Hazardous Discharge Site Remediation Fund 2010 Annual Report

Introduction

The Hazardous Discharge Site Remediation Fund (HDSRF), administered by the New Jersey Economic Development Authority (EDA) and the New Jersey Department of Environmental Protection (DEP) offers assistance to municipalities, businesses, developers and community groups at various stages of the brownfield restoration process, from planning to cleanup and redevelopment.

The HDSRF has been an integral component of this assistance since 1993; helping to transform underutilized and contaminated sites into environmentally sound, productive properties. This is particularly important in the redevelopment of older urban areas so vital to achieving the smart growth objectives of the State's Master Plan.

Currently, the existing pipeline of projects at the DEP and EDA total nearly \$74.4 million. As of September 30, 2011, the HDSRF has \$25.2 million uncommitted cash to award and the Fiscal Year 2010-2011 appropriation for HDSRF was \$15.2 million.

Not counting the anticipated funding of \$11.5 million for Fiscal Year 2011-2012, the HDSRF is underfunded by approximately \$49.2 million, impacting many ongoing and anticipated brownfield redevelopment projects.

As a result, the DEP and the EDA have jointly decided to suspend processing applications for grants and loans in order to focus on recovering funds that had been awarded but remain unexpended.

The EDA and the DEP, which jointly administer the program, present the results of activities for calendar year 2010 under the HDSRF in accordance with the reporting requirements of N.J.S 58:10B-6.

Background on the HDSRF

The DEP first reviews applications to determine eligibility, reasonableness of costs, and the scope of work needed to investigate and remediate each site. The EDA manages the Fund and makes grants or loans to projects the DEP determines are eligible. Since the program was established, over \$297 million in assistance has been provided to 1,581 projects.

Funds may be provided for preliminary assessments (PA) for onsite inspections and to review historical ownership and site use to determine if contamination may be present at the sites; site investigations (SI) to characterize suspected contamination through preliminary intrusive

investigation work; remedial investigations (RI) to determine the extent of contamination present; and RA to effectuate cleanup of impacted portions of the sites.

Municipalities, counties and redevelopment agencies may apply for grants up to \$3 million per year for investigation and remediation activities on properties they own or for which they hold a tax sale certificate and have a comprehensive plan or realistic opportunity to develop within three years upon completion of the remediation. Furthermore, an additional \$2 million is available to municipalities that contain Brownfields Development Areas (BDAs). Remedial Action (RA) grants require an either 25% or 50% match of the eligible project costs – depending on the BDA – by the municipality, county or redevelopment agency.

Private parties required to perform remediation activities and individuals who want to conduct such actions voluntarily may qualify for low-interest loans of up to \$1 million per year if they are unable to obtain private funding.

Municipalities that utilize the HDSRF enjoy two significant advantages. First, the remediation and return to productive use of dormant, contaminated properties rids communities of abandoned and, possibly, dangerous sites. Second, once sites are remediated and improved, they can once again provide revenue producing ratable assets for the municipality.

Businesses and private individuals using HDSRF monies to investigate and clean up contaminated properties, like former gas stations and industrial properties, can enhance the surrounding community by improving the environment and increasing property values while stimulating new investment.

The report provides details of the HDSRF's financing activity during the year and includes a list of the projects financed, by county (Exhibit A) for the period of January 1, 2010 through December 31, 2010.

2010 HDSRF Activity

In 2010, the EDA closed a total of 2 loans amounting to over \$153,000 and 105 grants amounting to nearly \$49.2 million, providing assistance to businesses, private individuals, and municipal governmental entities for the investigation and clean-up of contaminated sites throughout New Jersey.

The following chart illustrates the allocation of funds for each eligibility category, total approvals for the year, and total disbursements. Please note that some 2010 disbursements exceed 2010 allocations and approvals, which reflects previously approved projects receiving funds in the current reporting year. (See addendum for category descriptions.)

Funding Category	2010 Allocations	2010 Approvals	2010 Disbursements
1	\$1,202,481	\$250,000	\$284,853

2	\$9,018,607	\$45,550,104	\$22,579,488
3	\$9,018,607	\$141,170	\$262,772
4	\$3,006,202	\$575,191	\$613,368
5	\$1,803,721	\$0	\$280,767
6	\$3,973,731	\$102,116	\$217,604
7	\$6,012,405	\$0	\$0
Total	\$34,035,754	\$46,618,581	\$24,238,852

The original statute prescribed a specific method for determining the funding priority of projects that receive approvals from the DEP and EDA. Upon receiving EDA Board approval, applicants have a certain period of time to submit closing documents, including an executed contract for remediation services, in order to draw down on the available funds. Private individuals have 90 days to submit these documents and close their loan or grant award, while municipal governmental entities have 180 days prior to the lapse of the closing deadline.

Pursuant to N.J.S.A. 58-10B-7, an extension may be requested in writing explaining the reasons for the delay. If the defined period of time should expire, the commitment loses funding priority to that of newer applicants unless this period is extended. If the applicant submits the required evidence at some point after the defined time period has expired, the Fund is obligated to honor the commitment if monies are available in the Fund.

2010 Available Funds

The Fund's available cash balance as of September 30, 2011 is approximately \$25.2 million after deductions for outstanding commitments, undisbursed loans and grants. This amount includes loan repayments, interest earnings, and surcharges collected through year's end. This amount does not include the pending fiscal year 2012 appropriation of \$11.5 million.

Below is a chart, which demonstrates HDSRF allocations for calendar year 2011 by category, which was revised under 2005 amendments to the statute (see addendum for new category descriptions.)

