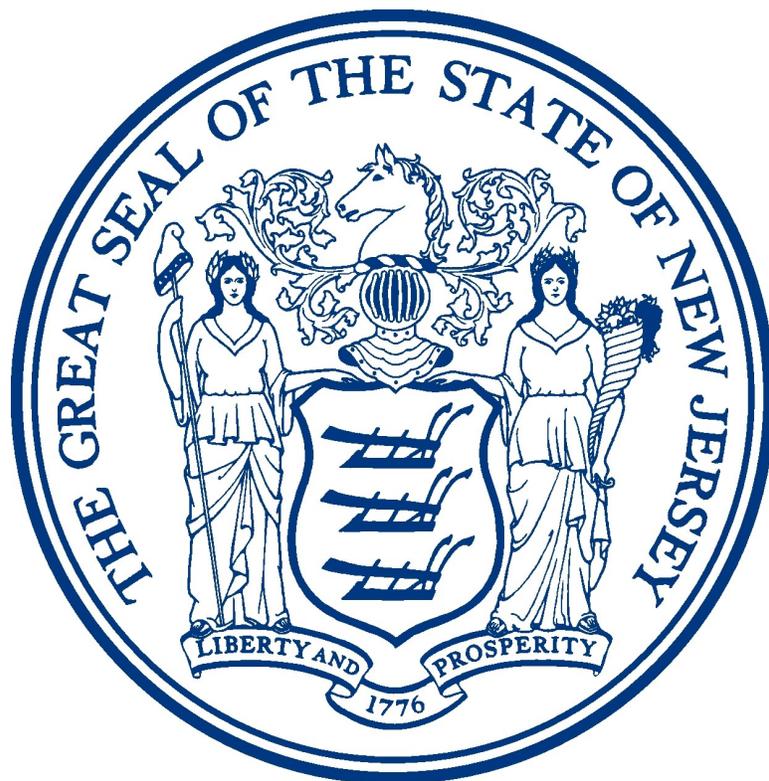

NEW JERSEY BUILDING AUTHORITY



2010
ANNUAL REPORT

A Brief History of the New Jersey Building Authority

The New Jersey Building Authority (the “Authority”), a body corporate and politic and an instrumentality of the State of New Jersey, was created in 1981 by the State Legislature for the purpose of financing, acquiring, constructing, reconstructing, rehabilitating, or improving office buildings and related facilities to meet the needs of State agencies.

In 1992, the State Legislature amended the Authority’s statute to expand the types of projects the Authority can undertake. In addition to office buildings and related facilities, the Authority can now construct or renovate State correctional facilities and restore historic public buildings. The amendment also removed the \$250 million bond principal limitation.

The Authority, under a master lease with amendments for individual properties, has leased to the State the buildings constructed or renovated with the funds provided from various bond offerings made by the Authority. The State is required to pay rent to the Authority at times and in amounts sufficient to pay: (1) debt service on the bonds outstanding (to the extent such debt service is not funded from bond proceeds); and (2) administrative expenses of the Authority. The lease transactions with the State are accounted for as direct financing leases.

The State is responsible for the award and monitoring of all contracts for the design, acquisition and construction of projects as well as supervision of construction work and acceptance of the completed projects. Project costs incurred by the State are paid by the Authority’s bond trustee out of the construction fund after approval by an authorized Authority representative. Pursuant to the terms of the master lease, the State is responsible for the adequacy, sufficiency and suitability of the plans and specifications of any contracts or agreements with respect to the acquisition or construction of these projects. During the master lease term, the State is responsible for all costs relating to the operation, maintenance and repair of the projects. In addition, the state pays for all utilities, taxes and governmental charges during the lease term.

At any time prior to the expiration of the master term, the State has the option to purchase the projects for a price of \$1 plus an amount sufficient to provide the full payment of the bonds and accrued interest in conformity with the bond resolution. If such option has not been exercised prior to the end of the lease term, the title to the projects will be transferred by the Authority to the State at that time.

The obligation of the State to make rental payments is subject to and depends upon yearly appropriations being made by the State Legislature for such purposes. In the event the State fails to make the necessary lease payments, the Authority may take possession of the projects and either lease or sell them to another party. In either case, the State is obligated to reimburse the Authority for any deficiency between the lease payments called for by the master lease and amounts paid by other parties. Through December 31, 2010, the Authority has undertaken projects totaling in excess of \$1.4 billion.



***Current Construction and
Renovation Projects***



State of New Jersey

NEW JERSEY BUILDING AUTHORITY
PO Box 219
TRENTON, NJ 08625-0219

CHRIS CHRISTIE
Governor

JOHN H. FISHER III
Chairman

The Honorable Chris Christie
Governor of the State of New Jersey

The Honorable Stephen M. Sweeney
President, New Jersey Senate

The Honorable Sheila Y. Oliver
Speaker, New Jersey General Assembly

The Honorable Andrew P. Sidamon-Eristoff
State Treasurer

Consistent with N.J.S.A. 52:18A-78.26, I am pleased to report on the activities of the New Jersey Building Authority for calendar year 2010.

Respectfully,

A handwritten signature in black ink that reads "John H. Fisher III".

John H. Fisher III
Chairman



Chairman



Executive Director

***Report from the
Chairman and Executive Director
Of the New Jersey Building Authority***

We are pleased to submit the 2010 Annual Report of the New Jersey Building Authority (NJBA). This report provides the history of the NJBA, the status of our projects, financial activity, and audited financial statements. As evident in this report, with each new project, our work scope has grown in complexity. We are certainly proud of our achievements. Our portfolio includes a wide range of projects including the renovation of state office buildings; the restoration of historical structures; and the construction of correctional facilities, and state-of-the-art technology campuses.

Our most recent venture is the New Jersey Public Health, Environmental and Agricultural Laboratory (NJPHEAL). Construction is rapidly progressing. The four story structure has been completed, and is quite impressive. The building is constructed of steel and concrete with a metal façade, and modified bitumen roofing system. A glass curtain wall allows natural light to permeate the building. Roof-mounted, photovoltaic panels will convert light to electricity. Security measures include a command center, and a prescreening facility. The entire campus will be protected by perimeter fencing, and hardened checkpoints. The new laboratory

is intended to meet all operational standards and mandatory requirements set forth by the Centers for Disease Control and Prevention, the National Institute of Health, and the United States Department of Agriculture. Major construction is expected to be completed by the winter of 2010, and personnel should be able to occupy the space beginning in summer 2011.

