Discussion Points

ECONOMIC PLANNING AND DEVELOPMENT

1. The Economic Growth Transition Policy Group report recommended transferring or consolidating various responsibilities of the Commission elsewhere in State government. In response to one of last year’s discussion points, the New Jersey Commerce, Economic Growth and Tourism Commission stated that the Commission would remain the leading agency for business marketing, consulting services, technical assistance and act as the intergovernmental liaison for the business community. In addition, the Commission stated that it would remain the leading agency for New Jersey Travel and Tourism.

The Governor’s budget proposal includes language that states that in the event that any duties or responsibilities of the New Jersey Commerce, Economic Growth and Tourism Commission (Commission) are transferred to any other State agencies, the Director of the Division of Budget and Accounting is empowered to transfer the funds appropriated to the Commission to other agencies that are charged with the responsibility of administering functions transferred (page D-433). In addition, budget language states that if duties or responsibilities of the Commission related to the Advertising Promotion–Cooperative Marketing Program are transferred to any other State agencies, reporting requirements shall become the responsibility of the Commissioner of that department or agency (page D-433).

• Question: Does the Administration intend to pursue its goal of transferring or consolidating various responsibilities of the Commission elsewhere in State government? If so, on what timetable will this transfer be implemented? Which specific programs will be impacted? How many staff positions are expected to be retained in the Commission? How many staff positions are estimated to be transferred to other State agencies?

ANSWER: In order to better meet the challenges of a competitive, globalized economy, the Administration has proposed a restructuring and streamlining of the New Jersey Commerce, Economic Growth and Tourism Commission.

The Governor will submit a reorganization plan to the Legislature at the next quorum call of both houses. The plan calls for the Commerce, Economic Growth
and Tourism Commission to be renamed the Commerce Commission and remain in but not of the Department of Treasury. The other following changes are proposed:

- All positions and associated responsibilities currently under the Division of Tourism will move to the Department of State.
- The Israel Commission will be placed in the Department of State.
- All programs other than Tourism and the Israel Commission will be retained and administered by the Commerce Commission.
- The position of Secretary of Commerce will be eliminated, with the authority of the Secretary assigned to the Board of the Commerce Commission.
- The plan establishes an Executive Director position, appointed by the Board.
- The Board of the Commerce Commission will be chaired by the Director of the Office of Economic Growth.

Commerce will retain approximately 68 positions including 15 – 20 for OEG, and approximately 39 positions will transfer with Tourism and the Israel Commission.

This re-organization will help implement the Governor’s Economic Growth strategy through a more streamlined and private sector approach to business and economic development. The Office of Economic Growth will develop statewide strategy and policy, while the Commerce Commission will help market the state and implement strategies to attract and retain business.

2a. Governor Corzine signed Executive Order number 50 in January 2007, establishing the Office of Economic Growth (OEG) as a permanent part of the Executive branch, in but not of the Department of Treasury. According to the Executive Order, the OEG shall assist in and oversee the implementation of the State’s Economic Growth Strategy and coordinate the State’s economic development efforts across all sectors and departments.

**Question:** Please detail the responsibilities and duties of the OEG for FY 2008. What is the timeline for implementing OEG’s coordination of the State’s economic development? Please list the goals of OEG for FY 2008. Please detail the OEG’s accomplishments in FY 2007.
Discussion Points (Cont'd)

ANSWER: As a central focus of his administration, Governor Corzine in FY 2007 established the Office of Economic Growth (OEG). The central mission of OEG is to lead economic strategy and provide coordination among the departments, authorities and commissions involved in economic development. To that end, created and chairs an interagency body, the Action Council on the Economy (ACE). The ACE group meetings monthly, and provides a sub-cabinet working body to coordinate both strategic and tactical activities in the state. In September, the Office unveiled the Governor's Economic Growth Strategy, aimed at building New Jersey's economic base and growing jobs. Implementation of the Governor's strategy is the main responsibility of OEG. The strategy is organized around six core priorities to ensure that state government 1) supports economic growth; 2) develops a world-class workforce; 3) supports smart, sustainable growth and infrastructure investments; 4) supports and encourages innovation; 5) encourages entrepreneurship and growth of small, minority-owned and women-owned businesses; and 6) enhances global competitiveness of New Jersey's businesses and expands access to International trade opportunities.

Some of the accomplishments of FY 2007 include the following:

- Secured commitments from dozens of companies -- including Bayer, Unilever, Citigroup and Campbell Soup Company -- to expand in New Jersey, resulting in nearly 11,500 new jobs.

- Implemented Governor Corzine's Executive Order #34, establishing the Division of Small, Women and Minority Business Development.

- Established a new business state website (www.nj.gov/business) and a centralized business hotline (866-534-7789) to facilitate "one-stop" service delivery.

- Launched the Edison Innovation Fund to grow high tech businesses, with an initial commitment of $150 million and leveraging funds from private sources. Created the Urban Fund to stimulate investment in urban communities with an initial investment of $185 million and also leveraging private sector funds.
Discussion Points (Cont'd)

- Established partnerships and utilized technology to promote business and commerce between New Jersey-based companies and foreign businesses.

In the fall of 2007, the OEG will release the 2.0 version of the Economic Growth Strategy. This strategy update highlight additional economic development areas that need continued support, increased attention, a revised approach, or a reallocation of resources.

2b. Budget language states that of the amount appropriated for the New Jersey Commerce, Economic Growth and Tourism Commission, such sums as necessary shall be made available to the Office of Economic Growth (page D–433).

- Question: Does the OEG plan to transfer or hire additional staff for its operations? If so, how many? Please indicate the amount the OEG plans to utilize from the $4.1 million in unrestricted funding which may be available to the OEG pursuant to budget language.

Answer: In FY07, the number of full-time employees in the Office of Economic Growth totaled 11, with a budget of $743,797. For FY08, the Office of Economic Growth plans to grow to a total of 15 – 20 employees, some of whom may be transferred from Commerce. Any budget in the $4.1 million in “unrestricted funding” must and will be dedicated to staff and efforts that support the Commerce mission in the expansion and development of commerce and industry and the growth of jobs in the State.

3. Of the New Jersey Commerce, Economic Growth and Tourism Commission’s $17.1 million budget, approximately $13.0 million would be earmarked for specific purposes through language (page D–433), leaving a balance of approximately $4.1 million to be allocated at the Commission’s discretion, or at the discretion of other State agencies in the event that the responsibilities of the Commission are transferred.
Discussion Points (Cont’d)

• **Question:** Please list the programs and amounts that the Commission plans to fund in FY 2008 out of its unrestricted funds. Please provide the same information for FY 2007.

