



MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
Chief Executive Officer
DATE: August 9, 2016
SUBJECT: Agenda for Board Meeting of the Authority 9, 2016

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Edison Innovation Fund

Office of Recovery

Real Estate

Board Memorandums

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

July 14, 2016

MINUTES OF THE MEETING

Members of the Authority present: Al Koeppe, Chairman; Peter Simon representing Acting State Treasurer Ford M. Scudder; Patrick Mullen representing Commissioner Richard Badolato of the Department of Banking and Insurance; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Public Members: Massiel Medina Ferrara, Larry Downes, Charles Sarlo, Philip B. Alagia, Fred B. Dumont, and Harold Imperatore, Third Alternate Public Member.

Members Present via conference call: Colleen Kokas representing the Commissioner of the Department of Environmental Protection; and William J. Albanese, Sr., Second Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Members David Huber, and Patrick Delle Cava, First Alternate Public Member.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Bette Renaud, Deputy Attorney General; Michael Collins, Governor's Authorities' Unit; and staff.

Chairman Koeppe called the meeting to order at 10 a.m.

Pursuant to the Internal Revenue Code of 1986, Ms. Orsen announced that this was a public hearing and comments are invited on any Private Activity bond projects presented today.

In accordance with the Open Public Meetings Act, Ms. Orsen announced that notice of this meeting has been sent to the *Star Ledger* and the *Trenton Times* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the June 14, 2016 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. Stoller and seconded by Mr. Mullen, and was approved by the 11 voting members present.

Chairman Koeppe stated that because of the recent passing of long time Board Member Joseph McNamara, we would dispense with the usual Chief Executive Officer's Monthly Report to the Board for this meeting. Chairman Koeppe shared his condolences on behalf of the Board with Mr. McNamara's widow, Ellen; his son Chris, his sister-in-law Joan, and his longtime friend and colleague Ciro Scalera, who were in the audience.

Chairman Keoppe stated that Joe proved to be indispensable to the board, sharing his vast wealth of knowledge regarding a multitude of subjects over the years. He also shared his knowledge with the Schools Development Authority, the Port Authority of New York and New Jersey amongst other organizations. Chairman Koeppe read a proclamation and stated that a memorial plaque would be placed at the head of the table where Joe sat during the board meetings.

EDA President and Chief Operating Officer Timothy Lizura stated that Joe was the “go to” voice in the room and that staff will miss his practicality, compassion, having him as a sounding board, and his willingness to bridge the divide between public and private interests.

Mr. Albanese joined the meeting via conference call at this time.

INCENTIVE PROGRAMS

Business Employment Incentive Program

ITEM: Business Employment Incentives Program – Job Reporting Requirements for BEIP Terminations and Recaptures

REQUEST: To approve adding a Policy approach and two (2) year job reporting requirement (CEO certification) to existing BEIP delegations to enable a way for clients shorten up the term of the grant.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Angel Investor Tax Credit Program

ITEM: Angel Investor Tax Credit Delegations

REQUEST: To approve amendments to the delegations for New Jersey Angel Investor Tax Credit Program to delegate approval to staff for applications with awards no greater than \$100,000 that otherwise meet the other criteria for existing delegated authority.

MOTION TO APPROVE: Mr. Mullen **SECOND:** Mr. Imperatore **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Urban Transit HUB Tax Credit Program

ITEM: Proposed Rule Amendments

REQUEST: To approve proposed amendments to the Urban Transit HUB Tax Credit program rules, particularly to the definition for “capital investment”, based on enactment of recent statutory revisions.

MOTION TO APPROVE: Ms. Ferrara **SECOND:** Mr. Alagia **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Grow New Jersey Assistance Program

ITEM: GROW NJ Delegation Changes

REQUEST: To approve delegation to staff for project modifications involving contributing jobs, capital investment and location.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Classic Cooking, LLC

APPL.#42726

REQUEST: To approve the application of Classic Cooking, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Woodbridge Township, NJ. Project location of Woodbridge Township, Middlesex County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Targeted Industry (Manufacturing) and Capital Investment in Excess of Minimum (non-mega). The estimated annual award is \$750,000 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Alagia **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Clover Health LLC

APPL.#42753

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Mullen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Clover Health LLC

APPL.#42753

REQUEST: To approve the application of Clover Health LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development and Targeted Industry (Health). The estimated annual award is \$625,650 for a 10-year term.

MOTION TO APPROVE: Mr. Mullen **SECOND:** Ms. Ferrara **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Ernst & Young U.S. LLP

APPL.#42755

REQUEST: To approve the application of Ernst & Young U.S. LLP. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Hoboken City, NJ. Project location of Hoboken City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained F/T Jobs, Target Industry (Finance) and Exceeds LEEDs Silver or Substantial Environmental Remediation. The estimated annual award is \$3,977,500 for a 10-year term.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Flaum Appetizing Corp. APPL.#42606

REQUEST: To approve the application of Flaum Appetizing Corp. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Ridgefield Park Village, NJ. Project location of Ridgefield Park Village, Bergen County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega) and Target Industry (Manufacturing). The estimated annual award is \$49,572 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Mullen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: First Data Corporation APPL.#42704

REQUEST: To approve the application of First Data Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of the County Average, Targeted Industry (Finance). The estimated annual award is \$425,000 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Alagia **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Marsh & McLennan Companies, Inc. APPL.#42746

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Marsh & McLennan Companies, Inc. APPL.#42746

REQUEST: To approve the application of Marsh & McLennan Companies, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Hoboken City, NJ. Project location of Hoboken City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, Large Number of New/Retained/ Full-Time Jobs and Targeted Industry (Finance). The estimated annual award is \$2,196,875 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Downes **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Microcision LLC

APPL.#42712

REQUEST: To approve the application of Microcision LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Pennsauken Township, NJ. Project location of Pennsauken Township, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing), Camden County 2007 Revitalization Index greater than 465 and Red. Area within V2 Mile of 1 US Hwy and 2 NJ Highways. The estimated annual award is \$700,000 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: New Prime, Inc.

APPL.#41009

REQUEST: To approve the application of New Prime, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Newark City, NJ. Project location of Newark City, Essex County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket or Choice Neighborhood, Jobs with Salary in Excess of County Average and Targeted Industry (Transportation). The estimated annual award is \$507,500 for a 10-year term.

MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Downes **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

ITEM: Omnicom Group Inc.

APPL.#42661

REQUEST: To approve the application of Omnicom Group Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average and Large Number of New/Retained F/T Jobs. The estimated annual award is \$3,944,000 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Mullen **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: RVM Enterprises, Inc.

APPL.#42752

REQUEST: To approve the application RVM Enterprises, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development and Jobs with Salary in Excess of County Average. The estimated annual award is \$812,000 for a 10-year term.

MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Ferrara **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

ITEM: Veeco Process Equipment Inc. APPL.#42744
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

ITEM: Veeco Process Equipment Inc. APPL.#42744
REQUEST: To approve the application Veeco Process Equipment Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Franklin Township, NJ. Project location of Franklin, Somerset County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Jobs with Salary in Excess of County Average and Targeted Industry (Manufacturing). The estimated annual award is \$418,500 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

ITEM: Virginia Dare Extract Co., Inc. APPL.#42707
REQUEST: To approve the application Virginia Dare Extract Co., Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Carteret Borough, NJ. Project location of Carteret, Middlesex County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of minimum and Targeted Industry (Manufacturing). The estimated annual award is \$780,000 for a 10-year term.
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Zurich American Insurance Company APPL.#42728
REQUEST: To approve the application Zurich American Insurance Company for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, large Number of New/Retained F/T Jobs and Targeted Industry (Finance). The estimated annual award is \$2,826,000 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Ferrara **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Mr. Mullen abstained because the Department of Banking and Insurance regulates the insurance industry.

Grow New Jersey Assistance Program – Modifications

ITEM: American Water Works Company, Inc. APPL.#40756
REQUEST: To approve the modification for location and extend deadline to complete the project and the issuance of the accompanying tax credits from June 9, 2018 to June 9, 2019.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

BOND PROJECTS

Bond Resolutions

ITEM: Newark City & Two Center Street Urban Renewal, L.L.C. APPL.#38099
LOCATION: Newark City, Essex County
PROCEEDS FOR: Refinancing
FINANCING: \$1,500,000 Taxable Bond
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Mr. Alagia recused himself because his office met with the applicant recently.

ITEM: Uncommon CP Properties I, LLC APPL.#40716
LOCATION: Camden City, Camden County
PROCEEDS FOR: Renovation/Acquisition/Equipment and Machinery
FINANCING: \$47,500,000 Taxable QSCB
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Mullen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

Amended Bond Resolutions

ITEM: The Actors' Fund of America APPL.#42799
LOCATION: Englewood City, Bergen County
PROCEEDS FOR: Refinancing
FINANCING: \$5,000,000 tax-exempt bond
MOTION TO APPROVE: Mr. Alagia **SECOND:** Ms. Ferrara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: The Actors' Fund of America APPL.#42798
LOCATION: Englewood City, Bergen County
PROCEEDS FOR: Renovation of existing building; purchase of equipment/ machinery
FINANCING: \$20,000,000 tax-exempt bond
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Premier Lender Program

PROJECT: Respond, Inc. APPL.#24031
ITEM: Approve the extension of EDA's 25% participation in a Sun National Bank Premier Lender Loan for one year.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

New Market Tax Credit

PROJECT: Goodmill, LLC APPL.#16938
ITEM: Approve the restructure and extension of maturing NMTC loan for five years.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

Camden Economic Recovery Board

ITEM: Camden Economic Recovery Board Modifications for Previously Approved Projects
REQUEST: To approve modifications for previously approved projects, Coopers Hill Housing Development, LLC, Parkside Business and Community in Partnership grant, reallocation of funds from Higher Education and Regional Healthcare Development Fund to Downtown Revitalization and Recovery Fund.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Ferrara **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

ITEM: Cooper's Ferry Partnership – Infrastructure Grant APPL.#42557
REQUEST: To approve a \$4.2 million non-recoverable infrastructure grant to fund the costs associated with infrastructure improvements in North Camden.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Mullen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

ITEM: Parking Authority of the City of Camden Non-Recoverable Grant APPL.#41065
REQUEST: Approve a \$3 million non-recoverable grant to fund the costs associated with the development of a parking garage in Camden.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Mullen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 30

Petroleum Underground Storage Tank Program

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 31

PROJECT: Croitor Feed APPL.#41839
LOCATION: Middle Township/Cape May
PROCEEDS FOR: Remediation
FINANCING: \$117,841

PROJECT: Sallie Schoneboom APPL.#42233
LOCATION: Montclair Township/Essex
PROCEEDS FOR: Upgrade, Closure, & Remediation
FINANCING: \$125,674

OFFICE OF RECOVERY

Energy Resilience Bank (ERB)

ITEM: Energy Resilience Bank- Bergen County Utilities Authority Resiliency Project Funding Recommendation
REQUEST: Approve the actions required to advance the project to the next stage of the review process.
MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Imperatore **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 32

ITEM: Energy Resilience Bank- Cooper University Health Care CHP project Funding Recommendation
REQUEST: Approve the actions required to advance the project to the next stage of the review process.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Mullen **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 33

REAL ESTATE

ITEM: Fort Monmouth Economic Revitalization Authority MOU
REQUEST: To enter a Memorandum of Understanding with FMERA to provide Predevelopment Services on parcel F-1 and approve funding for the Predevelopment Services
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Alagia **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 34

ITEM: Higher Education Public Private Partnership Program - New Jersey City University, West Campus Blocks 2 and 3
REQUEST: Approve the amended application due to financing changes
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Downes **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 35

ITEM: Higher Education Public Private Partnership Program New Jersey City University, West Campus Blocks 1 and 5B
REQUEST: Approve the amended application due to financing changes
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Dumont **AYES:** 12
RESOLUTION ATTACHED AND MARKED EXHIBIT: 36

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry/Licenses for Second Quarter 2016

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Small Business Fund Program: 171 Coit Street LLC (P42723); EF4T, LLC (P42507); East Orange Land Holding, LLC and Metro Burger, LLC (P41970)

Stronger NJ Business Loan Program: All Seasons Marina, LLC (P42418); Barry L Day, LLC d/b/a The Lobster Shack (P41338); Parlay Studios Limited Liability Company (P42709)

FOR INFORMATION ONLY: Technology and Life Sciences – Delegated Authority Approvals for 1st Half 2016

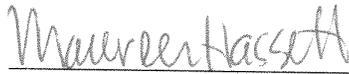
PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

There being no further business, on a motion by Mr. Downes, and seconded by Mr. Dumont, the meeting was adjourned at 11:30 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the New Jersey Economic Development Authority at its meeting.



Maureen Hassett, SVP, Governance, Communications and Strategic Initiatives
Assistant Secretary



MEMORANDUM

TO: Members of the Authority
FROM: Melissa J. Orsen
Chief Executive Officer
DATE: August 9, 2016
RE: Monthly Report to the Board

RECORD NUMBER OF BUSINESSES REGISTER OPERATIONS IN NEW JERSEY

During a July 20th press conference at Patella Woodworking in Passaic, Lt. Governor Guadagno announced a record number of new businesses registering in the State last year. She noted that over 97,800 businesses filed to start operations in New Jersey in 2015, the highest level in State history and nearly 3,000 more than reported in 2014, continuing the momentum seen since Governor Christie took office in 2010, when just over 80,000 new businesses were recorded.

The Partnership for Action helped to encourage Patella, a provider of premium grade architectural custom-made woodwork, to move its headquarters and manufacturing operations from Orangeburg, New York. Approved in October 2014 for Grow New Jersey (Grow NJ) tax credits, Patella also took advantage of the EDA's Premier Lender and traditional lending programs to help acquire and renovate its new facility. In addition to creating 70 new jobs, the project will leverage an estimated \$5.8 million of private investment and have a net benefit to the State of nearly \$35.8 million.

Other efforts in July to highlight State resources available to small businesses included a visit to Aurora Multimedia Corporation, a Marlboro-based manufacturer of audiovisual equipment for businesses and residences. The company received an Investors Bank working capital loan with a 50 percent EDA participation in 2013 through the EDA's Small Business Fund, which provides assistance to qualified businesses through direct loans, participations or guarantees. Aurora's CEO noted that the company has increased its workforce by approximately 20 percent since securing the loan and anticipates 50 percent sales growth in 2016.

Plans are underway for a September 20 webinar hosted by the New Jersey Business and Industry Association (NJBIA) featuring small business resources offered by the EDA and community development financial institution UCEDC. EDA staff will provide an overview of EDA resources including low-interest loans, bond financing and support for micro-lenders to increase their lending capacity. UCEDC will showcase both its financial resources and the technical assistance and training services it provides with support from the EDA. The webinar will be promoted to NJBIA's membership and EDA's target audiences through email blasts, social media outlets, and press outreach.

EOA IMPACT EVIDENT AS COMPANIES ANNOUNCE DECISION TO GROW IN NEW JERSEY

Evidence of the impact of the EOA continued to mount in July, as several companies committed to locating or expanding in New Jersey. Global accounting firm EY (formerly Ernst & Young) has leased 168,000 square feet at the Waterfront Corporate Center in Hoboken, encouraged by approval of Grow NJ tax credits. The company has indicated that the project, which is associated with private investment of more than \$54 million and the creation of 430 jobs, will eventually be home to more than 1,000 EY employees. In nearby Jersey City, supported by Grow NJ tax credits, World Business Lenders celebrated its new 35,040-square-foot offices at 101 Hudson Street. It is anticipated that more than 225 employees will work at this location by the end of the year.

In Monmouth County, EDA staff joined local officials at Bell Works in Holmdel to commemorate the signing of a lease by human resources software provider iCIMS. The growing company's decision to move its operations to 350,000 square feet at the iconic property will make it an anchor tenant for the Bell Works community. The project, which was approved for Grow NJ tax credits in June, is associated with the expected creation of 390 new jobs and the retention of more than 550 "at risk" of leaving the State, but company officials have indicated that they expect to eventually house than 2,000 employees at the new location. The project is associated with more than \$41 million in private investment.

In Camden County, encouraged by Grow NJ tax credits, Bayada Home Health Care announced the purchase of a property in Pennsauken, where it will consolidate several New Jersey and Pennsylvania company locations, retaining more than 350 jobs in the State and creating more than 162 new jobs. The company intends to invest more than \$11.5 million into the new site.

To date, 222 EOA Grow NJ projects have been approved for a total of \$3.91 billion. Of those, 196 are active for \$3.66 billion and 26 projects, or 12 percent of projects (\$252.3 million or 6 percent) have been withdrawn, due to loss of site, decisions to either leave or not move to New Jersey, prevailing wage issues, and/or scope changes. Fourteen projects have been completed and certified to date, with average turn time of 1.5 years from approval to certification.

The Business Employment Incentive Program conversion to tax credit 180 day opt-in period ended on July 11 with 213 out of 253 companies (84.2 percent) choosing to convert to tax credits.

MOMENTUM OF FORT MONMOUTH REDEVELOPMENT CONTINUES

Underscoring the Fort Monmouth Economic Revitalization Authority's (FMERA) efforts to ensure that the local community is kept apprised of redevelopment progress at the Fort, FMERA Deputy Director Dave Nuse spoke at the Monmouth County Alliance for Action's July meeting. In his presentation, Nuse noted the following progress:

- FMERA acquired Phase I properties from the Army (500+ acres) in 2014 and expects to buy the balance of Fort (600+ acres) from the Army by the end of this year;
- Four parcels on Fort Monmouth have been sold. These include Parcel E (CommVault), the former Patterson Army Hospital (AcuteCare), Building 2525 (Radar Properties), and the Child Development Center (Trinity Hall);
- Seven parcels are under contract including the Fitness Center, Pistol Range, and Historic Officer Housing;

- Seven parcels are in negotiation, including Parcel B mixed-use town center fronting Route 35 in Eatontown;
- Suneagles Golf Course and the Marina at Oceanport bar and restaurant are open for business;
- Eight property auctions have been completed, resulting in approximately \$1 million in sales;
- \$40 Million in improvements have been made to the Garden State Parkway's Exit 105 and new 105A by the New Jersey Turnpike Authority.

The Monmouth County Alliance for Action is the local chapter of Alliance for Action, a statewide association focused on capital construction and economic growth within the region.

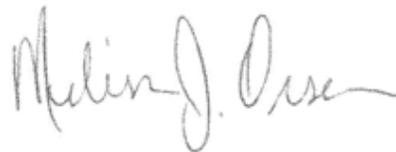
CLOSED PROJECTS

Through July 2016, EDA closed on \$177.1 million in traditional lending assistance to support 140 projects, leveraging \$305.4 million in public/private investment and the creation of an estimated 575 new permanent jobs, 1,091 construction jobs and 2,299 existing jobs supported.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with 22 incentive projects for \$330.2 million, leveraging \$560.3 million in public/private assistance, the creation of 2,099 new jobs, 1,410 construction jobs and the retention of 2,022 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 19 events in July. These included the NJTC Annual Meeting in New Brunswick, the NJBIA Neighborhood Awards Reception in Edison and the Middlesex County Regional Chamber of Commerce's 6th Annual Hispanic Business Expo in Edison.



INCENTIVE PROGRAMS

**ECONOMIC REDEVELOPMENT AND GROWTH (ERG)
PROGRAM**



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: August 9, 2016

RE: **Downtown Works Urban Renewal Housing Co., LLC and Cooper-Grant Neighborhood Association**
Residential Economic Redevelopment and Growth Grant Program (“RES ERG”)
P #40187

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program’s rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. With the exception of residential ERG projects, grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of Downtown Works Urban Renewal Housing Co, LLC and Cooper Grant Neighborhood Association (the “Applicant and Co-Applicant”) for a Project located in the City of Camden, Camden County (the “Project”), for the issuance of tax credits pursuant to the RES ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$11,747,695 and of this amount, \$9,947,221 is eligible costs under the RES ERG program. The recommendation is to give 40% of actual eligible costs, not to exceed \$2,706,272. A residential project is eligible to receive a RES ERG tax credit of up to 20% of the total eligible project costs. Downtown Works Urban Renewal Housing Co,

LLC is also eligible for a bonus of an additional 20% (for a total of 40%) because the Applicant has demonstrated they will reserve 20% of the units for moderate income housing and the project is located in a Garden State Growth Zone. The applicant is limited to an award of \$2,706,272 due to the remaining allocation of Residential ERG credits for a project located in Camden as set forth by The New Jersey Economic Opportunity Act of 2013.

Downtown Works Urban Renewal Housing Co, LLC, is the applicant for the project and Cooper-Grant Neighborhood Association (“CGNA”) will be the co-applicant. M&M Development, LLC will act as the developer for the Project’s financing.

Project Description

The Project is the substantial rehab of a vacant 6 story brick building containing 32,431 square feet located at 304-306 Cooper Street, Camden. Upon completion the building will contain a total of 32 residential units with a unit breakout of sixteen one-bedroom units and fifteen two-bedroom units.

The Project is located in Camden’s Downtown University Village District and complies with the downtown redevelopment plan. The building was originally constructed in 1931 and will be renovated according to Historic restoration standards.

The Authority is in receipt of a Market Feasibility and Appraisal Analysis dated July 15, 2015, prepared by Rosin & Associates, a third party consultant who issued their determination of current and future market conditions. The study demonstrates the continued market demand for the project.

The project is anticipated to be completed by July 2017. The Applicant intends to comply with the green building requirements by meeting the Energy Star program requirements.

The property is currently owned by the Camden Redevelopment Agency (“CRA”). On November 21, 2013, the CRA issued a Request for Proposals from developers for the redevelopment of the property. On April 9, 2014, CRA designated M&M Development, LLC as the redeveloper of the property with a purchase price of \$1,200,000.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 75 temporary construction jobs and 1 full time position at the Project site as a result of the ERG subsidy.

Project Ownership

The Applicant is a single purpose entity that will be 100% owned by Downtown Works Master Tenant, LLC. Downtown Works Master Tenant, LLC will be owned 98% by an Investor Member LLC that will be created by the syndicator of the of the Historic and ERG tax credits, Four Eighty-One Corporation. Four Eighty-One Corporation is a subsidiary corporation of TD Bank. Downtown Works Master Tenant, LLC will be 1% respectively owned by M&M Development, LLC and CGNA. M&M Development, LLC is an affordable housing developer founded in 1997 by Maria E. Yglesias and Maria Del Mar Lopez. M&M Development is a New Jersey based

developer and has completed numerous affordable housing projects. M&M Development's subsidiary company HESTA Management, LLC will manage the property upon completion. Cooper-Grant Neighborhood Association, a nonprofit 501(3) will also be the Co-Applicant. NJEDA received a certification from the highest ranking officer of Downtown Works Urban Renewal Housing Co, LLC, as to the accuracy of the information submitted for the project.

Co-Applicant

To ensure that the Co-Applicant entity structure is necessary and appropriate, staff evaluated Downtown Works Urban Renewal Housing Co, LLC proposal to include the CGNA not limited to but with a focus on the following:

Purposes of the Co-Applicant. Organizing documents of the Co-Applicant will be requested as well as a narrative regarding the activities of the Co-Applicant generally, in the State and in the municipality to verify that the Co-Applicant is in a position to provide the material participation to the project discussed below.

Cooper-Grant Neighborhood Association is organized under a charter of by-laws written in 1982. The association is a registered New Jersey Non-profit and Federal 501(c) (3). CGNA's mission is to improve the overall quality of life in the Historic Cooper-Grant area and to support the welfare of its members. CGNA has partnered with various developers, public institutions and other non-profits on projects which rehabilitate Camden and provide a higher quality of life for Camden's residents. Some of the organizations that CGNA has partnered with are Pennrose Properties of Philadelphia, Cooper's Ferry Partnership, and the Rutgers Foundation. Cooper Grant Neighborhood Association is authorized to apply for and receive the RES ERG funding as a co-applicant. CNGA being a co-applicant for the RES ERG is consistent with its mission and previous development practices and partnerships.