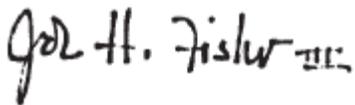
Whether we are preserving New Jersey's history through restorations; renovating museums for New Jersey families to enjoy; or constructing high-tech laboratories to ensure the protection and well-being of the citizens of New Jersey, we never lose sight of our core values:

- A clear understanding of the client's needs, objectives and expectations;
- A strong professional commitment to achieve the client's objectives;
- An on-going, productive working relationship with the client characterized by an open line of communication throughout the process, and;
- A continuous focus on the philosophy that the client is the purpose of our work.

Our gratitude goes out to the NJBA board members and staff. The New Jersey Building Authority's success is built on their knowledge, professionalism, and dedication.

We would also like to thank the staff of the Department of Law and Public Safety, and the Department of the Treasury's: Office of Public Finance, Division of Property Management and Construction, and the Division of Administration. We rely on their expertise from the early planning stages of our projects, and well after the close-out phases.

We are proud to be part of a winning team that will continue to strive for excellence as we build New Jersey's future.



John H. Fisher III
Chairman



Raymond A. Arcario
Executive Director

Board of Directors



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Managing Director
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New Jersey Regional Council of Carpenters

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Galloway, NJ 08205

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Ex-Officio Board Directors



Andrew P. Sidamon-Eristoff

State Treasurer

*David Moore served in the
Treasurer's absence.*



Charlene Holzbaur

Comptroller of the Treasury

*Nancy Style served in the
Comptroller's absence.*



Carol Molnar, Esquire

**Chair, Commission on Capital
Budgeting and Planning**

*A designee served in the
Chairperson's absence.*

NJ Public Health, Environmental and Agriculture Laboratory Facilities
Project Cost: \$157,200,000

The objective of this project is to construct a new 275,000 square foot Public Health, Environmental and Agriculture Laboratory (NJPHEAL) in the NJ State Police Headquarters Complex in West Trenton. The laboratory will consolidate operations in a highly secure state-of-the-art facility, eliminate duplicative processes, and allow State departments to share resources.

Approximately 180,000 square feet will be dedicated to specialized laboratories and 95,000 square feet will be utilized for administrative and support services. Included in the design are a biological lab to safely handle dangerous pathogens and toxic chemicals; a necropsy lab for the detection of animal-borne diseases; a greenhouse for the evaluation and prevention of threats to the state's agricultural resources; and training facilities for personnel.

By August 2005, contracts for design and for construction management services were awarded. Early analysis determined that the original building size was more than the budget could accommodate so the design was reconfigured to reduce the overall exterior square footage without compromising the integrity of the structure or jeopardizing necessary program functions. To curb costs further, the project was separated into general construction and structural steel packages, and some elements such as site irrigation, greenhouse construction, kitchen equipment and the paging system were bid as add alternatives.

To safeguard the laboratory facility, the campus security scope includes hardened security checkpoints, a closed circuit TV system, perimeter fencing, and a command center. The perimeter fence technology and additional check points will be incorporated as add alternatives.

The early bid package for structural steel was awarded by the end of 2007.

The site, civil engineering and foundation contract, and the general construction contract were both awarded early in 2008. The bids for the security command center contract came in over budget, so the contractors were interviewed to better understand the higher costs. The contracts were revised, and the project will be advertised again.



By February 2008, upgrades to the permanent perimeter security fencing were completed. These enhancements will serve to secure the site during construction, and be incorporated into the overall campus security plan. Site excavation began in April along with the installation of storm-water piping. During the summer, parking lot curbing was positioned. Early that fall, elevator jack holes were drilled, and the first structural steel columns were set.

By the end of the year, the site excavation phase was completed, and underground utilities were positioned within the building footprint. Metal decks were installed, and concrete deck slabs were poured.

During 2009, with the structure complete, the pace of construction ramped up significantly. Spray on fireproofing was applied to the structural steel and exterior wall framing commenced. Simultaneously, HVAC piping and ductwork installations began on the second through fifth floors while underground plumbing was completed on the first floor. As the year progressed, above ceiling MEP installations were underway and by late summer the main switchgear had been installed, tested and activated so that the building was now on permanent power. Interior drywall partition installation activity was significant by mid-year and finishes started to be installed by late 2009. Laboratory overhead service carriers were being installed and laboratory casework deliveries had commenced.



The exterior wall systems were completed by year end with the exception of the C building area. Also during 2009, construction of the Pre-Screening Building and the Greenhouse commenced.