Hazardous Discharge Site Remediation Fund Allocation by Category

Funding Category	2011 Allocation
1	\$325,630
2	\$1,953,780

3	\$1,953,780
4	\$651,260
5	\$325,630
6	\$3,871,615
7	\$1,302,520
Total	\$10,384,215

Assessment of Current Funding Levels to Meet Obligations

Below is an accounting of the project applications that are in process as of the end of September 2011. The EDA projects below are those for which EDA is awaiting information from applicants before EDA review can begin. The DEP projects below are those for which DEP is reviewing statutory eligibility prior to making a recommendation to EDA.

Totals:	258 projects	\$74,353,392
Non-Profit Projects under review by DEP:	9 projects	\$646,732
Private projects under review by DEP:	76 projects	\$11,949,295
Municipal projects under review by DEP:	172 projects	\$61,563,872
Private projects awaiting financing by EDA:	0 projects	\$0
Municipal projects awaiting financing by EDA:	1 projects	\$193,493
		Application request

Project Examples

The Fund's successful track record has impacted the entire State of New Jersey. Hundreds of projects have moved forward, resulting in the investigation and remediation of many sites that are now viable, tax-ratable assets to the communities in which they are located. The following are some examples of projects that closed in 2010:

<u>Township of Woodbridge (Spector)</u>

The Township of Woodbridge received grant funding to perform PA in the amount of \$4,015 at the Spector project site in December 2009. The project site is a former asphalt plant that is currently used for the stockpiling of soil. The site has potential environmental areas of concern (AOCs). It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site as a clean energy construction technology incubator/cluster that will include ground mounted solar energy systems, computer and data processing units, and laboratories.

The Township was awarded supplemental grant funding to perform SI activities in the amount of \$256,908 at the project site for \$260,923 in total funding to date.

City of Millville (Spinelli Brothers Trucking)

The City of Millville received grant funding to perform PA in the amount \$5,513 at the Spinelli Brothers Trucking project site in March 2005. The project site is a former trucking facility which has potential environmental AOCs. It is the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial reuse as outlined in the City's Redevelopment Plan.

The City was awarded supplemental grant funding to perform SI in the amount of \$187,593 at the project site for \$193,106 in total funding to date.

Township of Newton (Newton Armory)

The project site is the former NJ Army Nation Guard facility which has potential environmental AOCs. It is the Town's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use development.

The Township was awarded grant funding to perform PA and SI in the amount of \$63,120 at the project site.

Synopsis of 2010 BDA Activity

Under the BDA approach, DEP works with communities affected by multiple brownfields to design and implement remediation and reuse plans for these properties simultaneously. The BDA approach enables remediation and reuse to occur in a coordinated fashion. In the process, DEP invites the various stakeholders, including owners of contaminated properties, potentially responsible parties, developers, community groups, technical experts for the local government and residents themselves, to participate in this cleanup and revitalization approach.

The following 30 BDA projects were approved in 2010:

- Borough of Bellmawr Bellmawr Landfill the Borough received grant awards totaling \$5,000,000 in 2009 for PA, SI, RI and RA. The project site is a former landfill and is currently used as a composting facility. At the time of application it was the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use including open space and conservation. The Borough was approved for the following assistance in 2010 for this project site:
 - o Grant of \$5,000,000 on 4/13/2010 to perform RA.
- Borough of Carteret Carteret Sewage Treatment Plant the project site is the former Carteret Sewage Treatment Plant. The Borough received a grant in October 2009

in the amount of \$104,320 to perform PA, RI and RA. At the time of application it was the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential properties and a waterfront park. The Borough was approved for the following assistance in 2010 for this project site:

- o Grant of \$4,607 on 5/11/2010 to perform RA.
- Carteret Borough Carteret Waterfront the Borough received a grant in April 2000 in the amount of \$65,469, a grant in December 2000 in the amount of \$29,427 and a grant in June 2009 in the amount of \$292,351 to perform PA, SI and RI. The project site has been used for commercial purposes. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site as a Waterfront Park and Marina. The Borough was approved for the following assistance in 2010 for this project site:
 - o Grant of \$4,926,851 to perform RA.
- Camden Redevelopment Agency Harrison Avenue Landfill the Agency received grants totaling \$14,022,065 between 2005 and 2009 to perform RI and RA. The project site is a former landfill and at the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site into a recreation center. The Agency was approved for the following assistance in 2010 for this project site:
 - o Grant of \$4,293,712 on 12/14/2010 to perform RA.
- Township of Deptford former Fazzio/Deptford Landfill the Township received a grant in February 2010 in the amount of \$4,951,464 to perform Remedial Action (RA). The project site is a former landfill and it was the Townships intent at the time of application to redevelop the project site for mixed-use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant of \$5,000,000 on 5/10/2010 for RA.
- County of Essex Passaic River Waterfront The project site is comprised of six city blocks and was utilized for a mixture of residential, commercial, and industrial uses and at the time of application it was the County's intent, upon completion of the environmental investigation activities, to redevelop the project site as a waterfront park. The County was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$694,825 on 6/8/2010 to perform RA.
- City of Gloucester Gloucester Point The project site is a former industrial use site and at the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site as a barge unloading

facility and holding area for automobiles. The City was approved for the following assistance in 2010 for this project site:

- o Grant in the amount of \$155,851 on 2/9/2010 to perform RI.
- City of Gloucester Gloucester Titanium the City received a grant approval in September 2009 in the amount of \$434,025 to perform RI. The project site is a former processing facility of titanium dioxide ore. At the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use. The City was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$156,390 on 1/12/2010 to perform RI.
- Township of Haddon Lahn Property the Township received funding in October 2008 in the amount of \$259,636 to perform PA and January 2009 for RI in the amount of \$143,754. The project site is a residential and commercial property. At the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential re-use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$124, 928 on 7/15/2010 to perform RA.
- Township of Haddon Wide Groundwater The project site is a former manufacturing property and it is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for recreation and conservation space. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$149,790 on 12/14/2010 to perform RI and RA.
- Harrison Redevelopment Agency former Hartz Mountain facility the Agency received a grant in the amount of \$134,014 in January 2008 and a grant in the amount of \$316,536 in December 2008 to perform RI activities. The project site is a vacant 10 acre parcel previously used for industrial purposes since the late 1890's. At the time of application it was the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use development. The Agency was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$3,928,572 on 1/12/2010 to perform RI and RA.
- **Jersey City Redevelopment Agency Turnpike Dump #5 -** the Agency received grants totaling \$5,983,926 from 2008-2009 to perform PA, RI), and RA. The project site has been historically used for operations associated with the railroad. At the time of application it was the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial and residential reuse. The Agency was approved for the following assistance in 2010 for this project site:

- o Grant in the amount of \$849,497 on 4/13/2010 to perform RA.
- **Borough of Keyport DPW Storage Yard** the Borough received a grant in May 2008 under the project name Five Keyport BDA sites for the PA and SI for this project. The project site is the current operational Department of Public Works storage yard and at the time of application it was the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for open space/recreation. The Borough was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$808,434 on 4/13/2010 to perform RI and RA.
- **Borough of Keyport Saute Bay** the Borough received a grant in May 2008 under the project name Five Keyport BDA sites for the PA and SI for this project. The project site is a former restaurant and parking lot. At the time of application it was the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for open space/recreation. The Borough was approved for the following assistance in 201 for this project site:
 - o Grant in the amount of \$48,617 on 9/7/2010 to perform RI and RA.
- Milltown-Ford Ave Redevelopment Agency the Agency received grant funding totaling \$11,657,596 between 2004 and 2007 to perform SI, RI and RA activities. The project site is the former Michelin Tire Company and at the time of application it was the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use development. The Agency was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$182,169 on 10/12/2010 for RI.
- City of Newark former Duralac facility the City received a grant in December 1998 in the amount of \$65,683 to perform PA and in June 2009 in the amount of \$79,585 for RI. The project site is a former manufacturing facility and at the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for parking. The City was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$255,809 on 12/14/2010 to perform RI and RA.
- City of Newark Passaic River Waterfront The project site is comprised of six city blocks and was utilized for a mixture of residential, commercial and industrial uses. At the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site as a waterfront park. The City was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$1,273,475 on 3/9/2010 to perform RI and RA.

- o Grant in the amount of \$421,169 on 6/8/2010 to perform RA.
- o Grant in the amount of \$157,856 on 12/14/2010 for PA and SI previously completed.
- Township of Orange 534 Mitchell Street -the City received grants in the amounts of \$4,400 in November 2007 to perform PA and \$20,004 in August 2008 to perform SI. The project site is a vacant property now part of the Central Valley Brownfield Redevelopment Area. At the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$19,032 on 2/23/2010 to perform SI.
- Township of Orange 540 Mitchell Street the City received grants in the amount of \$4,400 in November 2007 under to perform a PA and \$20,565 in August 2008 to perform SI. The project site is a vacant property now part of the Central Valley Brownfield Redevelopment Area. At the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed-use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$18,883 on 2/23/2010 to perform SI.
- Township of Orange Bravo Grocery the project site is comprised of a grocery store and parking lot and at the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$26,4123 on 12/22/2010 to perform PA and SI.
- Township of Orange Bravo Parking Lot the project site is comprised of a parking lot and at the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$26,412 on 12/22/2010 to perform PA and SI.
- Township of Orange Delta Service Station the project site is comprised of an active vehicular service garage and fueling station. At the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use. The Township was approved for the following assistance in 2010 for this project site:

- o Grant in the amount of \$42,230 on 12/22/2010 to perform PA and SI.
- Township of Orange Getty Service Station the project site is currently operated as a vehicular service garage and fueling station. At the time of application it was the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use. The Township was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$42,230 on 12/22/2010 to perform PA and SI.
- City of Perth Amboy former Municipal Complex the project site is a former Municipal Complex and at the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential and retail use. The City was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$25,298 on 11/4/2010 to perform SI.
- City of Perth Amboy General Cable the City of Perth Amboy received grant funding to perform RI at the General Cable project site in the amount \$76,400 in May 1996; \$202,625 in July 1997; \$70,803 in January 2002 and \$178,685 in October 2001. The project site is a former industrial site. At the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential and retail use. The City was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$68,712 on 11/9/2010 to perform RI.
- City of Perth Amboy Gilland Property the project site had various former industrial and commercial operations. At the time of application it was the City's intent, upon completion of the environmental investigation activities, to redevelop the project site for residential and retail use. The city was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$128,968 on 10/12/2010 to perform RI and RA.
- Rahway Redevelopment Agency Hamilton Laundry the Agency received a grant in November 2009 in the amount of \$544,137 to perform PA, SI and RI. The project site is a former laundry facility. At the time of application it was the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as an amphitheater and performing arts center. The Agency was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$1,529,037 on 12/14/2010 to perform RA.

- Sayreville Economic Redevelopment Agency former National Lead site the Agency received a grant in the amount of \$1,242,103 in October 2008 to perform RI, a grant in the amount of \$3,757,897 in December 2008 to perform RA and a grant in the amount of \$5,000,000 in February 2010 to perform RA. The project site, consisting of 400 acres over various parcels has no current operations, but historically has been used for industrial production and processing. Soil and groundwater contamination has been identified. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as a mixed-use community including office, retail and residential space along with various recreational opportunities. The Agency was approved for the following assistance in 2010 for this project site:
 - o Grant in the amount of \$5,000,000 on 5/10/2010 to perform RA.