Material Participation. A long-term material participation agreement must be shared illustrating how the Co-Applicant is taking an active role in the partnership.

The Applicant and Co-Applicant will enter into a 10-year Property and Tenant Services Agreement. A draft agreement was provided to EDA staff for review, however, a final version will be required prior to the issuance of credits. Per the draft Agreement, Downtown Works Urban Renewal Housing Co, LLC will sponsor various social events during the 10-year period as detailed in the "Level of Contribution" section below. The draft agreement further provides that after project completion Downtown Works Urban Renewal Housing Co, LLC will pay the Cooper Grant Neighborhood Association \$10,000 per year for five years and then \$13,000 per year from years 6 thru 10 for services provided.

Level of Contribution. The parties must demonstrate evidence that the Co-Applicant will contribute capital, real property or services related to the project that directly affect and serve the anticipated resident population.

The Cooper Grant Neighborhood Association will provide the following services to the tenants of Downtown Works Urban Renewal Housing Co, LLC:

Hold social service events that benefit the tenants and community residents. The events will be held in the Project community room, which will be made available to it, free of charge. Such events may include the provision of health and medical services by third parties, providing information about social services and benefits that the tenants may be eligible for from the city, state and federal government, coordinating the transportation needs of the residents to and from grocery stores, other shops and health providers.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>RES</i>	<i>ERG</i>	<i>Eligible Amount</i>
Acquisition of Land and Buildings	\$ 1,200,000	\$	1,200,000	
Construction & Site Improvements	6,734,266		6,734,266	
Professional Services	776,587		776,587	
Financing & Other Costs	956,892		505,418	
Contingency	730,950		730,950	
Development Fee	1,349,000		0	
TOTAL USES	\$ 11,747,695	\$	9,947,221	

RES ERG eligible project costs exclude ineligible costs aggregating to \$1.8 million, including reserves of \$451,000 and development fee of \$1.3 million.

<i>Sources of Financing</i>	<i>Amount</i>
Perm Loan: HMFA	\$ 3,812,782
ERG Funds	2,020,320
Sellers Note: CRA	800,000
ERB Funds	2,177,000
Equity:	
Deferred Developer Equity	1,053,519
Historic Tax Credit Equity	1,884,074
Total	\$ 11,747,695

The Applicant received a commitment for permanent loan financing in the amount of \$3.8 million at NJHMFA's July 2016 board meeting. The permanent debt will have a 35-year amortization period and term and a fixed interest rate of 4.00%.

The Camden Redevelopment Agency will provide a sellers note in the amount of \$800,000. No interest will accrue on the note and commencing on 11th year after permanent closing until the 30th year after closing the applicant will pay \$40,000 annually.

As part of its permanent financing structure the Applicant has received a letter of intent dated June 24, 2016 from the tax credit syndicator, Four Eighty-One Corp., who will be providing both the Historic Tax Credit equity and RES ERG Tax Credit equity for a total of \$3.9 million. The RES ERG tax credits will be priced at \$0.75 for each dollar of State Tax Credits allocated to the investment of the project. The Historic Tax Credit Equity will be priced at \$0.95 for each dollar of Historic Tax Credits allocated to the investment of the project.

RES ERG projects are required to have a minimum of 20% equity in its capital structure based on the total projects costs. The equity sources of capital in Downtown Works Urban Renewal Housing, LLC are deferred developer fee of \$1.1 million and Historic Tax Credit Equity syndicated by Four Eighty-One Corp. in the amount of \$1.9 million, which collectively is 25% of total project costs.

Development Fee

The amount of developer fee allowed for eligible rehabilitation or new construction costs will be limited to 15% of total development costs excluding land, pre-operational expenses, and escrows and reserves pertaining to permanent takeout financing. Total development fee includes all hard and soft costs, in addition to applicable financing fees. Developer fee at project construction completion or stabilization shall not exceed 8% (out of the 15% total) with the balance being deferred and taken through projected cash flow. This is consistent with NJHMFA's approach.

The Applicant has demonstrated to both NJHMFA and EDA that the project will not generate sufficient cash flow to return the entire developer fee within five years of project stabilization. The maximum developer fee of 15% for this project will not be achieved until year 11.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the Project

The Project poses a funding gap and the development of this multifamily community is unlikely without the EDA's assistance. The Applicant was able to demonstrate a shortfall in the financing structure without being awarded the RES ERG credits.

The Authority is in receipt of a Market Feasibility and Appraisal Analysis dated July 15, 2015, prepared by Rosin & Associates, a third party consultant who issued their determination of current and future market conditions. The study demonstrates the continued market demand for the project. As per the market study, the subject is located in an established urban area with vacancy

rates of 3.0%. The study states there is strong demand for units in the area and project's rent up within 6 months of construction completion.

The building is located in Camden's Downtown University Village District and complies with the downtown redevelopment plan. The building was originally constructed in 1931 and will be renovated according Historic restoration standards.

Based on the information provided, the Project is economically feasible based on the track record of the applicant and their development team as well as the committed funding sources for the entire cost budget, which is available to this project.

The degree to which the redevelopment project within a municipality which exhibits economic and social distress, will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The Project is located in Camden, an urban aid municipality. Camden is ranked number 566 out of 566 municipalities per the ranking of distress in New Jersey. The greater Camden area has suffered from population declines, poverty, high crime rates, and overall negative trends over the past several decades. Camden's average household income is \$38,588 per year, ranked as one of the lowest in New Jersey.

Historically the Waterfront areas of Camden were largely used for industrial purposes that became vacant. The Waterfront Redevelopment Plan is designed to revitalize Camden's waterfront properties to complement the current development in the area and leverage such attractions as the Camden Aquarium and Cooper University Hospital, and Rutgers University to redevelop the area into a mixed use transit community. The plan includes the development of office space, retail, and residential units. Upon completion of the Waterfront area it is anticipated that target office space tenants for this development will include 7,300 workers. The Project site is within close proximity to the Waterfront redevelopment area located within the Camden Downtown Redevelopment area. A key focus of the downtown redevelopment plan is to revitalize Camden's downtown area into a mixed use transit community. The rehabilitation of this historic building is a vital component to Camden's Downtown Redevelopment plan and will compliment the current and planned development in Camden Waterfront's redevelopment area.

Recommendation

On June 28, 2016 The Economic Recovery Board for Camden approved a modification of ERB funds consenting to allow funds originally awarded to Coopers Hill Housing Development, LLC to be allocated to the Applicant entity. The EDA Board also approved the same request on July 14, 2016.

The Members of the Authority are asked to provide funding authorization for a \$2,177,000 non-recoverable grant to Downtown Works Urban Renewal Housing Co., LLC to fund the costs associated with the development of this affordable rental project in Camden. These funds will be provided from the Downtown Revitalization and Recovery Fund established through the Municipal Rehabilitation and Economic Recovery Act (“Act”).

Authority staff has reviewed the application for Downtown Works Urban Renewal Housing Co, LLC and Cooper-Grant Neighborhood Association and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG tax credits are contingent upon the Applicant meeting the following conditions:

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).
5. Final executed Property and Tenant Services Agreement between Downtown Works Urban Renewal Housing Co, LLC and Cooper-Grant Neighborhood Association.

Tax Credits shall be issued upon:

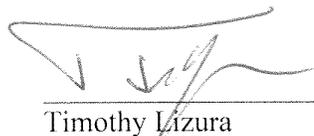
1. Completion of construction and issuance of a Certificate of Occupancy (no later than July 28, 2018); and
2. Submission of a detailed list of all eligible costs, which costs shall be certified by a CPA and satisfactory to the NJEDA; and

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction

The New Jersey Economic Opportunity Act of 2013 provides a total of \$600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This Project being located in the City of Camden, Camden County qualifies to be funded under the allocation for projects located in the City of Camden or Atlantic City. The initial total of this allocation was \$175 million. After today's approvals, no credits remain in the allocation and \$47.8 million tax credits remain in the total residential program.

Total Eligible Project Costs: \$9,947,221

Eligible Tax Credits and Recommended Award: The recommendation is to award 40% of actual eligible costs, not to exceed \$2,706,272 to be paid over 10 years.



Timothy Lizura

Prepared by: Matt Boyle

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If ACTEGA North America, Inc. chooses the Camden option, the company would establish its qualified business facility at the above blocks and lots.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing ACTEGA North America, Inc. to the city. It is estimated that the project would have a net benefit to the State of \$5.4 million over the 35 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 79 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted Industries	25 / 35
All other businesses/industries	35 / 50
<i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

As an Industrial - New Construction Project for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$5,200,000	\$40,882,760
New Jobs	8	21
Retained Jobs	19	79

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

New Jobs or Retained Jobs New to Camden	Capital Investment	Maximum Annual Tax Credit	Limit on Total Tax Credit
≥35	\$5,000,000	\$2,000,000	\$20,000,000
≥70	\$10,000,000	\$3,000,000	\$30,000,000
≥100	\$15,000,000	\$4,000,000	\$40,000,000
≥150	\$20,000,000	\$5,000,000	\$50,000,000
≥250	\$30,000,000	\$35,000,000	\$350,000,000

Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

<u>GRANT CALCULATION</u>	
CAPITAL INVESTMENT:	\$ 40,882,760
JOBS BASED TAX CREDIT LIMIT:	\$ 40,000,000
GROSS BENEFIT TO THE STATE OVER 35 YEARS:	\$ 45,411,398
THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE:	\$ 40,000,000

PROJECT IS: () Expansion (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 40,882,760
EXPECTED PROJECT COMPLETION: June 1, 2018
SIZE OF PROJECT LOCATION: 130,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 21
RETAINED FULL-TIME JOBS: 79
STATEWIDE BASE EMPLOYMENT: 77
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Delran and Cinnaminson
MEDIAN WAGES: \$ 68,415
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): \$ 45,411,398
TOTAL AMOUNT OF AWARD: \$ 40,000,000
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): \$ 5,411,398



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President and Chief Operating Officer
DATE: August 9, 2016
SUBJECT: Allergan Sales, LLC

Purpose:

This memorandum addresses the legal matters of Allergan Sales, LLC, a subsidiary of Allergan PLC, related to the applicant's pending Grow New Jersey Program and Sales and Use Tax Exemption Program applications.

Background:

Allergan PLC is a specialty pharmaceutical company globally employing 31,200 people that develops, manufactures, markets, and distributes medical aesthetics, biosimilar, and over-the-counter pharmaceutical products worldwide. The company was formerly known as Actavis plc and changed its name to Allergan PLC in June 2015. Allergan plc is headquartered in Dublin, Ireland.

Of additional note, Actavis PLC, formerly a generic drug maker called Watson Pharmaceuticals, acquired Allergan in November of 2014 and adopted the Allergan name in June of 2015. This triggered the legal review of Watson Pharmaceuticals for its conduct as the predecessor in control of the current entity.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations, N.J.A.C. 19:30-2-1 et seq., criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and the fines assessed and paid as reviewed by staff with guidance from the Attorney General's Office:

2013 State of Mississippi Medicaid Fraud litigation against Watson Pharmaceuticals:

The Judge in this matter found in favor of the State of Mississippi against Watson Pharmaceuticals in the state's ongoing Medicaid Fraud litigation against a number of pharmaceutical companies. Judge Zebert awarded \$12,382,552.00 in compensatory damages and limited statutory penalties.

The Judge found that Watson fraudulently inflated the Average Wholesale Price (AWP) of medications, overcharging the state's Medicaid program in violation of the Mississippi Consumer Protection Act; the Mississippi Medicaid Fraud Control act and committed common law fraud. During a subsequent hearing to determine punitive damages an additional \$17.8 million was awarded to the state. A related federal matter stemming from the same conduct was previously settled.

Mitigating Factors

The following mitigating factors provided by the applicant regarding the conduct described in this memorandum are worthy of consideration. They are as follows:

- When questions first arose relating to the pharmaceutical industry's use of AWP, Watson was one of the first manufacturers that changed its published list prices to Suggested Wholesale Prices to minimize any risk of confusion about its list prices and whether such prices related to or were based on an actual average of prices at which wholesalers sold products to their customers.
- The verdict in this case is currently on appeal to the Mississippi Supreme Court.
- Also, in issuing its decision on punitive damages, the lower court expressly found that the state offered no evidence that the defendant continued the prohibited conduct and so it refused the state's request for injunctive relief.

Recommendation:

Staff performed a review of these actions with guidance from the Attorney General's office and weighed the seriousness of the offenses in conjunction with the mitigating factors. Staff does not believe that disqualification is warranted.



Timothy J. Lizura, President and COO

Prepared by: Marcus Saldutti

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: Allergan Sales, LLC P42908

PROJECT LOCATION: 5 Giralda Farms Madison Borough Morris County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Allergan Sales, LLC is the United States subsidiary of Allergan plc, a global pharmaceutical company engaged in the development, manufacturing, marketing and distribution of brand name pharmaceutical products, medical aesthetics, bio-similar and over-the counter pharmaceutical products. In March 2015, Actavis acquired Allergan, Inc. and rebranded its operations under Allergan plc. Allergan products provide treatment for the central nervous system, eye care, medical aesthetics, gastroenterology, women’s health, urology, cardiovascular and anti-infective therapeutics categories. Allergan also operates a global generics business. Allergan in its research and development has broad pipelines in the pharmaceutical industry and several submissions of generic product applications globally. Allergan plc is headquartered in Dublin, Ireland and currently operates over 20 locations in the US with over 7,500 employees, including four locations in New Jersey: Parsippany, the US headquarters, Jersey City, Rockaway and Bridgewater. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

The company has existing BEIP projects, Watson Pharmaceuticals in Parsippany and Forest Laboratories Inc. in Jersey City, through which it has received \$9,247,444 that will need to be terminated in order for this Grow Project to move forward.

MATERIAL FACTOR/NET BENEFIT:

Allergan Sales, LLC is seeking to consolidate its operations in NJ which is currently spread over Parsippany, Jersey City, Rockaway and Bridgewater into a 431,495 sq. ft. facility in Madison, NJ or an alternate facility of 344,280 sq. ft. in Lansdale, PA. The project will involve the relocation of the company’s research and development operations along with management and administrative support. The Grow NJ request includes the retention of 1,019 full-time employees from the four current NJ locations and the creation of 300 full-time jobs. The company is also seeking a benefit under the Sales & Use Tax Exemption program that would reduce the renovation costs associated with the project.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Allergan Sales, LLC has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Brent Saunders, the CEO of Allergan plc, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$385 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 1,019 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 1, 2017, when the lease expires at the Parsippany, NJ facility. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program's rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business in Morris County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$17,259,800	\$103,700,000
New Jobs	25	300
Retained Jobs	35	1,019

The Grow New Jersey Statute and the program's rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Mega Project	Base award of \$5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in a Priority Area that qualifies as a Mega Project by virtue of being a Qualified Business Facility used by a business principally engaged in research, development, or manufacture of a drug or device or a Qualified Business Facility used by a business licensed to conduct a clinical laboratory and business facility having either capital investment in excess of \$20,000,000 and more than 250 full-time employees created or retained or having more than 1,000 employees created or retained.
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$148,787 exceeds the Morris County median salary by 115% resulting in an increase of \$750 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 1,319 Full-Time Jobs at the project location resulting in an increase of \$1,500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life	The applicant is a Life Sciences business.

	Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
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The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$7,750 = \\$3,875$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$103,700,000 / 10 / (300 + 1,019) = \\$7,862$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Mega Project	\$ 5,000
INCREASES PER EMPLOYEE:	
Jobs with Salary in Excess of County Average:	\$ 750
Large Number of New/Retained F/T Jobs:	\$ 1,500
Targeted Industry (Life Sciences):	\$ 500
INCREASE PER EMPLOYEE:	<u>\$ 2,750</u>
PER EMPLOYEE LIMIT:	
Mega Project	\$15,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 7,750
AWARD:	
New Jobs:	300 Jobs X \$7,750 X 100% = \$2,325,000
Retained Jobs:	1,019 Jobs X \$7,750 X 50% = <u>\$3,948,625</u>
Total:	\$6,273,625
ANNUAL LIMITS:	
Mega Project	\$ 30,000,000
TOTAL ANNUAL AWARD	<u>\$6,273,625</u>
<u>MAXIMUM AWARD IN EXCESS OF \$4,000,000 PER YEAR (\$6,273,625):</u>	
ANNUAL AMOUNT DETERMINED AS NECESSARY TO COMPLETE THE PROJECT = <u>\$5,828,400 (\$7,200 PER NEW JOB / \$3,600 PER RETAINED JOB)</u>	

PROJECT IS: (X) Expansion (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$103,700,000
EXPECTED PROJECT COMPLETION: August 1, 2019
SIZE OF PROJECT LOCATION: 431,495 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS:	300
RETAINED FULL-TIME JOBS:	1,019
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015):	714
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Bridgewater, Jersey City, Parsippany, Rockaway
MEDIAN WAGES:	\$ 148,787
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$447,279,362
TOTAL AMOUNT OF AWARD:	\$ 58,284,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF GROW AWARD & STX AWARD OF \$3,830,190):	\$385,165,172
ELIGIBILITY PERIOD:	10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Prior to the execution of a Grow NJ Incentive agreement, the applicant, if in compliance with the BEIP at the time, will be required to terminate its existing BEIP by shortening the term of the BEIP agreement and forfeiting any remaining unpaid amounts.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before September 1, 2017; 2) approve the proposed Grow New Jersey grant to encourage Allergan Sales, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger

APPROVAL OFFICER: T. Wells

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – SALES & USE TAX EXEMPTION (STX)**

APPLICANT: Allergan Sales, LLC P42914

COMPANY ADDRESS: 400 Interpace Parkway Parsippany Township Morris County

PROJECT LOCATION: 5 Giralda Farms Madison Borough Morris County

GOVERNOR’S INITIATIVES:
 NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

PROJECT DESCRIPTION:

Allergan Sales, LLC is the United States subsidiary of Allergan plc (“Allergan”), a global pharmaceutical company engaged in the development, manufacturing, marketing and distribution of brand name pharmaceutical products, medical aesthetics, bio-similar and over-the counter pharmaceutical products. In March 2015, Actavis acquired Allergan, Inc. and rebranded its operations under Allergan, plc. Allergan products provide treatment for the central nervous system, eye care, medical aesthetics, gastroenterology, women’s health, urology, cardiovascular and anti-infective therapeutics categories. Allergan also operates a global generics business. Allergan in its research and development has broad pipelines in the pharmaceutical industry and several submissions of generic product applications globally. Allergan plc is headquartered in Dublin, Ireland and currently operates over 20 locations in the US with over 7,500 employees, including four locations in New Jersey: Parsippany, the US headquarters, Jersey City, Rockaway and Bridgewater.

The company is seeking approval of a Grow New Jersey award as an incentive to locate the project in NJ and is also seeking a benefit under the Sales & Use Tax Exemption program that would reduce the renovation costs associated with the project. The company is eligible for the Sales Tax Exemption because the company has 1,000 or more full-time employees in the State and the project involves relocating 500 or more full-time employees into a new business location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Allergan Sales, LLC has indicated that the incentives are a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Brent Saunders, the CEO of Allergan plc that states that the application has been reviewed and the information submitted and representations contained therein are accurate.

SCOPE OF STX BENEFITS:

Authority assistance will induce the applicant to maintain its U.S. headquarters within New Jersey by leasing a 431,495 sq. ft. facility in Madison. The business will be exempt from sales and use tax for eligible property located or placed at the eligible business location(s) for the renovation project pursuant to the terms and conditions of a project agreement. The sales tax exemption certificate applies only to property purchased for installation at the approved project site(s) and will allow the business to purchase machinery, equipment, furniture and furnishings, fixtures, and building materials, other than tools and supplies, without the imposition of sales and use tax. The sales tax exemption (STX) is administered pro rata to reflect the eligible scope of the project, based on the number of retained STX eligible full-time jobs, increased no more than 20 percent, relative to the sum of all of jobs/employees located at the approved project site(s) during the commitment duration period, subject to the Act, Regulations, and the terms of the Project Agreement. The recommended benefit is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended benefit amount. If the criteria met by the company differs from that shown herein, the benefit amount will be lowered to reflect the benefit amount that corresponds to the actual criteria that have been met.

APPROVAL REQUEST:

STX COMMITMENT DURATION: 5 years

The Applicant has represented that the availability of this financial assistance will be an important inducement to undertake this project and to relocate full-time jobs within the State. The Authority staff recommends the award of the proposed Sales and Use Tax Exemption benefit.

ESTIMATED ELIGIBLE EXPENSES:	\$59,475,000
ESTIMATED VALUE OF STX:	\$ 3,830,190
STX ELIGIBLE EMPLOYEES:	1,019
TOTAL JOBS TO BE LOCATED AT THE PROJECT SITE:	1,319
MEDIAN WAGES:	\$ 148,787
PROJECT LOCATION IN PLANNING AREA 1 OR 2:	PA-1
OPERATED IN NEW JERSEY SINCE:	2002
PROJECT IS: (X) Expansion (X) Relocation	
CONSTRUCTION/RENOVATION: (X) Yes () No	
DEVELOPMENT OFFICER: D. Ubinger	APPROVAL OFFICER: T. Wells

STX benefit calculation formula:

Estimated Eligible Property x Sales Tax Rate = Estimated Gross Sales Tax Liability	$\$59,475,000 \times 0.07 = \$4,163,250$
(Retained Full-Time Jobs (STX Eligible Jobs) / Estimated Total Occupants of the Facility) x Regulatory 20% Automatic Increase for All STX Projects = Proportionate Value (Pro Rata Eligible Scope) with 20% Increase	$1,019/1,319 = 0.77 \times 1.2 = 0.92$ (max = 1.00)
Adjusted Proportionate Value x Estimated Gross Sales Tax Liability = Estimated Amount of the Sales and Use Tax Exemption Certificate	$0.92 \times \$4,163,250 = \$3,830,190$

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: Broadridge Financial Solutions, Inc. P42919

PROJECT LOCATION: 2 Center Street Newark City Essex County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Broadridge Financial Solutions, Inc. is a provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge’s solutions power the entire investment lifecycle and help clients manage the complexity and obligations of capital markets. Through the company’s corporate governance activities, the company processes approximately 85% of the outstanding shares in the United States and approximately 72% of the shares voted outside the U.S. in the performance of its proxy services. Broadridge Financial Solutions, Inc. is a publicly traded company on the NYSE under the ticker symbol BR. The company has 7,400 associates worldwide located at 40 offices in 14 countries including 24 locations in the US with the headquarters in Lake Success, NY. The company’s NJ locations include Jersey City, Mount Laurel, Marlton and Secaucus with a statewide employment base of 1,198. The company was established in 1967. The applicant has demonstrated the financial ability to undertake the project.

The applicant has an existing BEIP Award (P17824) in which it has received \$1,744,778 that will need to be terminated in order for this Grow Project to move forward.

MATERIAL FACTOR/NET BENEFIT:

As a result of an upcoming lease expiration, Broadridge Financial Solutions, Inc. will relocate 553 employees in its Jersey City, NJ location to Newark, NJ or the combined locations of Coppell, TX and Bangalore, India. Should the applicant choose Newark, NJ it would lease a 142,842 Sq. Ft. facility. Alternatively, if the applicant were to locate its project in the two alternate locations it would lease a 22,337 Sq. Ft. facility in Coppell, TX and lease a 69,462 Sq. Ft. facility in Bangalore, India.