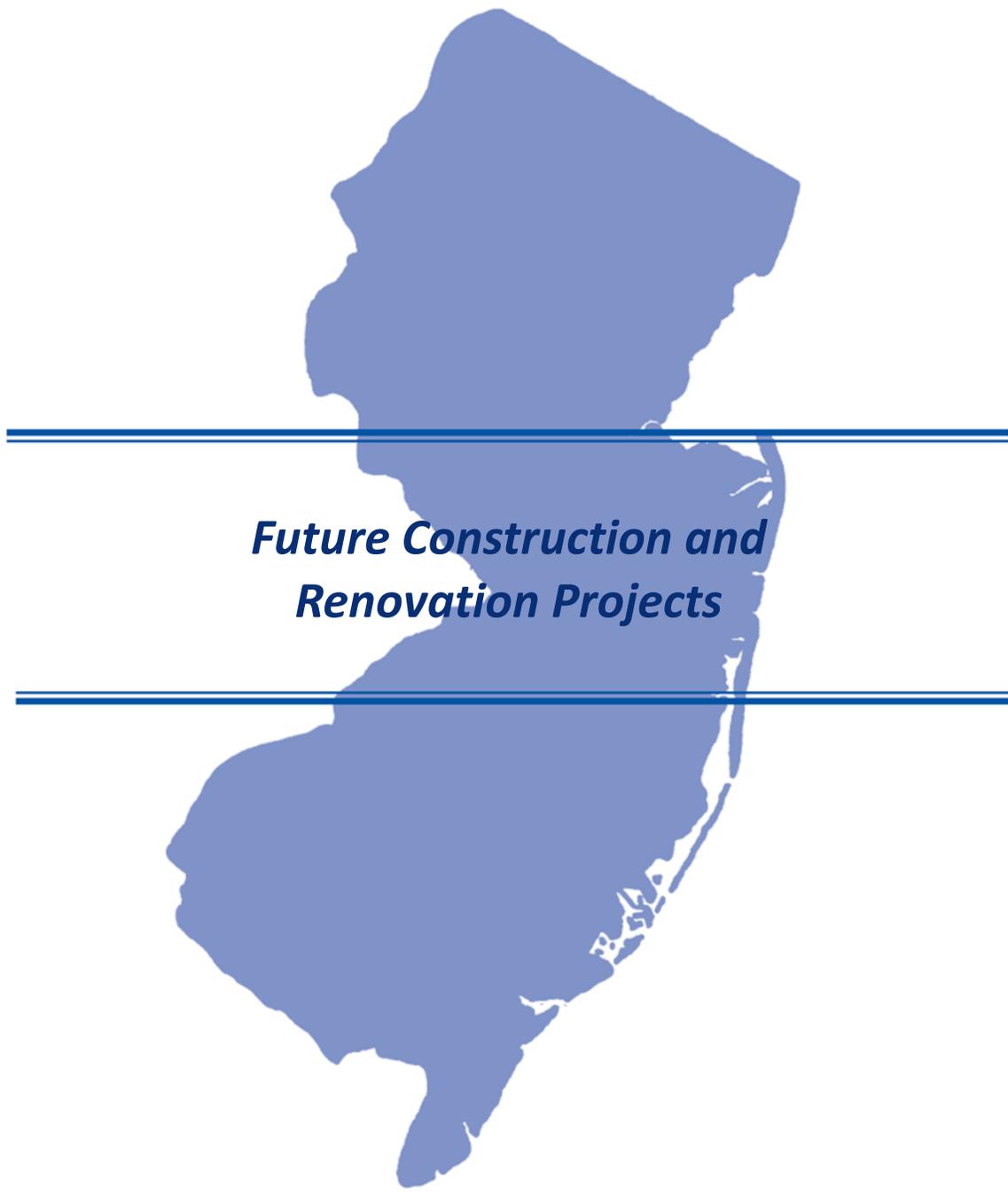
By December 2010, the majority of the work had been completed and the Department of Community Affairs issued a Temporary Certificate of Occupancy. The State had agreed to take over the boiler operations and plans were underway to move all NJBA, Turner Construction, Bovis Lend Lease, and Working Buildings' staff into temporary space within the building. This allowed for the removal of construction trailers so that the remaining site work can be completed during Spring 2011.



***NJ State Police Emergency Operations Center
Project Cost: \$ 31,031,033***

The final component of the 2002 Series A Additional Project consisted of the construction of a facility to accommodate the State Police Emergency Management Section and Emergency Operations Center in Ewing, New Jersey. The Emergency Operations Center includes (i) a 47,500 square foot building with office space and crisis management centers for State Police and Governor's Office personnel, as well as bunk and shower facilities, pre-packaged meal cafeteria, and back-up water, power and communications provisions and (ii) a 120-space parking area. Construction on this component of the 2002 Series A Additional Project began in May, 2004 with a majority of construction being completed by summer 2006. A second story shell addition, and its interior fit-out were funded directly by the Department of Law and Public Safety and completed in October 2009. A Certificate of Occupancy was received November 2009.





***Future Construction and
Renovation Projects***

New Repair Projects of State Facilities



State Museum/Auditorium

**Project A1115-00
HVAC upgrade new Digital Control System**

**Budgeted: \$500,000
Anticipated Start Date: October 2011**



State Justice Complex

**Project A1116-00
Replacement of Atrium Skylight Glazing**

**Budgeted: \$700,000
Anticipated Start Date: October 2011**



Treasury Taxation Building

**Project A1117-00
Water infiltration repair, Exterior Sealant application on stone facing. Removal of 4th story bridge,**

**Budgeted: \$1,000,000
Anticipated Start Date: November 2011**



State Justice Complex

**Project A1118-00
Elevator Modernization—New cars and Controls**

**Budgeted: \$2,000,000
Anticipated Start Date: December 2011**

New Repair Projects of State Facilities



State House Complex Visitors Center Plaza

Project A1120-00

Repair of below grade waterproof membrane

Budgeted: \$400,000

Anticipated Start Date: October 2011



State House Annex

Project A1121-00

Replacement of #4 Air Handler Unit

Budgeted: \$415,000

Anticipated Start Date: September 2011



State House Annex—East Wing Basement

Project A1122-00

Water Infiltration Repair

Budgeted: \$400,000

Anticipated Start Date: October 2011



State House Parking Garage

Project A1123-00

Structural repairs to concrete within parking structure

Budgeted: \$2,000,000

Anticipated Start Date: November 2011

New Jersey State Museum

The objective of this project is to address the aging infrastructure of the New Jersey State Museum located in Trenton; to protect the health and safety of the State Museum's constituency; and to secure its collections. The project includes enhancements to the HVAC and electrical systems; upgrades to the security structure; installation of a fire suppression system; asbestos remediation; and renovation of vestibules, windows, walls, ceilings and roof. These improvements will bring the State Museum up to code so that collections may be borrowed from other museums providing greater cultural opportunities for the citizens of New Jersey.

The scope of work for design was completed in May 2003 and the contract was awarded by the end of October. The project team evaluated options for relocating and storing the existing museum collection during renovations. It was decided that most of the collection could be stored securely within the museum. The items that were too large to move safely were protected by metal stud frames and fire rated plywood.

In early fall 2004, the museum collection was relocated; a comprehensive fire safety plan was established and implemented; and a temporary security system was installed. The system permitted the monitoring of the museum collection while in storage and during renovations. Components of the temporary system were utilized in the permanent installation. Due to its complexity, the remaining project was put out to bid in four separate packages: general construction, HVAC, electrical and plumbing. Bids were awarded in the summer of 2005.