Recommendations

Since 1993, over 1,856 projects have been approved for \$321 million in loans and grants and, as the program has become more popular, the number of requests for funding has increased dramatically. As noted in recent legislative hearings, the amount of funds currently available to the HDSRF program is less than the amount of demand.

The HDSRF is funded by annual legislative appropriations based on a percentage of the Corporate Business Tax (CBT). Because CBT revenues have declined, the level of funding available to the program is not sufficient to satisfy current requests.

During the summer of 2010, EDA met with various stakeholders who included: DEP staff, environmental attorneys, municipal representatives and several environmental consultants to discuss the health of the Fund and potential legislative changes.

Over the last several years, EDA staff has taken steps to identify projects that were approved for funding, but had not drawn down funding for a prolonged period. Through this process, EDA has been able to identify several million dollars in committed, yet undisbursed funding that will be returned to fund balances for future approvals.

In addition, DEP is compiling a list of projects that may have a viable responsible party from which it can seek to recover expended State funds. Both efforts are short term measures and as a result, EDA and DEP, are considering viable policy alternatives to address limited financial resources and overwhelming demand in future years.

ADDENDUM

I. Addendum: Fund History

In 1993, the Legislature amended and supplemented P.L. 1983, c.330, formerly known as the "Environmental Cleanup and Responsibility Act" to become the "Industrial Site Recovery Act." The Legislature sought these changes to promote certainty in the regulatory process that would serve to facilitate the remediation of contaminated sites and promote the redevelopment of existing industrial sites around the State.

In addition to regulatory reform, the Legislature sought to alleviate the financial burdens that have been imposed on individuals, corporations and municipal government entities that have either voluntarily or involuntarily remediated contaminated sites. This assistance came in the form of a \$45 million appropriation from the Hazardous Discharge Bond Act of 1986 to a new Fund entitled the Hazardous Discharge Site Remediation Fund (the "Fund"), which the EDA jointly administers with the Department of Environmental Protection ("DEP").

The Fund received an additional \$10 million from the Economic Recovery Fund in its initial capitalization, and in 1997, the Legislature appropriated an additional \$20 million from the Hazardous Discharge Bond Act of 1986 to the Fund making a total of \$75 million available for the remediation of contaminated sites.

The responsibilities associated with administering the Fund have been divided between the EDA and the DEP. Initial contact and proposals for funding are made through the DEP, which has streamlined the environmental review process to provide timely approvals. Once environmental approvals and eligible project costs have been determined by the DEP, the applications are forwarded to the EDA so that eligible parties may access the financing available to them through this Fund.

Upon receiving these applications, the EDA conducts a financial review and forwards them to its Board of Directors with a recommendation for funding. The DEP and EDA have adhered to a strict interpretation of the law in implementing this Fund. As a consequence of this interpretation, the Fund is truly the last resort to finance potential remediations.

Applicants do not possess insurance and in most cases have little or no collateral to secure loans made by the Fund. Under normal circumstances, these applications would not meet the EDA's credit criteria for funding. Each Fund application is reviewed therefore in light of the legislative intent behind the program that dictates to the EDA that these more risky loans should be made for the general public good that will be achieved through such remediations.

In 1997, the Act was amended to create two new eligibility categories that the EDA and DEP implemented in early 1998: Category 8 provides matching grants for individuals using innovative technology for remediation; Category 9 provides matching grants or loan guarantees for persons or businesses that implement limited restricted use or unrestricted use remedial actions. As a result, Category 10 is now the "catch all" category, which was formerly Category 8. These new categories were created by allocating 5% each from Category 5 and Category 6.

In 1999, the Legislature revised the qualification for municipalities to receive certain grants for remediation investigations from the Fund.

The law requires a municipality either to have a comprehensive Brownfields redevelopment plan in place, or to demonstrate to the EDA that a property has a realistic opportunity of being developed or redeveloped within three years of the completion of the remediation. The law further requires a municipality or the New Jersey Redevelopment Authority to actually own the real property prior to receiving a grant for remedial investigation from the Fund. The law ensures that a municipality does not spend funds without having made a substantial commitment to the development of the Brownfields site.

In 2003, legislation was passed dedicating an additional \$40 million to aid in replenishing the Fund. In addition, New Jersey Voters approved a State Constitutional amendment in November 2003 which permits the State to use a surplus in Corporate Business Tax revenues dedicated to the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Program to provide a new and reliable long-term funding source for the Hazardous Discharge Site Remediation Fund.

In 2005, legislation was passed creating new and expanded uses of HDSRF funds for municipalities, counties and redevelopment entities. The new legislation provides grant funds for recreation areas, conservation areas and projects involving affordable housing, in addition to providing additional grant funds on a priority basis and dedicated case management in the Department of Environmental Protection to municipalities with areas designated as a BDA.

In 2006, legislation was passed that changes the limits on grants from the Hazardous Discharge Site Remediation Fund to municipalities, counties and redevelopment agencies authorized to exercise redevelopment powers pursuant to N.J.S.A.40A:12A-4. The law previously limited grants to those entities to 75% of the total costs of the remediation. The new law authorizes grants to those entities for up to 100% of the costs of the preliminary assessment, site investigation and remedial investigation regardless of the date the application for funding was submitted to the Department of Environmental Protection. It authorizes grants for up to 75% of the costs of the remedial action of a contaminated site for applications received by the department after September 15, 2005.

In 2007, legislation was passed that removes the 70% cap on the amount of grant money that could be awarded from the Fund. This allowed projects that were initially approved as loans, to subsequently be converted to grants in 2007.

