savings in borrowing costs. Exemption of interest income from federal taxation and the State's gross income tax helped produce the attractive interest rates. Also contributing was the fact that several bonds included letters of credit. Although banks have reduced the purchase of tax-exempt bonds for their portfolios, the Authority finds that they are acting as the letter of credit provider in many bond transactions.

In other bond activity, the Authority issued approximately \$94.2 million in tax-exempt bonds and a \$950,000 taxable bond for five projects involving water and gas distribution, energy production, solid waste disposal, and public port facilities.

It also allocated \$122.9 million in tax-exempt bonds for the future financing of water furnishing, sewer, solid waste disposal and electric or gas furnishing facilities.

Despite the new tax law, the Authority assisted a variety of projects. Examples are highlighted here:

Hamamatsu Corporation is a Japanese-based company that manufactures photosensitive devices for the medical and electronics industries. With plans to penetrate the military and aerospace markets and increase sales five-fold by 1991, the company needs more space, equipment and personnel. To accommodate its projected growth, Hamamatsu obtained a

\$5 million tax-exempt bond through the Authority for 10 years at 7⅞% interest. It is now building a 40,000-square-foot facility in Middlesex to make room for the 70 people it plans to hire and train and for new equipment.

A southern New Jersey manufacturer of cardboard partitions for packaging glass products is using an \$850,000 bond to expand its operations. Dale-Pak, Inc., a family-owned business, has moved into a new facility in the Millville/Vineland Urban Enterprise Zone. Owned by Joseph D'Alessandro, Sr. and Louise G. D'Alessandro, Dale-Pak is one of the beneficiaries of the composite bond issue.

Kimball-Manchester Ambulatory Care Center, Inc., a nonprofit outpatient diagnostic facility in Manchester, is being financed in part with a \$1,539,300 bond arranged for 21½ years at 8% interest.

Ocean Spray Cranberries, Inc., an agricultural marketing cooperative, is building a central receiving and processing station in Woodland for locally grown cranberries and blueberries. It is being financed through an \$8 million, 25-year Authority bond with a 4⅞% adjustable interest rate.



*Ocean Spray Cranberries, Inc. expects to complete this receiving and processing station in time for the 1988 cranberry and blueberry harvest.*

## Loan Guarantees



*After being pressed and folded by machines at the Cadillac Industrial Laundry, Inc. plant in Camden, linens are then stacked and prepared for delivery to hotels, restaurants, caterers and health care institutions.*



*Officials of Design Technologies, Inc. in Rahway work on the new oxygen flow monitoring device they have developed for the health care industry.*

Loan guarantee activity remained high in 1987 with the Authority providing 12 guarantees amounting to \$5,538,500. As a result of the new tax law, the Authority saw a significant increase in companies seeking guarantees in association with bank loans rather than with tax-exempt bonds.

The Authority's efforts to target its assistance to key industries and economically distressed communities remained strong in 1987. All loan guarantee recipients for the year represent either manufacturing concerns and/or are located in a state Urban Aid community.

The \$5.5 million in guarantees, two of which are coupled with direct loans from the Authority, are leveraging \$10,995,000 in private funds and have resulted in the creation or retention of 372 jobs.

Through the guarantee program, the Authority attempts to assist small, growing or promising companies seeking to expand, make improvements or develop and market new products. H.F. Henderson Industries, for example, is a rapidly growing minority-owned firm that manufactures printed circuit boards and electronic assemblies for military, commercial and industrial applications.

A complicated financing package that includes four lenders and a \$1 million fixed asset guarantee and a \$600,000 working capital guarantee from the Authority is enabling this contractor to expand its U.S. government contract work and create 120 jobs. The \$6.4 million financing will permit H.F. Henderson, considered an industry leader, to enter into a long-term defense contract worth about \$100 million.