**ANSWER:**
The following is a comparison of the allocation of unrestricted funds for FY 2007 and FY 2008:

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2007</th>
<th>FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing/Advertising</td>
<td>$160,000</td>
<td></td>
</tr>
<tr>
<td>Business Retention/Expansion</td>
<td>314,790</td>
<td>2,213,631</td>
</tr>
<tr>
<td>CEO/OEG/Administration</td>
<td>1,681,210</td>
<td>1,837,369</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,156,000</strong></td>
<td><strong>$4,051,000</strong></td>
</tr>
</tbody>
</table>

4. Evaluation data in the Governor’s FY 2008 budget indicates that for FY 2005, under Business, Retention, Expansion and Attraction 18,788 jobs were retained, with a drop to 9,455 jobs retained in FY 2006 (page D–431). The number of jobs retained under Business Retention, Expansion and Attraction for FY 2008 is estimated to be 7,000. According to the Operating Data for the Commission, $1.5 million was expended for Business Retention, Expansion and Attraction in FY 2005 and an estimated $2.5 million will be expended in FY 2008 (page D–431).

• **Question:** Given the increase in expenditures for Business Retention, Expansion and Attraction of $1 million from FY 2005 to FY 2008, please explain the decrease of 11,788 jobs retained from FY 2005 to FY 2008.

**ANSWER:** The BRRAG program is statutorily capped at an annual limit of $20,000,000, none of which can be accrued to the future years. A company that receives a BRRAG grant may not necessarily exercise its right to utilize the grant in the fiscal year it is awarded. Therefore, the program must be judicious in handing out grants to applicants by ensuring that all outstanding grants total no more than
Discussion Points (Cont’d)

$20,000,000 in any fiscal year. The Commerce staff has estimated that the number of jobs that can be projected to fit within the 2008 fiscal year budget cap will be 7,000.

The relatively large number of jobs retained in FY2005 (18,788) reflects the initial wave of corporate applications in the first year of the newly created portfolio of business retention incentives, including the Business Retention and Relocation Assistance Grant (BRRAG) program and the Sales and Use Tax Exemption Program. The numbers associated with these new retention incentives were expected to trend downward because of the leveling off of the early entrants into the program and the limitation on the pool of applicants for retention benefits is limited to companies with 250 or more employees.

What are the goals of the Business Retention, Expansion and Attraction program for FY 2008?

The goals of the Business Retention, Expansion and Attraction program for FY 2008 continue to be the expansion and growth of companies within New Jersey with the overall goal of creating more jobs. As part of this overarching goal, the Commerce Commission, the Office of Economic Growth, and the Economic Development Authority are reviewing the entire business incentive portfolio in order to best serve the needs of the business community and to be more efficient with the use of New Jersey’s finite resources. For example, the current program is targeted toward larger companies and we are aware that 96% of the companies in New Jersey are small businesses and our goal is to be able to support those small businesses in their efforts to expand and add jobs.

5. The Fort Monmouth Economic Revitalization Planning Authority (FMERPA), created pursuant to P.L.2006, c.16 (C.52:271-1 et seq.), is to develop a comprehensive conversion and revitalization plan for Fort Monmouth after its closure by the federal government in the Base Realignment and Closure Process. The budget recommends a $150,000 Grants-In-Aid appropriation for the FMERPA (page D-432). According to the FMERPA’s website, the planning process will be completed by September 2007. Budget language indicates that additional State funds are appropriated as necessary for FMERPA to secure federal matching funds
Discussion Points (Cont'd)

(page D-433). According to a press report in August 2006, the FMERPA is responsible for funding 10 percent of its budget with the balance to be provided from federal funds. The same report indicated the federal Department of Defense had asked for further justification of FMERPA's original $1.5 million budget.

• Question: Please detail the progress that FMERPA has made in developing a reuse plan for Fort Monmouth.

Answer: Since July 2006's first meeting of FMERPA, all staff and legislatively required Advisory Committees have been created and filled. Most recently responses to the RFP for a planning consultant have been received by the Authority and are currently being evaluated.

What are FMERPA's goals for FY 2008?

Answer: Primary to FY 2008 is the commencement and completion of a legislatively required revitalization plan and economic study. Inherent in this effort is the identification and initiation of discussions with target tenants for relocation to Fort Monmouth. Another milestone will be the establishment of a proposed academic consortium, which would be responsive to the needs of the displaced workforce, the new tenant workforce and the general needs of the surrounding communities. FMERPA will also initiate discussions with Department of the Army on the early conveyance of critical real property to the Authority.

Has the Department of Defense agreed to FMERPA's $1.5 million budget for FY2007 and FY2008?

Answer: The Department of Defense does not approve FMERPA's annual budget, but rather it provides intermittent funding as a response to requests by FMERPA, which are accompanied by the appropriate supporting documentation.

Has FMERPA applied for and received any federal funds to serve its purpose?

Answer: Yes, to date DOD has approved each FMERPA request for funding.
Discussion Points (Cont’d)

Approximately how much funding is necessary to accomplish FMERPA’s initiatives for FY 2008?

**ANSWER:** FMERPA anticipates that the State’s $150,000, will constitute 10% of the projected budget for FY 2008. The remaining 90% will be received through the federally funded grant monies referenced above.

6. The Business Employment Incentive Program (BEIP) allows the State to award grants to businesses that relocate or create new jobs in New Jersey. NBC Universal, Inc. has announced it will be relocating its MSNBC Secaucus operation to New York City by 2008. MSNBC received approximately $7.8 million in tax abatements beginning in 1996 under BEIP. Under the BEIP grant, MSNBC agreed to stay located in the State for a minimum of 15 years and create 440 jobs. However, according to news reports, the move means that MSNBC is moving out 5 years earlier than expected and taking 459 jobs out of State. The New Jersey Economic Development Authority (EDA) has stated NBC Universal, Inc. has agreed to forego $2.3 million in BEIP grants awarded to its CNBC headquarters in Englewood Cliffs in exchange for the money it owes the State from the MSNBC BEIP grant. The Governor’s FY 2008 budget recommends $152 million in continuation funding for BEIP.

**Question:** Please indicate the amount of revenue that MSNBC’s Secaucus office generated in New Jersey. Approximately how much revenue will be lost in New Jersey as a result of MSNBC’s early departure? Please detail the number of companies since BEIP’s inception that have not fulfilled their grant agreements. Please list the amount of these unfulfilled grant agreements. What provisions does EDA have in place to discourage relocation of BEIP grant recipients? What are the ramifications for a company that breaks its BEIP agreement?

**ANSWER:** In 1996, the Economic Development Authority (EDA) approved a 10-year Business Employment Incentive Program (BEIP) grant of approximately $10 million for MSNBC.
Discussion Points (Cont’d)

The financial assistance provided by the EDA supported MSNBC’s capital investment of $300 million and resulted in more than $390 million in salary compensation provided through the creation of over 450 jobs in New Jersey. In return, the state received approximately $9.5 million in state income tax revenue over the 10 years MSNBC was located in Secaucus, of which $7.8 million was disbursed back to the company as part of the BEIP grant agreement.