In 2009, legislation was passed that establishes the Licensed Site Remediation Professional Program which requires any submissions concerning the remediation of a contaminated site to be signed and certified by a licensed site professional or by a certified subsurface evaluator. The legislation also establishes criteria for a ranking system and direct oversight of contaminated sites based upon the level of risk to the public health, safety, or the environment, the length of time the site has been undergoing remediation, the economic impact of the contaminated site on the municipality and on surrounding property, and any other factors deemed relevant by the department.

II. Addendum: Funding Categories

As defined in the Act, financial assistance and grants from the Fund were provided for the following purposes and obligated on an annual basis in the defined percentages. An additional funding category was also created by the legislation, C.58:10B-25.3, to establish a pilot program for awarding grants to non-profit organizations. Funding for the pilot program is capped at \$5,000,000 by statute.

The non-profit category is listed as item 7 below because it appears last in the legislation; however it is reported as item 6 in the above charts to comport with technical aspects of EDA's tracking system.

2005 Funding Categories:

(1) Loans to Persons in a Qualifying Municipality: Moneys shall be allocated for financial assistance to persons, for remediation of real property located in a qualifying municipality as defined in section 1 of P.L.1978, c.14 (C.52:27D-178).

(2) Municipalities, Counties and Redevelopment Entities:

- (a) Moneys shall be allocated to: municipalities, counties, or redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4).
 - (i) BDAs: projects in brownfield development areas pursuant to subsection f. of section 27 of P.L.1993, c.139 (C.58:10B-5),
 - (ii) Matching grants for innovative technology: matching grants up to a cumulative total amount from the Fund of \$5,000,000 per year of up to 75% of the costs of the remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the comprehensive plan for the development or redevelopment of contaminated property, or up to 50% of the costs of the remedial action for projects involving the redevelopment of contaminated property for affordable housing pursuant to P.L.1985, c.222 (C.52:27D-301 et seq.).
 - (iii) Matching grants for unrestricted or limited restricted use cleanup: grants for preliminary assessment, site investigation or remedial investigation of a contaminated site.
 - (iv) Matching grants for recreation, conservation and affordable housing: financial assistance for the implementation of a remedial action.

- (v) Financial assistance for remediation activities at sites that have been contaminated by a discharge of a hazardous substance or hazardous waste, or at which there is an imminent and significant threat of a discharge of a hazardous substance or hazardous waste, and the discharge or threatened discharge poses or would pose an imminent and significant threat to a drinking water source, to human health, or to a sensitive or significant ecological area; or
- (b) persons for financial assistance for remediation activities at sites that have been contaminated by a discharge of a hazardous substance or hazardous waste, or at which there is an imminent and significant threat of a discharge of a hazardous substance or hazardous waste, and the discharge or threatened discharge poses or would pose an imminent and significant threat to a drinking water source, to human health, or to a sensitive or significant ecological area.
- (3) **Private Loans for Voluntary Remediation:** Moneys shall be allocated for financial assistance to persons who voluntarily perform a remediation of a hazardous substance or hazardous waste discharge;
 - (4) Innocent Party Grants: Moneys shall be allocated for grants to persons who own real property on which there has been a discharge of a hazardous substance or a hazardous waste and that person qualifies for an innocent party grant. A person qualifies for an innocent party grant if that person acquired the property prior to December 31, 1983, the hazardous substance or hazardous waste that was discharged at the property was not used by the person at that site, and that person certifies that he did not discharge any hazardous substance or hazardous waste at an area where a discharge is discovered. A grant authorized pursuant to this paragraph may be for up to 50% of the remediation costs at the area of concern for which the person qualifies for an innocent party grant, except that no grant awarded pursuant to this paragraph to any person may exceed \$1,000,000;
 - (5) Private Loans for Environmental Opportunity Zones: Moneys shall be allocated for (a) financial assistance to persons who own and plan to remediate an environmental opportunity zone for which an exemption from real property taxes has been granted pursuant to section 5 of P.L.1995, c.413 (C.54:4-3.154), or (b) matching grants for up to 25% of the project costs to qualifying persons, municipalities, counties, and redevelopment entities authorized to exercise redevelopment powers pursuant to section 4 of P.L.1992, c.79 (C.40A:12A-4), who propose to perform a remedial action that uses an innovative technology, or for the implementation of a limited restricted use remedial action or an unrestricted use remedial action except that no grant awarded pursuant to this paragraph may exceed \$250,000; and
 - (6) Catch all: Twenty percent of the moneys in the remediation Fund shall be allocated for financial assistance or grants for any of the purposes enumerated in paragraphs (1) through (5).

(7) Non-profits: The Department of Environmental Protection, in consultation with the New Jersey Economic Development Authority, shall develop a pilot program to award grants from the Hazardous Discharge Site Remediation Fund established pursuant to section 26 of P.L.1993, c.139 (C.58:10B-4) to nonprofit organizations described in section 501(c)(3) of the federal Internal Revenue Code, 26 U.S.C. s.501(c)(3), that are exempt from taxation pursuant to section 501(a) of the federal Internal Revenue Code, 26 U.S.C. s.501(a), for the preliminary assessment, site investigation, and remedial investigation of real property that has been contaminated or is suspected of being contaminated by the discharge of a hazardous substance. All of the limitations and conditions for the award of financial assistance and grants applicable to municipalities pursuant to the provisions of the "Brownfield and Contaminated Site Remediation Act," P.L.1997, c.278 (C.58:10B-1.1 et al.) shall apply to the award of grants to a nonprofit organization pursuant to this section. The total amount awarded pursuant to this pilot program shall not exceed \$5,000,000.

III. Addendum: Impact of funding category changes, including the addition of BDAs and remedial action financing.

During the past 6 years EDA has closed the following:

In 2010 EDA closed 2 loans and 105 grants for over \$49.3 million.