The company’s Jersey City, NJ location includes 441 employees that are not at risk of leaving NJ and will be relocated to the Newark, NJ project location regardless of the Grow NJ Award.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Broadridge Financial Solutions, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Newark City is a designated Urban Transit Hub Municipality.
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	2 Center Street is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	2 Center Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$130,068 exceeds the County median salary by 177.12% resulting in an increase of \$1,250 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 553 Full-Time Jobs at the project location resulting in an increase of \$750.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
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Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$11,000 = \$5,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$23,411,334 / 10 / (0 + 553) = \$4,233) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Urban Transit HUB Municipality	\$ 5,000
INCREASES PER EMPLOYEE:	
Deep Poverty Pocket:	\$ 1,500
Transit Oriented Development:	\$ 2,000
Jobs with Salary in Excess of County Average:	\$ 1,250
Large Number of New/Retained F/T Jobs:	\$ 750
Targeted Industry (Finance):	\$ 500
INCREASE PER EMPLOYEE:	<u>\$ 6,000</u>
PER EMPLOYEE LIMIT:	
Urban Transit HUB Municipality	\$12,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 11,000
AWARD:	
New Jobs: 0 Jobs X \$11,000 X 100% =	\$ 0,000
Retained Jobs: 553 Jobs X \$4,233 X 100% =	<u>\$2,340,849</u>
Total:	\$2,340,849
ANNUAL LIMITS:	
Urban Transit HUB Municipality	\$10,000,000
TOTAL ANNUAL AWARD	<u>\$2,340,849</u>

Broadridge Financial Solutions, Inc.	Grow New Jersey	Page 5
PROJECT IS:	<input type="checkbox"/> Expansion <input checked="" type="checkbox"/> Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:		\$ 23,411,334
EXPECTED PROJECT COMPLETION:		October, 1, 2017
SIZE OF PROJECT LOCATION:		142,842 sq. ft.
NEW BUILDING OR EXISTING LOCATION?		New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?		Non-Industrial
CONSTRUCTION:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

NEW FULL-TIME JOBS:	0
RETAINED FULL-TIME JOBS:	553
STATEWIDE BASE EMPLOYMENT (AS OF JUNE 30, 2016):	1,198
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Jersey City
MEDIAN WAGES:	\$ 130,068

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 168,575,426
TOTAL AMOUNT OF AWARD:	\$ 23,408,490
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 145,166,936

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain 441 existing positions it has within the State for the duration of the Grow NJ Award at the proposed project site. The number of retained positions that are part of this Grow NJ award will only be counted above and beyond the first 441 positions at the proposed project site.
7. Prior to the execution of a Grow NJ Incentive agreement, the applicant, if in compliance with the BEIP at the time, will be required to terminate its existing BEIP by shortening the term of the BEIP agreement and forfeiting any remaining unpaid amounts.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before December 31, 2017; 2) approve the proposed Grow New Jersey grant to encourage Broadridge Financial Solutions, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger

APPROVAL OFFICER: S. Novak

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: Demountable Concepts, Inc. P42850

PROJECT LOCATION: 200 Acorn Road Glassboro Borough Gloucester County
Blocks 206, 207 (not including lots 6-14), 210 (not including lots 14-17) and 211
Glassboro Borough Gloucester County

GOVERNOR’S INITIATIVES:

(X) NJ Urban Fund () Edison Innovation Fund () Core () Clean Energy

APPLICANT BACKGROUND:

Founded in 1989, Demountable Concepts, Inc. is a manufacturer of products that serve the transportation industry throughout North America. The company manufactures interchangeable truck body systems for straight delivery trucks and warehouse on wheels distribution systems for semi-tractor trailers. The company’s subsidiary MyGlassTruck.com is America’s leading manufacturer of glass carrying solutions. MyGlassTruck.com manufactures aluminum and steel glass racks for vans, pick-ups and trucks. The company also offers full service and support for all of its manufactured products. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Demountable Concepts, Inc. is seeking to expand its current 49,094 sq. ft. facility in Glassboro, NJ through the construction of an additional 30,000 sq. ft. manufacturing facility or relocate all of its operations to Huntington Valley, PA. The company must expand in order to meet its growing customer demands and there is no additional production space available at its current location. It plans to create 20 new full-time manufacturing jobs at the new selected project facility.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Demountable Concepts, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Rustin Cassway, the CEO of Demountable Concepts, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$12.3 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 70 New Jersey jobs listed in the application are at risk of being located outside the State on or before October 3, 2016, the date the applicant anticipates relocating to the Huntington Valley, PA location. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements - Existing Facility</u>	(\$/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

<u>Minimum Capital Investment Requirements – New Facility</u>	(\$/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As an Industrial - New Construction Project, for a manufacturing business, in Gloucester County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment-Existing Facility	\$654,587	\$1,571,305
Capital Investment- New Facility	\$1,200,000	\$4,528,720

New Jobs	8	12 (Existing Facility) 8 (New Facility)
Retained Jobs	19	40 (Existing Facility) 30 (New Facility)

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project at the **Existing Facility** location has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Glassboro Borough is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$1,571,305 is 140% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing, business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Glassboro Borough has a 2007 Revitalization Index of 468
On Site Solar Generation of ½ of Project’s Elec. Needs	An increase of \$250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of ½ of the applicant’s electricity needs

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project at the **New Facility** location has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Glassboro Borough is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$4,528,720 is 277% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing, business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Glassboro Borough has a 2007 Revitalization Index of 468
On Site Solar Generation of 1/2 of Project's Elec. Needs	An increase of \$250 per job for a project that generates 1/2 of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of 1/2 of the applicant's electricity needs

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for the **Existing Facility** location will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.

<p>All other projects</p>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$8,750 = \\$4,375$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$1,571,305 / 10 / (12 + 40) = \\$3,021$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>
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The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for the **New Facility** location will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
<p>Project located in a Garden State Growth Zone</p>	<p>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</p>
<p>A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area</p>	<p>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</p>
<p>The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster</p>	<p>The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.</p>
<p>All other projects</p>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$8,750 = \\$4,375$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$4,528,720 / 10 / (8 + 30) = \\$11,917$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation - Existing Facility**BASE GRANT PER EMPLOYEE:**

Distressed Municipality	\$ 4,000
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INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	\$ 3,000
Targeted Industry (Manufacturing)	\$ 500
2007 Revit. Index > 465 in Atlantic, Burlington, Camden	
Cape May, Cumberland, Gloucester, Ocean, Salem:	\$ 1,000
On Site Solar Generation of 1/2 of Project's Elec. Needs:	\$ 250

INCREASE PER EMPLOYEE:	<u>\$ 4,750</u>
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PER EMPLOYEE LIMIT:

Distressed Municipality	\$11,000
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 8,750
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AWARD:

New Jobs:	12 Jobs X \$8,750 X 100% =	\$105,000
Retained Jobs:	40 Jobs X \$3,021 X 100% =	<u>\$120,840</u>
	Total:	\$225,840

ANNUAL LIMITS:

Distressed Municipality	\$ 8,000,000
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TOTAL ANNUAL AWARD	<u>\$225,840</u>
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<u>Grant Calculation - New Facility</u>		
BASE GRANT PER EMPLOYEE:		
Distressed Municipality		\$ 4,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum (non-Mega):	\$ 3,000	
Targeted Industry (Manufacturing)	\$ 500	
2007 Revit. Index > 465 in Atlantic, Burlington, Camden		
Cape May, Cumberland, Gloucester, Ocean, Salem:	\$ 1,000	
On Site Solar Generation of 1/2 of Project's Elec. Needs:	\$ 250	
INCREASE PER EMPLOYEE:		<u>\$ 4,750</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality	\$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 8,750
AWARD:		
New Jobs:	8 Jobs X \$8,750 X 100% =	\$ 70,000
Retained Jobs:	30 Jobs X \$8,750 X 50% =	<u>\$131,250</u>
	Total:	\$201,250
ANNUAL LIMITS:		
Distressed Municipality		\$ 8,000,000
TOTAL ANNUAL AWARD		<u>\$201,250</u>

PROJECT IS: (X) Expansion () Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT (Existing Facility): \$ 1,571,305
ESTIMATED ELIGIBLE CAPITAL INVESTMENT (New Facility): \$ 4,528,720
EXPECTED PROJECT COMPLETION: July 3, 2017
SIZE OF PROJECT LOCATION (Existing Facility): 49,094 sq. ft.
SIZE OF PROJECT LOCATION (New Facility): 30,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION (Existing Facility)? Existing
NEW BUILDING OR EXISTING LOCATION (New Facility)? New
INDUSTRIAL OR NON-INDUSTRIAL FACILITY (Existing Facility)? Industrial
INDUSTRIAL OR NON-INDUSTRIAL FACILITY (New Facility)? Industrial

Demountable Concepts, Inc.

Grow New Jersey

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CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS (Existing Facility):	12
RETAINED FULL-TIME JOBS (Existing Facility):	40
NEW FULL-TIME JOBS (New Facility):	8
RETAINED FULL-TIME JOBS (New Facility):	30
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015):	71
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Glassboro Borough
MEDIAN WAGES (Existing Facility):	\$ 41,218
MEDIAN WAGES (New Facility):	\$ 40,560

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 16,560,287
TOTAL AMOUNT OF AWARD:	\$ 4,270,900
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 12,289,387

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. For purposes of the project completion certification and annual reports required pursuant to the incentive agreement, the applicant shall meet the employment requirements related to the retained full-time jobs at the existing building before receiving benefits for new full-time jobs at any building. The applicant shall include as a retained full-time job a new eligible position that is filled by a full-time employee, regardless of the location of such position, provided that the position is included in the order of date of hire and is not the basis for any other incentive award, and shall be paid at the lower of (a) the tax credit for the new eligible position filled by a full-time employee or (b) the tax credit for the retained full-time job that no longer exists.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before October 3, 2016; 2) approve the proposed Grow New Jersey grant to encourage Demountable Concepts, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: J. Kenyon

APPROVAL OFFICER: S. Novak

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: Dubell Lumber Co. P42607

PROJECT LOCATION: 2820 Mount Ephraim Avenue Camden City Camden County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

DuBell Lumber Co. (Dubell) is a leading supplier in the lumber, building and materials industry. With over 75 years of history in southeast New Jersey, DuBell is known for supplying products in kitchens, doors, millwork, roof and floor trusses and wall panels. DuBell has seven locations across southeast New Jersey including Medford, Cherry Hill, Winslow, Vineland, Egg Harbor, Pleasantville and Millville. With typical locations having kitchen, windows, door and millwork show rooms, with lumber yards alongside hardware and building supply sales centers. DuBell's customer base is 90% contractors who buy raw materials, manufactured products, and other building supplies for resale. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Presently, various manufacturing and related distribution activities of products manufactured by Dubell are sited throughout the State at each of its current facilities. DuBell is intending to improve the efficiency and effectiveness of the manufacturing and distribution components of its current business by moving them into a strategically located and centralized operation. This location will include the storage of raw materials, product manufacturing and finished goods staging, in addition to various headquarters and customer support functions. The proposed facility would not contain any point-of-sale activities. The new centralized facility will provide a more optimal platform for service to its primary customer base located throughout Southern New York, Eastern Pennsylvania, Delaware and Maryland, in addition to New Jersey.

Dubell has identified a site in Camden, NJ to locate the centralized manufacturing and headquarters facility that is included in an active bankruptcy proceeding. The 9.41 acre property consists of a 55,500 sq. ft. building with 86,000 sq. ft. of outdoor storage covered by a continuation of the building’s roof. The facility will undergo an extensive renovation including the building of offices, the repair of the roof and the renovation of the existing warehouse space to be used for both the manufacture of building materials and the storage of finished goods and raw materials. Additionally, the covered outdoor space will be utilized for the storage of finished wall-panels and related raw materials. The project will result in the retention of 92 jobs in the State along with the creation of 30 new positions and represent a capital investment of more than \$6 million. Alternatively, in the event that

As an Industrial – Rehabilitation Project, for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,886,667	\$6,050,000
New Jobs	8	30
Retained Jobs	19	92

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Garden State Growth Zone	Base award of \$5,000 per year for projects located in a Garden State Growth Zone	Camden is a Garden State Growth Zone
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	2820 Mount Ephraim Avenue is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	2820 Mount Ephraim Avenue is located in a Transit Oriented Development by virtue of being within 1 mile of the midpoint of a Port Authority Transit Corporation rail station.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of \$1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$5,000	The proposed project is in a Garden State Growth Zone. The proposed capital investment of \$6,050,000 is 221% above the minimum capital investment resulting in an increase of \$5,000 per year.
2007 Revit. Index >465 in Atlantic, Burlington, Camden	An increase of \$1,000 per job for locating in a municipality	Camden City has a 2007 Revitalization Index of 566

Cape May, Cumberland, Gloucester, Ocean, Salem	with a 2007 Revitalization Index greater than 465	
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The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$15,000 = \$7,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$6,050,000 / 10 / (30 + 92) = \$4,959) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Garden State Growth Zone	\$ 5,000
INCREASES:	
Deep Poverty Pocket:	\$ 1,500
Transit Oriented Development:	\$ 2,000
Targeted Industry (Manufacturing):	\$ 500
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	\$ 5,000
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	\$ 1,000
INCREASE PER EMPLOYEE:	<u>\$ 10,000</u>
PER EMPLOYEE LIMIT:	
Garden State Growth Zone	\$15,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 15,000
AWARD:	
New Jobs:	30 Jobs X \$15,000 X 100% = \$450,000
Retained Jobs:	92 Jobs X \$15,000 X 100% = <u>\$1,380,000</u>
Total:	\$1,830,000
ANNUAL LIMITS:	
Garden State Growth Zone and MRERA	\$35,000,000
TOTAL ANNUAL AWARD	<u>\$1,830,000</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 6,050,000
EXPECTED PROJECT COMPLETION: January 15, 2017
SIZE OF PROJECT LOCATION: 141,500 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 30
RETAINED FULL-TIME JOBS: 92
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 129

CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Cherry Hill
 Medford
 Millville
 Vineland
 Winslow

MEDIAN WAGES: \$ 45,406
GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): \$ 37,757,916
TOTAL AMOUNT OF AWARD: \$ 18,300,000
NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): \$ 19,457,916

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage Dubell Lumber Co. to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Christina Fuentes

APPROVAL OFFICER: Kevin DeSmedt

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$4,545,000	\$11,271,875
New Jobs	35	396
Retained Jobs	50	0

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	34 Exchange Place is located in a Transit Oriented Development by virtue of

		being within ½ mile of the midpoint of a Port Authority Transit Corporation rail station
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$98,412 exceeds the Hudson County median salary by 102.8% resulting in an increase of \$500 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 396 Full-Time Jobs at the project location resulting in an increase of \$500.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$8,000 = \\$4,000$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$11,271,875 / 10 / (396 + 0) = \\$2,846$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Urban Transit HUB Municipality	\$ 5,000
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INCREASES PER EMPLOYEE:

Transit Oriented Development:	\$ 2,000
Jobs with Salary in Excess of County Average:	\$ 500
Large Number of New/Retained F/T Jobs:	\$ 500

INCREASE PER EMPLOYEE:	<u>\$ 3,000</u>
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PER EMPLOYEE LIMIT:

Urban Transit HUB Municipality	\$12,000
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LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 8,000
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AWARD:

New Jobs:	396 Jobs X \$8,000 X 100% =	\$3,168,000
Retained Jobs:	0 Jobs X \$2,846 X 100% =	<u>\$ 0,000</u>

Total:	\$3,168,000
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ANNUAL LIMITS:

Urban Transit HUB Municipality	\$10,000,000
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TOTAL ANNUAL AWARD	<u>\$3,168,000</u>
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PROJECT IS: (X) Expansion () Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 11,271,875
EXPECTED PROJECT COMPLETION: January 2, 2017
SIZE OF PROJECT LOCATION: 113,625 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 396
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 98,412

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 99,435,831
TOTAL AMOUNT OF AWARD: \$ 31,680,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 67,755,831

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage New Avon, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Maggie Peters

APPROVAL OFFICER: Mark Chierici

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: PsychoGenics Inc. P42895

PROJECT LOCATION: 215 College Road Paramus Borough Bergen County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

PsychoGenics Inc. (PGI), a subsidiary of PGI Holding Corporation founded in 1999, provides preclinical central nervous system testing services for both third party clients and its affiliates. PGI has an established service business with more than 160 repeat pharmaceutical, biotechnology and not-for-profit, domestic and international clients. PGI offers over 80 different behavioral tests identifying drug candidates in the areas of psychiatric and neurodegenerative disorders, pain and inflammation, and spinal cord and traumatic brain injury. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

PGI currently operates out of two leased facilities with its combined headquarters and laboratory in Tarrytown, NY housing 64 staff and a research laboratory in Montvale, NJ housing 35 staff. PGI is considering the consolidation of its operations into a single location to reap better operational efficiencies and cost savings to facilitate future growth. PGI has identified an existing facility in Paramus Borough that will meet its operational needs. PGI will make a capital investment into the 65,000 sq. ft. facility of \$5.55 million including the construction of office and laboratory space and, in addition to consolidating 99 jobs currently split between New York and New Jersey, create 18 new jobs before the end of 2018. In the event that PGI does not locate the project in New Jersey, it will make a comparable investment into a 65,000 sq. ft. space in Pearl River, NY and the 35 existing jobs in New Jersey will leave the State.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of PsychoGenics Inc has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Dr. Emer Leahy, the CEO of PsychoGenics Inc, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$22.4 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 35 New Jersey jobs listed in the application are at risk of being located outside the State on or before June 30, 2017 as this is the date on which the alternate non-New Jersey facility would be operational. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50
<i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

As a Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business in Bergen County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$2,600,000	\$5,550,000
New Jobs	25	82
Retained Jobs	35	35

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Paramus Borough is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant’s median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$83,210 exceeds the Bergen County median salary by 40.1% resulting in an increase of \$250 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Life Sciences business.

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$3,750 = \$1,875) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$5,550,000/ 10 / (82 + 35) = \$4,743)

	In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
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<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Priority Area	\$3,000
INCREASES PER EMPLOYEE:	
Jobs with Salary in Excess of County Average:	\$ 250
Targeted Industry (Life Sciences):	\$ 500
INCREASE PER EMPLOYEE:	<u>\$ 750</u>
PER EMPLOYEE LIMIT:	
Priority Area	\$10,500
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$3,750
AWARD:	
New Jobs:	82 Jobs X \$3,750 X 100% = \$ 307,500
Retained Jobs:	35 Jobs X \$3,750 X 50% = <u>\$ 65,625</u>
Total:	\$373,125
ANNUAL LIMITS:	
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/ (\$365,284)
TOTAL ANNUAL AWARD	<u>\$373,125</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 5,550,000
EXPECTED PROJECT COMPLETION: June 30, 2017
SIZE OF PROJECT LOCATION: 65,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 82
RETAINED FULL-TIME JOBS: 35
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 35
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Montvale
MEDIAN WAGES: \$ 83,210

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 26,189,810
TOTAL AMOUNT OF AWARD:	\$ 3,731,250
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 22,458,560

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before June 30, 2017; 2) approve the proposed Grow New Jersey grant to encourage PsychoGenics Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Maggie Peters

APPROVAL OFFICER: Kevin DeSmedt

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – GROW NEW JERSEY ASSISTANCE PROGRAM**

As created by statute, the Grow New Jersey Assistance (Grow NJ) Program is available to businesses creating or retaining jobs in New Jersey and making a qualified capital investment at a qualified business facility in a qualified incentive area. Applications to the Grow NJ Program are evaluated to determine eligibility in accordance with P.L. 2013, c. 161 and as amended through the “Economic Opportunity Act of 2014, Part 3,” P.L. 2014, c. 63, based on representations made by applicants to the Authority. Per N.J.S.A. 34:1B-242 et seq./N.J.A.C. 19:31-1 and the program’s rules, applicants must employ a certain number of personnel in retained and/or new full-time jobs at a qualified business facility and make, acquire or lease a capital investment equal to or greater than defined thresholds in order to be eligible for tax credits. In addition to satisfying these statutorily-established job and capital investment requirements, applications undergo a material factor review to verify that the tax credits are material to the project advancing in New Jersey. Applications are also subject to a net benefit analysis to verify that the anticipated revenue resulting from the proposed project will be greater than the incentive amount. Credits are only certified for use annually and proportionally based on actual job performance during that year and an applicant is subject to forfeiture and recapture in event of default.

APPLICANT: United Asphalt Company P42711

PROJECT LOCATION: 237 North Grove Street Winslow Township Camden County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

United Asphalt Company (“United Asphalt”) was formed in 1963 as a manufacturer of flat roof products. Family-owned and operated, the company has continued to develop new and improved roof coatings and expand business throughout the Mid-Atlantic region. In addition, the company conducts resale of other roof products. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

United Asphalt is looking to expand its current operation to keep up with demand and can either do this at its current facility in Winslow Township, NJ or in Philadelphia, PA. The company would renovate its existing facility, along with purchasing new equipment, and the facility would expand to a total of 38,319 square feet, 35,919 square feet as part of its lease and 2,400 square feet, from an additional \$100,000 of project costs for United Asphalt. The alternate site in Philadelphia is a larger facility, totaling 51,024 square feet. The project would start on approximately September 1, 2016 and be completed by approximately February 1, 2017.

The location analysis submitted to the Authority shows New Jersey to be the less expensive option. However, the management of United Asphalt has indicated that the grant of tax credits is a material factor in the company’s location decision, as the award will allow the company to invest more in marketing and absorb the costs associated with spending more time doing outreach in Philadelphia. United Asphalt expects that being in Philadelphia would have a positive impact on revenues, as it would be closer to its customer base. The Authority is in receipt of an executed CEO certification by Mark Umosella, the CEO of United Asphalt, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$4.7 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 19 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 1, 2017, as this is the date by which the company could move into the alternate location. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	(\$/Square Foot of Gross Leasable Area)
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120

*Minimum capital investment amounts are **reduced by 1/3** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	(New / Retained Full-time Jobs)
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50

*Minimum employment numbers are **reduced by 1/4** in GSGZs and in eight South Jersey counties: Atlantic, Burlington, **Camden**, Cape May, Cumberland, Gloucester, Ocean and Salem*

As an Industrial - Rehabilitation Project for a manufacturing business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$510,920	\$1,032,500
New Jobs	8	8
Retained Jobs	19	19

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation for **New Full-Time Jobs**. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed	Winslow Township is a designated Distressed Municipality

	Municipality	
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$1,032,500 is 102.1% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

The Grow New Jersey Statute and the program’s rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$7,500 = \\$3,750$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$1,032,500 / 10 / (8 + 19) = \\$3,824$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>		
BASE GRANT PER EMPLOYEE:		
Distressed Municipality		\$ 4,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum (non-Mega)	\$ 3,000	
Targeted Industry (Manufacturing):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 3,500</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality	\$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 7,500
AWARD:		
New Jobs:	8 Jobs X \$7,500 X 100% =	\$ 60,000
Retained Jobs:	19 Jobs X \$7,500 X 50% =	<u>\$ 71,250</u>
	Total:	\$131,250
ANNUAL LIMITS:		
Distressed Municipality		\$ 8,000,000
TOTAL ANNUAL AWARD		<u>\$131,250</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,032,500
EXPECTED PROJECT COMPLETION: February 1, 2017
SIZE OF PROJECT LOCATION: 38,319 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 8
RETAINED FULL-TIME JOBS: 19
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2015): 20
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 49,920

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 6,033,900
TOTAL AMOUNT OF AWARD: \$ 1,312,500
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 4,721,400

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before February 1, 2017; 2) approve the proposed Grow New Jersey grant to encourage United Asphalt Company to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: Justin Kenyon

APPROVAL OFFICER: Mark Chierici



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Mallinckrodt Enterprises, LLC. (“Mallinckrodt”)
Grow New Jersey Assistance Program (“Grow NJ”) Modification – P42291

Request:

Consent to the applicant’s request to change the location of the qualified business facility (“QBF”) for the approved Grow NJ from 289 King George Road, Warren Township, a Priority Area, to 1405–1425 Route 206, Bedminster Township, an Other Eligible Area. As a result of this location change, the overall 10 year tax credit will be reduced from \$20,425,000 to \$10,212,500. As this project is moving to a municipality treated differently under the Grow NJ Act, it does not meet staff delegations approved by the Members in July 2016.