As part of its decision based on an economic restructuring of the company to close the Secaucus facility, downsize its workforce, relocate approximately 50 employees to other facilities within New Jersey and relocate some to New York City, MSNBC will have to forfeit pending BEIP payments anticipated to equal $3 million and repay $2.3 million of the $7.8 million received to date.

It is estimated that with the departure of MSNBC, in theory, the state would not collect approximately $400,000 annually in state income taxes, assuming net zero reemployment, for the 450 Secaucus employees over the next 5 years.

Following reports that the New York City Industrial Development Authority (NYCIDA) had offered financial benefits to MSNBC for relocating jobs from Secaucus to NYC, EDA contacted the NYCIDA. During discussions between EDA and NYCIDA regarding MSNBC, it was explained that the proposed financial benefits being offered from NYCIDA to the company, were an extension of existing tax abatements and were provided for the creation of additional jobs, a portion, but not all of which, will be moving from New Jersey. NBC Universal, Inc., MSNBC’s parent company, will be relocating some of the Secaucus jobs to CNBC’s corporate headquarters in Englewood Cliffs and will be downsizing the balance due to financial restructuring of MSNBC.

Since the inception of the BEIP program, eleven (11) companies have been declared in default. The EDA has successfully recaptured all or a portion of grant amounts awarded to seven (7) of these companies (full recapture from 5 and partial from 2 companies). The remaining four (4) companies have either ceased operations or
Discussion Points (Cont'd)

left the state, in which instance, EDA has sued and obtained a judgment against the companies for the outstanding grant amount(s).

In total, $2,916,319 in BEIP grants was disbursed to companies in default. Of the $2,107,440 outstanding from the seven (7) companies that EDA was able to initiate full or partial recapture proceedings against, the Authority has collected $2,059,849 of the amounts owed, and judgments remain outstanding on the remaining four.

Under N.J.A.C. 19:31, the EDA is authorized to withhold, reduce or terminate payment of a BEIP grant or any portion thereof due to a business in the event of a default. Specifically, the Authority applies the following guidelines for determining Performance Based Adjustments (PBAs) to grant awards.

**Full PBA** – The Authority will recapture the full amount of grant proceeds previously disbursed to the company in the following situations:
- The company completely moves out of New Jersey or moves all the employees at the approved project site out of the state
- The company is sold to another related or unrelated company (and the buyer will not assume the grant obligation) and moves out of New Jersey.

**Sliding Scale PBA** – The Authority will recapture a portion of the grant proceeds previously disbursed to the company in the following situations:
- The company fails to maintain at least the Minimum Eligibility Threshold (or 80% of statewide compliance base employment) for more than 2 consecutive years for business reasons such as an economic downturn in the industry or a shut down of a portion of its operations.
- The company fails to provide Annual Progress Reports and does not respond to inquiries.
- The company closes the project facility and lays off the employees or moves some employees to another location in New Jersey and lays off the rest at the project site.
- The company is sold to another related or unrelated company, stays in New Jersey, but requests to discontinue the grant.
Discussion Points (Cont'd)

Zero PBA - As a practical matter, the Authority will not recapture previously disbursed grant proceeds if a company goes out of business, has no assets and is no longer operating.

Withholding of Grant Payments - The Authority will withhold grant payments in the following situations:
- Any grant payments pending certification or certified by the Division of Taxation and not yet disbursed to companies that are in default under the agreement will be withheld until the default is cured. If the default is not cured within the specified time period pursuant to the Grant Agreement, the grant payment will be forfeited.
- The company has some job losses due to an economic downturn or attrition and has fallen below the Minimum Eligibility Threshold (MET), however, is able to rebound within 2 consecutive calendar years. Grant payments would then resume in the year the rebound occurred.

Percentage Adjustments - The Authority will adjust the grant award percentage in the following situations:
- The company has some job losses and has fallen below the New Employment Commitment (NEC), however, has remained above the MET. EDA will re-score the company based on what the company actually achieved pursuant to the formula evaluation and reduce the award percentage accordingly.
- The company creates jobs above the NEC. The award percentage will be adjusted upwards for job creation above the NEC based on the formula evaluation. However, for companies approved after October 12, 2004, all upwards adjustments are subject to a 20% cap on job creation above the NEC.

7. In response to a FY 2005 Office of Legislative Services discussion point, the EDA stated that the Innovation Zones in Camden, New Brunswick, and Newark would be designed to encourage the rapid transfer of discoveries from the laboratory to the marketplace. The EDA stated that the goal is to attract high-technology businesses to the zones, where proximity to universities and hospitals
Discussion Points (Cont'd)

increase collaborative research efforts, resulting in business and job growth. Innovation Zones are a collaborative State effort involving the EDA, New Jersey Commission on Science and Technology, and other State agencies.

Question: Please indicate the progress of the Innovation Zones to date. How many businesses have located or committed to locate in each Innovation Zone? How many jobs are expected to be created as a result of the Innovation Zones? Please detail the goals for the Innovation Zones and the timeline in which the EDA plans to accomplish these goals. Please list the State agencies involved in accomplishing Innovation Zone projects.

Answer: Since March 2005, the EDA has accomplished staffing of the Innovation Zone program, hired a consultant to analyze the capacity of technology businesses and academic research in the surrounding areas, created zone development plans, and established advisory boards for each zone. Currently, activities are now focused on implementing the advisory board plans, including the enhancement of incentives for businesses located in the Innovation Zones and attracting more business to the zones.

In addition to having an overall Innovation Zone Manager, each Innovation Zone has a local coordinator and advisory board made up of local business, community and academic leaders. The advisory boards provide input/feedback on the development plan and provide suggestions on the direction of the initiative.

The Innovation Zone Development Plans list a number of goals to be accomplished over the next few years. A summary of these goals, listed below, includes the number of jobs to be created within the zones (by percentage growth). Among the many highlights within the Innovation Zones are the following: development of the 100,000 sq. ft. Waterfront Technology Center at Camden (WTCC) which attracted the Rutgers Camden Technology Campus, Inc. occupying 20,000 sq. ft., ACIN incubator and Gestalt, LLC. to the WTCC in the Camden Innovation Zone; ProFact Proteomics received an Entrepreneurial Partnering Fund Grant from CST to support its $516,000 R&D program with UMDNJ to develop new cancer therapies; Urovalve, a medical device company located in the Enterprise Development Center at NJIT and
Discussion Points (Cont'd)

within the Newark Innovation Zone, received a $100,000 seed loan (the first EDA Edison Innovation Fund investment for an Innovation Zone company); Northern New Jersey Region (including Newark) received a U.S. Department of Labor WIRED grant which provides funding of up to $5 million; seven Innovation Zone companies received a combined total $9.8 million under the technology business tax certificate transfer program in 2006.