Asbestos abatement, installation of new ductwork for the HVAC system and electrical upgrades in the mezzanine and storage area were completed by November 2006. By January 2007, first floor demolition was completed enabling the start of framing and ductwork. In March, the general contractor abandoned the project, and that contract was terminated by the State. Work continued with the surety. Eventually, however, the surety was also terminated for default of its contractual obligations. Once a new contractor was secured, work steadily progressed toward completion.

Construction of the walls and ceilings, electrical installation, and renovation of the bathrooms quickly proceeded. By mid December 2007, most interior construction was completed, and a partial Certificate of Acceptance was approved. Staff moved into the 2nd and 3rd floors offices.

In 2008, installation of the plumbing, electrical, lighting, and security systems were completed, and all systems were tested. New vestibules were constructed, and the museum exterior was painted. Final inspections were conducted in May, and the museum was turned over to the Department of State for reopening.

Status as of December 31, 2010



New Jersey State Richard J. Hughes Justice Complex

The objective of this project is to ensure that the integrity of the safety, HVAC, electrical, structural and operational components of the facility is maintained. The original project included replacement of the atrium glass, installation of a new roofing system and repairs to the first and second levels of the parking garage. The majority of those projects were completed by 2004.



As the initial renovations progressed, additional projects were added to the scope of work and were addressed as funding permitted. Considerable renovations to the lobby area were completed during the course of 2004. These included installation of safety film, the construction of entrance and exit vestibules, and the replacement spline ceilings. Throughout the building, walls were repaired and painted, and carpeting was replaced as needed.

Extensive upgrades were made to the existing security structure and include a central monitoring system, card readers, package scanners and magnetometers at all entrances, additional lighting throughout the parking garages, and closed circuit surveillance equipment to monitor activity in and around the building. Guard booths were relocated and anti-ram barriers, roll-up doors, gate arms and stop lights were installed. External renovations included refurbishing the loading dock area, replacing the snow melting system and resurfacing the parking areas. Emergency egress walks, plaza waterproofing, and roofing on the north and west wings were replaced. The day care center playground was resurfaced, and new equipment was installed.

In December 2005, a construction contract to remodel thirty-four bathrooms was awarded. Demolition began in early 2006 and all public restrooms were completed by June. After major renovations were completed, new furniture was placed in public areas.

NJ Department of Treasury Taxation Building

The exterior joint sealants throughout the façade of the Taxation Building are in poor condition and allow water to enter the building envelope. Exterior joint sealants are the primary seal for window and spandrel panel frames and between granite and concrete panels. The fourth floor bridge from the Taxation Building to 33 West State Street is no longer utilized and is leaking and is recommended that it be removed and the wall and fenestration be reconstructed at both buildings. The project scope is to include replacement of joint sealants and glazing sealants throughout the exterior; cutting of glazing gaskets, removal of repair sealants and the installation of new structural glazing sealants at the third through tenth floors; investigate the feasibility for the removal of the bridge to 33 West State Street and reconstruction of the exterior walls; re-pointing of the brick veneer and the replacement of cracked brick at the south end of the east façades.

Technical and fee proposals are due April 14, 2011 by randomly selected A/E firms that can submit proposals for design of this project. Submitted technical proposals will be evaluated and rated by the project team; fee proposals are then opened and reviewed. The highest rated firm will be interviewed to discuss its project approach, the budget constraints and design team experience in similar projects.



NJ State House Annex

The moisture and mold mitigation plan for the State House Annex East Wing basement will address exterior and interior conditions that cause elevated humidity and mold growth in the Annex Library. Exterior waterproofing will occur around the electrical and mechanical rooms, the Legislative library and Legislative computer rooms in order to prevent water damage which could severely compromise day-to-day legislative operations. The interior spaces and use of the State House Annex East Wing basement are sensitive to moisture and humidity levels, and has resulted in the closing of the library and relocation of most library staff as well as responding to health complaints from staff that remain in some sections of the Annex East Wing basement. The Library cannot be re-opened and library staff cannot return to this area until the water infiltration is corrected. The project scope includes braced excavation, repair of damaged concrete and re-pointing of stone wall joints. Work will also include the installation of a rubberized waterproof membrane with mechanical termination, drainage boards and a plastic impermeable sheet under the landscape stone. Trench drains will also be installed at the stone to brass interface.

A draft Scope of work was received on March 22, 2011 from DPMC and forwarded to the Project Team for review. A meeting was held to discuss the SOW comments and returned to DPMC Scope of Work Unit so that a final scope of work can be distributed for approval to the Project Team. A meeting was held with a representative from the State Historic Preservation Office to determine if pre-qualification as a Historic Architectural firm will be required on this project. Due to the Annex being registered as a Historic site it will be necessary to advertise the project to a Historic Preservation Architect.



NJ Statehouse Visitors Complex and Parking Garage

This project will address continual water infiltration in the State House Atrium Welcome Center Lobby located below the State House Plaza Park. The Plaza Park is directly above an operational parking garage serving the Capital Complex and above the State House Atrium Welcome Center lobby. It consists of paved surfaces with drainage and waterproofing system below. Some areas of the waterproofing membrane have been leaking since 2002, causing water infiltration into the State House Atrium and allowing mold growth within the drywall finishes. Water is frequently found on the floor of level 3 of the State House Atrium creating hazardous conditions at one of the main entrances to the Capitol Complex. The project scope will consist of the removal of the overburden at the Plaza Park area above the Welcome Center to include railings, cap blocks and pavers in order to allow access for the replacement of the waterproofing membrane and the reinstallation of the permanent structures.

A draft scope of work was circulated to the project team for review and comments. All comments will be returned to DPMC Scope of Work unit for review and incorporation into the document and a final scope of work will be distributed for signatures.

The State House Parking Garage, which is part of the Capitol Complex, was adversely affected by three 50-year flood events which resulted in millions of dollars of restoration costs to equipment and materials. A 2007 structural investigation of the State House Parking Garage prompted by the flood events identified structural damage to State House Parking Garage that needs to be repaired in order to avoid future, more serious level of repairs to the State House Parking Garage. The project scope will include the repair of open column base and wall cracks, overhead concrete cracking, CMU spalling, unsealed concrete floors, open slab and retaining wall cracking, concrete spalling and corroded reinforcing steel at column bases, missing or deteriorated joint sealants at expansion joints and repairs to localized patching failures.