Design Technologies, Inc. in Rahway, a relatively young company that manufactures disposable and non-disposable medical devices, is another high tech firm benefiting from Authority assistance. It needed to make leasehold improvements and purchase machinery and equipment so it could begin production and marketing of the new oxygen monitoring device it had designed. With the support of an \$891,000 Authority guarantee, Design Technologies was able to secure a \$990,000 Authority tax-exempt bond and move ahead with plans to sell its new product to hospitals and the home health care industry in the U.S. and Canada.

Cadillac Industrial Laundry, Inc., a linen service operation, was able to get its loan guarantee within 41 days of submitting its application to the Authority. The company had recently relocated to Camden's Urban Enterprise Zone after outgrowing its facilities in Philadelphia.

An attractive financing package that included an Authority tax-exempt bond and Urban Development Action Grant, Local Development Financing Fund and Camden Economic Development Corp. monies, had enabled Cadillac to build and equip a larger facility and acquire land for future expansion. To help finance the growth it is experiencing now in its new facility, the company needed a \$600,000 working capital loan. It was able to secure this financing with the help of a 90% Authority guarantee.

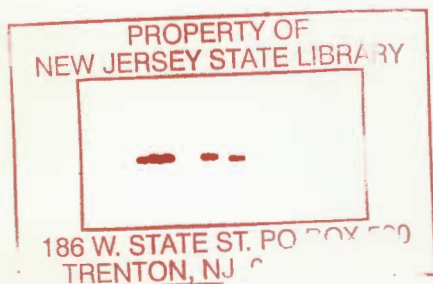


*(Left to right) John C. Seelinger, assistant vice president of Midlantic National Bank, Henry F. Henderson, Jr., president of H.F. Henderson Industries, and Eugene J. Bukowski, the Authority's director of finance, discuss the financing package arranged to enable Henderson Industries to assume a major government contract.*

## Direct Loans



*Printing plastic bags for the bakery industry is a major activity at the Superior Poly Bag, Inc. plant in Hillside. A direct loan from the Authority is enabling the company to purchase new equipment to meet growing customer demand.*



*Avitex Co., Inc., a rapidly growing manufacturer of rib fabrics and trimmings in Newark, turned to the Authority for working capital financing to support its sales growth.*

The Authority has continued to respond to the financing needs of the small entrepreneur who cannot obtain bank or other financing on his/her own. The Authority closed 33 loans in 1987 totaling \$6,332,000 to support \$8,989,202 in project costs.

These projects will help create or retain 551 jobs and, for the most part, represent businesses in economically distressed communities or targeted industries.

The Authority participated in several seminars and conferences for small businesses during the year. In the course of these meetings, it became clear to the Authority that there is a need for affordable financing for small business concerns wishing to sell their goods or services in foreign markets. The Authority has found that many local banks are not familiar with export trading and therefore are reluctant to provide financing for this purpose. Given the paperwork and time involved, some banks may find it unprofitable to get involved in transactions of \$100,000 or less. In other cases, a bank may be willing to provide financing but at a cost that is prohibitive to the small business.

To help address these problems, the Authority launched a financing program in 1987 for small businesses in need of working capital loans of \$100,000 or less to meet export orders. The program enables qualified businesses to secure a maximum one-year line of credit from the Authority to purchase materials and meet production costs for confirmed orders. The financing must be backed by an irrevocable letter of credit obtained by the foreign purchaser or by insurance from the Foreign Credit Insurance Association.

The goal of this new program is to help small businesses get started in the exporting business, develop a track record and grow to the point where

they can move out of the Authority's portfolio and successfully apply to a commercial bank for export financing.

Also noteworthy for 1987 is that 11 businesses with Authority loans made in previous years, paid their entire balances off prior to maturity. These Authority "graduates" illustrate how the direct loan program can, by reducing borrowing costs, help companies ease their cash burden and accelerate their growth.