Background:

Mallinckrodt, established in 2010, provides oversight and operational support for its parent company Mallinckrodt plc’s US operations.

In April, 2016, the members approved a \$20,425,000, 10 year Grow NJ tax credit to incent the creation of 337 new jobs and the retention of 143 at-risk jobs from relocating out of New Jersey to King of Prussia, Pennsylvania.

The company has been unable to reach terms with the landlord for the approved 157,546 sf non-industrial site in Warren Township and is requesting EDA consent to change the location to an alternate 150,000 sf non-industrial site in Bedminster Township.

In conjunction with this request, staff rescored the project based on the new location in Bedminster, which is designated as an ‘Other Eligible Area’ against the original scoring criteria for Warren, a ‘Priority’ location. As a result of the location change, the per-employee base credit is reduced from \$3,000 to \$500, but all increases remain the same. Thus, the per-employee award is reduced from \$5,000 to \$2,500 which results in a reduction of the overall 10 year tax credit from \$20,245,000 to \$10,212,500 as shown below:

The Grow New Jersey Statute and the program’s rules establish criteria for the Grant Calculation for New Full-Time Jobs. This project has been deemed eligible for a Base Award and Increases based on the following:

Base Grant	Requirement	Proposed by Applicant
Other Eligible Area	Base award of \$500 per year for projects located in a designated Other Eligible Area	Bedminster Township is a designated Other Eligible Area

Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$142,140 exceeds the County median salary by 105% resulting in an increase of \$750 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 480 Full-Time Jobs at the project location resulting in an increase of \$750.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Life Sciences business.

The Grow New Jersey Statute and the program's rules establish a Grant Calculation for **Retained Full-Time Jobs**. The Grant Calculation for Retained Full-Time Jobs for this project will be based upon the following:

PROJECT TYPE	GRANT CALCULATION
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$2,500 = \\$1,250$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$26,413,500 / 10 / (143 + 337) = \\$5,503$) <p><i>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</i></p>

Grant Calculation Original Approval v Modification		
	<u>Original</u>	<u>As Modified</u>
BASE GRANT PER EMPLOYEE:		
Priority Area	\$ 3,000	
Other Eligible Area		\$ 500
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	\$ 750	\$ 750
Large Number of New/Retained F/T Jobs:	\$ 750	\$ 750
Targeted Industry (Life Sciences):	\$ 500	\$ 500
INCREASE PER EMPLOYEE:	<u>\$ 2,000</u>	<u>\$ 2,000</u>
PER EMPLOYEE LIMIT:		
Priority Area	\$ 10,500	
Other Eligible Area		\$ 6,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	<u>\$ 5,000</u>	<u>\$ 2,500</u>
AWARD:		
New Jobs: 337 Jobs X \$5,000 X 100% =	\$1,685,000	
Retained Jobs: 143 Jobs X \$5,000 X 50% =	<u>\$ 357,500</u>	
New Jobs: 337 Jobs X \$2,500 X 100% =		\$ 842,500
Retained Jobs*:143 Jobs X \$2,500 X 50% =		<u>\$ 178,750</u>
Total:	\$2,042,500	\$1,021,250
ANNUAL LIMITS:		
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000 / (\$3,296,160)	
Other Eligible Area (Est. 90% Withholding Limit)	\$ 2,500,000 / (\$3,296,160)	
TOTAL ANNUAL AWARD	\$2,052,500	<u>\$1,021,250</u>

Staff reviewed a revised Cost Benefit Analysis comparing the proposed new site with original NJ site. The square footage of the new QBF is 4.8% smaller (150,000 sf v 157,546 sf for the original site) and is spread over two buildings approximately 50 feet apart and connected by a tunnel. Thus, the two buildings are considered proximate for the purpose of determining the capital investment eligibility. The new site is classified the same as the prior site, as a renovation of non-industrial premises with a minimum capital investment eligibility requirement of \$40/psf. Due to the reduction in square footage, the total minimum capital investment requirement is reduced to \$6,000,000 v \$6,301,840 for the original site. The applicant is proposing to make \$26,413,500 in capital investment in the new site vs \$29,374,452 at the original site. The overall reduction in size of 7,546 sf is 5% and capital investment of \$2,960,952 is 10.1%. The 5%

and 10.1% changes would have been within staff delegation guidelines to approve, had there not been a scoring change due to the move from a priority area to another other eligible area.

Staff has confirmed that that the number of new jobs and retained jobs at risk of leaving New Jersey, 337 and 143, respectively, remain the same.

Mallinckrodt Enterprises, LLC Capital Investment Calculation

ELIGIBILITY AND GRANT CALCULATION:

Per the Grow New Jersey statute, N.J.S.A. 34:1B-242 et seq. and the program’s rules, N.J.A.C. 19:31-18, the applicant must:

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, as follows:

<u>Minimum Capital Investment Requirements</u>	<u>(\$/Square Foot of Gross Leasable Area)</u>
Industrial/Warehouse/Logistics/R&D - Rehabilitation Projects	\$ 20
Industrial/Warehouse/Logistics/R&D - New Construction Projects	\$ 60
Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Projects	\$ 40
Non-Industrial/Warehouse/Logistics/R&D – New Construction Projects	\$120
<i>Minimum capital investment amounts are reduced by 1/3 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

- Retain full-time jobs **AND/OR** create new full-time jobs in an amount equal to or greater than the applicable minimum, as follows:

<u>Minimum Full-Time Employment Requirements</u>	<u>(New / Retained Full-time Jobs)</u>
Tech start ups and manufacturing businesses	10 / 25
Other targeted industries	25 / 35
All other businesses/industries	35 / 50
<i>Minimum employment numbers are reduced by 1/4 in GSGZs and in eight South Jersey counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem</i>	

As an Non-Industrial/Warehouse/Logistics/R&D – Rehabilitation Project for an other targeted industry business in Somerset County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Original Site Proposed by Applicant	New Site Proposed by Applicant
Capital Investment	\$6,000,000	\$29,374,452	\$26,413,500
New Jobs	25	337	337
Retained Jobs	35	143	143

Total upfront costs associated with the project are \$49,023,190 v \$50,334,199, a \$1,311,009 or 2.6% reduction overall. Ongoing annual savings in rent (\$18 psf v \$21 psf), lower real estate taxes, and savings associated with eliminating the cost for a letter of credit required for the original New Jersey site collectively will save the company \$1,028,173, or 1.2%, each year over the 15 years of the grant commitment period. Thus, comparing the total project cost of the original site at Warren Township (\$1,306,997,797) to the new site at Bedminster Township (\$1,290,263,440) demonstrates that new site is \$16,734,357, or roughly 1.3%, less expensive over 15 years.

Lastly, staff reviewed and confirmed that a new lease has not be signed for the facility and that the number of new jobs and retained jobs at risk of leaving New Jersey, 337 and 143, respectively, will remain the same with the original approval.

Recommendation:

Consent to the change the QBF location from 289 King George Road, Warren Township to 1405-1425 Route 206, Bedminster Township based on the applicant's continued commitment to create 337 new jobs and retain 143 at-risk jobs from relocating out of New Jersey to King of Prussia, Pennsylvania. As the change in location results in a reduction of the per-employee base credit from \$3,000 to \$500, the per-employee award is reduced from \$5,000 to \$2,500 which results in a reduction of the overall 10 year tax credit from \$20,245,000 to \$10,212,500 over the 10 year term.

A handwritten signature in black ink, appearing to be 'J. Shanley', is written over a horizontal line.

BOND PROJECTS

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

APPLICANT: KIPP: Cooper Norcross, A New Jersey Nonprofit Corporation P42944
PROJECT USER(S): KIPP Cooper Norcross Academy * * - indicates relation to applicant
PROJECT LOCATION: 740 Chestnut Street Camden City (T/UA) Camden
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

KIPP: Cooper Norcross, A New Jersey Nonprofit Corporation (formerly Cooper Lanning Square Renaissance School, Inc. and d/b/a KIPP Cooper Norcross Academy, the "School") is a 501(c)(3) not-for-profit organization and renaissance school project approved by the NJ Department of Education and Camden City Board of Education. The School was formed in partnership between KIPP Team Schools in Newark and The Cooper Foundation, Inc. in Camden, representing a unique partnership which brings expertise, experience and community ties for revitalization of NJ's most needy communities to the task of increasing the number of high quality school options for Camden's students. This partnership will create an academic program serving approximately 2,860 Camden students in pre-kindergarten through 12th grade, in furtherance of the educational initiatives provided by the NJ Urban Hope Act. The NJ Department of Education has provided its formal approval for the School to operate in Camden and it is in good standing with the Department. Tim Carden is a Trustee and the President of the School.

In 2014, the Applicant closed on a \$60,000,000 Qualified School Construction Bond to acquire the Lanning Square School located at 525 Clinton Street for an elementary and middle school. The 112,000 sq. ft. building includes a wing devoted to classrooms; a section with an administrative/nurse's office suite and classrooms/storage; and a single story section comprised of a gymnasium, a music room, cafeteria, kitchen, storage rooms and maintenance and mechanical rooms.

The applicant is a 501(c)(3) not-for-profit entity for which the Authority may issue tax-exempt bonds as permitted under Section 103 and Section 145 of the 1986 Internal Revenue Code as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the applicant to finance the renaissance school project for the Whittier School, a former Camden public school facility of approximately 60,000 sq. ft. Renovations include exterior work on the brick building and a new roof and windows; renovations to the existing classrooms and bathrooms; and construction of a 12,000 sq. ft. addition to accommodate a gym, kitchen and cafeteria. When completed the School will house grades 5-8.

The difference in project costs and bond proceeds will be funded with a conventional loan.

FINANCING SUMMARY:

BOND PURCHASER: Cooper Lanning Square Renaissance School Facilities, Inc. (Direct Purchase)
AMOUNT OF BOND: \$29,833,634.33 Taxable Qualified School Construction Bonds
TERMS OF BOND: The tax credit rate and the term will be determined prior to the issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury. As of 7/20/16 the tax credit was 3.97% for 31 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$14,925,000
Original Issue Discount	\$9,023,634
Acquisition of existing building	\$3,500,000
Finance fees	\$1,500,000
Working capital	\$1,345,000
Engineering & architectural fees	\$970,000
Purchase of equipment & machinery	\$900,000
Legal fees	\$500,000
Land	\$250,000
TOTAL COSTS	\$32,913,634

JOBS: At Application 0 Within 2 years 23 Maintained 0 Construction 124

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: J. Balsama

APPROVAL OFFICER: T. Wells

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STAND-ALONE BOND PROGRAM**

APPLICANT: Memorial Sloan-Kettering Cancer Center

P42959

PROJECT USER(S): MSKCC Properties, LLC *

* - indicates relation to applicant

Memorial Hospital for Cancer and Allied Diseases *

PROJECT LOCATION: Multiple

Statewide ()

Multi Count

GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

MSKCC Properties, LLC ("Properties") is an entity formed to facilitate a real estate transaction for Memorial Sloan-Kettering Cancer Center ("MSKCC"). Memorial Hospital for Cancer and Allied Diseases ("MH") is an entity serving as an operator of MSKCC facilities. MSKCC is one of the world's premier oncology facilities committed to patient care, research, and educational programs. MSKCC is one of forty Comprehensive Cancer Centers in the United States as designated by the National Cancer Institute. The center offers services to detect, diagnose, treat and support cancer patients on an outpatient basis.

Properties received Authority assistance in August of 2012 under P37546 in the form of a Legacy Grow award for \$7.91 million related to the retention of 108 jobs and the creation of 5 new jobs at 480 Red Hill Road in Middletown, NJ.

Properties is currently effectuating the 480 Red Hill Road project which entails the acquisition, renovation and equipping of a 287,000 sq. ft. complex on 39 acres of land as an outpatient cancer treatment center and data processing center; academic space for physicians, therapists, nurses and associated staff; clinical laboratories; administration; and staff and building support services. Properties is also currently undertaking a separate project at 225 Summit Avenue in Montvale, NJ consisting of the acquisition, renovation and equipping of a 145,000 sq. ft. complex on 17 acres of land as an outpatient cancer treatment center; academic space for physicians, therapists, nurses and associated staff; clinical laboratories; administration; and staff and building support services. The combined cost of both facilities is expected to be \$391 million with Properties owning the real estate and MH serving as the operator.

MSKCC is a 501(c)(3) not-for-profit entity and thus the Authority may issue tax exempt bonds as permitted under Section 103 and Section 145 of the Internal Revenue Code, as amended, and is not subject to the State Volume Cap limitation, pursuant to Section 146(g) of the Code.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to be reimbursed for \$145 million in direct project costs incurred prior to closing through the issuance of a tax-exempt bond.

FINANCING SUMMARY:

BOND PURCHASER: DNT Asset Trust, wholly owned subsidiary of JPMorgan Chase Bank, N.A.
(Direct Purchase)

LOANS/GRANTS/GUARANTEES

PREMIER LENDER PROGRAM (PLP)



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Post Closing Credit Delegations – Premier Lender Program (“PLP”)

Request:

Increase the previously approved PLP post closing staff delegations from \$1,250,000 to \$2,750,000 to provide efficiencies for our customers while aligning the exposure limits with the existing new approval credit underwriting delegations for this program.

Background:

Beginning in July 2003 the Members’ approval has been sought to delegate authority to staff for certain financing and incentive approvals to create efficiencies for our customers and our business. Staff periodically evaluates the delegations as the business needs of our customers and the Authority evolve.

The PLP program is a partnership program between EDA and banks that are financially sound, have provided thorough and accurate underwriting analyses to support our participated and guaranteed financings, have demonstrated collaborative servicing of the our shared credit relationships and continue to support New Jersey businesses through providing loans and lines of credit under the PLP program.

Previously, the Members granted delegated authority for new PLP loan and guarantee approvals for up to \$2,750,000. The Board similarly granted post closing PLP delegations for modifications up to \$1,250,000.

Recently, PLP borrowers who are in good standing and whose loans were initially approved under delegated authority are requesting modifications to their loans that do not materially change the original terms of the approval, yet require board action due to the exposure of the transaction being greater than the post closing delegation.

Staff is therefore recommending an increase in post closing delegation from \$1,250,000 to \$2,750,000 for the actions listed below to create to create efficiencies for our PLP customers and to align the post closing delegations with the new approval delegations for borrowers in good standing under originally approved program guidelines [1.1x debt coverage, 100% maximum loan to value (LTV) for real estate and 90% maximum LTV for machinery and equipment] and

who have demonstrated satisfactory handling of their obligations (no delinquencies, timely submission of financial statements and stable or improving operational performance).

1. Collateral substitution, subordinations, releases:

Increase delegation to allow for substitutions or subordinations on exposure up to \$2,750,000 when necessary for the Borrower to obtain financing in the normal course of business, provided the debt service coverage ratio is at least 1.1x and the value of the remaining collateral adequately secures the debt (100% maximum LTV for real estate and 90% maximum for machinery and equipment.)

For releases on loans larger loans (greater than \$2,000,000), the collateral released shall be no greater than 10% of the present collateral value and the remaining collateral continues to adequately secure the debt (100% maximum LTV for real estate and 90% LTV for machinery and equipment). Level 3: SVP or Managing Director with recommending Director and Staff].

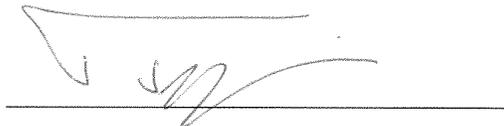
2. Guarantor releases:

Increase delegation to release guarantors on exposures of up to \$2,750,000 when the guarantor is no longer affiliated with the business, provided there is remaining collateral coverage is at least 1x the loan amount or consideration of equal value is provided [Level 3: SVP or Managing Director with recommending Director and Staff].

Recommendation:

Consent to an increase in post closing delegations for the PLP program loans from \$1,250,000 to \$2,750,000 as cited above to create efficiencies for our customers and business while aligning the exposure limits to the credit underwriting delegations for this program.

All actions taken under delegated authority will continue to be reported to the Members quarterly.

A handwritten signature in black ink, appearing to be 'K. Tolly', is written above a horizontal line.

Prepared by: Katina Tolly

**PETROLEUM UNDERGROUND STORAGE TANK (PUST)
HAZARDOUS DISCHARGE SITE REMEDIATION FUND
(HDSRF)**



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

In December, 2012, the members approved a change in the administration of the subject programs as a result of new Treasury guidance for fund transfers. Staff has reported to the board quarterly on the status of the funds.

Below is the funding availability as of the second quarter ending on June 30, 2016:

PUST:

As of June 30th, remaining cash and unfunded appropriations net of commitments was \$8.9 million available to support an estimated \$33.2 million pipeline of projects, of which approximately \$10.3 million are under review at EDA.

HDSRF:

As of June 30th, remaining cash and unfunded appropriations net of commitments was \$14.4 million available to support an estimated \$34 million pipeline of projects, of which approximately \$4.6 million are under review at EDA.

A handwritten signature in black ink, appearing to read 'T. Lizura', is written over a solid horizontal line.

Prepared by: Wendy Wisniewski



MEMORANDUM

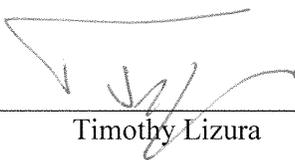
TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: August 9, 2016
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following commercial and residential grant projects have been approved by the Department of Environmental Protection to perform site remediation activities. The scope of work is described on the attached project summaries:

UST Commercial Grant:

Estate of Vincent Cloge and Rose Marie Cloge	\$ 15,443
Rosa Joao	\$ 222,602

Total UST Funding – August 2016 **\$ 238,045**



Timothy Lizura

Prepared by: Wendy Wisniewski

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

APPLICANT: Estate of Vincent Cloge and Rose Marie Cloge P41835
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 2481 North Delsea Dr. Vineland City (T/UA) Cumberland
GOVERNOR'S INITIATIVES: () Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Between May 1999 and March 2000, Vincent Cloge received an initial grant in the amount of \$20,790 under P10842 and supplemental grants totaling \$153,685 under P10842s and P12242. The Estate of Vincent Cloge and Rose Marie Cloge, the former operators of the gas station and auto repair facility, is seeking to perform additional soil and groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

Financial statements provided by the applicant demonstrate that the applicants' financial condition conforms to the financial hardship test for a conditional hardship

APPROVAL REQUEST:

The applicants are requesting supplemental grant funding in the amount of \$15,443 to perform the approved scope of work at the project site. Because this funding amount including this approval is \$169,128, it exceeds the delegated approval amount of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$189,918.

The NJDEP oversight fee of \$1,544 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: \$15,443
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

Remediation	\$15,443
NJDEP oversight cost	\$1,544
EDA administrative cost	\$500
TOTAL COSTS	\$17,487

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - UNDERGROUND STORAGE TANK GRANT**

APPLICANT: Rosa Joao P42366
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 338 South 5th Street Elizabeth City (T/UA) Union
GOVERNOR'S INITIATIVES: () Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Between March 2006 and December 2014, Rosa Joao, an equal partner with Manual Joao, Isabel Costa and Antonia Costa in the ownership of the project site, which is a service station, received an initial grant in the amount of \$77,494 under P16661 and a supplemental grants in the amount of \$144,266 under P17872 and P38133 to close five underground storage tanks (USTs), perform the required remediation and restoration at the project site. The NJDEP has determined that the project costs are technically eligible to perform additional remedial activities at the project site.

Financial statements provided by the applicant demonstrate that the applicant's financial condition conforms to the financial hardship test for a conditional hardship grant.

APPROVAL REQUEST:

The applicant is requesting aggregate supplemental grant funding in the amount of 222,602 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$366,868 it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total funding to date for this project is \$444,362.

The NJDEP oversight fee of \$22,260 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund
AMOUNT OF GRANT: \$222,602
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

Remediation	\$222,602
NJDEP oversight cost	\$22,260
EDA administrative cost	\$500
TOTAL COSTS	\$245,362

APPROVAL OFFICER: K. Junghans

HAZARDOUS DISCHARGE SITE REMEDIATION FUND



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 9, 2016

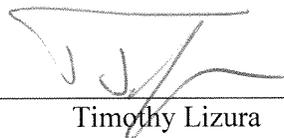
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal grant projects have been approved by the Department of Environmental Protection to perform Remedial Investigation activities. The scope of work is described on the attached project summaries:

HDSRF Municipal Grants:

Camden Redevelopment Agency (Camden Laboratories)	\$ 192,051
Jersey City Redevelopment Agency (Berry Lane Park)	\$ 267,329
Jersey City Redevelopment Agency (Grant Cleaners/DB Lucky's Auto)	\$ 211,778
Township of Hanover (Former Van Dyk Research Corp.)	\$ 113,235

Total HDSRF Funding – August 2016 **\$ 784,393**



Timothy Lizura

Prepared by: Wendy Wisniewski

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Camden Redevelopment Agency (Camden Laboratories) P42488
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 1667 Davis Street Camden City (T/UA) Camden
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

The project site, identified as Block 1392, Lot 33 is a former medical research facility which has potential environmental areas of concern (AOCs). Camden Redevelopment Agency (CRA) currently holds a tax sale certificate on the project site and has satisfied proof of site control. It is CRA's intent, upon completion of the environmental investigation activities to redevelop the project site for residential housing.

NJDEP has approved this request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

Camden Redevelopment Agency is requesting grant funding to perform (RI) in the amount of \$192,051 at the Camden Laboratories project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$192,051

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$192,051
EDA administrative cost	\$500
TOTAL COSTS	\$192,551

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Jersey City Redevelopment Agency (Berry Lane Park) P42680
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 960 Garfield Ave. Jersey City (T/UA) Hudson
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Between October 2009 and September 2012, Jersey City Redevelopment Agency (JCRA) received an initial grant in October 2009 in the amount of \$80,146 under P24790 and a supplemental grant in the amount of \$334,141 under P37391 to perform a Site Investigation (SI) and Remedial Investigation (RI) at the project site. The project site identified as Blocks 18901 and 18903, Lots 1,2,18 and 1,3,4,5, and 8-12 are currently vacant but was previously operated by a metal processing facility and a coal storage facility which has potential environmental areas of concern (AOCs). JCRA currently owns the project site and has satisfied proof of site control. It is the Agency's intent, upon completion of the environmental investigation activities, to redevelop the project site as a public park.

NJDEP has approved this request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

JCRA is requesting grant funding to perform RI in the amount of \$267,329 at the Berry Lane Park project site. JCRA is also requesting a \$1,093,052 grant on a related application P42787 for RA activities for recreation and conservation. Total grant funding including this approval is \$1,774,668.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$267,329
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$267,329
EDA administrative cost	\$500
TOTAL COSTS	\$267,829

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Jersey City Redevelopment Agency (Grant Cleaners/DB Luckys P42679)
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 445 Ocean Ave. Jersey City (T/UA) Hudson
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

In January 2016, Jersey City Redevelopment Agency (JCRA) received a grant in the amount of \$374,499 under P40589 for the project site, identified as Block 25804, Lot 17-23 which is a former cleaners and auto service and has potential environmental areas of concern (AOC). JCRA currently owns the project site and has satisfied proof of site control. It is JCRA's intent, upon completion of the environmental investigation activities to redevelop the project site for affordable housing.