The Scope of Work was circulated on March 14, 2011 from DPMC to the Project Team for review. A meeting was held to discuss the SOW comments and returned to DPMC Scope of Work unit so that a final scope of work can be distributed to the Project Team for approval. Project advertisement and pre-proposal dates have not yet been established for this project.





***Past Construction and
Renovation Projects***

Past NJBA Project Highlights

<u>Project Description</u>	<u>Project Period</u>	<u>Project Cost</u>
<p>Dept. of Corrections, Southwoods State Prison. The Bridgeton Prison Project was comprised of the construction of a 1,355,000 square foot medium security prison including a poultry processing plant and a central kitchen which services prison facilities throughout the State. The project added approximately 3,000 beds to the State prison system. The facilities are fully operational and have been occupied since 1997.</p>	1993—2000	\$234,447,437
<p>Dept. of State, Cultural Campus Renovation (Phase 1) Total demolition and renovation of building mechanical systems.</p>	1997—2001	\$ 16,058,298
<p>Taxation Building Renovations Upgrade air handler units, energy management and fire safety systems. Make building ADA compliant.</p>	1997– 1998	\$ 6,513,297
<p>Dept. of Transportation Engineering & Operations Building Improvements Upgrade communications and data cabling. Bring HVAC systems up to code. Ensure fire safety compliance.</p>	2000—2004	\$ 8,400,340
<p>Dept. of Law & Public Safety State Police Troop C Headquarters Firing Range & Technology Complex The new headquarters includes barracks and a firearms range, fueling station, emergency generator, transformer, heliport, communications tower, surface parking and other amenities. These projects have been completed and were within budget.</p>	2001—2003	\$ 83,449,391
<p>Dept. of Transportation Upgrade fire alarm systems in all DOT main campus buildings. Repair flooring and replace elevators</p>	2004—2009	\$ 3,734,337
<p>Labor Building Renovation Extensive renovation, asbestos abatement Total interior and exterior refurbishing and replacement of materials and finishes. Make building ADA compliant. Upgrade HVAC and plumbing systems, replace sidewalks.</p>	2002—2007	\$ 22,932,074

Past NJBA Project Highlights

<u>Project Description</u>	<u>Project Period</u>	<u>Project Cost</u>
<p>Old Barracks Museum Complete historic restoration of Old Barracks entailing archaeological research. Restoration of roof, porches and parade ground. Installation of a perimeter stockade fence. Complete assessment of the structural integrity of the buildings and the development of a building maintenance program.</p>	<p>1998—2001</p>	<p>\$ 6,623,237</p>
<p>War Memorial Renovate and historically restore the interior and exterior of the building to its original 1920's appearance. Install new railings and sound system. Upgrade lighting and make the building ADA compliant and handicapped accessible.</p>	<p>1996—2004</p>	<p>\$33,586,014</p>
<p>Thomas Edison College Restoration and renovation of six historic townhouses located at 105-115 W. State Street. The building exteriors were restored to reflect the original 19th Century appearance and the interiors were converted to modern office space for Thomas Edison State College personnel. A new addition connects the townhouses and the Kelsey Building. Restoration of antique exterior clock, refinishing exterior windows and remediation and repair of damage by water and ice. Install new gutters, downspouts and sewer lines.</p>	<p>1998—2006</p>	<p>\$ 14,294,056</p>
<p>Pinelands Commission Headquarters Renovate existing farm buildings for office use. The farmhouse was completely renovated. The exterior of the building, including windows, were restored to state historic specifications the old roof was replaced. The carriage house was structurally reinforced and painted. The windows were restored and a new bathroom was added. The barn was converted into office space which required the installation of a bathroom, heating and air conditioning systems, a security access system, and a telecommunication system. The barn roof was also replaced during the renovation.</p>	<p>2004—2006</p>	<p>\$ 2,002,646</p>
<hr/> <p>TOTAL COST OF THESE PAST RENOVATION RESTORATION PROJECTS:</p>		<p>\$432,041,127</p>

Acquisition of State Office Building **Richard J. Hughes Justice Complex, Acquisition Cost: \$80,682,136**

Up until 1999, all of the Building Authority's financing activities involved the construction, renovation and restoration of various office buildings, historical structures and correctional facilities. In late 1999, the Building Authority financed the acquisition of an existing building, the Richard J. Hughes Justice Complex.

The cost of acquisition and construction of the complex was financed through the issuance of bonds by the MCIA consisting of \$50 million State Justice Complex Revenue Bonds, 1978 Series A, \$60.2 million State Justice Complex Revenue Bonds, 1979 Series A, and \$2.175 million State Justice Complex Revenue Bonds, 1985 Series A. The MCIA Bonds were defeased to maturity with proceeds from the secondary offering of the Custody Receipts. Pursuant to the MCIA Lease, the State paid the MCIA an amount of rent equal to the sum of (1) the debt service on the Custody Receipts outstanding; (2) payments in lieu of taxes due to the City of Trenton; and (3) the administrative fees and expenses of the MCIA, the Custodian and the MCIA Lease Trustee. The State's payment obligations under the MCIA Lease were subject to, and dependent upon, appropriations being made by the State Legislature, from time to time, for such purpose. During the term of the MCIA Lease, the State was responsible for, and paid all costs of, operating the Justice Complex and making all necessary repairs and replacements to the Justice Complex.

On October 1, 1999, the Building Authority issued \$134.9 million of New Jersey Building Authority Revenue Bonds, 1999 Series. From the proceeds, \$80.7 million was used to acquire the Richard J. Hughes Justice Complex. Upon defeasance of the Custody Receipts, the MCIA Lease was terminated and the MCIA conveyed the Justice Complex to the State which then ground leased it to the Authority pursuant to an amendment to the Ground Lease.