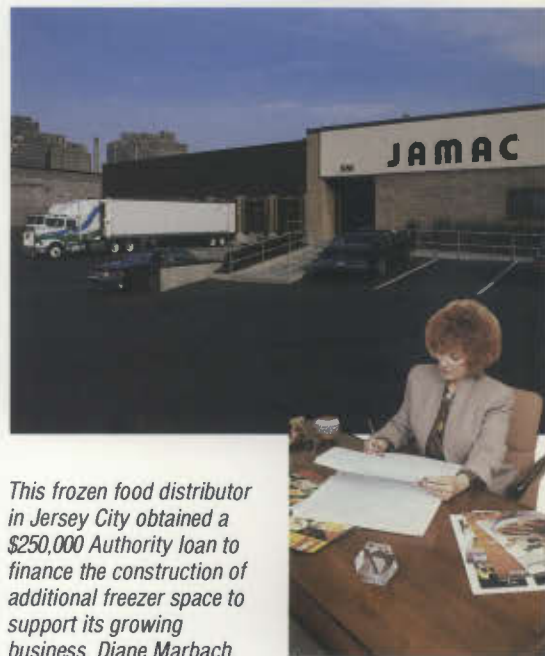
The businesses cited below are examples of how the Authority helped facilitate small business growth in 1987.

Superior Poly Bag Mfg., Inc. moved its plastic bag manufacturing and printing operations to Hillside in 1984. Using \$1.2 million in Authority tax-exempt bonds, the company purchased and renovated a 64,000-square-foot facility and purchased equipment. Then three years later, finding that it had to turn customers away because it was operating at full capacity, Superior Poly Bag secured a \$250,000 loan from the Authority to purchase additional equipment and machinery. The company now expects to double its employment from 30 to 60 people to meet growing customer demand.

Jamac Frozen Foods Corp., an institutional frozen food distributor, followed a similar successful track. Forced to move from its facility in New York and then from one in Jersey City, Jamac finally relocated to the Authority's Montgomery Industrial Center in Jersey City in 1985. Marbach Urban Renewal Realty Assn., formed by Jamac's principals, had obtained a \$2 million Authority bond to purchase a two-acre site in the center and build a 30,000-square-foot facility for Jamac.

Experiencing significant growth within a short period, the company needed to expand its freezer capacity. Marbach built a 3,600-square-foot addition, paid in part by a \$250,000 advance from Jamac's working capital line of credit. Marbach then obtained a 10-year loan at 5½% interest from the Authority to repay the draw on the line of credit.

Avitex Co., Inc. in Newark also is capitalizing on its growth opportunities. Formerly known as Trim Shop, Inc., the manufacturer of rib fabrics and trimmings moved to Newark in 1985. Soon after, it obtained a \$100,000 Local Development Financing Fund loan to purchase the machinery and equipment of two competitors who were going out of business. The elimination of these competitors resulted in rapid sales growth for Avitex and put a strain on its working capital. Fortunately, the company was able to turn to the Authority in 1987 for a \$150,000 working capital loan to support its sales growth.



*This frozen food distributor in Jersey City obtained a \$250,000 Authority loan to finance the construction of additional freezer space to support its growing business. Diane Marbach, president of Jamac Frozen Food Corp., reviews the 3,500 frozen food items offered by the company.*

## Industrial Parks



Approximately 200 people are now employed in the facility shown at right which is part of the Authority's Seaport Industrial Center in Elizabeth. Shalhon Urban Renewal Co. purchased and rehabbed the 75-year-old building to accommodate the distribution of imported handbags.



The production of small crates that hold handkerchiefs are part of the operations at the \$7 million facility constructed by Elgin Urban Renewal Co. in the Authority's Airport Industrial Center in Newark.

1987 was a transitional year for the Authority's industrial parks program. The Authority completed several projects that had been in progress and began looking for new opportunities.

The last parcel of land in the Seaport Industrial Center in Elizabeth was sold in 1987, 2½ years from the time that the Authority acquired the complex. This center accounts for \$35 million in private investment and 1,500 new job opportunities in the area.