Separately, the EDA is continuing to further develop its Technology Centers strategy in the three Innovation Zones, as follows:

**Technology Centre of New Jersey – Greater New Brunswick Innovation Zone**
The Technology Centre of New Jersey, located along the Route 1 research and development corridor between Princeton and Rutgers universities, includes approximately 400,000 sq. ft. of office/lab space. Currently, the EDA is in the planning stages of an additional 300,000 sq. ft. build-to-suit project and additional fit out/rehabilitation of approximately 62,000 sq. ft. at the Technology Centre of New Jersey. The Authority is working collaboratively with a number of State agencies, primarily the Commission on Science and Technology, Commissioner on Higher Education, Department of Labor, Commerce, Economic Growth and Tourism Commission and Office of Economic Growth, as well as with trade organizations, municipalities and universities (including Rutgers, NJIT and UMDNJ).

**Waterfront Technology Center at Camden (WTCC) – Camden Innovation Zone**
The Waterfront Center at Camden is a five-story, 100,000-square foot building suitable for both established businesses and startups in the biosciences, microelectronics, advanced materials, information technology and other high-tech fields. The facility is the first public project in the state to be certified under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. The LEED-CS designation for core and shell pilot gold-level certification was awarded by the U.S. Green Building Council, a Washington, D.C.-based nonprofit coalition of building industry leaders, which administers the national rating standards for high-performance, sustainable buildings. Currently, the building is 70 percent
Discussion Points (Cont’d)

leased or committed and EDA is in the early planning stages for the next phase of the project which will include construction of an approximately 100,000 sq. ft. build to suit facility. The Center’s conference space has already been utilized for gathering activities and has been successful in bringing the emerging technology communities in the Center together.

**Digital Century Center (DCC) – Newark Innovation Zone**
The Digital Century Center Building in Newark, which is in the early planning/design stage, will house high technology office tenants with unique technology requirements. The project will be a collaborative venture between the city’s higher education institutions, the City and community of Newark, and private industry.

Finally, the following is a listing of goals, including job creation targets, for each of the Innovation Zones and timelines for accomplishing each:

**Greater New Brunswick**
- Increase high technology jobs in the IZ by 5% (2010)
- Provide greater access to capital via enhanced Edison Innovation Fund, Tax Transfer, BEIP and lease guarantee financings (measured as an increase in financings associated with the programs described above (on going)
- Sponsor–co–sponsor three technology–based networking events in the IZ (2007)

**Camden**
- Increase high technology jobs in the IZ by 5% (2010)
- Provide greater access to capital via enhanced Edison Innovation Fund, Tax Transfer, BEIP and lease guarantee financings (measured as an increase in financings associated with the programs described above (on going)
- Sponsor–co–sponsor three technology–based networking events in the IZ (2007)
- Reach ninety–percent occupancy for the Waterfront Technology Center (2007)
Newark

- Increase high technology jobs in the IZ by 5% (2010)
- Attract a technology-based anchor tenant to the IZ (2008)
- Provide greater access to capital via enhanced Edison Innovation Fund, Tax Transfer, BEIP and lease guarantee financings (measured as an increase in financings associated with the programs described above (ongoing)
- Sponsor-co-sponsor three technology-based networking events in the IZ (2007)

Finally, P.L. 2006, c. 102 authorizes $270 million in funding for state capital construction projects for stem cell research, biomedical research, blood collection and cancer research, which will be located in each of the Innovation Zones. The initiative, to be funded through bonds issued by the EDA, will significantly expand the research activities in the Innovation Zones and help transform the future of biotech development in New Jersey. The EDA will coordinate the review and prioritization of proposed capital construction projects with the Department of Treasury, Commission on Science and Technology and Commission on Higher Education, with support from the scientific and real estate industry experts as necessary.

ECONOMIC PLANNING AND DEVELOPMENT

8. Among the achievements of the Office of Economic Growth in implementing Governor’s Economic Growth Strategy (Budget, Page B-19) are the launching of the Edison Innovation Fund to grow high tech businesses, with an initial commitment of $150 million from the EDA, and the creation of the Urban Fund to stimulate investment in urban communities, with an initial investment of $185 million from the EDA. Both are intended to leverage private sector funding as well.

A January 16, 2007 EDA press release stated that targeted investments of $45 million were allocated to advance the Edison Innovation Fund, which together with $60 million in investments made earlier in 2006 through the Fund, brought
Discussion Points (Cont’d)

the State’s commitment to over $100 million. The Fund’s five investment areas are Angel Guarantees, Research and Development, Commercialization, Growth, and the “Fund of Funds.”

A review of the EDA website failed to uncover any specific mention of the Urban Fund. The “Taking Care of Business” area of the Governor’s website indicates that the Urban Fund was to be launched in the fall of 2006, that private sources were anticipated to support $555 million in total investment, that the Fund will deploy money directly into projects in the form of debt and equity, and indirectly through not-for-profit and for-profit intermediaries.

**Question:** Please identify the sources of funds, and amount per source, which the EDA has allocated to date to the Edison Innovation Fund and the New Jersey Urban Fund, respectively. From what source(s) will the additional $45 million not yet allocated to the Edison Innovation Fund (as of January 16, 2007) be derived? To the extent that these moneys already existed, i.e., resulted from State appropriations or other funding sources, such as statutory authorizations to issue bonds or exercise other powers, approved prior to Governor Corzine taking office, what specific steps have been or will be taken to assure that grouping these moneys under new “Fund” labels will result in their being used more effectively than previously? For each Edison Fund investment area, and for the Urban Fund, what amount and percentage of assistance, awarded to date and to be awarded, have taken or are projected to take the form of grants, loans and loan guarantees, respectively? What percentage of each Fund’s outlays or commitments are expected to return to the Fund and become resources for additional assistance? At what point, if ever, will each Fund’s resources be fully committed and the Fund unable to provide further assistance without an infusion of new resources?

**ANSWER:** The New Jersey Urban Fund and Edison Innovation Fund are aimed at redeploying existing EDA and State resources in a targeted, strategic manner. In addition to existing resources, it is envisioned that the NJ Urban Fund will also be structured to receive private investments from socially responsible investors seeking to help urban areas in New Jersey achieve economic development.
Discussion Points (Cont’d)

I. Edison Innovation Fund

In September 2006, Governor Corzine announced the formation of the $150 million Edison Innovation Fund. In the fall of 2006, EDA approved 128 companies to benefit through the $60 million allocated annually through the Technology Business Tax Certificate Transfer Program (created through the Emerging Technology and Biotechnology Financial Assistance Act). In January 2007, EDA announced that the initial $45 million had been dedicated to specific investment categories under the Edison Innovation Fund. The Commission on Science & Technology is also a partner in the fund, with commitments totaling $25 million. EDA Real Estate investments and additional direct funding will complete the total $150 million initiative.