***Financial History of the
New Jersey Building Authority***

Initial Project Financing

Construction of the Environmental Protection Building, Mary Roebling Building, Community Affairs Building, Department of Transportation Annex, Pest Control Laboratory, and Bank Street Garage

To maximize investment earnings during the construction period, the Authority designed a two and one-half year temporary bond issue with interest capitalized for the life of the loan. On December 23, 1981, the Authority sold \$129 million of Revenue Bonds, secured by a lease agreement with the State and rated "Aa" by Moody's and "AA-" by Standard and Poor's, at a coupon rate of 10.5%. The bonds were due on August 1, 1984. The reinvestment of proceeds, according to a projected cash draw-down schedule, was made at a very favorable average return of approximately 14 percent.

Preparation for the long-term financing of the initial project began in September of 1982 but a planned November bond sale was postponed when interest rates moved upward. The sale was eventually consummated on January 13, 1983 when an issue of \$157.1 million refunding bonds was underwritten at a net interest cost of 9.83%. In December 1985, the Authority refinanced its outstanding debt at an interest cost of 9.39%. In May, 1987, the Authority refinanced a portion of the 1985 bonds to achieve debt service savings of \$13 million over the life of the bonds. In September, 1997, a portion of the 1987 bonds were refunded with the 1997 Bond Series.

State House Complex Improvements Financing

*Restoration and Renovation of the State House and State House Annex
Construction of the State House Garage, State House Plaza and Stacy Park*

The Authority issued \$49.7 million of Revenue Bonds, 1989 Series to finance the first phase of the project. The bonds were issued at an interest cost of 7.518%. In January, 1994, a portion of these bonds were refunded with the 1994 Series Bonds. In September, 1991, the Authority issued \$74.9 million of bonds to finance the second phase of the improvements. The 1991 Series Bonds were issued as capital appreciation bonds (CABS). These bonds are also a series of Garden State Savings Bonds. During 1990 and 1993 the Authority applied for and received two Historic Preservation Grants from the New Jersey Historic Trust. The grants, which were \$530,450 and \$64,000 respectively, were used to help fund the State House improvements.

1994 Project Financing

*Construction of South Woods State Prison, Renovation of the Education, Labor and Taxation Buildings,
Restoration and Renovation of the Old Barracks, War Memorial, and Edison Townhouses
Completion financing for the State House Complex Improvements.*

On January 13, 1994, the Building Authority issued \$314.9 million of New Jersey Building Authority Building Revenue Bonds, 1994 Series. A portion of these bonds were issued as capital appreciation bonds (CABS).

From the proceeds, \$38.8 million was used to advance refund certain outstanding debt; \$249.2 million was used to pay project construction costs. The balance of the proceeds were used to fund accrued and capitalized interest and pay the costs of issuance. The 1994 Series bonds were issued at a yield of 5.0326%.

1995 Financing

The Authority issued no new bonds in 1995.

On July 20, 1995, the Authority entered into a collateralized flexible repurchase agreement.

1996 Financing

The Authority issued no new bonds in 1996.

1997 Project Financing

*Completion financing for the 1994 Projects
Replacement of Labor Building Exterior Panel
Repair and Restoration of the State House Dome*

On September 17, 1997, the Building Authority issued \$224.6 million of New Jersey Building Authority Revenue Bonds, 1997 Series. \$103.2 million of the proceeds were used to refund a portion of the 1987 Series; \$102.5 million was used to complete the costs of the 1994 projects; \$12.3 million was used to finance the Labor Building Exterior Panel Replacement project; and \$9 million was used to pay for the cost of the repair and restoration of the State House Dome. The balance of the proceeds were used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.0286%.

Additional funding for the State House Dome project was provided through other sources. \$1 million in State appropriations were made available through the Joint Management Commission and approximately \$2 million through private donations and fundraising initiatives. One such fundraising initiative was “Dimes for the Dome”. During the week of May 5 - 9 1997, New Jersey school children voluntarily participated in a week-long fundraising drive to raise money for the dome repair and restoration. These students collected dimes and other coins by hosting varied events. They raised over \$48,000, the exact amount needed to gold leaf the dome.

1998 Financing

The Authority issued no new bonds in 1998.

1999 Project Financing

*Acquisition of the Richard J. Hughes Justice Complex
Construction of the Division of Revenue/State Police Facility*

On October 1, 1999, the Building Authority issued \$134.9 million of New Jersey Building Authority Revenue Bonds, 1999 Series.

From the proceeds, \$80.7 million was used to acquire the Richard J. Hughes Justice Complex; \$55 million will be used to pay for the construction of a new State Police Multi-Purpose Building and Troop C Headquarters. The balance of the proceeds will be used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.3150%.

2000 Project Financing

Renovation of the Richard J. Hughes Justice Complex

Construction of the Improvements to the Department of Transportation E & O Building

On August 1, 2000, the Building Authority issued \$29.0 million of New Jersey Building Authority Revenue Bonds, 2000 Series A.

From the proceeds, \$21.0 million will be used to finance the renovations of the Richard J. Hughes Justice Complex; \$7.5 million will be used to finance the construction of the improvements to the Department of Transportation Engineering & Operations Building. The balance of the proceeds will be used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a yield of 5.1023%.

2001 Financing

The Authority issued no new bonds in 2001.

2002 Project Financing

Construction of the State Police Office of Emergency Management and Emergency Operations Center

Renovation of the State Museum and the Pinelands Commission Headquarters,

Completion Funding for the State Police Technology/Multi-Purpose Building and Troop C Headquarters

On November 15, 2002, the Building Authority issued \$65 million of NJBA Revenue Bonds, 2002 series A.

From the proceeds, \$26.8 million was used to finance the construction of the State Police Emergency Management and Emergency Operations Center; \$14.1 million was used to finance the renovation of the State Museum; \$23.2 million was used to finance the completion of the construction of the State Police Technology/Multi-Purpose Building and Troop C Headquarters; \$1 million of existing Building Authority proceeds was used to finance the renovations of the Pinelands Commission Headquarters. The balance of the 2002 A proceeds was used to fund accrued and capitalized interest and pay the costs of issuance. The bonds were issued at a variable rate yield.

On November 15, 2002, the Building Authority issued \$210 million of NJBA Revenue and Refunding Bonds, 2002 series B. Those bonds represent a partial refunding of previous issues. The bonds were issued at a variable rate yield.