The Authority also has a sales agreement for its last parcel in the Airport Industrial Center in Newark with closing scheduled in 1988. When fully occupied, the center will have stimulated \$16 million in private investment and the retention or creation of 700 jobs.

In addition, the Authority sold its 28-acre Claremont Industrial Center in Jersey City to a subsidiary of Hartz Mountain Industries, Inc. Hartz expressed interest in the property after the Authority had assembled the land for the center and obtained necessary development approvals. Hartz will now improve the property and construct new industrial and related facilities which will generate jobs and tax ratables for the city.

The Authority continued to gain recognition in 1987 for its real estate development projects. The Seaport center was the recipient of the Grand Award for outstanding design made by the Consulting Engineers Council of New Jersey. Also, the Airport center was cited by the Essex County Economic Development Corporation for "Excellence in Economic Development."

One of the Authority's most exciting new real estate projects in 1987 is linked to the comprehensive redevelopment plan for Camden's waterfront.

A new type of real estate venture for the Authority, this project is the result of a complex set of arrangements. The Authority has agreed to demolish 600,000 square feet of antiquated buildings owned by Campbell Soup Company and to construct a 1,800-car parking lot for RCA on the cleared land. The Authority's participation will permit a land swap to occur between the two companies and enable Campbell's plan for a new world headquarters and visitors center to move ahead. As part of an agreement with the Camden Redevelopment Agency, the Authority will receive 17 acres of vacant urban renewal land in exchange for assuming approximately \$4.5 million in demolition and construction costs associated with the land swap.

The Authority will redevelop the 17 acres in partnership with Cooper's Ferry Development Association. Plans for the site, which is adjacent to the state aquarium property, include a hotel/conference center, festival market and retail/office space.

During the year, the Authority began feasibility studies for three new real estate projects. The studies should be completed in 1988.

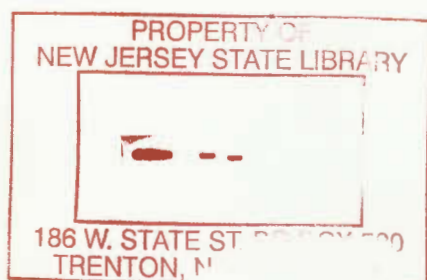


*This model of the redevelopment plan for Camden's waterfront includes the proposed festival market, hotel/conference center and retail/office facilities to be undertaken by the Authority in cooperation with Cooper's Ferry Development Association.*

## Trade Adjustment Assistance & Other Affiliated Programs



*The State's oldest city hall is being restored in Trenton through a financing package that includes a Local Development Financing Fund loan and a tax-exempt bond.*



*This wire EDM machine is helping the Jorita company build tools with greater accuracy and in less time. Acquisition of this computerized equipment was recommended in TAAC's recovery plan for the company.*

During 1987, the Authority's Trade Adjustment Assistance Center (TAAC) worked with 115 manufacturers whose sales and employment, or production, have declined as a result of foreign trade competition. With the help of N.J. TAAC, 11 New Jersey companies representing 660 employees were certified as eligible to apply for U.S. Trade Act assistance.

Eight business recovery plans submitted by TAAC to the federal government received approval, enabling the companies, which represent 330 employees, to obtain needed consulting services.

During 1987, TAAC arranged consulting assistance totaling \$220,000 for 15 businesses employing nearly 2,300 people.

One company which is being assisted by TAAC is Jorita Mfg. Co., Inc. in Springfield, a 35-year old producer of metal stampings and drawn metal cans.

By 1985, Jorita realized it had to take steps to reverse the loss of business it was experiencing due to Far Eastern competition. The company's traditional customer base was the electronics and filter industries for which it manufactured components. Jorita saw opportunities, however, to penetrate new industrial and consumer markets without adding costs. It also realized there were ways to reduce its expenses and operate more profitably.