This initial $45 million dedication is funded through approximately $17 million in residual BEIP monies authorized to be used for designated industry economic development initiatives (authorized under P.L. 2003, c. 166, and approved by the Joint Budget Oversight Committee), and as well as EDA’s revolving loan resources. The Edison Innovation Fund investment categories are attached as Appendix A.

Since October 1, 2006, in addition to the 128 companies assisted through the Technology Business Tax Certificate Transfer Program, the EDA has closed investments totaling $2.5 million with companies planning to create 169 new jobs. All three were funded through loans under the Edison Innovation Growth Fund. (See appendix for description of this and other investment categories).

In order to more effectively and efficiently deploy financial assistance to the technology and life science community under the Edison Innovation Fund, EDA has taken the following steps:

- Rather than providing financing through a conventional loan structure, through the Edison Innovation Fund, EDA is providing “equity like” debt with warrants. EDA also has the option to convert the debt into shares of the company at a future date at a future market rate. EDA may also make direct equity investments in companies, which is a departure from
conventional loan structure in that EDA becomes a shareholder in the company for equity return purposes. These two approaches to investing Edison Innovation Fund resources were crafted to ensure a higher return on EDA’s investment, and meet this industry sector’s needs.

- EDA has hired a team of technology financing experts to ensure our financial products meet the needs of the technology business community. EDA has also established a Technology Advisory Board consisting of professionals in the technology area, technology entrepreneurs and other specialists, to assist with the review of applications.

As noted earlier, since October 1, 2006, EDA has closed on three projects for a total of $2.5 million as part of the $45 million allocated to the investment areas. These three financings involved debt with warrants, which EDA may convert to equity in a future round. Future commitments goals are projected as follows:

<table>
<thead>
<tr>
<th>Angel Guarantees</th>
<th>$1.0 mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D Fund (Equity Investments)</td>
<td>Up to $1 mm</td>
</tr>
<tr>
<td>Commercialization Fund (Venture debt, w/warrants)</td>
<td>Up to $1 mm</td>
</tr>
<tr>
<td>Growth Fund (Venture debt w/warrants)</td>
<td>Up to $20 mm</td>
</tr>
<tr>
<td>&quot;Fund of Funds&quot; (Venture Investments):</td>
<td>$20–$22 mm</td>
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<tr>
<td><strong>Subtotal:</strong></td>
<td><strong>$45 mm</strong></td>
</tr>
</tbody>
</table>

Technology Tax Certificate Program: $60 mm (allocated annually)

Commission on Science and Technology: $23 mm

It is envisioned that the return on venture fund and equity investments and loan repayments will provide the balance of this initiative’s funding resources, as the Edison Innovation Fund is structured as a multi–year endeavor. Therefore, with the exception of Commission on Science & Technology grants and the assistance
Discussion Points (Cont’d)

provided through the Technology Tax Certificate Program, which is a General Fund obligation, it is expected that the other resources allocated to of the Fund would be returned to the Fund for reuse. For more information on Commission on Science & Technology allocation, refer to Question #10.

II. NJ Urban Fund

The NJ Urban Fund draws upon the resources of several different EDA resources or EDA–managed initiatives, including the Economic Recovery Board for Camden (ERB), the New Jersey Development Authority for Small Businesses, Minority and Women–Owned Enterprises (NJDA), the Hazardous Discharge Site Remediation Fund (HDSRF), the Business Employment Incentive Program (BEIP), as well as the federally authorized tax–exempt bond financing program, wherein EDA acts as a conduit to provide low–cost financing to not–for–profit organizations, manufacturers and exempt public facilities. In addition, the NJ Urban Fund draws upon the EDA’s revolving loan fund, which over the last three decades, derives its funding from the Economic Recovery Fund, Title IX monies provided through the U.S. Economic Development Agency, Port District Securitized funding, federal New Market Tax Credit allocations and the Local Development Financing Fund.

EDA and the Office of Economic Growth are moving forward with a strategy that involves the deployment of financial assistance in New Jersey urban areas in several ways:

• Focused financial and technical assistance to small and mid–size businesses in NJ’s urban communities, with particular emphasis on women and minority–owned enterprises;
• Increasing EDA’s financial assistance to key intermediaries in the micro–lending industry such as ACCION and the Non–Profit Finance Fund to increase access to capital and technical assistance to micro–businesses
• Catalyzing real estate development in NJ’s urban centers to utilize EDA development expertise, New Markets financial products and the...
Discussion Points (Cont’d)

New Jersey Redevelopment Authority’s site acquisition funding to maximize private investment capital and local community development corporation capacity

- Creating a new investment vehicle to attract the banking community, social investors and foundations and which provides both debt and equity financing to support the business assistance and revitalization objectives above

Although several key elements of the strategy are in the planning stage, EDA has begun tracking NJ Urban Fund assistance, beginning at its October 1, 2006 launch. In that timeframe, EDA has closed 42 projects, providing $60.5 million in assistance to targeted projects in urban aid cities. This assistance, which supports 662 current jobs, and the creation of an estimated 1,830 new jobs, will result in total project costs of $218 million.

Below is a summary of the type of funding assistance provided to date, as well as future projections:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 10 mm</td>
</tr>
<tr>
<td>Grants</td>
<td>$ 27 mm</td>
</tr>
<tr>
<td>Loans</td>
<td>$ 22.3 mm</td>
</tr>
<tr>
<td>Ctes.</td>
<td>$ 1.2 mm</td>
</tr>
<tr>
<td>Total</td>
<td>$60.5 mm</td>
</tr>
</tbody>
</table>

*Note:*
- **Grants** includes BEIP, HDSRF municipal grants, and ERB infrastructure grants, Lease incentives and recoverable grants.
- **Loans** includes Statewide Loan Pool, LDFF, NJDA, Edison Innovation Fund, Fund for Community Economic Development, New Markets loan and HDSRF Commercial Loan.
- **Bonds** includes tax-exempt bond financing, and
- **Guarantees** includes NJ Business Growth Fund.

As shown above, nearly 46.5% of the total assistance provided to date is either loans or guarantees, which are expected to be returned to the fund and become additional resources for assistance.
Discussion Points (Cont’d)

In terms of EDA’s future commitment of $124.5 million, it is estimated that loans or guarantees would constitute approximately 50% of the remaining funding to be committed by the completion of the NJ Urban Fund’s first full year (Sept. 30, 2007). Tax-exempt bond financing would constitute between 20 to 30% of the remaining funds, with grants constituting between 10 and 20%.

(It should be noted that the future estimates for the first full year should be seen as flexible, and are formulated as goals for the Fund in order to meet the $185 million commitment. They should not be seen as capped categories of funding.)

III. Investment Strategy

In December 2006, EDA implemented guidelines to ensure that its venture capital and community development investments are aligned with Gov. Jon S. Corzine’s Economic Growth Strategy and consistently and effectively support the success of emerging technology companies, woman-owned and minority-owned enterprises and other small businesses, and real estate development projects in New Jersey.

