



MEMORANDUM

TO: Directors of the Corporation

FROM: Peter Maricondo
Acting Chief Executive Officer

DATE: September 28, 2005

SUBJECT: New Jersey Schools Construction Corporation (SCC)
August Progress Report

Mission Statement

Create a brighter future for our children by renovating, building and funding cost-effective and efficient state-of-the-art community schools that support high quality learning environments to better prepare students for successful careers and leadership in the 21st Century in New Jersey and beyond.

Partner with communities and leaders in business, education and government to support our programs, policies and projects to create greater opportunities for our children, businesses and workforce.

Introduction

Program highlights in August included a beam-signing to mark the progress of construction of the new Long Branch High School that will provide 21st century educational opportunities for over 1,200 students. The SCC executed 24 Section 15 grants in August that impacted 21 schools in 9 counties with 16 districts that receive less than 55% of their budget in state aid. These grants supported projects totaling more than \$46 million – with a state share totaling over \$13.5 million.

Also in August, the Board announced that Peter E. Maricondo, who currently serves the SCC as Chief Financial Officer, will become the Acting Chief Executive Officer, succeeding John F. Spencer who resigned the CEO position effective September 7th.

In August, the Board also approved the acquisition of land involving hardship issues outside the scope of the 59-project Capital Construction Plan approved in July.

Since inception, SCC has committed support to over 2,700 school construction projects at nearly 1,800 schools. Currently, SCC has 73 new school projects completed or under construction and another 59 in the pipeline. SCC is building early childhood education centers, launching school-based community revitalization efforts and strengthening the economy by creating job and business opportunities for companies large and small.



***SCC, Long Branch School District Hold 'Beam Signing'
At New \$70.4 Million High School***

Long Branch School District and New Jersey Schools Construction Corporation held a beam-signing August 1st to mark the progress of construction of the new Long Branch High School. Students signed their names on a steel beam to be hoisted into place to become a permanent part of the \$70.4 million school.



The 292,000-square-foot, 4-story high school will serve 1,200 students in grades 9 through 12. The new school is scheduled to open its doors in 2006. It is replacing the current high school, which was originally built in 1924. The SCC is managing the project. DLR Group Architecture & Engineering, PC is the design firm for the project. Gilbane Building Company is the project management firm and Hunt Construction Group, Inc. is the general contractor.

SCC Board of Directors Approves Peter Maricondo as Acting CEO

He Will Succeed Outgoing CEO John F. Spencer on September 7th

Peter E. Maricondo, who serves as the SCC's Chief Financial Officer, will become the Acting Chief Executive Officer while a permanent replacement is found, Board Chairman Alfred C. Koepp announced August 24th. Maricondo, who joined the SCC in May, succeeds CEO John F. Spencer, whose resignation becomes effective September 7th.

“Peter’s integrity and attention to detail are well-known and highly regarded. These attributes and his 30 years of management experience have served him well as he worked to get SCC’s finances back on track,” said Koepp. “Internal controls have been put in place, corporate governance policies have been established and budgets set. I’m confident he will be an effective leader while a search is under way for a permanent CEO.”

Maricondo said, “During my short tenure here, we’ve accomplished a lot, but clearly, there is much more work ahead of us. I will do my best to lead this agency and to ensure that there is a seamless transition for the staff and the Board of Directors.”

Before joining the SCC, Maricondo was Vice President/Controller and Chief Accounting Officer of NUI Corp., overseeing all financial and budgeting operations for the utility company and led corporate-wide compliance in conjunction with the requirements of the Sarbanes/ Oxley Act. He earned his BA in sociology and his MBA in accounting from Seton Hall University. He is a Certified Public Accountant in the State of New Jersey.

Spencer, who became CEO in September 2003, said he was resigning to accept a job opportunity in New York City.

“I will leave the SCC proud of what we have accomplished during my tenure here – 30 new schools built, 43 currently under construction, and 59 more projects in the pipeline. There is no doubt that the job has had its challenges, but the rewards of building state-of-the-art schools for the children of New Jersey have far outweighed them,” Spencer said.

Before the SCC, Spencer worked for the Port Authority of New York and New Jersey, where he served for 33 years, rising through the ranks to become Deputy Chief Engineer.

SCC Board of Directors Approve Land Acquisitions

The SCC Board of Directors on July 27th approved the purchase of property for schools outside the 59 projects recommended for construction with the SCC’s remaining Abbott funds. The approvals included hardship situations in Camden, Gloucester City, Irvington, Newark and Paterson.

Construction Starts

As of August 31, 2005, the SCC has entered into construction contracts that total \$2,443,050,004 since the inception of the program.

Contractor Procurement

The SCC advertised two construction packages in August impacting schools in the Newark and Long Branch districts. (Exhibit A)

School District Grants

In August 2005, the SCC executed 24 Section 15 grants with 16 districts receiving less than 55% of their funding in state aid. The grants impacted 21 schools in 9 counties throughout the State. The total project costs for these grants are \$46,2363,872, with a state share of that total worth \$13,513,325.

Several districts received multiple grant awards in August. They include Maywood District in Bergen County, which will receive grants for 2 school projects costing a total of \$17,649,155 with a state share of \$5,606,860. Scotch Plains-Fanwood District in Union County will receive grants for 2 school projects costing a total of \$1,596,397 with a state share of \$638,559. Toms River Regional District in Ocean County will receive \$485,980 in grants for 5 projects totaling \$1,214,950.

From its inception in 2002 through August 31, 2005, the SCC has executed 2,235 Section 15 grant agreements in all 21 counties with districts that receive less than 55% of their budget in state aid. Total project costs amount to \$6,794,161,896, for which the state share totaled \$2,107,675,641. In 2005 alone, 157 districts in 21 counties have been earmarked for \$463,245,203 in direct property tax relief as the state share of project costs that totaled \$1,417,845,954.

Division of Diversity, Small Business, Government And Community Affairs

The Schools Construction Corporation Division of Diversity, Small Business, Government and Community Affairs is dedicated to increasing the availability and accessibility of construction opportunities for small, women, and minority-owned businesses, and to individuals and their families in New Jersey. In some instances this means working with other State agencies and departments to serve our target population. In

others, it is working with our project management firms (PMF) and other internal SCC divisions to encourage business opportunities and equal employment



opportunities in the school construction program. The Division encourages firms that do business with the SCC to support diversity within their ranks and in their hiring. At every opportunity, the Division endeavors to promote the use of New Jersey's diverse business and workforce communities on SCC projects. Further programmatic information is available through Kellie Drakeford, Managing Director of the Division (609-292-1680), or on the SCC website www.njscc.com.

Conferences/Presentations

Long Branch High School Beam Signing, 8/1/2005, Long Branch

SCC Pre-qualification Workshop, 8/2/2005, Jersey City

NJ State Building & Construction Trades Council 101st Annual Convention, 8/17/2005, Atlantic City

School Construction Seminar, 8/25/2005, Princeton

SCC/RASC Contractor Training Program Kick-Off, 8/25/2005, East Hanover

Peter Maricondo

Prepared by: Kevin McElroy

Attachment