Reading about TAAC's services in a trade publication, Jorita officials decided to contact the center for confirmation that its improvement plan was on the right track. TAAC helped Jorita identify areas that could be improved and arranged for engineering and marketing consulting assistance. On the advice of TAAC and the professional consultants arranged for by TAAC, Jorita changed its plant layout to realize production efficiencies; implemented a computerized financial and

production control system; recruited independent sales representatives to expand market coverage; identified new market opportunities; and developed new product lines and product literature.

With business beginning to improve in 1986, TAAC helped Jorita reorganize its debt through a \$250,000 working capital loan from the Authority.

Today, Jorita is once again profitable, its sales are on the rise and personnel, which had dropped to 30 from 60 people, now stands at 70.

TAAC continues to work with Jorita to make additional improvements that will further strengthen the company and solidify its growth.

#### *Other Affiliated Programs*

Meanwhile, the Authority also had a busy year in its role as loan agent for three other affiliated programs. It closed 19 loans totaling \$8.7 million, provided through the State's Local Development Financing Fund. These funds are being matched by \$22.5 million in private loans, \$402,000 in public monies and \$13.2 million in equity. The projects are expected to lead to the creation and/or retention of almost 1,900 jobs.

The Authority also processed two requests for financing under the SBA 504 program and received federal approval for two loans totaling \$1 million.

Loans totaling \$688,000 were closed for three recycling projects involving paper, news print, corrugated materials and scrap metal. The loans are helping the companies purchase new equipment and increase the volume of solid waste materials being reused, thereby lessening the burden on landfills.

For example, Monmouth Processing Co. in Neptune obtained a \$300,000 loan at 4½% interest to purchase and renovate three major pieces of equipment. The financing is having a positive impact from many viewpoints. Besides helping to triple the volume of paper the company

recycles daily, the new equipment makes bales of greater density. This enables the company to save in overseas shipping costs and increase its export sales. The expansion also will assist Monmouth County in reaching the State's mandated goal of recycling 25% of its solid waste and add 16 jobs to the region.

Most of the county's municipalities send their newspaper waste products to Monmouth Processing. This allows them to realize revenues from the sale of trash as well as save on dumping fees they would otherwise incur.



*A \$300,000 state recycling loan has enabled Monmouth Processing Co. in Neptune to purchase new equipment and triple its daily volume of recycled paper.*

# Authority Bond Programs

## 1987 Financings

### Manufacturing Projects

Borrower	Municipality/County	Est. New Jobs	Con- struction Jobs	Authority Loan Amount	Total Project Costs
1893 Real Estate Corp.	Newark/Essex	111	24	\$ 3,300,000	\$ 3,500,000
Aircast, Inc.	Summit/Union	14	57	1,650,000	2,383,175
American Modern Metals Corp.	Newark/Essex	71	6	975,000	1,620,000
Battaglino Realty Co.	Fairfield/Essex	8	15	1,453,000	2,073,700
Braddock Realty Co. (#2)	Bridgewater Twp./Somerset	45	21	700,000	717,000
Certech, Inc. (#2)	Wood-Ridge/Bergen	47	0	600,000	600,000
Design Technologies, Inc.	Rahway/Union	33	16	990,000	990,000
Elgin Realty Urban Renewal Co.	Newark/Essex	135	124	5,000,000	6,603,200
Elizabeth Realty Urban Renewal Assoc.	Elizabeth/Union	100	63	2,300,000	4,500,000
Exit 125 L.P.	Sayreville/Middlesex	150	227	9,200,000	9,975,000
Goren Assoc.	Fairfield/Essex	4	11	1,068,000	2,000,000
Hamamatsu Corp. (#2)	Middlesex/Middlesex	25	97	5,000,000	6,000,000
Hidel Partners	Freehold/Monmouth	90	31	6,100,000	7,775,000
Joseph D'Alessandro, Sr. & Louise G. D'Alessandro	Vineland/Cumberland	16	26	850,000	1,040,000
Leonard Dorf	Garfield/Bergen	25	0	475,000	694,500
Manhattan Collision Specialists, Inc.	Ridgefield Park/Bergen	11	37	2,000,000	2,370,000
Ocean Spray Cranberries, Inc.	Woodland Twp./Burlington	0	129	8,000,000	8,000,000
Pavey Envelope & Tag Corp. (#3)	Jersey City/Hudson	0	0	2,000,000	2,060,000
PVC Container Corp. (#3)	Eatontown/Monmouth	14	135	5,000,000	6,754,000
Sealy Mattress Manufacturing Co., Inc.	Millville/Cumberland	38	80	3,000,000	4,000,000
Steven Sklow	Carlstadt/Bergen	15	59	3,100,000	5,115,000
Stuart Uram (#3)	Wood-Ridge/Bergen	0	41	1,450,000	1,450,000
W.Y. Urban Renewal Assoc. (#3)	Jersey City/Hudson	26	42	1,500,000	2,078,028
<b>Totals—Manufacturing Projects</b>	<b>23 Projects</b>	<b>978</b>	<b>1,241</b>	<b>\$ 65,711,000</b>	<b>\$ 82,298,603</b>

