

NEWS RELEASE

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February 1, 2008

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NJEDA: CDFA Legislation Created 690 Jobs in 2007 Shows Potential of Definition Change for IDBs

Cleveland, OH – The New Jersey Economic Development Authority (NJEDA) has released 2007 data showing that legislation sponsored by the Council of Development Finance Agencies (CDFA) allowed them to finance an additional seven projects using industrial development bonds (IDBs) that created 690 jobs.

The success of the capital expenditure limitation legislation to create nearly 700 jobs in one state through one issuer demonstrates the potential IDBs can have to develop local and regional economies.

CDFA's proposed legislation to amend the definition of manufacturing as it relates to IDBs can have an even larger impact. The proposed change would allow high-tech and other knowledge based industries to make use of this low-cost financing tool. CDFA members and staff have been active talking to the offices of Senate Finance and House Ways and Means Committee members about using this legislation as part of a long-term economic stimulus bill.

CDFA had been successful in changing the capital expenditure limit on IDBs from \$10 million to \$20 million in 2004. The capital expenditure limit is the total amount of IDB financing a company may receive over a six-year period (three years prior and three years forward). However, that original change was not set to take effect until 2009.

In 2006, CDFA again used its grass roots lobbying campaign to move the effective date of the legislation to December 31, 2006. IDB issuance across the country was projected to increase in 2007 based largely on the effective date of the change. Several states, including Illinois, California, New York, Florida, Ohio and Arizona showed an upswing in IDB usage. 2008 already projects to be one of the biggest years in the tools history.

Industrial Development Bonds (IDBs) are tax-exempt financings that provide low-cost debt to small- and mid-sized companies that do not have access to credit markets, unlike their Fortune 500 competitors. Without the Council's provision, these groups would have to pursue higher cost financing, or projects would be dropped or reduced, effectively limiting the economic development and job creation produced by these companies.

Additional information concerning the proposed legislation to change the definition of manufacturing for IDBs can be found on the [CDFA Web site](#).

Projects Financed in 2007 Due to Increase in Capital Expenditure Limitation

New Jersey Economic Development Authority

| Applicant Name | Bond Amount | Total Project Costs | Approval Date | Closing Date | Jobs Created |
|--|------------------------|----------------------------|----------------------|---------------------|---------------------|
| Advanced Drainage Systems, Inc | \$9,000,000.00 | \$16,184,250.00 | 1/9/2007 | 2/6/2007 | 70 |
| MJF Realty Group, LLC and McLean Packaging Corporation | \$4,650,000.00 | \$6,250,000.00 | 3/13/2007 | 5/7/2007 | 0 |
| McLean Packaging Corporation and MJF Realty Group, LLC | \$5,350,000.00 | \$7,650,000.00 | 3/13/2007 | 5/7/2007 | 70 |
| CGI North America, Inc. | \$8,250,000.00 | \$8,300,000.00 | 3/13/2007 | 4/10/2007 | 6 |
| Damascus Bakery | \$7,750,000.00 | \$8,630,330.00 | 4/10/2007 | 5/14/2007 | 180 |
| 690 Union Blvd. Assoc., LLC | \$4,367,895.94 | \$4,367,895.94 | 10/9/2007 | 12/17/2007 | 95 |
| MZR Real Estate, L.P. | \$7,690,000.00 | \$8,686,600.00 | 11/13.207 | 12/11/207 | 269 |
| Totals (7 projects) | \$47,057,895.94 | \$60,069,075.94 | | | 690 |

Source: NJEDA

CDFA is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing over 200 public, private and non-profit development organizations.

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