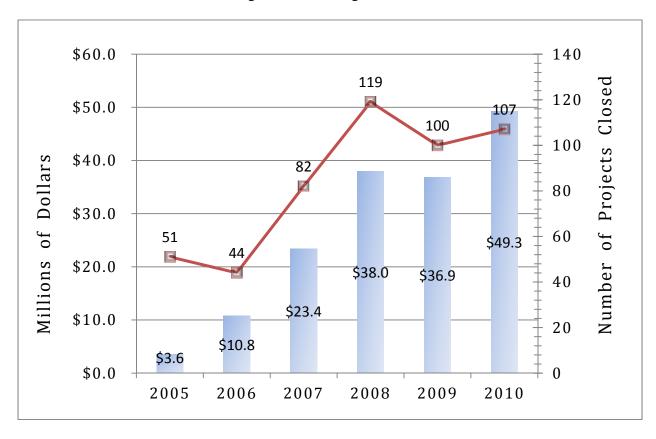
In 2009 EDA closed 1 loan and 99 grants for over \$36.9 million.

In 2008 EDA closed 5 loans and 114 grants amounting to over \$38 million.

In 2007 EDA closed 6 loans and 76 grants amounting to nearly \$23.4 million.

In 2006 EDA closed 1 loan and 43 grants amounting to nearly \$10.8 million.

In 2005 EDA closed 4 loans and 47 grants amounting to over \$3.6 million.



EDA will continue to monitor the effect of legislative changes that have occurred to improve the operation and efficiency of this program and to foster its continuity.

EXHIBIT A

List of projects, by county, financed for the period of January 1, 2010 through December 31, 2010.

SPECIFIED PROGRAMS

PROJ#	APPLICANT NAME	MUNICIPALITY	PROJ TYPE	EST NEW JOBS	CONST PROGRAM JOBS TYPE	AUTHORITY FIN'G AMOUNT	GUARANTEE ON BOND	TOTAL PROJECT COSTS	MAINT JOBS
COUNT	COUNTY: Atlantic								
P29427	City of Estell Manor (Estell Manor City Landfill)	Estell Manor City	SR		HSM	77,735		78,235	
TOTA	TOTALS FOR Atlantic COUNTY: 1 PROJECT(6)			0	0	77,735		78,235	
COUNT	COUNTY: Bergen								
P26470 P26467 P32692	Borough of Lodi (Main Street Associates) Borough of Lodi (Vincenzo's Restaurant) Teaneck Community Charter School	Lodi Borough Lodi Borough Teaneck Township	SR SR		HSM HSM HAZ	17.505		19.755 22.078 149.741	
P32693	Teaneck Community Charter School	Teaneck Township	SR		HAZ	95,210		381,340	
TOTA	TOTALS FOR Bergen COUNTY: 4 PROJECT(s)			0	0	169,642		572,917	
COUNT	COUNTY: Burlington								
P28457	Anthony Bua (Crosswicks Pizza)	Chesterfield Township	SR		HA7	TFIS		170.15	
P29327	Borough of Wrightstown (Fort Dix Street)	Wrightstown Borough	SR		HSM	99.815		+/0.12 +/0.12	
P29454	Palmyra Borough (Route 73 South)	Palmyra Borough	SR		HSM	2,204,242		2.204.742	
P26359	Township of Hainesport (Frm Hardware & Industrial Tool)	Hainesport Township	SR		HSM	101,117		101,617	
P28417	Township of Mount Holly (Former Regal Custom Fixtures)	Mount Holly Township	SR		HSM	29,979		30,479	
P21078	Township of Riverside (Whomsley Field)	Riverside Township	SR		HSM	103,081		103,581	
TOTA	TOTALS FOR Burlington COUNTY: 6 PROJECT(s)			0	0	2,543,378		2,561,808	
COUNT	COUNTY: Camden								
P29261	Borough of Bellmawr (Bellmawr Landfill)	Bellmawr Borough	SR		HSM	77,679		104,072	
P30714	Borough of Bellmawr (Bellmawr Landfill)	Bellmawr Borough	SR		HSM	5,000,000		6,667,172	
P27089	Camden Redevelopment Agency (Camden Waterfront - East VIIo)	Camden City	SR		HSM	566'86		\$61,66	
P17855	Camden Redevelopment Agency (Harrison	Camden City	SR		HSM	2,954,850		2,984,899	
P31427	Camden Redevelopment Agency (Sears Tire and	Camden City	SR		HSM	115,495		115,995	
P29134	Battery) Camden Redevelopment Agency (Sycamore Street Housing)	Camden City	SR		HSM	21,186		42,872	

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* There may be costs/jobs reported on a related financing.
** Note: Residential UST projects are not included on this report.