### Nonprofit Projects [501(c)(3)]

Borrower	Municipality/County	Est. New Jobs	Con- struction Jobs	Authority Loan Amount	Total Project Costs
Archway Programs (#1)	Waterford Twp./Camden	42	0	\$ 1,443,110	\$ 1,443,110
Archway Programs (#2)	Waterford Twp./Camden	6	0	455,587	455,587
Archway Programs (#3)	Evesham Twp./Burlington	11	0	1,262,262	1,262,262
Archway Programs (#4)	Winslow/Camden	6	0	139,041	139,041
Kimball-Manchester Ambulatory Care Center, Inc.	Manchester Twp./Ocean	23	42	1,539,300	2,189,300
Mega Care, Inc. (#1)	Wayne/Passaic	1	0	8,673,000	9,523,000
Mega Care, Inc. (#2)	Scotch Plains/Union	0	0	5,750,000	5,750,000
Mega Care, Inc. (#3)	Green Brook Twp./Somerset	0	0	8,038,500	8,464,500
Mega Care, Inc. (#4)	Union/Union	0	0	8,038,500	8,388,180
United Jewish Community of Bergen County, Inc.	River Edge/Bergen	10	12	2,200,000	2,200,000
YM-YWHA of Bergen County	Washington Twp./Bergen	27	258	11,500,000	11,536,000
<b>Totals—Nonprofit Projects [501(c)(3)]</b>	<b>11 Projects</b>	<b>126</b>	<b>312</b>	<b>\$ 49,039,300</b>	<b>\$ 51,350,980</b>

### Exempt Facilities

Borrower	Municipality/County	Est. New Jobs	Con- struction Jobs	Authority Loan Amount	Total Project Costs
Bridgewater Resources, Inc.	Bridgewater Twp./Somerset	61	105	\$ 7,950,000	\$ 7,950,000
Hackensack Water Co. (#1)	Various	0	1,955	50,000,000	164,762,000*
Holt Hauling & Warehousing System, Inc. (#2)	Gloucester City/Camden	0	769	9,000,000	10,860,069
New Jersey Natural Gas Co. (#5)	Various/Morris	0	30	13,500,000	13,500,000
Trenton District Energy Co. (#3)	Trenton/Mercer	5	205	13,745,000	14,239,750
<b>Totals—Exempt Facilities</b>	<b>5 Projects</b>	<b>66</b>	<b>3,064</b>	<b>\$ 94,195,000</b>	<b>\$ 46,549,819*</b>
<b>Grand Totals</b>	<b>39 Projects</b>	<b>1,170</b>	<b>4,617</b>	<b>\$208,945,300</b>	<b>\$180,199,402*</b>

\*Total project costs were listed in previous reports and therefore are not included in the exempt facilities totals or grand totals.