2003 Project Financing

On August 15, 2003, the Building Authority issued \$190 million of NJBA Revenue Bonds, 2003 Series A.

The 2003 Bonds were issued by the Authority to provide proceeds to refund all or a portion of the 1994 Series Bonds, the 1999 Series Bonds, the 2000 Series A Bonds and the 2002 Series A Bonds (the "Bonds to be Refunded") and to pay for costs of issuance of the 2003 Bonds.

2004 Project Financing

*New Jersey Department of Transportation
Elevator Renovations, Limited Floor Re-Tiling and Fire Alarm System Upgrade*

On December 1, 2004, the Authority issued \$4.08 million of New Jersey Building Authority Revenue Bonds, 2004 Series A.

The 2004 Series A proceeds are being used to finance the (i) renovation of the elevators in the New Jersey Department of Transportation Engineering and Operations Building, the New Jersey Department of Transportation Main Office Building and the New Jersey Department of Transportation Finance and Administration Building, (ii) re-tiling work in the main lobby and one stairway of the New Jersey Department of Transportation Engineering and Operations Building and (iii) upgrading the fire alarm systems in the New Jersey Department of Transportation Engineering and Operations Building, the New Jersey Department of Transportation Main Office Building and the New Jersey Department of Transportation Finance and Administration Building.

On December 7, 2004, the Authority issued \$48.8 million of New Jersey Building Authority Revenue Bonds, 2004 Series B.

The 2004 Series B Bonds were issued to refund certain maturities of the Outstanding 1991 Series Bonds, 1999 Series Bonds, 2000 Series A Bonds and 2002 Series A Bonds of the Authority in the aggregate original principal amount of \$34,629,816.60 and to pay costs of issuance of the 2004 Series B Bonds.

2005 Project Financing

The Authority issued no new bonds in 2005.

2006 Project Financing

New Jersey Public Health, Agricultural and Environmental Laboratory Project

On August 17, 2006, the Authority issued \$48.7 million of New Jersey Building Authority Revenue Bonds, 2006 Series A.

The 2006 Series A will be used to finance the initial construction phase of an approximately 275,000 square foot public health, agricultural and environmental laboratory, to be located in Ewing Township, New Jersey. Construction should begin in January 2007 and is expected to be completed by December 2009.

2007 Project Financing

New Jersey Public Health, Environmental and Agriculture Laboratory

On November 7, 2007, the Authority issued \$96.67 million of New Jersey Building Authority State Building Revenue Bonds 2007 Series A and \$119.68 million of New Jersey Building Authority State Building Refunding Bonds 2007 Series B.

The 2007 Series A proceeds will be used to finance the completion of the New Jersey Public Health, Environmental and Agriculture Laboratory. The 2007 Series B proceeds were used to refund the remainder of the outstanding 1997 Series Bonds in the aggregate original principal amount of \$120,055,000 and to pay cost of issuance of the 2007 Series B Bonds.

2008 Project Financing

The Authority issued no new bonds in 2008.

2009 Project Financing

On June 2, 2009, the Authority issued \$90.47 million of New Jersey Building Authority Revenue Refunding Bonds, 2009 series A. The 2009 Series A Bonds were issued to refund a portion of the 1991 Series Bonds, the 1999 Series Bonds, the 2000 Series A Bonds, the 2002 Series A Bonds, the 2004 Series A Bonds, the 2006 Series A Bonds, the 2007 Series A Bonds, and the 2007 Series B Bonds.

On December 1, 2009, the Authority issued \$30.9 million of New Jersey Building Authority Revenue Refunding Bonds, 2009 Series B. The 2009 Series B Bonds were issued to refund a portion of the 2002 Series B Bonds. Both refunding issues provided the State short-term debt service savings.

2010 Project Financing

The Authority issued no new bonds in 2010.

Financial Statements

See Appendix A for the combined financial statements for the years ended December 31, 2010 and 2009 along with the report of the independent public accountants.

Past and Present Members of the Board of Directors 1981—2010

<u>Name</u>	<u>Affiliation</u>	<u>Years Served</u>
Nancy Beer	Program Associate, The Woodrow Wilson School, Princeton University	1981-1985
William I. Blanchard	Assistant Treasurer, Wm. Blanchard Co.	1996-2004
Jerry Della Salla	Business Manager, Bricklayers and Allied Craftworkers	2004
Stephen R. Ehrlich, Chairman	President, Windemere Associates	1996-2005 <i>Chairman 1996-2001</i>
Bernard Ekelchick	School Teacher, Edison, New Jersey	1981-1982
Alfred L. Faiella	Executive Director, Newark Economic Development Corporation	1981-1982
John H. Fisher III, Chairman	Managing Director, Tri-State Strategies, NJ, LLC Chairman	1990-present <i>2001-present and 1990-1993</i>
Dale Florio Partner,	Princeton Public Affairs Group	1991-1994
Michael Hartsough, Chairman	Attorney, Hartsough, Kenny & Chase	1986-1994 <i>Chairman 1994</i>
William Hering, Jr., Esquire	Attorney, Hering, Hoffman & Gannon Law Firm	1996-2001
Edward L. Hoffman	Publisher, The Trentonian	1981-1988
James Kearney	President, BCC Construction LLSC	2004-2007
Donald J. Kennedy	Business Manager, IBEW, Local 269	1986-1995
Karen Kominsky, Acting Chair	Associate, Policy Management & Communications, Inc.	1993-1996 <i>Acting Chairwoman 1995</i>
Aladar G. Komjathy	Director, The Stewart Agency	1989-1998
John R. Lacy, Jr.	Publisher	1986-1988