NJDEP has approved this request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 2, Series A.

APPROVAL REQUEST:

The JCRA is requesting a \$211,778 grant to perform RI at the Grant Cleaners/DB Lucky's Auto Service project site. Total grant funding including this project is \$586,277.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$211,778
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$211,778
EDA administrative cost	\$500
TOTAL COSTS	\$212,278

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS SITE REMEDIATION - MUNICIPAL GRANT**

APPLICANT: Township of Hanover (Frm Van Dyk Research Corp.) P42789
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 7 Rosin Road Hanover Township (N) Morris
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

Between May 1997 and March 2008, Township of Hanover received an initial grant in the amount of \$205,498 under P09204 and supplemental grants totaling \$299,507 under P09204s and P19483 to perform a Preliminary Assessment (PA) and Site Investigation (SI) at the Former Van Dyk Research Corporation project site. The project site, identified as Block 3901, Lots 12 & 13, is currently abandoned, but had been utilized for industrial operations since 1963 which potentially has suspected areas of environmental concerns (AOCs). The Township of Hanover holds a tax sale certificate on the property and has satisfied proof of site control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial use.

NJDEP has approved the request for Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program.

APPROVAL REQUEST:

Township of Hanover is requesting grant funding to perform RI in the amount of \$113,235 at the Former Van Dyk Research Corporation project site. Total grant funding including this approval is \$618,240.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$113,235
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$113,235
EDA administrative cost	\$500
TOTAL COSTS	\$113,735

APPROVAL OFFICER: K. Junghans

EDISON INNOVATION FUND



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and COO

DATE: August 9, 2016

SUBJECT: Edison Innovation Venture Capital Investment Program Update

Request:

The Members of the Board are requested to approve an update to the Authority's Venture Fund investment policy, along with the implementation of a scoring model.

Background:

As part of the Authority's technology financing activities, the Edison Innovation Fund venture program seeks to make equity investments into NJ-based early-stage technology companies by leveraging collaborative relationships with committed venture fund partners. Investments are expected to earn a reasonable rate of return, measured in financial return and by job growth in the State.

The Authority has committed over \$40 million in venture capital funds since 1999. Most of these funds have had a 2:1 matching requirement that require \$2 of private capital to match each dollar of Authority funding into NJ-based early-stage technology companies. Cumulatively, these funds exceeded this requirement and invested approximately \$202.40 million or 5.74x EDA's investment into New Jersey companies. The portfolio has a total investment into underlying New Jersey companies from EDA partner funds and other third party investors of approximately \$1.9 billion, a Private/Public (EDA) leverage ratio of 54:1 on \$35.29 million of invested capital. The current New Jersey portfolio companies employed 1,749 full time employees as of December 31, 2015. Of note, there have been 63 companies which have received funding in this program since 1999. The Authority's venture fund portfolio currently includes two active funds making new investments.

Venture Fund Guidelines and Scoring Matrix

In August 2008 the Authority's board reviewed and approved the current Technology Venture Fund Investment Guidelines. As a result of accrued experience over this time, staff is

recommending some minor updates to the investment guidelines to include a “Governance” guideline, further clarification on expected returns, as well as documenting the practice of a maximum investment size (See Appendix A).

Furthermore, in addition to the noted enhancements to the policy guidelines, staff is recommending the integration of a scoring model to supplement the Guidelines. Applicant firms must meet New Jersey Economic Development Authority Technology Venture Fund Investment Guidelines in order to qualify for scoring. This model will help the Authority meet the demand for investment consideration from newly created funds with a focus on New Jersey. With limited Authority resources, a scoring model built on the Authority’s experience as a venture fund investor will help provide a consistent and efficient rating of applicant funds, similar to the analysis used in the Authority’s Edison loan model. The proposed confidential rating model will also inform the Authority board of a proposed commitment level for the investment based on the scoring matrix outcome. The scoring matrix will focus on 13 objective criteria. Review of each criterion individually and with respect to the others enables a holistic evaluation forming a comprehensive view of a prospective venture partnership. Each criterion is assigned a weight to represent its relative importance in the assessment. Through the application and interview process, information will be gathered to evaluate the investment offering based on the following:

1. **Quality of Leadership:** Consideration is given to senior leadership’s length of experience together as an institutional fund manager and investor, as well as, the relevance of experience to the targeted strategy.
2. **Depth of Resource:** Consideration is given to the size and experience of additional team, as well as, the current staffing processes used in order to effectuate the strategy. Succession / continuity planning is considered.
3. **NJEDA Partnering:** The prospective manager is assessed on its ability and willingness to serve as a strategic partner to the NJ EDA, support the Technology & Life Sciences ecosystem in New Jersey and locate in the State.
4. **Sourcing:** The prospective manager is assessed on its ability to source and track relevant and non-traditional deal flow to maintain an advantage in effectuating the stated strategy, with particular emphasis on New Jersey.
5. **Strategic Focus:** In order to align with NJ EDA objectives, the target fund should be focused on early-stage companies with less than \$3 million in trailing twelve month revenue prior to investment, diversified across technologies.
6. **Geographic Focus:** The investment offering will be assessed according to the percentage of the total fund identified for investment in New Jersey and to the breadth of exposure within the State. Consideration may be given to funds with a regional or national approach, emphasizing investment in NJ.
7. **Consistency of Strategy:** The manager’s history and degree of past success executing the targeted fund strategy is indicative of its understanding and ability to mitigate associated risks, particularly in an institutional fund structure.
8. **Performance History:** Investment returns on individual funds are reviewed on an absolute basis and relative to peers. Returns across prior funds should be consistent. Volatility of returns within funds should be tolerable relative to the broader asset class. Consideration will be given to first time institutional managers based on individual principal track records.

9. **History Investing in New Jersey:** The amount invested to date in New Jersey by the manager on an absolute basis and relative to peers will be considered in conjunction with the investment return on New Jersey -based companies and the ability to create jobs in the State.
10. **Fees and Expenses:** The manager must represent a budget for the target fund and General Partner. Fees and expenses will be compared to peers and should be sufficient only to effectuate the stated strategy of the investment offering under consideration.
11. **Incentive and Alignment:** Carry (performance incentive) as a percent of profit sharing between the LP and GP should be comparable to peers and properly aligned for the relative risk and reward of the targeted strategy. Within the firm, carry ownership should be equitably spread among the team with consideration for contribution to the success of strategy. The General Partner commitment should be personally meaningful and significant relative to the total fund size.
12. **Governance:** Governance terms should sufficiently protect Limited Partners. The NJ EDA requires a seat on the Limited Partner advisory board for all investments in excess of \$1,000,000.
13. **Fundraising Status:** Stage of fundraising will be considered with respect to the manager's ability to effectuate the strategy. Participation by other institutional Limited Partner's in the fund offers an additional validation signal to the NJ EDA and helps effectuate the value-add.

As necessitated by the long-term investment horizon of venture capital, the Authority seeks to maintain active investment partnerships deploying capital across market cycles. The Authority has implemented guidelines to ensure its venture capital fund investments support the success of emerging technology companies in New Jersey. These guidelines set forth a strategy for staff to review and assess qualifications for venture capital fund commitments in a consistent and equitable manner. To facilitate a transparent process as an element of the Edison Innovation Fund, applicants will apply through the online application for assessment conducted using the Guidelines and scoring matrix outlined herein.



Timothy J. Lizura

Attachment

Prepared by: Kathleen W. Coviello
Timothy B. Rollender

Appendix A

**New Jersey Economic Development Authority
Technology Venture Fund
Investment Guidelines**

A. Mission

The mission is to complement EDA's investment in technology business by providing guidelines for the allocation of funds to technology venture funds.

B. Objectives

- Facilitate the success of companies developing emerging technologies
- Support economic development in the State through technology investment and job growth
- Maintain a consistent, comprehensive investment approach
- Leverage EDA resources (financial and human)
- Hedge against risk
- Earn a reasonable rate of return

C. Strategy

- **Stage** – Investments will focus on NJ-based early-stage technology companies with less than \$3 million in trailing twelve month revenue prior to investment.
- **Industry Sectors** - of focus include, but are not limited to, telecommunications, information technology, hardware, life sciences and energy. Fund managers must demonstrate the ability to source meaningful deal flow in NJ. The prospective fund manager's detailed portfolio construction plan is reviewed against the EDA's diversification objectives (e.g. targeted geographies, sectors, stages).
- **Management** – Fund managers will be assessed on the basis of operational and financial experience, as well as, the breadth and depth of resources to successfully identify and manage investments. The potential fund manager's commitment and ability to execute in New Jersey is tied to the physical proximity to and presence in the State.
- **Track Record** – The manager's historic track record is evaluated based on a review of absolute performance and performance relative to peers. The track record should be representative of the manager's ability to successfully execute the targeted strategy. First time funds may be reviewed with consideration to a representative track record of the fund principals.
- **Partnering and Alignment** – Venture fund managers serve as strategic partners to the EDA. This may be demonstrated by the active promotion of all related EDA initiatives.

The fund manager is expected to be available, as needed, for due diligence assistance under the Authority's technology initiatives. Additionally, the fund managers may be considered leaders in the New Jersey community and serve as supporters of the membership led groups that support these industry sectors.

- **Governance** – Fund terms will be assessed on their basis to protect and support the long-term objectives of the fund partnership. Fees and expenses are expected to sufficiently align the fund manager and investors and to provide incentive, along with the GP's own commitment. The EDA shall require a seat on the fund advisory board for all investments in excess of \$1 million.
- **Return Objective** – The target return on investment will be measured by both financial returns and the growth of jobs in targeted sectors and geography. The fund manager must be able to measure the creation of jobs in companies financed through the program. The EDA seeks a net internal rate of return on investment of greater than 8% and net multiple of invested capital of greater than 2x.
- **Leveraging** –The track record of the fund under consideration, should demonstrate the manager's ability to leverage the Authority's investment with other investment dollars. A minimum leverage factor should be 2:1 for an early stage investment portfolio.
- **Location/New Jersey** – There will be a strong preference for the fund to have a physical presence in New Jersey. Depending on the amount of the investment, relative to the size of the fund, that presence can range from a satellite office, to the commitment of a full time partner in the New Jersey region.

Any fund under consideration should have a history of at least ¼ of their investment portfolio in the State and a commitment to maintain that or a higher level of funding to New Jersey based companies. In the event they do not have a New Jersey track record, they will be required to commit to opening an office in NJ with a full time partner level employee managing the office. New Jersey based companies will include companies with their headquarters and a minimum of 75% of their employees in the State. A higher concentration of New Jersey based portfolio companies could warrant a higher level of EDA Investment.

- **Maximum Participation** – In all instances, if the EDA is one of several proposed limited partner in a fund (i.e. not a side car fund), the maximum investment amount shall be limited to the lesser of 10% of the total fund commitment of capital or \$10 million.

**TECHNOLOGY BUSINESS TAX CERTIFICATE
TRANSFER PROGRAM**



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Technology Business Tax Certificate Transfer Program:
2016 Program Approvals

BACKGROUND

The Technology Business Tax Certificate Transfer Program allows technology and biotechnology companies with fewer than 225 employees in the U.S. and with certain minimum number of full-time employees in the State to sell their net operating losses and/or research and development tax credits to profitable corporate entities. Proceeds from those sales are required to be re-invested in the seller's business.

2016 PROGRAM CYCLE

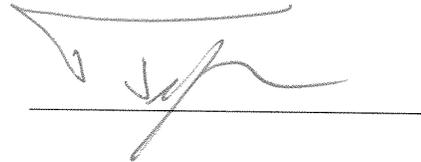
Since the Program's inception, over 500 companies have been awarded a total benefit amount of more than \$870 million. Last year, the seventeenth year of the Program, approximately \$47.4 million was approved for 41 technology and biotechnology companies in need of capital and liquidity. As in previous Program years, a pool of \$60 million is available to be distributed in State Fiscal Year 2016-2017. Of this \$60 million, \$10 million is reserved for the surrender of transferable tax benefits exclusively by eligible companies operating within the boundaries of the State's three (3) Innovation Zones (technology clusters fostering business-university collaboration).

The Technology Business Tax Certificate Transfer Program continues to benefit from past Program improvements like shifting from a paper-based to a web-based application and streamlining the evaluation procedure. In the 2016 Program cycle, staff implemented a structured marketing plan, which included mass email notifications, timely press releases and feature articles, as well as individual outreach to industry trade groups, service provider partners, and potential applicants.

The Authority received applications from 42 companies requesting a total benefit amount of \$51,797,461 for the 2016 Program. Of the 42 applications received, 22 are returning applicants from last year's NOL Program, 4 are returning applicants applying after at least one year away from the Program, and 16 are new applicants. Additionally, 20 applicants were biotechnology companies while 22 were technology companies. Moreover, 4 applicants were located in Innovation Zones. Also, there are 19 applicants that leveraged additional EDA benefits outside of the 2016 Program. For the 2016 Program, 40 applicants are recommended for approval and estimated to receive, on average, approximately \$1.29 million this year. No applications are recommended for declination while 2 companies withdrew their application from this year's Program.

RECOMMENDATION:

Based on evaluations by Authority staff, approval is recommended for the listed applicants which have been evaluated according to the criteria established by the Members of the Board and met the criteria for approval.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Prepared by: Clark Smith

Attachment A:
Recommended Approvals

1	Acuitive Technologies, Inc.	a: Applicants that leveraged additional EDA benefits
2	Advaxis, Inc.	b: Applicants new or returning to Program after more than 1 year
3	Agile Therapeutics Inc	b)
4	Angel Medical, Inc	a) CCIT Graduate
5	Applied Water Management, Inc..	b)
6	Avlino Inc	a,b) Angel Investor Tax Credit, NJ Founders & Funders participant
7	Bellerophon Therapeutics, Inc.	a,b) CCIT Tenant
8	BrilliantLight Power, Inc	b)
9	Cancer Genetics, Inc.	
10	CircleBlack, Inc	a,b) Angel Investor Tax Credit, NJ Founders & Funders participant
11	Connotate, Inc.	a) BEIP
12	ContraVir Pharmaceuticals, Inc.	b)
13	CytoSorbents Medical	a) Venture Fund Investment
14	Edge Therapeutics, Inc.	a) Angel Investor Tax Credit, Edison Innovation Fund (loan converted to equity, warrant position)
15	Elite Laboratories, Inc	
16	Enteris BioPharma, Inc	b)
17	EOS Energy Storage	a) Angel Investor Tax Credit
18	Flowonix Medical Incorporated	a) Venture Fund Investment
19	Fusar Technologies, Inc	a,b) TechLaunch Company, NJ Founders & Funders participant
20	Hemisphere BioPharma	
21	Hurel Corporation	a,b) CCIT Graduate, Tech Centre Tenant
22	Matinas BioPharma, Inc.	
23	MDx Medical Inc.	b)
24	Nanotech Industrial Solutions	b)
25	Ocean Power Technologies, Inc.	a) Springboard Fund (loan), BPU Grant
26	OncoBiologics Inc.	b)
27	Rive Technology	
28	Roka BioScience, Inc.	a) BEIP
29	Scivantage, Incorporated	a,b) BEIP, Venture Fund Investment
30	Sight Logix, Inc	a) Springboard Fund (loan), Edison Innovation Fund (loan closed, warrant position)
31	Solidia Technologies	a,b) BEIP, BPU Grant
32	Soligenix, Inc.	
33	Svelte Medical Systems, Inc.	a) Angel Investor Tax Credit
34	TAXIS Pharmaceuticals, Inc	a,b) CCIT Graduate, NJ Founders & Funders participant
35	TelVue Corporation	b)
36	Turnpoint Medical Devices	a,b) Angel Investor Tax Credit
37	United Silicon Carbide, Inc.	a,b) Edison Innovation Green Growth Fund (loan), Angel Investor Tax Credit
38	Voxware, Inc	a) BEIP
39	Vydia, Inc	b)
40	Watchful Software, Inc.	

OFFICE OF RECOVERY

STRONGER NJ BUSINESS LOAN PROGRAM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Formica Brothers LLC
\$2,095,216 Stronger NJ Business Loan
P38858

Request:

Extend the maturity and amortization of the loan to 20 years to provide cash flow relief to the borrower.

Background:

Formica Brothers LLC, dba Formica Brothers Bakery (“FBB” or the “Company”) was founded in 1919. The Company hand crafts and bakes over 200 types of breads daily (over 45,000 pieces of fresh bread), including customized breads. FBB has over 300 corporate accounts in Southern New Jersey, including Ruth’s Chris Steakhouse, Wolfgang Puck American Grill, Gallagher’s Steakhouse, The Palm, Old Homestead Steakhouse, Congress Hall, and Knife & Fork, among others. The Company also supplies local businesses, schools, and markets.

In February 2014, EDA provided a \$2,239,459, 10-year term loan to FBB to finance working capital, primarily the purchase of inventory, payroll and rent, under the Stronger NJ Business Loan program. The loan amount was later reduced to \$2,095,216 during the review, substantiation, and disbursement process completed by the Office of Recovery. The loan has 24 months of no payments, followed by 6 months of interest only payments and 90 months of principal and interest payments. Payments are scheduled to begin September 1, 2016.

Beginning in 2015, FBB began to diversify its business by expanding into new markets and making strategic acquisitions. In August 2015, FBB acquired a 25,000 square foot facility in Pleasantville that allows FBB to sell to institutions (schools, airports, food service corporations, etc.) that have a steady demand for large volumes of breads throughout the year. During April 2016, FBB purchased the assets of a local competitor to extend its customer reach and increase revenues. Due to unanticipated capital expenditures and assumption of debt associated with the expansion and operational changes, FBB is in need of extended repayment terms at this time.

FBB has requested a 10 year extension of the loan’s amortization and maturity to allow the

company 20 years to repay the loan.

Recommendation:

Extend the maturity and amortization for the loan by 10 years to provide cash flow relief to the Borrower.



Prepared by: Heather M. O'Connell



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Delegations for the Stronger NJ Business Loan Program

Request:

Approve post closing delegations for the Stronger New Jersey Business Loan Program.

Background:

Beginning in July 2003 the Members' approval has been sought to delegate authority to staff for certain financing and incentive approvals to create efficiencies for our customers and our business. Staff periodically evaluates the delegations as the business needs of our customers and the Authority evolve.

In June 2013, the Members approved the Stronger New Jersey Business Loan ("SBL") program to provide support to businesses damaged by Superstorm Sandy and promote the economic revitalization of storm impacted communities. The SBL program is 100% federally funded through the U.S. Department of Housing and Urban Development ("HUD") and administered by EDA on their behalf.

Under the SBL program EDA provided working capital and construction loans up to \$5,000,000. Staff delegations were authorized by the Members for loans of up to \$2,000,000. These loans are structured with no payments for 2 years from initial disbursement to allow the businesses time to rebuild before beginning loan payments. Terms up to 30 years were provided to minimize the financial impact of the loans which were largely unanticipated by the borrowers prior to the storm. Collateral was required to secure the loans when available as were personal guarantees of all principals having at least 20% ownership. Pursuant to HUD guidelines, funding was awarded structured to pay or reimburse of eligible cost to rebuild, as opposed to being approved using EDA's standard credit underwriting criteria such as debt service coverage minimums and loan to value ratios.

Since 2014, EDA has approved 107 loans for approximately \$78.7 million to 97 businesses, which are currently entering the repayment periods of their loans. Staff has already observed that recovery for many of the businesses has taken longer than anticipated and will require additional time to repay. Also noted is that 2 year deferment of repayment was set based on the initial disbursement date which did not necessarily align with the timing of the cash flow

generation from these seasonal businesses. As such, it is anticipated that there may be multiple requests to change monthly payment to seasonal payments, extensions and moratoria.

Staff is therefore recommending the following Post Closing delegations to staff to create efficiency for customers and the business for loans up to \$2,000,000. Requests for releases for on exposures exceeding \$2,000,000 and those that may meet delegation guidelines but exhibit other material weaknesses like declining sales, slow payment of taxes, or other operating deficiencies will continue to be presented to the members for approval.

EDA's Office of HUD Programs and Portfolio Management have collaborated to address the loan servicing requirements of the SBL portfolio in conformance with HUD guidelines and will continue to work together to ensure continued alignment with the Action Plan for the program as these requests are presented and considered for approval for our customers

1. Collateral release, substitution, or subordinations

Approve collateral releases, substitutions or subordinations for SBL for loans up to \$2,000,000 when necessary for the Borrower to obtain financing or sell assets in the normal course of business provided the Borrower's debt service coverage ratio is at least 1x or the amount of collateral represents less than 10% of the present collateral value. [Level 3: SVP or Managing Director with Director and recommending officer].

2. Change Monthly Payment terms

Change monthly principal payments to a payment structure that allows the annual amount of principal due in one year to be payable in fewer monthly installments coinciding with the seasonality of the business provided that interest payments continue to be made. monthly. [Level 4: Director with recommending officer]

3. Maturity Extensions

Approve requests to extend the loan maturity or amortization up to 30 years as permitted by SBL Program to provide cash flow relief of at least 1.1x debt service coverage due to extension of the loan term [Level 4: Director with recommending officer].

4. Payment Moratoria

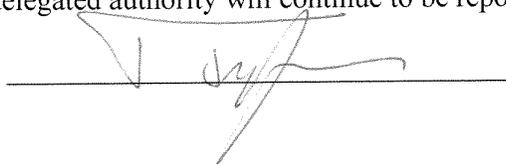
Grant temporary payment moratoria for up to 6 months principal and/or interest moratoriums to provide cash flow relief when the borrower does not demonstrate the ability to make debt service payments. [Level 4: Director].

For SBL post closing approvals only, the Director or Managing Director of HUD Programs will sign with the Director of Credit and Real Estate Underwriting or Director of Finance and Bond Portfolio Management, to ensure compliance with HUD program requirements.

Recommendation:

Delegate post closing approvals to staff for the Stronger NJ Business Loan Program as described above to support businesses continuing to recover from Superstorm Sandy and create efficiencies for our customers. All actions taken under delegated authority will continue to be reported to the Members quarterly.

Prepared by: Katina Tolly



ENERGY RESILIENCE BANK (ERB)



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: August 9, 2016

RE: Energy Resilience Bank – South Monmouth Regional Sewerage Authority
SMRSA Cogen Islanding Expansion Project Funding Recommendation

Request:

The Members are requested to: (1) deem the South Monmouth Regional Sewerage Authority (SMRSA) Cogen Islanding Expansion project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward for environmental review and to the next phase of the ERB program review and approval process; (3) reserve \$2,458,003 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with SMRSA consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

ERB Program:

In July, 2014, the Members approved the creation of the Energy Resilience Bank, initially capitalized with \$200 million of Community Development Block Grant Disaster Recovery (“CDBG-DR”) funds, to address statewide energy resilience needs. In October 2014, the Members approved the ERB Financing Program Guide and launched ERB’s Funding Round 1 for Water and Wastewater Treatment Facilities and in October 2015, the Members approved ERB’s Funding Round for Hospitals and Related Healthcare Facilities.

The intent of the ERB is to finance the installation or upgrading of commercially available and cost effective resilient energy technologies at critical facilities. ERB is focused on effective distributed energy resource (DER) technologies, including combined heat and power and fuel cells, which are designed to start up and function in “island” mode, disconnected and isolated from the grid during a power outage or other event.