# Authority Direct Loans and Loan Guarantees

## 1987 Financings

Borrower	Municipality/County	Authority Direct Loan	Authority Guarantee Exposure	of	Private Sector Loan	Total Project Costs	New and/or Maintained Jobs	Business Type
A & D Equipment Corp., Inc.	Garfield/Bergen		\$ 127,500		\$ 150,000	\$ 150,000	0*	M
Acme & Dorf Metal Door Corp., of NJ, Inc.	Garfield/Bergen		255,000		300,000	300,000	0*	M
All Metal Polishing Co., Inc.	Newark/Essex	\$ 250,000				250,000	25	M
American Brake Co., Inc.	Camden/Camden	125,000				125,000	17	M
Avionic Instruments, Inc.	Woodbridge Twp./Middlesex	250,000				337,500	0*	M
Avitex Co., Inc.	Newark/Essex	150,000				150,000	25	M
B.P.I. Knitting Mills Corp.	Paterson/Passaic	120,000				295,000	12	M
Baby Doll Infants Wear Co., Inc. (#1)	Passaic/Passaic	200,000				475,000	20	M
Baby Doll Infants Wear Co., Inc. (#2)	Passaic/Passaic		180,000		200,000	**	**	M
Billy Ford Keaton	Trenton/Mercer	200,000				220,000	6	C
Cadillac Industrial Laundry, Inc. (#3)	Camden/Camden		540,000		600,000	600,000	92	C
Carlson's Seafood, Inc. (#2)	Wildwood/Cape May	125,000				125,000	6	F
Carry All Corp.	Hackensack/Bergen	75,000				95,000	10	C
Clinton Alfred Walker	Cape May/Cape May	110,000				125,000	2	F
Corporate Knitting, Inc. (#2)	Passaic/Passaic	500,000				604,000	75	M
D & J Realty	East Brunswick/ Middlesex	250,000				955,000	100	M
Design Technologies, Inc.	Rahway/Union		891,000		990,000	990,000	33	M
Edward Gravitv (#2)	Egg Harbor/Atlantic	290,000				350,000	10	D
Fill-Rite, Inc.	Newark/Essex	250,000				250,000	24	M
Fleet, Inc.,	Kearny/Hudson	225,000				245,800	13	C
Garage, Inc.	West New York/ Hudson	27,000				30,000	2	C
H.F. Henderson Industries (#1)	West Caldwell/Essex		600,000		700,000	6,400,000	120	M
H.F. Henderson Industries (#2)	West Caldwell/Essex		1,000,000		5,700,000	**	**	M
John Richard Hamada, D.C.	Trenton/Mercer	25,000				52,100	4	C
Joseph Barbarino & Deborah Barbarino	South Amboy/ Middlesex	250,000				420,000	35	M
Kayline Urban Renewal Development Corp. (#2)	Trenton/Mercer	175,000				175,000	0*	M
Le Cadeau, Inc.	Jersey City/Hudson		90,000		100,000	100,000	15	M
Lenique, Inc.	Newark/Essex	65,000				122,602	3	C
Leong Restaurant	Jersey City/Hudson	125,000				158,000	5	C
Leonidas Stratis & Kleanthis I. Retsos	Newark/Essex	80,000				100,000	8	C
Louis Silberstein & Herman Silberstein	Newark/Essex		765,000		850,000	1,000,000	27	M
Lund's Fisheries, Inc. (#4)	Lower Township/ Cape May	250,000				1,000,000	10	W

(Continued on following page)