These guidelines set forth a strategy for reviewing and assessing qualifications for EDA venture capital and community development fund investments through the Edison Innovation Fund and the New Jersey Urban Fund.

Equity Fund Investments will focus on early-stage investment funds and include funds that invest in companies with less than $3 million in annual revenues, a traditional minimum threshold for equity investments.

Investments will be expected to earn a reasonable rate of return, which will be measured in financial terms and by job growth in targeted sectors. Funds in which the EDA plans to invest will need to demonstrate an ability to leverage the Authority’s investment with other investment dollars at a minimum ratio of 3:1.

Other investment strategy guidelines stipulate that:
- Partners in investment funds have an established track record, although consideration may be given to a first-time fund;
Discussion Points (Cont'd)

- Any fund under consideration should be managed by a team that has both operating and financial experience. Technology/life sciences investments will require senior partners to have a personal investment in the fund;
- Fund management should be willing to serve as an EDA strategic partner; and
- There will be a strong preference for funds that have a physical presence in New Jersey and have a history of investing a minimum of one-third of their funds in New Jersey and maintaining its investment at least at that level.

EDA has been in operation for over 30 years, and it is anticipated that the Authority will remain self-sustaining as it provides loans, guarantees, bond financing and other financial resources to the businesses of New Jersey.

Therefore, the Authority does not foresee a point at which these two funds as currently structured will be fully committed as they utilize the resources of the Authority's revolving loan resources, constitutionally dedicated resources such as the Hazardous Discharge Site Remediation Fund, and the federally-authorized tax-exempt bond financing program. In the future, however, should a more aggressive approach to economic development be identified, it may be necessary to explore additional resources in order to maintain a competitive edge in the national and international marketplace.

9. First quarter revenue figures for the Atlantic City market indicate that two newly opened slot parlors in the Philadelphia area appear to be cutting into casino winnings. Figures released in February by the New Jersey Casino Control Commission show that Atlantic City's gaming revenue fell 2.9 percent overall to $394.5 million and slot winnings slumped 7.2 percent to $271.8 million. An estimated 20 percent to 25 percent of Atlantic City gamblers come from the Philadelphia area, the second-largest feeder market behind the New York and northern New Jersey region. Philadelphia Park, in Bensalem Township, PA about 20 miles north of downtown Philadelphia, has been open since December 19, 2006 and took in $22.2 million in gross gaming revenue in January 2007. Harrah's slots parlor, which opened
Discussion Points (Cont'd)

January 22, 2007 in the city of Chester, PA, had nearly $8.6 million in gross gaming revenue in its first 10 days of operation, according to figures compiled by the Pennsylvania Gaming Control Board. As a result of these trends, news reports have indicated that Atlantic City is moving forward to become a high-end destination by offering fine food, shops, and entertainment to generate more non-gambling revenue, similar to Las Vegas.

- **Question:** Has there been a decrease in patrons or visitors traveling to Atlantic City?

The following shows Annual Visit-Trips to Atlantic City. The data was compiled by the South Jersey Transportation Authority:

Note: Amounts in thousands

<table>
<thead>
<tr>
<th>Mode of Transportation</th>
<th>CY 2006</th>
<th>CY 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>27,545</td>
<td>27,889</td>
</tr>
<tr>
<td>Casino Bus</td>
<td>6,041</td>
<td>6,104</td>
</tr>
<tr>
<td>NJ Transit Bus</td>
<td>526</td>
<td>519</td>
</tr>
<tr>
<td>Air</td>
<td>260</td>
<td>261</td>
</tr>
<tr>
<td>Rail</td>
<td>162</td>
<td>151</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,534</strong></td>
<td><strong>34,924</strong></td>
</tr>
</tbody>
</table>

**Question:** How is the Division of Travel and Tourism responding in order to draw visitors to activities in Atlantic City other than gambling?

The role of the Division of Travel & Tourism is to promote the State as a tourism destination, not necessarily a specific tourist destination. It is the role of the Atlantic City Convention & Visitors Authority (ACCVA) to market Atlantic City in particular. They are marketing AC as a “full service destination”, especially the shopping, dining, entertainment, golf, convention facilities, and beach/boardwalk to combat the impact of PA.
Discussion Points (Cont'd)

Specifically, the ACCVA expects to generate over 150,000 room nights this year for local hotels/casinos from conventions. They also took over the marketing of the area golf courses in an effort to promote AC as a premier golf destination. Another strategy they are employing is to bring in high profile special events such as the Atlantic 10 men's basketball tournament which was televised nationally on ESPN and the Atlantic City Airshow which attracted 600,000 spectators to the City last summer. The purpose of these events is to bring in more first time visitors to experience the "new" Atlantic City and have them experience the non-gaming amenities. The ACCVA found that the majority of first time visitors come for reasons other than gambling. Boardwalk Hall, their 13,000 seat arena is also a hook to bring in new visitors and helps to brand Atlantic City as an entertainment destination. Boardwalk Hall was named by Billboard magazine as the top grossing mid sized arena in the world for 2006.

The ACCVA has also hired a nationally recognized public relations firm that specializes in destinations to help get the message out that there is much more to do in AC than gaming. Last year they generated over 235 million print impressions with positive messages about the new developments in the City. Finally, a 3-minute promotional video was introduced at this years' Governor's Conference on Tourism which notably focused on amenities other than gaming to highlight that point.

What is the long-term financial forecast for New Jersey's gaming industry in light of new competition from neighboring states?

While we have been advised that there will likely be a short-term negative impact, as visitors "check out" the new slot parlors, it is important to recognize that the casino industry in Atlantic City is poised for future growth as it continues to reinvent itself through expansions in accommodations, dining, retail and entertainment. Currently, there are three hotels undergoing expansion. In fact, by next year, there will be 2,500 new hotel rooms in Atlantic City. Occupancy rates are running well above 90%, which is good for business because more overnight visitors mean more people spending money in New Jersey. Next fall, Pinnacle will announce its plans for the Sands and the investment firm of Morgan Stanley has
also indicated an interest in land there. These projects will account for billions of dollars of investment. With casino companies poised to continue their investments, there is no doubt that the future remains bright for Atlantic City. In addition, Atlantic City provides a different visitor experience than the convenience-gaming revenues of nearby competitors.

Are non-gambling revenues expected to increase in Atlantic City as a result of Atlantic City’s new high-end activities?

Non-gambling revenues generated by the high-end activities in Atlantic City are driven by a variety of factors. More importantly, gaming in Atlantic City vs. stand-alone facilities in competing states, is a significantly different visitor experience. Atlantic City provides top-notch accommodations, high-end dining and retail and world-class entertainment. In fact, The Walk has been so successful that it’s doubling its lineup of stores. The Pier at Caesar’s and The Quarter at the Tropicana have also provided a vast array of retail opportunities. In addition, well-known chefs like Wolfgang Puck and Bobby Flay have brought their names and investment to the city. The hotel and casino industry is always changing and growing and looking for ways to compete in a competitive marketplace so new development offering new experiences is what will continue to attract visitors and their dollars to New Jersey.