Applicants must be eligible entities and must demonstrate that the critical facility was either directly or indirectly impacted by Superstorm Sandy or directly impacted by another qualifying disaster. Priority, as established through the ERB scoring system, is placed on projects which serve low and moderate income communities. ERB projects must be permanently installed at a critical facility, must be constructed or elevated above FEMA's best available data for base flood elevations, and be operational within two years of the ERB closing.

In conformance with HUD's CDBG-DR funded infrastructure program requirements, all projects undergo a comprehensive risk analysis which incorporates a detailed technical feasibility, criticality and resiliency, and cost benefit/project economics review to determine program and funding eligibility. Each project is assessed on the technical specifications of the project including the technology used, size and scale, criticality, resiliency, environment review, applicant credit, cost and revenue estimates, and overall feasibility. Scoring criteria reflect the comprehensive risk analysis framework as shown in the attached Scoring Chart. Projects are scored on a 100 point system and must meet a minimum eligibility threshold score of 50 points to be considered eligible for ERB project financing.

ERB funding is determined and provided on a per project basis as a combination of grant/forgivable loan and amortizing loan based on the project's unmet need and ownership structure. For public and not-for-profit applicants, ERB will provide 100% of the project's unmet need as:

- 1) a grant (not to exceed \$25 million) for all eligible resilient costs, as described in the Program Guide;
- 2) a grant equal to 40% of the remaining eligible project costs; and,
- 3) an amortizing, 2% interest rate loan with a term up to 20 years, for the balance of ERB project funding.

SMRSA Cogen Islanding Expansion Project

Applicant: The South Monmouth Regional Sewerage Authority (SMRSA) provides wastewater treatment and disposal for its eight member communities (Belmar, Lake Como, portions of Wall, Spring Lake, Spring Lake Heights, Sea Girt, Manasquan, and Brielle) in southern Monmouth County. SMRSA currently treats an average of six million gallons of wastewater each day; it has the capacity to handle up to 9 million gallons per day and Authority staff expect that build-out of its service area over the next few decades will ultimately bring its average daily flow close to this maximum. The Authority consists of one Commissioner from each of the eight member municipalities. The Governing Body of their respective community appoints each Commissioner for a term of five years. Michael J. Ruppel is the Executive Director of SMRSA.

Project Summary: Consistent with ERB and HUD CDBG-DR program requirements, SMRSA will add a new combined heat and power system to its wastewater treatment facility in Wall Township. SMRSA currently owns and operates a biogas-fueled Combined Heat and Power (CHP) system (280 kW) which meets 100% of SMRSA's heating demand, and approximately 40 to 50% of the electrical load. In order to be able to "black start" and run as an "island," SMRSA proposes to install a new dual fuel 270KW CHP combustion engine, retro-fit the two existing 140KW engines with dual fuel capability for enhanced operational flexibility, and provide the miscellaneous electrical components necessary to operate as an island. The proposed new dual

fuel 270 kW internal combustion engine and generator will be operated at approximately 85% of its full capacity so that it can be fueled by biogas for approximately 8,400 hours out of the year. The existing two 140 kW units will be operational only when there is a total loss of grid power or during periods when the 270 kW internal combustion engine is offline for maintenance or repair. During the loss of grid power, the 140 kW engines will be operated on natural gas, and in combination with the 270 kW engine will supply ample power to meet or exceed the plant's maximum monthly average demand of 355 kW.

National Objective: – Urgent Need – Tie to the Storm - Located in Wall Township in Monmouth County – one of the 9 most impacted counties – and with a largely coastal service area of 8 municipalities, 4 of which were among the most impacted by Superstorm Sandy. The SMRSA is affected by nearly every major New Jersey coastal storm. The wastewater treatment plant received wind damage and was without commercial power for approximately 14 days during the aftermath of Superstorm Sandy. SMRSA sustained extensive system-wide impacts throughout their facilities, suffering millions of dollars of damages and costs incurred as demonstrated from their FEMA-Public Assistance project worksheets. Damages ranged from debris removal to relocation of pump stations which were devastated by coastal flooding.

Other weather events have also impacted SMRSA. During Federal Disaster (FEMA DR No. 1954) which took place on December 26-27, 2010, a severe snow storm resulted in direct physical damage at the main wastewater treatment plant. The system consists of 4 parallel settling/skimmer tanks. Various system components (chains, gearbox and jack shift) in one of the tanks were damaged due to the accumulation of snow and frozen mass on the fiberglass flight (skimmer) boards.

Project Review: The SMRSA Cogen Islanding Expansion project is an eligible project at a critical facility which is to be developed within a two year period by an eligible public-sector applicant, and which meets all ERB program eligibility requirements. The New Jersey Board of Public Utilities (BPU) has evaluated the project to determine it meets technical and feasibility requirements as defined in the MOU between the EDA and BPU. Per the Rutgers CEEEP comprehensive cost benefit analysis, the project benefits yield a result of 1.57, when taking into account the full project costs, which factored in the economic, emissions and reliability costs of the project. When complete, the project will allow SMRSA to start up and isolate from the electrical grid and continue operating and providing needed community services and benefits in the event of future storms, disasters, or emergency situations.

Project Scoring: The project received a project score of 85 as outlined below and exceeds the minimum score of 50 required for program eligibility.

Project Funding and ERB Funds: The estimated Total Project Cost is \$2,458,003; all project costs are ERB eligible. It is estimated that \$629,200 are cost reasonable resilient related costs per ERB program guidelines and an additional 40% grant on the remaining costs equals \$731,521. Consistent with the ERB's Financing and Program Guide, the SMRSA project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

ERB Grant:	\$ 1,360,721
ERB Loan Funding:	\$ 1,097,282 (2% interest rate, maximum 20 year term)

Loan Repayment: The financing will be a general obligation to SMRSA with the projected annual cost of \$66,612. Through the established feasibility and technical review the annual net energy cost savings projected from development of the CHP project is approximately \$208,012, which combined with annual operating and maintenance costs and service warranty contracts is sufficient to repay the project loan within the loan terms. Moody's assigned an Aa3 rating to the South Monmouth Regional Sewerage Authority's last bond issuance.

ERB Program Fund Balance: After program administrative costs, the Energy Resilience Bank has a \$170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today's Board action on the SMRSA project, there will be \$104,860,942 remaining to reserve for additional projects.

Recommendation:

The Members are requested to: (1) deem the SMRSA Cogen Islanding Expansion project preliminarily eligible for Energy Resilience Bank funding; (2) approve moving the project forward for environmental review and to the next phase of the ERB program review and approval process; (3) reserve \$2,458,003 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with SMRSA consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Attached:

- Project Funding and ERB Financing and Scoring Sheet

Prepared by: Russel Like

SMRSA Cogen Islanding Expansion Project**August 2016**

Project Funding and ERB Financing <i>(Public Applicant)</i>	
Total Project Costs:	\$ 2,458,003
Project Funding Sources: \$ 2,458,003	
Resilient Costs	\$ 629,200
40% Grant on Remaining Costs	\$ 731,521
Total ERB Grant Funding:	\$ 1,360,721
ERB Loan Funding: <i>(2%, 20 year term)</i>	\$ 1,097,282

SMRSA Cogen Islanding Expansion PROJECT		August 2016
ERB Scoring Criteria	Weight in Points	PROJECT SCORE
1. Technology Efficiency/Economic Cost Effectiveness <i>a. 20 points for a cost-benefit ratio greater than 1.25</i> <i>b. 10 points for a cost-benefit ratio between 1.0 and 1.25 (including 1.25)</i> Cost-Benefit Ratio less than 1.0 - INELIGIBLE	20	20
2. LMI Area Benefit <i>a. 25 points if HUD LMI Area Benefit is greater than 51%</i> <i>b. 20 points if HUD LMI Area Benefit is between 35% - 50.99%</i> <i>c. 15 points if HUD LMI Area Benefit is between 20% - 34.99%</i>	25	15
3. Most Impacted Communities <i>a. 15 points if facility serves 3 or more municipalities listed</i> <i>b. 10 points if facility serves 1 or 2 municipalities listed</i> <i>c. 0 points if facility serves no municipalities listed</i>	15	15
4. Readiness To Proceed <i>a. 10 points if project completion reasonably expected within 15 months</i> <i>b. 5 points if project completion reasonably expected 15 - 20 months</i> <i>c. 0 points if project completion reasonably expected in 20 – 24 months</i>	10	10
5. Criticality <i>(using Office of Homeland Security & Preparedness State Asset database)</i> <i>a. 20 points if facility type is listed</i> <i>b. 0 points if facility type is NOT listed</i>	20	20
6. Microgrid <i>a. 5 points if more than one free-standing facility interconnection</i> <i>b. 0 points if only a single free-standing facility interconnection</i>	5	0
7. Facility Energy Efficiency <i>a. 5 points if project meets or exceeds the general state program performance requirements of reducing energy consumption or increasing efficiency by 15%</i>	5	5
<i>Minimum Score of 50 Needed</i>	TOTAL PROJECT SCORE:	100
		85

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: August 9, 2016

RE: FMERA Purchase and Sale & Redevelopment Agreement with Monmouth County for Motor Pool Area in the Eatontown Section of Fort Monmouth

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement (“PSARA”) with Monmouth County for the sale and renovation of the Motor Pool Area, including approximately 10.33 acres of land and Buildings 750, 753, 754, 760 and 761 (the “Project”) in the Eatontown section of the former Fort Monmouth.

Background

FMERA was created by P.L. 2010, c. 51 (“the Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority (“NJEDA”) as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

In June 2014 FMERA and the Army executed a letter of intent covering the Fort’s Phase 2 properties. The parties have finalized negotiations over the terms of a Memorandum of Agreement that will enable the Army to formally accept FMERA’s Phase 2 Economic Development Conveyance application and convey the Phase 2 properties to FMERA for redevelopment. The Project is located within the Fort’s Phase 2 area.

In September 2012 the FMERA Board approved a Sublease Agreement between FMERA and the County of Monmouth for the Property for use as a regional facility for the Highway Division of its Department of Public Works. The sublease anticipated conveyance of the Property in exchange for services in-kind once the Property was transferred to FMERA. Subsequently the County of Monmouth has occupied the property and has completed the following projects: installation of a radio tower; construction of a salt barn; installation of brine tanks and dispensing system, construction of a fuel dispensing station; building of berms and planting trees; removal

of sub-grade furnace ash under the parking lot and repaving the parking lot. There are currently 11 employees assigned to this location. The County has been providing shared services from this site to the local municipalities since 2012.

The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the Property to be maintained as open space for a wetland preservation park. There are no mapped wetlands located on the Property. Staff believes the highest and best use of the Property would be the maintenance of the regional facility. A Reuse Plan amendment will be required to address this change in use.

In May, 2016 the FMERA Board approved Evaluation Scoring for Local Beneficial Use Requests. The County has requested that this conveyance be administered as a Local Beneficial Use (“LBU”) transaction. Accordingly the County’s proposed use of the Property was reviewed and scored by FMERA staff utilizing the Board approved LBU criteria. This scoring is used to determine the discounted purchase price of the Property. The appraised value of the Property is \$1,040,000. The scoring of the County's proposed use of the Property is 863 which entitles the County to the maximum discount of 40% resulting in a purchase price of \$626,400. A copy of the LBU score sheet for the Property is attached.

Purchase and Sale & Redevelopment Agreement

In anticipation of FMERA acquiring title to the Property the County of Monmouth and FMERA agree to the terms of a Purchase and Sale Agreement and Redevelopment Agreement to sell the Property for a purchase price of \$626,400. After closing the County shall, at the County's cost and expense, install infrastructure improvements and/or provide in-kind services (“Improvements and/or Services”) requested by FMERA and for the benefit of FMERA’s efforts to cause redevelopment and revitalization at Fort Monmouth. Improvements and/or Services to be provided by the County shall have an aggregate value of not less than \$626,400 and the County shall continue providing Improvements and/or Services until said aggregate value has been achieved. From time to time after Closing, FMERA and the County shall agree on items of Improvements and/or Services that shall be performed by the County. Improvements and/or Service may include, but are not limited to, the following: (i) repairing the Murphy Drive culvert, (ii) road improvements and repaving following installation of underground water and sewer infrastructure, (iii) landscaping and maintenance of recreational and passive open space, (iv) storm sewer maintenance and repair, and (v) excavation.

The County has or will expend in excess of \$3,000,000 to complete their redevelopment project including: installation of a radio tower; construction of a salt barn; installation of brine tanks and dispensing system, construction of a fuel dispensing station; building of berms and planting trees; removal of sub-grade furnish ash under the parking lot and repaving the parking lot. In addition the County will maintain a minimum of 11 full time employees at the property for at least twelve (12) months after closing.

There are currently two Environmental Carve-out Parcels on the property undergoing remediation by the US Army. Carve-out Parcel 51 consists of 2.42 acres and buildings 750, 753 and 754 and Carve-out Parcel 40B consists of .4 acres. As a result there will be an Initial Closing of the Property not within the Carve-out Parcels, a Second Closing for Carve-out Parcel 51 within 30 days of Army completing environmental investigations and remedial actions and

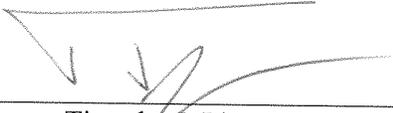
conveying the Environmental Carve-out Parcel 51 to FMERA and a Third Closing for the Environmental Carve-out Parcel 40B within 30 days of Army completing environmental investigations and remedial actions and conveying the Environmental Carve-out Parcel 40B to FMERA. FMERA will lease the Property from the Army and Sublease the Property to the County until such time as it can be transferred to FMERA and conveyed to the County.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Monmouth County, staff concludes that the essential elements of a redevelopment agreement between FMERA and the County are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with the County for its redevelopment of the Motor Pool Area.

Attached is a substantially final form of the PSARA between FMERA and Monmouth County as approved by FMERA's Board at their July 20, 2016 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Monmouth County for redevelopment of the Motor Pool Area in the Eatontown section of the former Fort Monmouth property.



Timothy J. Lizura
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement
Local Beneficial Use Scoring
Prepared by: Donna T. Sullivan & Candice Valente

Motor Pool

Criteria	Weight	1		2		3		Average
		Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	
1 Surrounding area (neighborhood) continuity	10	5	50	10	100	7	70	73
2 Sustains or creates jobs for municipality/county	15	10	150	7	105	4	60	105
3 Enhances services to municipality/county	15	10	150	10	150	10	150	150
4 Regional fiscal impact	15	8	120	10	150	7	105	125
5 Use enhances ability to attract jobs to adjacent tracts	10	5	50	8	80	7	70	67
6 Public good, public safety, or public education	20	10	200	9	180	10	200	193
7 Reduces FMERA infrastructure or demolition costs	15	10	150	10	150	10	150	150
TOTAL	100	58	870	64	915	55	805	863



MEMORANDUM

TO: Members of the Real Estate Committee

FROM: Bruce Steadman
Executive Director

RE: Purchase and Sale & Redevelopment Agreement with the County of Monmouth for the Motor Pool Area including 10.33 acres of land and Buildings 750, 753, 754, 760 and 761.

DATE: July 12, 2016

Request

I am requesting that the Members of the Real Estate Committee recommend that the Board authorize the execution of a Purchase and Sale & Redevelopment Agreement ("PSARA") with the County of Monmouth for the Motor Pool Area ("the Property") including 10.33 acres of land and Buildings 750, 753, 754, 760 and 761.

Background

In September 2012 the FMERA Board approved a Sublease Agreement between FMERA and the County of Monmouth for the Property for use as a regional facility for the Highway Division of its Department of Public Works. The sublease anticipated conveyance of the Property in exchange for services in-kind once the Property was transferred to FMERA. Subsequently the County of Monmouth has occupied the property and has completed the following projects: installation of a radio tower; construction of a salt barn; installation of brine tanks and dispensing system, construction of a fuel dispensing station; building of berms and planting trees; removal of sub-grade furnish ash under the parking lot and repaving the parking lot. There are currently 11 employees assigned to this location. The County has been providing shared services from this site to the local municipalities since 2012.

In May, 2016 the FMERA Board approved Evaluation Scoring for Local Beneficial Use Requests. The County has requested that this conveyance be administered is a Local Beneficial



Use ("LBU") transaction. Accordingly the County's proposed use of the Property was reviewed and scored by FMERA staff utilizing the Board approved LBU criteria. This scoring is used to determine the discounted purchase price of the Property. The appraised value of the Property is \$1,040,000. The scoring of the County's proposed use of the Property is 863 which entitles the County to the maximum discount of 40% resulting in a purchase price of \$626,400. A copy of the LBU score sheet for the Property is attached.

Purchase and Sale & Redevelopment Agreement

In anticipation of FMERA acquiring title to the Property the County of Monmouth and FMERA agree to the terms of a Purchase and Sale Agreement and Redevelopment Agreement to sell the Property for a purchase price of \$626,400. After closing the County shall, at the County's cost and expense, install infrastructure improvements and/or provide in-kind services ("Improvements and/or Services") requested by FMERA and for the benefit of FMERA's efforts to cause redevelopment and revitalization at Fort Monmouth. Improvements and/or Services to be provided by the County shall have an aggregate value of not less than \$626,400 and the County shall continue providing Improvements and/or Services until said aggregate value has been achieved. From time to time after Closing, FMERA and the County shall agree on items of Improvements and/or Services that shall be performed by the County. Improvements and/or Service may include, but are not limited to, the following: (i) repairing the Murphy Drive culvert, (ii) road improvements and repaving following installation of underground water and sewer infrastructure, (iii) landscaping and maintenance of recreational and passive open space, (iv) storm sewer maintenance and repair, and (v) excavation.

The County has or will expend in excess of \$3,000,000 to complete their redevelopment project including: installation of a radio tower; construction of a salt barn; installation of brine tanks and dispensing system, construction of a fuel dispensing station; building of berms and planting trees; removal of sub-grade furnish ash under the parking lot and repaving the parking lot. In addition the County will maintain a minimum of 11 full time employees at the property for at least twelve (12) months after closing.

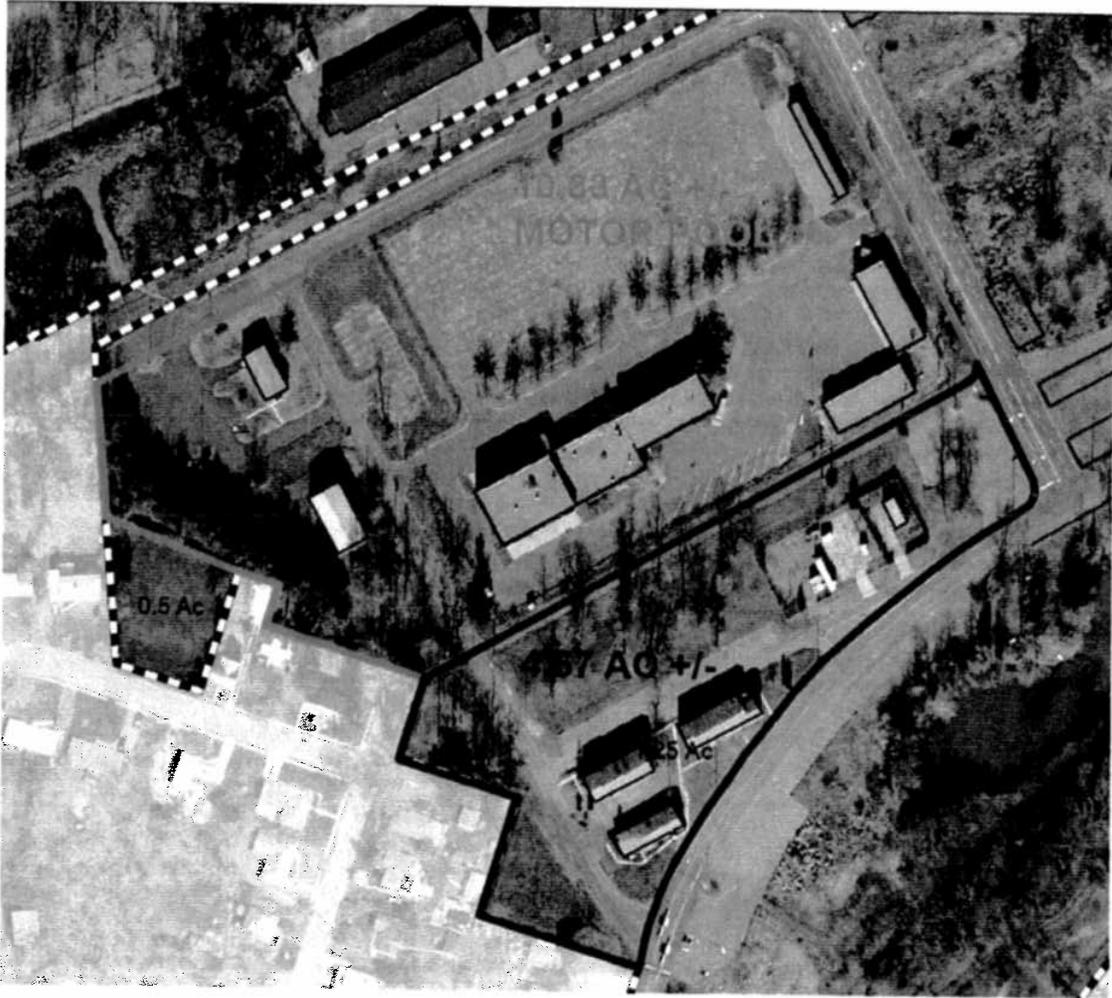
There are currently two Environmental Carve-out Parcels on the property undergoing remediation. Carve-out Parcel 51 consists of 2.42 acres and buildings 750, 753 and 754 and Carve-out Parcel 40B consists of .4 acres. As a result there will be an Initial Closing of the Property which will occur once the Army completes remediation of Carve-out Parcel 51 and a Subsequent Closing for the Environmental Carve-out Parcel 40B within 30 days of Army conveying the Environmental Carve-out Parcel 40B to FMERA.

The attached form of PSARA is in a substantially final form. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members of the Real Estate Committee recommend that the Board authorize the execution of a Purchase and Sale & Redevelopment Agreement with the County of Monmouth for Motor Pool Area including 10.33 acres of land and Buildings 750, 753, 754, 760 and 761.