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SPECIFIED PROGRAMS

PROJ#	APPLICANT NAME	MUNICIPALITY	PROJ TYPE	EST NEW JOBS	CONST JOBS	PROGRAM TYPE	AUTHORITY FIN'G AMOUNT	GUARANTEE ON BOND	TOTAL PROJECT COSTS	MAINT JOBS
971000	City of Clausacter (DD/ADCO)	H	G C							
0/1/71	City of diguested (bit/Aive C)	Oloucester Lownship	Ϋ́			HSM	302,440		302,940	
P29326	City of Gloucester (Gloucester Point)	Gloucester Township	SR			HSM	155 851		156 351	
P29135	City of Gloucester (Gloucester Titanium)	Gloucester Townshin	do			HCM	157 300		000 701	
006300	Group Dominanthia	41. 21. 2 . 11	40			MOLI	066,001		150,890	
120392	Clove I rannership	Haddonfield Borough	SK			HAZ	13,491		54,461	
F28393	Grove I Parmership	Haddonfield Borough	SR			HAZ	26,981		\$4,461*	
P29292	Township of Haddon (Dy Dee Wash Site)	Haddon Township	SR			HSM	732,481		913,047	
P29294	Township of Haddon (Hale Property)	Haddon Township	SR			HSM	109,559		110.059	
P31232	Township of Haddon (Lahn Property)	Haddon Township	SR			HSM	124.928		125 428	
P25586	Township of Winslow (Presswell Records)	Winslow Township	SR			HSM	124,663		125.163	
						'				
TOTA	TOTALS FOR Camden COUNTY: 15 PROJECT(s)			•	0		10,014,989		12,013,305	
COUNTY:	Y: Cape May									
072000	December 6 11 5 11 5 11 5 11 5 1 5 1 5 1 5 1 5 1		:							
F28568	Borough of Woodbine (Woodbine Landfill)	Woodbine Borough	SR			HSM	428,178		428,678	
TOTA	TOTALS FOR Cape May COUNTY: 1 PROJECT(s)			0	0	•	428,178		428,678	
COUNT	COUNTY: Cumberland									
P29693	City of Millville (Former Mike's Texaco)	Millville City	SR			HSM	64,734		65,234	
F29695	City of Milliville (Milliville Laundry)	Millville City	SR			HSM	131,587		132,087	
P29694	City of Millville (Shone's Auto Body)	Millville City	SR			HSM	6,100		009'9	
F29924	City of Millylle (Spinelli Brothers Trucking)	Millville City	SR.			HSM	187,593		188,093	
Tococ:	City of Vincidia (South East Dougvalu)	v incland City	N.			HSM	26.008		26,508	
TOTA	TOTALS FOR Cumberland COUNTY; 5 PROJECT(s)			0	•	•	416,022		418,522	
COUNT	COUNTY: Essex									
P30610	C. Richard Bartùss	Orange City	SR			HAZ	101.000		202 500	
P21136	City of Newark (187-199 Blanchard Street)	Newark City	SR			HSM	34,425		34.925	
P22328	City of Newark (Avon Sheet Metal & Roofing	Newark City	SR			HSM	62,879		63,379	
D24880	CO.) City of Namort (Formar NSC Blother Excilie)		ć			į				
P24887	City of Newark (France Royal Recovery)	Newark City	X a			MSH MSH	47.536		48,036	
P29330	Kapsan Investments, LLC	Fast Orange City	ď			HSM U A 2	20,40		/96'06	
P28765	Newark Habitat for Humanity (155-161	Newark City	χ α <u>ν</u>			HSM	71417		591.40	
	Ridgewood Avenue)	tuo umu cut	ź			NCU	000,5		5,500	
P28766	Newark Habitat for Humanity (204 12th Avenue)	Newark City	SR			HSM	5.000		\$ 500	
P28767	Newark Habitat for Humanity (216 12th Avenue)	Newark City	dS			HEN	990		0000	
		in and an	40			MSH	0,00,5		5,500	
Page: 2			* Ther	: may be costs.	iobs reporte	* There may be costs/iobs reported on a related financing	nancina		8	actohor pro)
Printed: (Printed: 05/25/2011		**	e. Recidential	nica TSH	to ore not include	Note: Recidential HCT projects are not included on this court			(iliastellar.pig)
				. 1003140111111	cor projec	ואיזייווי זוויויויוים כן	cu on uns report.		H)	(mastenar.trx)

MASTER CHART OF CLOSED FINANCINGS NJEDA PROGRAMS, BY COUNTY

FROM 01/01/2010 TO 12/31/2010

SPECIFIED PROGRAMS

MAINT JOBS											Washington and the second seco
TOTAL PROJECT COSTS	5,500 367,553	943,525		74,355	251,481	170,535	83,578 105,446	6,602,452	6,667,168	409,438 217,452	14,581,905
GUARANTEE ON BOND											
AUTHORITY FIN'G AMOUNT	5,000 183,527	538,251		73,855	250,981	170,035	83,078 104,946	4,951,464	5,000,000	408,938 103,311	11,146,608
CONST PROGRAM JOBS TYPE	HSM HAZ	0		HSM	HSM	HSM	HSM HSM	HSM	HSM	HAZ HAZ	0
EST NEW JOBS		•									0
PROJ TYPE	SR SR			SR	SR	SR	S. S.	SR	SR	SR	
MUNICIPALITY	Newark City Irvington Township			Glassboro Borough	Glassboro Borough	Glassboro Borough	Glassboro Borough National Park Borough	Deptford Township	Deptford Township	Monroe Township Deptford Township	
APPLICANT NAME	Newark Habitat for Humanity (438 11th Street) Trust Formed Under Article VIII of the Will of Bernard Grobman & the Estate of Phillip Salzman	TOTALS FOR Essex COUNTY: 11 PROJECT(s)	COUNTY: Gloucester	Borough of Glassboro (Bill's Auto Radiator Service)	Borough of Glassboro (Former Glassboro Landrill)	Borough of Glassboro (Frm. Migrant Worker's Camp)	Borough of Glassboro (Lews Auto) Borough of National Park (Hawthorne Sanitary	Landfill) Township of Deptford (Frm Fazzio/Deptford Landfill)	Township of Deptford (Frm Fazzio/Deptford Landfill)	Township of Monroe (Monroe Twp. Landfill) Turkey Hill Realty Corporation (Former Martell Swine Farm)	TOTALS FOR Gloucester COUNTY; 9 PROJECT(s)
PROJ#	⁵ 28764	TOTAI	COUNT	P28616	P31021	P28615	P29382 P32343	P29343	P31397	P30409 P31137	TOTAI

COUNTY: Hudson

5,983,269	0	0			TOTALS FOR Hudson COUNTY; 5 PROJECT(s)	TOTA
4,755	HSM	***	SR	Kearny Town	Town of Kearny (Magullian Fuel Oil)	P28455
849,497	HSM		SR	Jersey City	Jersey City Redevelopment Agency (Turnpike Dump #5)	P30715
3,928,572	HSM		SR	Harrison Town	Harrison Redevelopment Agency (Former Hartz Mountain Facility)	P29/84
877,193	HSM		SR	Hoboken City	City of Hoboken (Old Todd Shipyard)	P20186
323,252	HSM		SR	Hoboken City		P22319

416,427 1,143,509 5,148,840

1,062,640

5,255

7,776,671

COUNTY: Mercer

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** Note: Residential UST projects are not included on this report. * There may be costs/jobs reported on a related financing.