**Past and Present Members of the Board of Directors
1981—2010**

<u>Name</u>	<u>Affiliation</u>	<u>Years Served</u>
<i>Joseph Lazur</i>	<i>President, National Siding Co.</i>	<i>1984-1985</i>
<i>William Maer</i>	<i>Partner, Public Strategy Impact</i>	<i>2005-present</i>
<i>Charles Marciante</i>	<i>Business Manager, IBEW, Local 269</i>	<i>1996-2008</i>
<i>Arthur Maurice</i>	<i>Associate, New Jersey Business and Industry Association</i>	<i>1994-1995</i>
<i>Edward F. Meara, III,</i>	<i>Chairman Executive Director, Mercer County Chamber of Commerce</i>	<i>1981-1992</i> <i>Chairman 1981-1982</i>
<i>Peter J. McDonough, Jr.</i>	<i>Partner, Princeton Public Affairs Group</i>	<i>1989-1990</i>
<i>Dennis McNerney</i>	<i>Bergen County Executive</i>	<i>2004-present</i>
<i>William T. Mullen</i>	<i>President, NJ Building and Construction Trades Council</i>	<i>2008-present</i>
<i>Dean Munley</i>	<i>Howard Savings Bank</i>	<i>1983-1985</i>
<i>Prentis C. Nolan, III</i>	<i>President, PC Nolan & Associates, Inc.</i>	<i>1999-present</i>
<i>John S. Pehlivanian, Esquire</i>	<i>Attorney, Pehlivanian & Braaten, LLC</i>	<i>1996-2007</i>
<i>Maurice T. Perilli</i>	<i>Executive Vice President and Board Chairman, Roma Savings Bank</i>	<i>1992-1994</i>
<i>Edward Pulver</i>	<i>Secretary/Treasurer, New Jersey AFL-CIO</i>	<i>1981-1985</i>
<i>Ramon Rivera</i>	<i>Executive Director, La Casa de Don Pedro</i>	<i>1981-1983</i>
<i>Richard Rowson</i>	<i>Business Agent, IBEW, Local 351</i>	<i>1997-2002</i>
<i>Morris Rubino</i>	<i>Manger/Financial Secretary and Treasurer Ironworkers Local Union No. 68</i>	<i>2005-present</i>

***Past and Present Members of the Board of Directors
1981—2010***

<u>Name</u>	<u>Affiliation</u>	<u>Years Served</u>
<i>W. Harry Sayen</i>	<i>Board Chairman Emeritus, Mercer Rubber Co.</i>	<i>1981-1992</i>
<i>Leonard Sendelsky</i>	<i>Builder</i>	<i>1986-1991</i>
<i>Morton A. Siegler,</i>	<i>Chairman President, Morton A. Siegler Associates</i>	<i>1983-1987 Chairman 1983-1987</i>
<i>William C. Sproule</i>	<i>NJ Regional Council of Carpenters</i>	<i>2008-present</i>
<i>Charles E. Stapleton</i>	<i>President, Impact Government Relations</i>	<i>1986-1990</i>
<i>John H. Walther</i>	<i>Board Chairman, New Jersey National Bank</i>	<i>1981-1985</i>
<i>Kim Whelan</i>	<i>Managing Director, Public Financial Mgmt.</i>	<i>1998-2005</i>

Past and Present Ex-Officio Members of the Board Directors

<u>Name</u>	<u>State Office Held</u>	<u>Years Served</u>
<i>Bradley I. Abelow</i>	<i>State Treasurer</i>	<i>2006-2007</i>
<i>Douglas Berman</i>	<i>State Treasurer</i>	<i>1989-1990</i>
<i>Kenneth R. Biederman</i>	<i>State Treasurer</i>	<i>1981-1982</i>
<i>Brian W. Clymer</i>	<i>State Treasurer</i>	<i>1993-1997</i>
<i>Samuel Crane</i>	<i>State Treasurer</i>	<i>1991-1992</i>
<i>Michellene Davis</i>	<i>Acting State Treasurer</i>	<i>2007</i>
<i>William R. DeLorenzo, Jr.</i>	<i>Chairman, Commission on Capital Budgeting & Planning</i>	<i>1989-1993</i>
<i>James A. DiEleuterio, Jr.</i>	<i>State Treasurer</i>	<i>1997-1999</i>
<i>Michael Ferrara</i>	<i>Acting Comptroller of the Department of the Treasury</i>	<i>1993</i>
<i>Edward G. Hofgesang</i>	<i>Comptroller of the Department of the Treasury</i>	<i>1981-1982</i>
<i>Charlene Holzbaur</i>	<i>Comptroller of the Department of the Treasury</i>	<i>1999-present</i>
<i>Michael Horn</i>	<i>State Treasurer</i>	<i>1983-1985</i>
<i>Eugene Jacobson</i>	<i>Chairman, Commission on Capital Budgeting & Planning</i>	<i>1981-1985</i>
<i>Richard Keevey</i>	<i>Comptroller of the Department of the Treasury</i>	<i>1989-1992</i>
<i>Peter R. Lawrance</i>	<i>Acting State Treasurer</i>	<i>2001</i>
<i>Roland M. Machold</i>	<i>State Treasurer</i>	<i>1999-2001</i>
<i>John McCormac</i>	<i>State Treasurer</i>	<i>2002-2005</i>
<i>Benedict T. Marino</i>	<i>Chairman, Commission on Capital Budgeting & Planning</i>	<i>1986-1988</i>
<i>Carol Molnar</i>	<i>Chairman, Commission on Capital Budgeting & Planning</i>	<i>1994-present</i>
<i>Feather O'Connor</i>	<i>State Treasurer</i>	<i>1986-1988</i>
<i>Elizabeth Pugh</i>	<i>Comptroller of the Department of the Treasury</i>	<i>1994-1999</i>
<i>R. David Rousseau</i>	<i>State Treasurer</i>	<i>2008-2010</i>
<i>Andrew P. Sidamon-Eristoff</i>	<i>State Treasurer</i>	<i>2010 to Present</i>

***Past and Present Executive Directors
1981—2010***

<u>Name</u>	<u>Years Served</u>
David T. Beale	1981—1995
Charles Chianese	1995—2010
Raymond A. Arcario	2011—Present



State of New Jersey
New Jersey Building Authority
PO Box 292
Trenton, NJ 08625-0292

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

John H. Fisher III
Chairman

CERTIFICATION

I, Raymond A. Arcario – Executive Director of the New Jersey Building Authority, certify that during the preceding year the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures, and internal controls.

A handwritten signature in black ink, appearing to read "Ray", followed by a horizontal line.

Raymond A. Arcario

Executive Director – New Jersey Building Authority