Attachment: Parcel Map
LBU Score Sheet
PSARA
Prepared by: Rick Harrison



Motor Pool

Criteria	Weight	1		2		3		Average
		Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	
1 Surrounding area (neighborhood) continuity	10	5	50	10	100	7	70	73
2 Sustains or creates jobs for municipality/county	15	10	150	7	105	4	60	105
3 Enhances services to municipality/county	15	10	150	10	150	10	150	150
4 Regional fiscal impact	15	8	120	10	150	7	105	125
5 Use enhances ability to attract jobs to adjacent tracts	10	5	50	8	80	7	70	67
6 Public good, public safety, or public education	20	10	200	9	180	10	200	193
7 Reduces FMERA infrastructure or demolition costs	15	10	150	10	150	10	150	150
TOTAL	100	58	870	64	915	55	805	863

**PURCHASE AND SALE AGREEMENT and
REDEVELOPMENT AGREEMENT**

This PURCHASE AND SALE AGREEMENT and REDEVELOPMENT AGREEMENT (“Agreement”) is made as of _____, 2016 between Fort Monmouth Economic Revitalization Authority, (“FMERA,” “Seller” or “Authority”) a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, (“FMERA Act”), whose address is 502 Brewer Avenue, Oceanport, New Jersey 07757, referred to as the Seller, and the County of Monmouth (“Purchaser” or “County”), a political subdivision of the State of New Jersey, having an address at Hall of Records, One East Main Street, Freehold, New Jersey 07728. Seller and Purchaser are collectively referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, the United States Army (the “Army”) recognizes Seller as the Local Redevelopment Authority for former Fort Monmouth military base (“Fort Monmouth”), located in the Boroughs of Oceanport, Eatontown and Tinton Falls, New Jersey;

WHEREAS, the Army and FMERA have, subject to US Department of Defense approval, negotiated a Memorandum of Agreement (“MOA”) that outlines the terms and conditions of the transfer of the Property from the Army to FMERA and the Army and FMERA expect to enter into an Economic Development Conveyance Agreement (“EDC Agreement”) substantially similar to the MOA;

WHEREAS, FMERA anticipates that it will acquire title to the Property and be able to convey the Property to the County upon the terms, conditions, covenants and restrictions set forth in the quitclaim deed that FMERA anticipates receiving from the Army for the Property (“Army Quitclaim Deed”);

WHEREAS, the Army is currently conducting an environmental remediation on an approximately _____ acre portion of the Property which includes and is situated between Buildings 750, 753 and 754 (the “Buildings 750, 753 and 754 Area”);

WHEREAS, the Army is also conducting an environmental remediation on an approximately _____ acre portion of the Property designated by the Army as ECP _____ and located at the northwest corner of the Property (“the Environmental Carve-Out Parcel”);

WHEREAS, the Army leased the Property to FMERA pursuant to a certain BRAC Lease between the Army and FMERA;

WHEREAS, the County is currently using and occupying the Property pursuant to a certain Sublease Agreement (the “Sublease”) between FMERA and the County;

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, real property on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the mutual receipt and legal sufficiency of which the parties hereto hereby acknowledge, Seller and Purchaser hereby agree as follows:

DEFINITIONS

“**All Approvals**” means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-governmental authorities needed to obtain building permits for all of the uses on the Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including but not limited to, the following Non-Appealable Final Approvals: (i) the mandatory conceptual review approval of the Project by FMERA which is required pursuant to N.J.A.C. 19:31C-

3.20(c); (ii) preliminary and final subdivision approval, if applicable; (iii) preliminary and final site plan approval, if applicable, including the required review by FMERA in connection with “d” variances; (iv) execution of an acceptable Developer’s Agreement with the Borough of Tinton Falls and/or County of Monmouth as may be required; (v) a Final Remediation Document issued to Purchaser by either the New Jersey Department of Environmental Protection (“NJDEP”) or Purchaser’s licensed site remediation professional that documents that the Property has been remediated and which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2; (vi) such permits or approvals as may be needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit; (vii) necessary licenses and approvals from all governmental authorities required to operate the property as set forth herein; and any amendment to the Fort Monmouth Reuse and Redevelopment Plan so that the Project is fully conforming therewith. Each such approval shall be referred to as an “Approval.”

“**Closing**” shall mean the Initial Closing or Subsequent Closing, as applicable.

“**Due Diligence Period**” means the ninety (90) day period commencing on the Effective Date (or such later date as the survey of the property and Environmental Investigation report prepared by the U.S. Army are delivered by Seller to Purchaser) and ending at 5:00 p.m. on the 90th day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Property to determine whether the as-is condition of the Property is satisfactory to the Purchaser.

“**Environmental Carve-Out Parcel**” shall mean the portion of the Property designated as ECP ____ where the Army retains ownership beyond the Initial Closing pending environmental investigations or remedial actions by the Army.

“Finding of Suitability to Transfer” or **“FOST”** means the initial and subsequent FOSTs documents issued by the Army confirming the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition the FOST includes CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA.

“Initial Closing” shall mean the transfer of the Property (but excluding the Environmental Carve-Out Parcel) from the Seller to the Purchaser which shall occur upon the satisfaction of the Conditions Precedent to Initial Closing set forth in Section 10.

“Project” A concept plan for the Project is attached to this Agreement as Exhibit B. The Project consists of installing and constructing the following improvements: (a) a radio tower; (b) a salt barn; (c) brine tanks and dispensing system; (d) a fuel dispensing station; and (e) landscaping improvements such as building berms and planting trees to create a buffer between the Property and neighboring properties. The Project also includes removal of sub-surface furnace ash under the parking lot and repaving the parking lot. The Parties acknowledge and confirm that the County has commenced the Project under the Sublease. The County shall complete the Project before the Initial Closing. The Project is further described herein at Section 5.

“Subsequent Closing” shall mean the closing for the Environmental Carve-Out Parcel which shall take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcel to FMERA.

1. Purchase/Sale Agreement. Subject to the terms and conditions set forth in this Agreement and the performance by the parties of all of their material obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the property described below.

2. Property. The property to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Agreement. The real property to be sold is an approximately 10.33 acre parcel of land, including Buildings 750, 753, 754, 760 and 761 (as designated by the US Army) in the Borough of Eatontown and the County of Monmouth (the "Property"). The Property is more fully described in the attached Exhibit A.

3. Purchase Price. The purchase price for the Property is **\$626,400.00**

4. Payment of Purchase Price. After the Closing, the County shall, at the County's cost and expense, install infrastructure improvements and/or provide in-kind services ("Improvements and/or Services") requested by FMERA and for the benefit of FMERA's efforts to cause redevelopment and revitalization at Fort Monmouth. Improvements and/or Services to be provided by the County shall have an aggregate value of not less than \$626,400 and the County shall continue providing Improvements and/or Services until said aggregate value has been achieved. From time to time after Closing, FMERA and the County shall agree on items of Improvements and/or Services that shall be performed by the County. Improvements and/or Service may include, but are not limited to, the following: (i) repairing the Murphy Drive culvert, (ii) road improvements and repaving following installation of underground water and sewer infrastructure, (iii) landscaping and maintenance of recreational and passive open space, (iv) storm sewer maintenance and repair, and (v) excavation.

5. Redevelopment Project, Capital Investment, and Job Creation.

5.1 Redevelopment Project - Purchaser covenants to utilize the Property as the County's public works and motor pool complex. In anticipation of acquiring the Property, during the term of the Sublease, Purchaser made improvements to the Property that included installation of a radio tower, construction of a salt barn, installation of brine tanks and dispensing system, construction of a fuel dispensing station, building berms and planting trees to create a landscaping buffer and removal of sub-grade furnace ash under the parking lot and repaving the parking lot. Purchaser estimates that it has expended (or will expend before the Initial Closing) in excess of Three Million (\$3,000,000.00) to complete the Project.

5.2 Job Creation - Purchaser will maintain a minimum of eleven (11) full-time employees at the Property for at least twelve (12) months after Closing.

5.3 Each and every one of the foregoing representations and covenants contained in this Section 5 shall survive Closing, shall run with the land, and shall be a continuing obligation.

6. Declaration of Covenants. Prior to the Initial Closing, Purchaser shall provide the Seller with a declaration of covenants and restrictions upon the Property for review and approval by the Seller (See Section 10.1(ii)). The declaration of covenants and restrictions shall run with the land and shall contain the following and which shall expire upon the issuance of a Certificate of Completion in recordable form issued by Seller and Purchaser's recording of same. The Declaration shall indicate or otherwise contain: 1.) The uses of the Property shall be limited to those uses permitted pursuant to the Fort Monmouth Reuse and Redevelopment Plan, as amended; 2.) Purchaser, as the approved redeveloper, has completed the Project as of the Initial

Closing; and 3.) In the event that the Project is not completed as of the Closing, Purchaser, as the approved redeveloper, will not sell, lease or transfer the Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA.

7. Reversion to Seller. INTENTIONALLY OMITTED

8. Title and Survey Investigation.

8.1 During the Due Diligence Period, Purchaser, at Purchaser's cost and expense, shall obtain a title search and commitment for title insurance for the Property. No later than thirty (30) days from the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's title commitment together with a list of title exceptions that are unacceptable to Purchaser. Not later than ten (10) days after Seller receives Purchaser's title objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the title objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's title objections either prior to or at Closing.

8.2 Seller agrees that prior to and as a Condition Precedent to Closing, Seller shall:

- (i) Deliver title to the Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and
- (ii) Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Purchaser and the Title Company the following requirements and exceptions that are identified in the Title Commitment:

8.3 Seller shall prepare, or cause to be prepared, a survey of the property. No later than thirty (30) days before the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's survey together with a list of survey objections. Not later than ten (10) days after Seller receives Purchaser's survey objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the survey objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's survey objections either prior to or at Closing.

8.4 Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser's cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

8.5 If Seller fails to meet the requirements of Paragraph 8.1, or if Seller has agreed to cure a survey objection pursuant to Paragraph 8.3 and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Paragraph 8.4 and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller's expense; or (ii) terminate this Agreement.

8.6 From the date of this Agreement, Seller shall not permit any encumbrance on the Property without Purchaser's prior written consent. Notwithstanding the foregoing, Purchaser consents to Seller encumbering the Property, if necessary, to finance the purchase of Fort Monmouth, including the Property, from the Army, provided that any encumbrances on the Property will not encumber the Property following the Closing contemplated in this Agreement in accordance with this Section 12.

9. Due Diligence Period.

9.1 Purchaser, its agents and Purchaser's prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the Property, to inspect the Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Property. Purchaser must submit to FMERA an Environmental Investigation Plan before entering the Property for environmental

investigation. The contact for FMERA is Joseph Fallon, 732-720-6437. Purchaser shall provide to FMERA, at no cost to FMERA, a copy of the finalized report(s) of its investigation within thirty (30) days of completion of its finalized report(s). Seller shall cooperate with Purchaser in the activation and testing of all building systems and equipment and shall have qualified personnel available on-site to activate the systems and equipment to allow Purchaser to conduct its due diligence.

9.2 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 PM on the last day of the Due Diligence Period.

9.3 Purchaser, its agents and Purchaser's prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Property:

(i) Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of Five Million (\$5,000,000.00) Dollars, except automobile liability may be at a minimum of One Million (\$1,000,000) Dollars, for each occurrence of bodily injury, death, and property damage liability. Seller shall be named an additional insured on this policy;

(ii.) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000) Dollars per occurrence for bodily injury liability and One Hundred Thousand (\$100,000) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000) Dollars occupational disease;

9.4 Purchaser shall repair any damage caused by its investigations and shall restore the Property to substantially the same condition as existed immediately prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser's agents or representatives in the performance of any and all activities conducted on the Property by Purchaser until Closing, unless such liability is the result of Seller's negligence or intentional acts or omissions.

10. Conditions Precedent to Initial Closing.

10.1 The Initial Closing is subject to and conditioned upon the following:

(i) Seller and Army entering into an EDC Agreement for the sale of the Property from the Army to the Seller upon terms and conditions satisfactory to the Seller in the Seller's sole and absolute discretion.

(ii) Seller receiving title to all of the Property except for the Environmental Carve-Out Parcel from the Army via the Army Quitclaim Deed.

- (iii) The receipt by Purchaser of All Approvals to the extent required in order for Purchaser to commence the Project;
- (iv) Purchaser completing the Project to Seller's reasonable satisfaction;
- (v) The US Army completing the environmental investigation and remedial actions for the Buildings 750, 753 and 754 Area;
- (vi) The receipt by Seller of a reasonably acceptable form of a declaration of covenants and restrictions upon the Property pursuant to Paragraph 6 for review and approval by the Seller prior to Closing;
- (vii) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 8; and
- (viii) Seller has obtained EDA Board approval of Purchaser as the Redeveloper.

10.2 The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:

- (i) Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of the Initial Closing and each Party shall have cured any of its respective defaults prior to Initial Closing or at Initial Closing; and

(ii) Except for mandatory conceptual review of the Project by FMERA, either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party's default at any time prior to Initial Closing or at Initial Closing. Any such waiver shall be in writing and acknowledged by both Seller and Purchaser.

11. Time and Place of Initial Closing and Subsequent Closing.

11.1 The Initial Closing shall occur at a mutually agreed upon time not more than thirty (30) days following the expiration of the Due Diligence Period, or within ten (10) days after all Conditions Precedent to Initial Closing are satisfied. The Closing will be held at the offices of Purchaser's counsel.

11.2 Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser's title company: (1) quitclaim deed; (2) Affidavit of Title; (3) entity resolution; (4) paid receipt of Real Estate Broker; (5) tax and utility bills, if any; (6) Certificate of Compliance with Section 1445 of the Internal Revenue code (FIRPTA), (7) Bill of Sale for any Personalty; and (8) IRS Form 1099. Purchaser shall deliver a Title Closing Statement at Closing.

11.3 Subsequent Closing for the Environmental Carve-Out Parcels to take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcels to FMERA. Purchaser shall accept title to the Environmental Carve-Out Parcel at the Subsequent Closing for no additional consideration.

12. Transfer of Ownership. At Closing, the Seller shall transfer ownership of the Property to the Purchaser. The Seller will give the Purchaser a properly executed quitclaim deed.

The deed to be made hereunder shall include a metes and bounds description of the Property. The metes and bounds description shall be based upon a certified survey to be supplied and paid by FMERA. The Seller agrees to transfer and the Purchaser agrees to accept ownership of the Property free of all claims and rights of others, except for: (a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the property next to the street or running to any building or other improvement on the Property; (b) recorded agreements which limit the use of the Property, including but not limited to covenants, warranties and easements and CERCLA, 42 U.S.C. §9620(h)(3)(A) and (B) ("CERCLA Covenants"), and other applicable laws, regulations, Department of Defense and U.S. Army policy, and easements, land use controls, conditions and restrictions, all as more particularly described in the FOST, attached hereto as Exhibit C covering the Property; (c) the Fort Monmouth Reuse and Redevelopment Plan; and (d) the FMERA Land Use Regulations and design and development guidelines and regulations adopted by FMERA. Purchaser shall pay all its own title insurance premiums, real estate transfer taxes, if any, recording fees and escrow fees associated with the conveyance of the Property. Purchaser agrees that the underground utility lines, pipes, wires, cables or conduits which presently traverse or enter upon the Property are not fully known; and the Parties agree that that same shall be set forth in the Deed, which shall include reservations of rights or easements allowing Seller and its successors and assigns to maintain, service, repair and use any such underground lines, pipes, wires, cables and conduits in perpetuity for the benefit of existing and future development.

13. Personal Property and Fixtures. All fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

13.1 The following fixtures are EXCLUDED from this sale: None.

13.2 The following personal property is INCLUDED in this sale: None.

14. Physical Condition of the Property. This Property is being sold “as is”. The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Purchaser has inspected the Property and relies on this inspection.

15. Acknowledgment and Covenants Regarding FOST. A “Finding of Suitability to Transfer” or “FOST” is the document developed and delivered by the Army that determines the environmental suitability for transfer of property from the Army to FMERA. The FOST summarizes the required notifications and applicable environmental requirements, including, but not limited to, a description of any long-term remedies (including land use controls) and responsibility for their maintenance and reporting. Purchaser acknowledges that they have been provided with the FOST for the Property, and that the transfer of ownership of the Property to Purchaser will be subject to the terms and conditions of the FOST. A copy of the FOST is attached to this Agreement as Exhibit C. Purchaser, its successors, assigns, heirs, devisees and personal representatives covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability, negligence or otherwise, concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any other relief, which may arise from the condition of the Property or the fact that the Property is subject to the FOST. This covenant shall survive Closing and/or termination of this Agreement and shall run with the land, and shall apply not only to the Purchaser, their successors, assigns, heirs, devisees and personal representatives, but shall also apply to anyone occupying the Property, whether by employment, tenancy, in patient care or otherwise.

16. Risk of Loss. Seller shall be responsible for all losses and damages to the Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents or contractors) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Property is secure. Seller and Purchaser agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement and that Purchaser shall not be entitled to any offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing.

17. Termination of Agreement. If this Agreement is legally and rightfully terminated, the Purchaser and the Seller will be free of liability to each other and any obligations that specifically survive termination of the Agreement.

18. Default by Seller.

18.1 If Seller shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

18.2 Purchaser acknowledges that the remedies set forth in this Section 18 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the

Closing as provided in this Agreement. In no event shall Purchaser have any claim for any damages against Seller, except as set forth in this Section 18. The terms of this Section 18 shall survive the Closing and/or any termination of this Agreement.

18.3 The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

19. Default by Purchaser.

19.1 If Purchaser shall be unable or fail to complete closing in accordance with the terms of this Agreement, then Seller shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

19.2 Seller acknowledges that the remedies set forth in this Section 19 are Seller's exclusive remedies in the event of any breach of or default under this Agreement by Purchaser or the inability or unwillingness of Purchaser to consummate the Closing as provided in this Agreement. In no event shall Seller have any claim for any damages against Purchaser, except as set forth in this Section 19. The terms of this Section 19 shall survive the Closing and/or any termination of this Agreement

19.3 The Seller agrees that prior to declaring the Purchaser in default hereunder, Seller shall provide Purchaser with thirty (30) days advance written

notice of such default and Purchaser shall have the right to cure such default within said thirty (30) day period.

20. Adjustments at Closing. The Purchaser and the Seller agree to adjust the following expenses as of the closing date: None.

21. Possession. At Closing, the Purchaser will be given possession of the Property. The delivery of the quitclaim deed and possession from Seller to Purchaser and the acceptance of same by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement.

22. Liens. In the event an objection to title consists of an unpaid lien of a defined amount, Seller has the right to satisfy the lien at the time of Closing.

23. Parties Liable. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

24. Assignment. Purchaser may not assign this Agreement without the consent of the Seller which consent Seller is under no obligation to give. Seller shall have the right to assign this Agreement without the consent of Purchaser to the State of New Jersey or any division thereof.

25. Successors and Assigns. This Agreement shall inure to the benefit of, and shall bind, not only the Seller and Purchaser, but also their successors and assigns.

26. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller.

The Seller states that the Seller has not made any other Agreement to sell the Property to anyone else.

27. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter. The Seller and the Purchaser agree that: (i) any and all claims made or to be made against the Seller based in contract law, including but not limited to, costs and expenses and specific performance, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.; and (ii)) any and all claims made or to be made against the Seller based in tort law, including but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

28. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

29. No Partnership or Joint Venture. Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and buyer. Nor should anything in this Agreement render or be construed to render

either of the parties hereto liable to the other for any third party debts or obligations due the other party.

30. No Third-Party Rights or Benefits. Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

31. No Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

32. Publication. Purchaser and Seller agree (i) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (ii) that the initial press release to be used with respect to the transactions contemplated hereby will be in the form agreed to by the parties hereto prior to the execution of this Agreement. Purchaser shall not issue any

announcement or statement without the express written approval of Seller as to the text of the announcement.

33. No Recording or Notice of Pendency. Purchaser shall not record nor attempt to record this Agreement or a memorandum thereof or make any reference to this Agreement in any recorded document, except for a Notice of Settlement, without the prior written consent of Seller in its sole, arbitrary, and absolute discretion.

34. Authority Representations of Purchase and Seller. Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser's and Seller's behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

35. Notices: Any notices required to be given under this Agreement must be in writing and shall be addressed as follows

to: Fort Monmouth Economic Revitalization Authority
502 Brewer Avenue
Oceanport, New Jersey 07724
Attention: Bruce Steadman, Executive Director

to: County of Monmouth
Hall of Records, Room 236
One East Main Street
Freehold, New Jersey, 07728
Attention:

All notices which must be given under this Agreement are to be given either by:

- (1) personal service,
- (2) certified mail, return receipt requested, addressed to the other party at their address specified above, or
- (3) overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United States Postal Service Next Day Mail).

35.1 Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision, to the other party at that party's last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

35.2 Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

36. No Brokerage Commissions. FMERA's broker is Cushman & Wakefield of New Jersey, Inc. The Parties represent that they have not retained any other finders or brokers in connection with the introduction of the Purchaser and Seller and/or the purchase and sale of the

Property. Seller shall be responsible for payment of any commission to Cushman and Wakefield, but in no event shall Seller be responsible for payment of any commission to a broker other than Cushman & Wakefield arising from this transaction. The provisions of this Section 36 shall survive Closing and/or any termination of this Agreement.

37. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.

38. Utilities.

38.1 Seller shall allow Purchaser to use and purchase interim water, sewer and electric services over existing systems as necessary and at cost.

38.2 Purchaser shall be responsible for establishing accounts with JCP&L, New Jersey American Water and New Jersey Natural Gas to serve the Property.

The Seller and Purchaser have signed this Purchase and Sale Agreement and Redevelopment Agreement as of the date first written above.

ATTEST:

FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY, Seller

By:

Bruce Steadman
Executive Director

ATTEST:

COUNTY OF MONMOUTH, Purchaser

By:

Thomas Arnone
Freeholder Director



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: August 9, 2016

RE: FMERA Purchase and Sale & Redevelopment Agreement with Monmouth County for 3-Acre Parcel for Emergency Homeless Shelter in the Oceanport Section of Fort Monmouth

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement (“PSARA”) with Monmouth County for the sale and redevelopment of a 3-acre parcel, including Buildings 906 and 908, (the “Project”) in the Oceanport section of the former Fort Monmouth.

Background

FMERA was created by P.L. 2010, c. 51 (“the Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority (“NJEDA”) as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

In June 2014 FMERA and the Army executed a letter of intent covering the Fort’s Phase 2 properties. The parties have finalized negotiations over the terms of a Memorandum of Agreement that will enable the Army to formally accept FMERA’s Phase 2 Economic Development Conveyance application and convey the Phase 2 properties to FMERA for redevelopment. The Project is located within the Fort’s Phase 2 area.

In September 2008 the Fort Monmouth Economic Revitalization Planning Authority (“FMERPA”) submitted a Homeless Assistance Submission (“HAS”), along with the Fort Monmouth Reuse and Redevelopment Plan (“the Reuse Plan”), to the U.S. Department of Housing and Urban Development (“HUD”) which included a Legally Binding Agreement (“LBA”) (Exhibit b14) providing for an emergency shelter for the County of Monmouth. This shelter would have replaced the shelter on Fort Monmouth that had been utilized by the County under an agreement with the U.S. Army. The HAS was subsequently approved by HUD in 2010.

In 2012 the existing shelter in the Oceanport section of the Fort was evacuated due to flooding caused by Superstorm Sandy. The County of Monmouth temporarily relocated the shelter to an off-site County owned facility. Plans were underway to renegotiate the LBA to subsidize improvements to that facility to provide a permanent shelter that would have fulfilled FMERA's LBA obligation. Subsequently, however, the County sold its temporary facility and now needs to relocate the shelter again. Because FMERA still has an obligation to provide a shelter for the County, the County requested help from FMERA in finding a replacement facility on the Fort that could be occupied within a short time frame. As the Reuse Plan located the County's shelter in the Oceanport section of the Fort, FMERA staff looked for potential buildings in the Oceanport area that could be activated expeditiously. The Reuse Plan identified a site on Sherrill Avenue, adjacent to Squier Hall, as the future location of a new County shelter. FMERA and the County determined that the Sherrill Avenue site was not suitable for that use, as the property's status as an environmental carve-out would delay its availability. FMERA initially presented an alternative to the County entailing the reuse of Building 901, which had been occupied by the New Jersey National Guard up until September 30, 2015 under a license from the Army. The County ultimately rejected this site, noting the extensive cost of renovations to reuse the building as a homeless shelter. Subsequently, FMERA and the Borough of Oceanport agreed on Building 901 and the adjacent property on the south side of Murphy Drive as the future site of the Borough's municipal complex.

In order to meet its LBA obligation, FMERA has identified another location on the Fort that is suitable for the County's long-term needs. Located across Murphy Drive from Building 901, the proposed parcel depicted on the attached map totals 3 acres and includes two buildings, Buildings 906 and 908, and the accompanying paved and parking areas. These buildings are slated for demolition in the Reuse Plan, and the parcel is envisioned as open space. In Amendment #2 to the Reuse Plan adopted in December 2012, the Board approved the relocation of residential housing to the southern portion of this property, along an extended Center Street. The FMERA Board this month adopted Reuse Plan Amendment #6, which would permit the County's long-term use of the 3-acre site for an emergency homeless shelter, as well as the long-term use of the site across Murphy Drive for Oceanport's municipal complex. This amendment will supersede Reuse Plan Amendment #2.