SPECIFIED PROGRAMS

MUNICIPALITY Lawrence Township
Old Bridge Township
Woodbridge Township

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110,715

82,662

HSM

SR

Avon-by-the-Sea Borough

P30408 Avon-by-the-Sea Borough

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COUNTY: Moumouth

* There may be costs/jobs reported on a related financing.
** Note: Residential UST projects are not included on this report.

SPECIFIED PROGRAMS

APPLICANT NAME	MUNICIPALITY	PROJ TYPE	EST NEW JOBS	CONST	PROGRAM TYPE	AUTHORITY FIN'G AMOUNT	GUARANTEE ON BOND	TOTAL PROJECT COSTS	MAINT JOBS
Borough of Freehold (Elizabeth Colaner) Borough of Keyport (DPW Storage Yard) Borough of Keyport (Saute Bay) Borough of Red Bank (Former Incinerator)	Freehold Borough Keyport Borough Keyport Borough Red Bank Borough	SR SR SR SR			HSM HSM HSM HSM	45,025 808,434 48,617 284,903		1,068,123 53,979	
City of Asbury Park (1201-1207 Springwood Avenue)	Asbury Park City	SR			HSM	16,482		16,982	
City of Asbury Park (Springwood Avenue) OWF, LLC	Asbury Park City Neptune Township	SR SR			HSM HAZ	15,000 250,000		15,500	
TOTALS FOR Monmouth COUNTY; 8 PROJECT(s)			0	0	•	1,551,123		2,562,763	
COUNTY: Morris									
Estate of John Searles William K. Null	Jefferson Township Morristown Town	SR			HAZ HAZ	12,349		49,895	
TOTALS FOR Morris COUNTY; 2 PROJECT(s)			0	0	•	27,349		110,395	
COUNTY: Ocean									
Borough of Lakehurst (Proving Ground Road Landfill	Lakehurst Borough	SR			HSM	066'9		8,189	
Kathleen Miller Township of Lakewood (Former Mone Auto Supply)	Brick Township Lakewood Township	SR SR			HAZ HSM	12.742		51,467 42,451	
TOTALS FOR Ocean COUNTY: 3 PROJECT(s)			0	0	•	61,683		102,107	
COUNTY: Passaic									
City of Clifton (Fmr. National Standard Co.) City of Paterson (Ryle Road Dump Site) (Belmont Apartments)	Clifton City Paterson City	SR SR			HSM HSM	32,654 305,743		33,154	

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870,655

546,624

98,910 114,238 12,367

88.555 113,738 5,934

HAZ HAZ HAZ

SR SR

Hawthorne Borough Totowa Borough Wayne Township

Haskell Products Inc./American Candle Company

Frank Graafsma

Haskell Products, Inc./American Candle

P26726 P30192 P29993

Company

TOTALS FOR Passaic COUNTY: 5 PROJECT(s)

^{*} There may be costs/jobs reported on a related financing.

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SPECIFIED PROGRAMS

PROJ#	APPLICANT NAME	MUNICIPALITY	PROJ TYPE	EST NEW JOBS	CONST PROGRAM JOBS TYPE	AUTHORITY FIN'G AMOUNT	GUARANTEE ON BOND	TOTAL PROJECT COSTS	MAINT JOBS
COUNTY	COUNTY: Somerset								
P29648 P29818	Borough of Somerville (Somerville Landfill) Township of Bridgewater (Dept Public Works Muni Garage)	Somerville Borough Bridgewater Township	SR SR		HSM HSM	72.793 308.846		73.293 412.294	
TOTAL	TOTALS FOR Somerset COUNTY: 2 PROJECT(s)			0	0	381,639		485,587	
COUNTY: Sussex	: Sussex								
P30242 P28456	Aboubakar Traore Township of Newton (Newton Armory)	Stanhope Borough Newton Town	SR SR		HAZ HSM	2,883 63,120		14,085 63,620	
TOTAL	TOTALS FOR Sussex COUNTY: 2 PROJECT(s)			0	0	66,003		77,705	
COUNTY: Union	: Union								
P32694	ACP Partnership	Single County - Multi	SR		HAZ	119,811		19.741	
F32022 P29070	ACF Farmership (Ffm. Bell Factory Terminal) Borough of Roselle Park (Youth Baseball Field)	Single County - Multi Roselle Park Borough	% % %		HAZ HSM	50,742		101,984	
P30713	Hetfield Associates, LLC	Garwood Borough	SR		HAZ	63,439		127,378	
P27913	Petro Plastics Company	Kenilworth Borough Garwood Borough	SR SR		HAZ HAZ	65,000 27,588		66,500 55,675	
TOTAL	TOTALS FOR Union COUNTY; 6 PROJECT(s)			0	0	870,030		1,289,715	
TOTAL	TOTALS FOR ALL COUNTIES: 107 PROJECT(s)			0	•	49,347,217		75,366,707	

^{*} There may be costs/jobs reported on a related financing.

** Note: Residential UST projects are not included on this report.