How has the closing of the Sands casino in November 2006 affected the commerce of the State as well as the labor market?

Based on Quarterly Census of Earnings and Wages (QCEW) data, employment at the Sands Casino averaged about 2,100 per month over the past six quarters (from the third quarter of 2005 to the fourth quarter of 2006). Total wages for the same 18-months period were $95.0 million and averaged $5.3 million per month, or about $63.3 annually.

Sands Casino’s covered employment reported for November 2006, the month of the closure, was 1,813. As a result of the Sands Casino closure, approximately 1,320 claims for unemployment insurance were filed by those separated from the casino. It was confirmed through the Mass Layoff Statistics (MLS) data that around 113
Discussion Points (Cont'd)

individuals separated found employment at other casinos just before or shortly after the closure through the LWD job fair. We have not been able to determine so far what has happened to the remaining employees, but once we have first quarter 2007 wage records (hopefully by early May 2007), we will revisit this issue and look into it in more detail. Using an average duration of 18 weeks and assuming that the 1,320 Sands claimants received the maximum benefit amount (using the maximum amount of $536 for 2007), the total wage replacement would be (in rough terms) approximately $12.7 million.

In addition to the Sands closure, MLS also reported approximately 1,064 casino-attached initial claims classified as "permanent" from the third quarter of 2006 through the present. That number is up from the comparable "year-ago" total of 265.

NEW JERSEY COMMISSION ON SCIENCE AND TECHNOLOGY

10. The New Jersey Commission on Science and Technology was established pursuant to P.L.1995, c.102. The Commission was established to encourage the development of scientific and technological programs, stimulate academic-industrial collaboration, and coordinate the activities of technology centers and business activities. The Governor's budget recommends $22.5 million for the Commission, an increase of $5 million from the $17.5 million FY 2007 appropriation. This increase is a result of a $5 million increase in Science and Technology Grants. According to the Office of Management and Budget, this $5 million increase will be earmarked for stem cell grants. A review of fiscal records as of March 20, 2007 shows that of the Commission's total grant resources of $22.8 million (including $6 million carried forward from FY2006), $8 million has been spent or committed, and $14.1 million is uncommitted, with $12.9 million of that total in "reserve" status.

- Question: Please provide information detailing the recipients of Commission grant funding thus far for FY 2007 by the programmatic spending categories shown on page D-434 of the budget.
The Commission held its third quarterly Board meeting of FY07 awarding a total of $2,985,000. Reflecting the programmatic spending categories shown on page D-434 of the budget:

- New Jersey Manufacturing Extension Program $1,200,000
- Business Incubators $1,590,000
- Small Business Innovative Research Bridge Grant Program $395,000*
- NJ Technology Fellowships $960,000*
- Edison Innovation R&D Fund $1,154,928*
- Incubator Seed Fund $249,357*
- Edison Innovation Federal Matching Program (Centers of Excellence) June 2007
- University Intellectual Property Program June 2007
- Stem Cell Research Grant Program June 2007

* Additional awards in these programs are to be made in June 2007. Please note that slightly over $4 million in the carry-forward money from FY06 had been awarded through Board resolution, but contracts had not been executed prior to the end of the FY06.

Also indicate the amounts of each grant the recipients received.

ANSWER: Please see attached list which outlines current awards. This is NOT a complete list for FY07.

What is the timetable for awarding the remaining available grant funding?

ANSWER: The Commission makes awards four times during the fiscal year with most awards being made at the October/November meeting and the May/June meeting. The Commission is scheduled to review applications for some of its larger programs at the meeting scheduled for June 19, 2007. These include the $5 million in the Stem Cell Research Grant Program (approximately an 8 month award cycle), the $2,340,000 remaining in the Edison Innovation R&D Fund (conducted twice a
Discussion Points (Cont’d)

year), the $1 million remaining in the University Intellectual Property Program (annual award cycle), the $1,140,000 remaining in the NJ Tech Fellows Program (conducted twice a year), and the $250,000 remaining in the Incubator Seed Fund (conducted twice a year).

Also, please indicate how many additional grants are anticipated to be provided in FY 2008 given the $5 million increase in State stem cell research funding.

ANSWER: In FY07 the Commission had been allotted $5 million in its budget for stem cell research grants and is making recommendations to the Department of Treasury regarding an additional $5 million in their budget for stem cell research grants. This funding has been broken down to provide $3 million for individual research grants which can be funded up to $300,000 each (for a total of 10 grants) and $7 million for core facilities grants which can be funded up to $3 million each (for a total of two to three grants). With the proposed increase of the Commission's budget, it is expected that the Department of Treasury will no longer provide $5 million towards the stem cell research grant program. As a result it is anticipated that this program will be carried on as is; however, the grant amounts in the individual and core facilities budgets can be adjusted within the $10 million range.

11. In response to one of last year’s discussion points, the Commission indicated that in FY 2007, the Commission would carry out a High Tech Recovery Plan in New Jersey.

- **Question:** Please discuss the High Tech Recovery Plan and the Commission’s progress in carrying out this plan in FY 2007. What are the Commission’s goals for FY 2008?

ANSWER: The goal of the High Tech Recovery Plan was to create and grow thriving high technology businesses in New Jersey, leading to an increasing number of high-paying jobs. With the announcement of the Governor’s Economic Growth Strategy in September 2007, the Commission’s programs were integrated with other state agencies to further this goal. The Commission has increased and aligned its support for the Edison Innovation R&D Fund in the past fiscal year to
Discussion Points (Cont'd)

provide more substantive, direct support for just the type of companies the report indicates that New Jersey needs. In addition, the Commission created the Edison Innovation Centers of Excellence Federal Matching Program. The Commission will continue to support the University Intellectual Property Program to help implement the "Creativity Cascade" which, according to the report, provides critical elements for high technology success including creation of intellectual property (IP), efficient acquisition and development of IP into commercial product opportunities, and promotion of an entrepreneurial business climate in which IP can be converted into economic growth.

In FY08 the Commission on Science and Technology will continue to tailor its programming to meet the needs of the technology community. The Commission will continue to work with the Office of Economic Growth and the Economic Development Authority to support the Governor's vision for the Edison Innovation Fund. Many of the Commission's programs have already been adjusted to fit within this rubric and more changes are anticipated. In addition, the Commission will work with New Jersey's research universities and technology community to support emerging areas with potential to grow our technology economy, such as nanotechnology, alternative energy, stem cell research and clinical research. The Commission will continue to use metrics tracking each of its programs to ensure program goals are met.