# Authority Direct Loans and Loan Guarantees (Continued)

## 1987 Financings

Borrower	Municipality/County	Authority Direct Loan	Authority Guarantee Exposure for	Private Sector Loan	Total Project Costs	New and/or Maintained Jobs	Business Type
Marbach Urban Renewal Realty Assn. (#2)	Jersey City/Hudson	250,000			250,000	7	D
Midak Industries, Inc. (#4)	East Brunswick/ Middlesex		540,000	600,000	640,000	64	M
Midak Industries, Inc. (#5)	Trenton/Mercer		100,000	100,000	100,000	**	M
Pepe Cascio, Inc.	Newark/Essex	100,000			100,000	15	M
Robro General Machine, Inc.	Paterson/Passaic	175,000			350,000	15	M
Screen Classics, Inc.	Jersey City/Hudson	250,000			350,000	26	M
Sonex Food Products Supply, Inc.	Elizabeth/Union	140,000			140,000	10	W
Sonny Homasi	Newark/Essex	500,000			560,000	9	C
Superior Poly Bag, Inc. (#2)	Hillside/Union	250,000			325,000	30	M
Taylor Windows, Inc.	Orange/Essex	250,000			250,000	27	M
Unicorn Publishing House, Inc. (#1)	Parsippany- Troy Hills/Morris		450,000	500,000	515,000	21	M
Unicorn Publishing House, Inc. (#2)	Parsippany- Troy Hills/Morris	50,000			55,000	**	M
Wrapwell Corp.	Newark/Essex	250,000			250,000	0*	M
<b>1987 Totals: 45 Financings</b>		<b>\$ 6,332,000</b>	<b>\$ 5,538,500</b>	<b>\$ 10,790,000</b>	<b>\$ 20,085,002</b>	<b>923</b>	
<b>1976-1987 Cumulative Totals: 339 Financings</b>		<b>\$48,111,700</b>	<b>\$64,286,057</b>	<b>\$141,332,204</b>	<b>\$461,547,396</b>	<b>15,338</b>	

The 1976-1987 cumulative totals do not include guarantee exposure and direct loans receivable transferred to the Authority in 1978 from the N.J. Urban Loan and Area Redevelopment Authorities.

\*Jobs are reflected on previous financings.

\*\*See related financing.

### Key to Business Type

C — Commercial  
D — Distribution  
F — Commercial Fishing  
M — Manufacturing  
W — Wholesale

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## **New Jersey Economic Development Authority Members**

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### **Ex-Officio Members**



**Borden R. Putnam**  
Chairman, NJEDA  
Commissioner of  
Commerce, Energy and  
Economic Development



**Feather O'Connor**  
State Treasurer



**Leonard S.  
Coleman, Jr.**  
Commissioner of  
Community Affairs



**Richard T. Dewling**  
Commissioner of  
Environmental  
Protection



**Charles Serraino**  
Commissioner of Labor

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### **Public Members**



**Olive S. Cram**  
Secretary-Treasurer,  
Concord  
Chemical Co., Inc.



**Vincent J. Giblin**  
Business Manager,  
International Union of  
Operating Engineers



**Ronald Olszowy**  
President,  
Interstate Insurance  
Agency



**Joseph Simunovich**  
Director of Sales,  
New Jersey Bell

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### **Alternate Public Members**

**Paul M. Roth**  
President,  
Retail Clerks  
Union Local  
1049 U.F.C.W.

**Edmund E. Downer**  
President.  
Downer Silica Company

**Wanda Webster  
Stansbury**  
President,  
Management  
Interventions, Inc.

## Authority Executive Staff



(Left to right)  
Eugene J. Bukowski,  
Director of Finance;  
Teri Dunlop,  
Legal Administrator;  
Gerald J. Novak, Director of  
Real Estate Development;  
John F. Walsh, Deputy Director;  
Jasper Sherrod, Acting Affirmative  
Action Administrator; and  
Frank T. Mancini, Jr.,  
Director of Project Development.

Joseph F. Cirafici, Director of the Trade  
Adjustment Assistance Center, is absent  
from the photo.



(Left to right)  
Gregory Ritz, Controller;  
Rose M. Smith,  
Public Affairs Administrator;  
Richard L. Timmons,  
Assistant Deputy Director;  
Gary M. Nadler, Manager  
of Administration; and  
Christina Hindley, Review and  
Compliance Administrator.





**New Jersey Economic Development Authority**

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