12. According to a press release dated February 13, 2007, the Commission issued applications for two new programs, the Edison Innovation Centers of Excellence Federal Matching Program and the Edison Innovation R&D Fund for the development of new technologies. The Commission earmarked $2 million in FY 2007 for the Centers of Excellence program with one-time awards ranging up to $500,000. The Commission also stated that it would award up to $2.5 million in individual awards ranging from $100,000 to $500,000 for the Edison Innovation R&D Fund.

*Question:* Please describe each of these programs. How many award applications has the Commission received to date?
ANSWER: In support of the Economic Growth Strategy, the Commission approved a new program for universities to encourage federally funded Centers of Excellence. Through the Edison Innovation Centers of Excellence Federal Matching Program the Commission will provide matching dollars to support federally funded, peer-reviewed, research centers at New Jersey universities. The purpose of the program is to increase federal peer-reviewed research dollars and industrial investment in New Jersey’s Research Universities. To date, the Commission has received one application for this program due largely to the time it takes to complete these proposals. These applications must be multi-institutional and come from those institutions that bring in a minimum of $5 million in federal research dollars per year as reported by the National Science Foundation.

The Edison Innovation R&D Fund, formerly the Entrepreneurial Partnering Fund, provides funding to promising early-stage technology companies to advance their research and provides the opportunity to form valuable partnerships with New Jersey universities, non-profit institutions and other companies. The Edison R&D Fund offers grants of $100,000-$500,000 for proof-of-concept research and development activities. Companies and partner institutions are required to provide matching funds. When this program was the Entrepreneurial Partnering Fund, the Commission made 7 awards totaling nearly $2.5 million and leveraging an additional $2.1 million in matching funds. In 2 rounds of the Entrepreneurial Partnering Fund the Commission received 50 pre-applications and 34 full proposals. The deadline for pre-applications for the next round of the Edison Innovation R&D Fund awards is April 16, 2007.
## BUSINESS ASSISTANCE

<table>
<thead>
<tr>
<th>Incubators</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jersey City</td>
<td>130,000</td>
</tr>
<tr>
<td>Rutgers - Camden</td>
<td>130,000</td>
</tr>
<tr>
<td>Picatinny</td>
<td>130,000</td>
</tr>
<tr>
<td>NJIT - EDC 1, 2, and 3</td>
<td>390,000</td>
</tr>
<tr>
<td>EDA Tech Center</td>
<td>130,000</td>
</tr>
<tr>
<td>Burlington</td>
<td>130,000</td>
</tr>
<tr>
<td>ACIN</td>
<td>130,000</td>
</tr>
<tr>
<td>Food Innovation Center</td>
<td>130,000</td>
</tr>
<tr>
<td>EcoComplex</td>
<td>130,000</td>
</tr>
<tr>
<td>Rowan University</td>
<td>80,000</td>
</tr>
<tr>
<td>Burlington Life Science</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>1,590,000</strong></td>
</tr>
</tbody>
</table>

### Incubator Seed Fund (Additional Awards Anticipated in June 2007)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aero Networks</td>
<td>50,000</td>
</tr>
<tr>
<td>Applechem</td>
<td>50,000</td>
</tr>
<tr>
<td>Channel Logistics</td>
<td>50,000</td>
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<tr>
<td>Treadstone Technologies</td>
<td>50,000</td>
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<tr>
<td>WorldScape</td>
<td>49,357</td>
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<tr>
<td>New Incubator Seed Fund Awards</td>
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<tr>
<td><strong>Total (Anticipated):</strong></td>
<td><strong>499,357</strong></td>
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### Edison Innovation R&D Fund (Additional Awards Anticipated in June 2007)

<table>
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<tr>
<th>Enterprise</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>LinguaFlex</td>
<td>500,000</td>
</tr>
<tr>
<td>MicroDysis</td>
<td>390,773</td>
</tr>
<tr>
<td>Urovalve</td>
<td>264,155</td>
</tr>
<tr>
<td>New Edison Innovation R&amp;D Awards</td>
<td>2,345,072</td>
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<tr>
<td><strong>Total (Anticipated):</strong></td>
<td><strong>3,500,000</strong></td>
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### SBIR Programs (Additional Awards Anticipated in June 2007)

<table>
<thead>
<tr>
<th>Enterprise</th>
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</thead>
<tbody>
<tr>
<td>Urovalve</td>
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<tr>
<td>Exelus</td>
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<tr>
<td>Frontier Performance Polymers</td>
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<tr>
<td>Li Creative</td>
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<tr>
<td>Mensanna Research</td>
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<tr>
<td>MaXentric Technologies</td>
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<tr>
<td>PortaScience</td>
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<tr>
<td>SBIR Training Program/Small Business Development Center - Rutgers</td>
<td>45,000</td>
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<td>New SBIR Grants (Anticipated in June)</td>
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<tr>
<td><strong>Total (Anticipated):</strong></td>
<td><strong>645,000</strong></td>
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### NJMEP

<table>
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<tr>
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<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,200,000</td>
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</table>

The Commission will hold a public meeting on June 19 to make additional awards.
<table>
<thead>
<tr>
<th>STEM CELL RESEARCH GRANTS (Awards Anticipated in June 2007)</th>
<th>5,200,000</th>
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<tbody>
<tr>
<td>INDUSTRY / UNIVERSITY COLLAB</td>
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</tr>
<tr>
<td>University IP Program (Awards Anticipated in June 2007)</td>
<td>1,000,000</td>
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<tr>
<td><strong>New Jersey Tech Fellowships</strong></td>
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</tr>
<tr>
<td>Dov Pharmaceutical</td>
<td>75,000</td>
</tr>
<tr>
<td>Form, Fit, and Function Engineering</td>
<td>75,000</td>
</tr>
<tr>
<td>Germgard Lighting</td>
<td>75,000</td>
</tr>
<tr>
<td>LinguaFlex</td>
<td>75,000</td>
</tr>
<tr>
<td>Pestka Biomedical (Conforti)</td>
<td>75,000</td>
</tr>
<tr>
<td>Rosetta Genomics</td>
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</tr>
<tr>
<td>Exelus</td>
<td>85,000</td>
</tr>
<tr>
<td>ExSAR</td>
<td>85,000</td>
</tr>
<tr>
<td>Pestka Biomedical (Gilbert)</td>
<td>85,000</td>
</tr>
<tr>
<td>PharmaSeq</td>
<td>85,000</td>
</tr>
<tr>
<td>Provid Pharmaceuticals</td>
<td>85,000</td>
</tr>
<tr>
<td>UV Solutions</td>
<td>85,000</td>
</tr>
<tr>
<td>New Tech Fellowship Awards (Anticipated in June)</td>
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</tr>
<tr>
<td><strong>Total (Anticipated)</strong></td>
<td>2,105,000</td>
</tr>
<tr>
<td><strong>Edison Innovation Federal Matching Centers of Excellence (Anticipated in June 2007)</strong></td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>TOTAL FY07</strong></td>
<td>17,739,357</td>
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