In order to facilitate the County's planning and development of the 3-acre site, the Army granted use and occupancy of the property to the County using the Army's standard form of license. The license allows the County to install temporary facilities on the site for immediate shelter needs.

FMERA and the County have negotiated final terms of an Administrative Letter (to supplement the LBA) and PSARA for the transfer and long-term use of the property to include the demolition of the two buildings and construction of a new homeless shelter facility. The terms of these documents are intended to satisfy FMERA's obligations under the HAS and the LBA.

Purchase and Sale & Redevelopment Agreement

Subject to FMERA's acquisition of the property from the Army, the PSARA calls for FMERA to convey the 3-acre parcel on Murphy Drive to the County in exchange for \$1.00 plus the County's satisfaction of the covenants and obligations set forth in the LBA, as supplemented by the Administrative Letter. Subject to its receipt of reimbursement payments from FMERA, the

County will demolish Buildings 906 and 908 and construct a new 4,080 sf homeless shelter facility. The facility design, likely to entail the use of modular units, will be agreed upon by the parties prior to PSARA execution, with the inclusion of brick coloring or façade prior to project completion. Upon the Army's issuance of a Finding of Suitability to Transfer and FMERA's receipt of title from the Army, FMERA will convey a small environmental carve-out known as Parcel 68 (UST 906A) constituting a portion of the 3-acre site to the County at a subsequent closing for no additional consideration.

FMERA and the County propose to enter into the attached LBA, which was a component of the HAS. The LBA outlines the eligible services to be provided by the County at its cost and expense, specifically operation of an adult homeless shelter for both single men and women with a capacity, at a minimum, to accommodate sixteen (16) men or women daily. The shelter will operate year-round and provide both shelter and social services to the homeless individuals. The shelter will provide temporary housing, with the average stay for any one person expected to be no longer than forty-five (45) days. The social services provided will include comprehensive linkages to housing, transportation, and financial assistance. The LBA also stipulates the facility specifications and requirements to be met by the County.

The attached Administrative Letter supplements the LBA by providing detail on FMERA's planned payments from its Homeless Trust in support of the development of the County homeless shelter. In addition to the conveyance of the 3-acre property to the County for \$1.00, FMERA agrees to provide payment(s) to the County of up to \$1.5 million to reimburse the County for allowable expenditures incurred by the County in the demolition of existing buildings and construction of the new facility. Payments to the County will be subject to the availability of funds in the FMERA Homeless Trust that allow for reimbursement of the County's allowable expenditures as well as payments for the other three LBA obligations that FMERA has assumed. The determination of availability of funds will be at FMERA's sole discretion, but in no event will FMERA be obligated to withdraw more than 10% of the available funds in the FMERA Homeless Trust to satisfy the County's requests for reimbursement. Within thirty days following the conveyance of title to the County, FMERA will make available for an initial payment to the County an amount not to exceed \$170,000 from funds previously accumulated in the FMERA Homeless Trust, subject to the County's submission of one or more payment requests. Subsequent to FMERA's payment to the County of the initial amount, FMERA will provide the County notice within sixty days of each closing by FMERA with a third party purchaser on a parcel or parcels of land on the Fort. Within thirty days of receipt of each such notice, the County may request payment from the FMERA Homeless Trust.

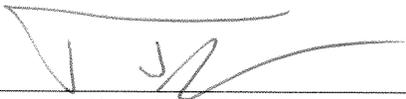
Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Monmouth County, staff

concludes that the essential elements of a redevelopment agreement between FMERA and the County are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with the County for its redevelopment of the 3-acre parcel.

Attached is a substantially final form of the PSARA between FMERA and Monmouth County as approved by FMERA's Board at their July 20, 2016 meeting, as well as a final form of the LBA and supplementing Administrative Letter. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Monmouth County for redevelopment of a 3-acre parcel for an emergency homeless shelter in the Oceanport section of the former Fort Monmouth property.



Timothy J. Lizura
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement
Legally Binding Agreement
Administrative Letter
Prepared by: Donna T. Sullivan & Candice Valente

Legally Binding Agreement for Homeless Provider Services

This Legally Binding Agreement (the "Agreement") is entered into as of the _____ day of _____, 2016, by and between the Fort Monmouth Economic Revitalization Authority (the "FMERA"), established pursuant to the laws of the State of New Jersey, particularly P.L. 2010, c.51 and P.L. 2006, c. 16, as amended by P.L. 2008, c. 28 (the "FMERA Act"), acting in its capacity as the Local Redevelopment Authority, as recognized by the Secretary of Defense, for purposes of the redevelopment of the Fort Monmouth under the Defense Base Closure and Realignment Act of 1990, Pub. L. 101-510, 10 U.S.C. Sec. 2687 and the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, Pub.L. 103-421 (collectively, the "Enabling Acts"), and the County of Monmouth, Department of Human Services ("Homeless Provider"). The FMERA and the Homeless Provider may be collectively referred to herein as the "Parties", and individually referred to as a "Party".

WITNESSETH:

WHEREAS, effective on November 9, 2005, the Base Closure and Realignment Commission voted to close Fort Monmouth;

WHEREAS, on May 17, 2006, the FMERA's predecessor, the Fort Monmouth Economic Revitalization Planning Authority (the "FMERPA"), was recognized by the Office of Economic Adjustment of the Department of Defense ("DOD") as the local redevelopment authority ("LRA") for Fort Monmouth;

WHEREAS, pursuant to the requirements of the Enabling Acts, the "communities in the vicinity" of Fort Monmouth have been defined as the Boroughs of Eatontown, Oceanport and Tinton Falls, County of Monmouth, New Jersey;

WHEREAS, the FMERPA published a Notice of Surplus Federal Property to state and local governments, homeless service providers and other interested parties in The Asbury Park Press on September 9, 2006;

WHEREAS, between September 9, 2006 and March 8, 2007, the FMFRPA received Notices of Interest (each, an "NOI") from 14 homeless service providers, indicating their desire to establish programs to provide assistance and services to homeless persons and families from the communities in the vicinity of Fort Monmouth;

WHEREAS, the FMERPA determined that the NOI received from the County of Monmouth dated February 26, 2007, complied with the requirements of the Enabling Acts, the regulations governing the closure and

reuse planning for Fort Monmouth and the provisions dealing with notices of interest by homeless service providers, as more particularly described at 32 C.F.R. Part 176;

WHEREAS, the FMERPA, in its capacity as the LRA for Fort Monmouth, approved a reuse and redevelopment plan for Fort Monmouth dated August 27, 2008 ("Redevelopment Plan");

WHEREAS, the Homeless Provider is a New Jersey non-profit corporation that was organized to end homelessness in the vicinity of Fort Monmouth by providing, in collaboration with others, shelter, housing and services to homeless persons and families; and

WHEREAS, this Agreement is submitted as a "legally binding agreement" pursuant to 32 C.F.R. Part 176.30 (b) (3), and is a component of the homeless assistance submission ("Homeless Assistance Submission") of the FMERPA for the redevelopment of Fort Monmouth, as required by the Enabling Acts, and as more specifically required by 32 C.F.R. Part 176.

TERMS AND CONDITIONS

Section One: The terms and conditions contained herein are, upon execution by the authorized representatives of the Parties, intended to be binding on the parties hereto, except as otherwise stated herein, and with the express understanding that the implementation of the terms hereof are subject to the completion of the following federal actions: (i) the United States Department of Housing and Urban Development ("HUD") must review and make a determination as to whether the Homeless Assistance Submission and Redevelopment Plan are in compliance with the provisions of the Enabling Acts and applicable federal regulations, and (ii) DOD, acting by and through the Department of the Army ("Army"), is responsible for completion of environmental review pursuant to the National Environmental Protection Act ("NEPA"), for the issuance of a Record of Decision or other decision document ("NEPA Decision Document"), for completion of the environmental cleanup of Fort Monmouth under applicable provisions of federal law, and for conveyance of fee title to the real property comprising portions of Fort Monmouth, including the Property (as defined below), consistent with the approved Redevelopment Plan, the Enabling Acts and the terms of this Agreement.

Section Two: The land to be conveyed and the facility to be constructed hereunder (collectively the "Designated Homeless Service Facilities") shall consist of (i) two (2) acres of land ("Property"), and (ii) an emergency shelter facility ("Facility"), the general specifications for which are more particularly described in Exhibit C, to be constructed on Fort Monmouth at such location as determined by the FMERA, and as more specifically described in the form of deed ("Deed") prescribed by the FMERA

and attached hereto as Exhibit D. The FMERA and the Homeless Provider have agreed that the Homeless Provider will provide support services to homeless persons and families residing in the Designated Homeless Service Facilities, which will include the following eligible services: The Homeless Provider will operate an adult homeless shelter for both single men and women with a capacity, at a minimum, to accommodate thirteen (13) men and ten (10) women daily. The shelter shall operate year-round and provide both shelter and social services to those homeless individuals housed therein. The shelter will provide temporary housing, with the average stay for any one person expected to be no longer than forty-five (45) days. The social services provided include: comprehensive linkages to housing, transportation, and financial assistance.

These support services shall constitute, subject to the reservations stated herein, the "Homeless Support Services". The Homeless Provider covenants and agrees that the Designated Homeless Service Facilities and the Homeless Support Services will exclusively serve homeless persons ("Homeless Persons") who meet the definition of "homeless persons" as set forth in the McKinney-Vento Act (42 U.S.C. Sec. 11301 et seq.).

Section Three: Upon the approval by HUD of the Homeless Assistance Submission and Redevelopment Plan, completion by the Army of the NEPA Decision Document, the issuance by the Army of a Finding of Suitability for Transfer ("FOST") or Finding of Suitability for Early Transfer ("FOSET"), as applicable, completion of all other actions under the Enabling Acts and applicable federal regulations necessary for the Army's conveyance of the Property to a transferee or transferees, which may include FMERA (the "Army Transferee"), (i) the FMERA shall request that the Army convey the Property to the Army Transferee by quitclaim deed at no cost and (ii) subject to transfer and as a condition of a separate agreement with the FMERA, the Army Transferee shall construct the Facility on the Property consistent with the approved Redevelopment Plan, final plans and specifications approved by the Homeless Provider and the terms of this Agreement, and (iii) if the Army Transferee is not FMERA, convey the Designated Homeless Services Facilities to the FMERA at no cost. Upon and subject to the Army Transferee's completion of construction of the Facility and conveyance of the Designated Homeless Service Facilities to the FMERA at no cost, if necessary, upon at least sixty (60) days prior written notice to the Homeless Provider, the FMERA shall transfer the Designated Homeless Service Facilities to the Homeless Provider by quitclaim deed substantially in the form attached hereto as Exhibit D at no cost, pursuant to the terms hereof. If, at any time following the conveyance of the Designated Homeless Service Facilities to the Homeless Provider, (i) all or substantially all of the Designated Homeless Service Facilities so conveyed are abandoned, or not being used to service Homeless Persons and to provide the Homeless Support Services, (ii) the Homeless Provider fails to initiate and diligently prosecute the delivery of the Homeless Support

Services in a timely manner and in accordance with provisions of this Agreement, (iii) the Homeless Provider is not delivering the Homeless Support Services in accordance with the requirements as approved by the FMERA, (iv) the Homeless Provider fails to comply with any provisions hereof, or (v) the Homeless Provider is dissolved or otherwise ceases to function, the FMERA shall provide the Homeless Provider written notice of such occurrence. If the Homeless Provider fails to cure or initiate a cure of the noticed deficiency within thirty (30) days of the receipt of said notice, title to the Designated Homeless Service Facilities shall revert to the FMERA in accordance with the provisions of the Deed.

Section Four: Promptly after receipt of any environmental analysis with respect to all or any portion of the Designated Homeless Service Facilities or the real property immediately adjacent thereto, the FMERA shall deliver to the Homeless Provider a copy of such analysis. In the event the environmental analysis currently being undertaken by the Army indicates that the Designated Homeless Facilities identified in Section Two are not suitable for the intended purposes of serving Homeless Persons and delivery of the Homeless Support Services, the FMERA and Homeless Provider agree that they shall make diligent efforts to (i) relocate the Designated Homeless Service Facilities to another location on Fort Monmouth, or to other property in Monmouth County not within the current boundaries of Fort Monmouth, so long as the alternative property is comparable, as determined by the FMERA and the County of Monmouth, to the Designated Homeless Service Facilities as to (a) number of units, size, and condition, (b) proximity to public and private transportation, (c) density and zoning, (d) availability of utilities, and (e) safety; or, alternatively, (ii) arrange for the FMERA to pay the Homeless Provider an amount sufficient to allow the Homeless Provider to purchase an alternative property in Monmouth County which is comparable, as determined by the FMERA pursuant to the criteria set forth in clauses (a) through (e) above, to the Designated Homeless Service Facilities. Any alternative facilities so selected pursuant to this Section Four shall be deemed to be the Designated Homeless Service Facilities for all purposes of this Agreement. The process for finding an alternative arrangement may be commenced by either Party, upon completion of the Army's NEPA Decision Document, by requesting that specifically identified alternative facilities be designated as the Designated Homeless Service Facilities hereunder. The other party shall have the obligation to respond within thirty (30) days to the Party proposing the alternative facilities.

Section Five: The Homeless Provider shall deliver the Homeless Support Services. The scope of services to be provided to recipients of the Designated Homeless Services Facilities under the Homeless Support Services are as described in Section Two above. The Homeless Provider may not change the scope of the services to be provided to the Homeless Persons without the express written consent of the FMERA, which consent

shall not be unreasonably withheld or delayed if the proposed changes continue to comply with the provisions of 32 C.F.R. Part 176 and the implementation intent and requirements of the Redevelopment Plan.

Section Six: The Homeless Provider shall be responsible for all costs and expenses associated with the operation and maintenance of the Designated Homeless Service Facilities and for the delivery of the Homeless Support Services from the effective date of the Deed (or the date on which the Homeless Provider acquires alternative property pursuant to Sections Four or Seven, if applicable) for the Designated Homeless Service Facilities. The Homeless Provider shall have a period of two (2) months from the effective date of the Deed (or the date on which the Homeless Provider acquires alternative property pursuant to Sections Four or Seven, if applicable) to begin the delivery of the Homeless Support Services. Should the Homeless Provider fail to begin delivering the Homeless Support Services within the time specified herein, any Designated Homeless Service Facilities that have been conveyed by the FMERA to the Homeless Provider shall revert to the FMERA pursuant to the provisions of Section Three above.

Section Seven: The FMERA retains the option, at any time prior to the conveyance of all the Designated Homeless Services Facilities to the Homeless Provider, and thereafter with the consent of the Homeless Provider, to relocate or otherwise provide for the relocation of the Designated Homeless Services Facilities pursuant to the provisions of clauses (i) and (ii) of Section Four above. Any alternative facilities so provided for pursuant to this Section Seven shall be deemed to be the Designated Homeless Service Facilities for all purposes of this Agreement.

Section Eight: If title to the Designated Homeless Service Facilities reverts back to the FMERA pursuant to Section Three, or if the Agreement is terminated pursuant to the provisions of Section Twelve, the FMERA shall take appropriate steps to facilitate the transfer of the Designated Homeless Services Facilities to other homeless provider representatives. The term "appropriate steps" shall mean providing reasonable public notice of at least ninety (90) days to homeless providers in the vicinity of Fort Monmouth of the types of programs that may qualify as Homeless Support Services, and negotiating in good faith with homeless providers that respond to said notice. If the FMERA is unable to reach agreement with a successor homeless provider or providers following good faith negotiations, the FMERA shall have no further obligations hereunder.

Section Nine: [PURPOSELY LEFT BLANK]

Section Ten: The rights and obligations of the Homeless Provider hereunder may not be transferred or assigned without the prior written consent of the FMERA.

Section Eleven: The terms of this Agreement shall be governed by the laws of the State of New Jersey and federal law, as applicable.

Section Twelve: This Agreement may be amended or terminated by the FMERA and the Homeless Provider at any time by written agreement executed by the FMERA and the Homeless Provider. This Agreement may be terminated by the FMERA without cost, liability or recourse prior to the conveyance of the Designated Homeless Service Facilities to the Homeless Provider if (i) the Homeless Provider is dissolved or otherwise ceases to function, or (ii) the Homeless Provider does not accept title to the Designated Homeless Service Facilities, and the FMERA shall thereafter proceed in accordance with the provisions of Section Eight, which provisions shall survive for the purposes stated therein. Unless otherwise terminated or extended pursuant to the provisions hereof, this Agreement shall terminate without recourse to either Party on September 1, 2040.

Section Thirteen: This Agreement supercedes all agreements and understandings between the Parties, written or oral. No claim of waiver, modification, consent or acquiescence with respect to any terms hereof shall be made against a Party by the other Party, except on the basis of a written instrument executed by the Parties.

Section Fourteen: All notices hereunder shall be in writing and shall be deemed to have been sent if personally delivered, sent by fax with proof of transmission or sent by certified mail, return receipt requested and postage paid, addressed to:

Fort Monmouth Economic Revitalization Authority

100 Barton Avenue
Oceanport, NJ 07757
Attention: Executive Director

County of Monmouth
Department of Human Services
P.O. Box 3000
Kozloski Road
Freehold, New Jersey 07728
Attention: Administrative Department Director

Section Fifteen: This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, and intending to be legally bound hereby, each of the undersigned parties has executed or caused this Agreement to be executed as of the date first above written.

FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY

By: _____

Name:

Title: Executive Director

MONMOUTH COUNTY
DEPARTMENT OF HUMAN
SERVICES

By: _____

Name: Lillian G. Burry

Title: Director, Monmouth County
Board of Chosen Freeholders

Exhibit A
FMERA Legal Opinion

Exhibit B
Homeless Provider Letter of Agreement

Exhibit C
Facility Specifications

- The Facility must be in compliance with all Federal/State/County regulations and building codes including ADA and NJ DCA Shelter Regulations
- Monmouth County to have approval of design and construction plans.
- Acreage: Facility to be located on two (2) acres of land.
- Square Footage–no less than 15,000–1 floor only, to accommodate:
 - 35 beds–1 floor–beds space needs to be segregated (12 female and 23 male)
 - Communal Dining Area to accommodate 35 people
 - Communal Bathroom/Shower for Males
 - Communal Bathroom/Shower for Females
 - Bathroom for Staff
 - Commercial Kitchen Facility–to include appliances
 - Commercial Laundry Space–to include appliances–primary and secondary
 - Recreation area–may need to be segregated–female and male
 - Reception area
 - Control Station Area
 - Administrative Offices
 - Counseling Offices
 - Storage–Food/Materials/Bedding and etc for Residents
 - Storage–Records/Confidential Files

Other Facility Requirements

- Tile flooring wherever possible throughout the facility
- Wired for internet access–cable and telephone
- 'Wander Alarms' on all exit doors
- HVAC
- Outside space must provide off street parking for no less than 15 vehicles
- Outside space must provide recreation area to include several benches and tables
- Outside space should provide a 'buffer' area between shelter and public
- Assurance that there will be no break in service due to relocation site readiness

Exhibit D
Form of Deed

**[NOTE: FORM OF DEED SUBJECT TO REVISION AND MODIFICATION
AT TIME OF CONVEYANCE]**

Prepared by and
Record and Return to:

QUITCLAIM DEED

THIS QUITCLAIM DEED, is made the ____ day of _____, 201_, by the Fort Monmouth Economic Revitalization Authority (the "FMERA"), established pursuant to the laws of the State of New Jersey, particularly P.L. 2010, c.51 and P.L. 2006, c. 16, as amended by P.L. 2008, c. 28 (the "FMERA Act"), acting in its capacity as the Local Redevelopment Authority, as recognized by the Secretary of Defense, for purposes of the redevelopment of the Fort Monmouth under the Defense Base Closure and Realignment Act of 1990, Pub. L. 101-510, 10 U.S.C. Sec. 2687, the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, Pub.L. 103-421 (together with its successors and assigns, "**Grantor**"), in favor of _____, a _____ (together with its successors and assigns, "**Grantee**" or "**Homeless Provider**").

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property described below (the "**Property**") to the Grantee. This transfer is made for the sum of **ONE and 00/100 (\$1.00) DOLLAR**. The Grantor acknowledges receipt of this money. Grantor hereby DEMISES, RELEASES, AND FOREVER QUITCLAIMS to Grantee, all the right, title, interest and claim to the following described parcel of land, and improvements and appurtenances thereto in the Borough of _____, County of Monmouth, State of New Jersey.

Description of Property. The Property consists of the land and all the buildings, structures or improvements on the land described as follows:

[INSERT M&B DESCRIPTION, BLOCK AND LOT NUMBER(S) OF PROPERTY BEING CONVEYED; OR INCLUDE PROPERTY DESCRIPTION AS EXHIBIT A]

The Property is being conveyed to Grantee subject to a "Legally Binding Agreement" dated as of _____, 201_, between the Grantor, the Fort Monmouth Economic Revitalization Authority (FMERA), and Grantee, in its capacity as Homeless Provider (the "**LBA**", a true copy of which is annexed hereto as **Exhibit B** and made a part hereof), as part of

FMERA's "Homeless Assistance Submission" for the redevelopment of Fort Monmouth pursuant to 32 C.F.R. 176. The LBA by its terms is intended to survive the delivery of this Deed. Grantee herein agrees to accept the Property subject to the use restrictions and requirements set forth in the LBA and the possibility of reverter set forth below, and to utilize the Property only for the purposes set forth herein and in the LBA. If, at any time following the delivery of this Quitclaim Deed to Grantee (i) all or substantially all of the "Designated Homeless Service Facilities" (as defined in the LBA) so conveyed are abandoned, or are not being used to service "Homeless Persons" (as that term is defined by 32 C.F.R. 176.5) and to provide the "Homeless Support Services" (as that term is defined in the LBA); or (ii) Grantee fails to initiate and diligently prosecute the delivery of the Homeless Support Services in a timely manner and in accordance with provisions of the LBA; or (iii) Grantee is not delivering the Homeless Support Services in accordance with the requirements as approved by FMERA; or (iv) Grantee fails to comply with any provisions of the LBA; or (v) Grantee is dissolved or otherwise ceases to function (each of (i) through (v), a "Default"), then Grantor shall provide the Grantee written notice of such Default(s) and of Grantor's intent to re-enter the Property in the event Grantee fails to cure such Default or Defaults within the cure period as set forth in Section Three of the LBA. In the event such Default or Defaults are not cured within the applicable cure period, Grantor may re-enter the Property and the interest in the Property conveyed hereby thereupon shall revert to FMERA and title to all improvements thereon shall vest in FMERA.

Notice, Warranty, and Reservation of Access Pursuant to CERCLA §§ 120 (h) (3) and 120 (h) (4).

a. Pursuant to Section 120(h)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 as amended, (hereafter "CERCLA"), 42 U.S.C. § 9620(h)(3), notice is hereby provided that information regarding hazardous substances stored for one year or more, known to have been released, or disposed of on the property herein, together with a description of the remedial action taken, if any, is provided in the Finding of Suitability to Transfer, dated _____, (hereinafter "FOST"), to the extent such information is available on the basis of a complete search of United States Army files.

i. The Grantor hereby warrants that all remedial action necessary to protect human health and the environment with respect to any hazardous substance remaining on the property herein conveyed has been taken prior to the date of this conveyance.

ii. The Grantor hereby warrants that any remedial action found to be necessary after the date of this conveyance with respect to any

hazardous substance remaining on the property herein conveyed shall be conducted by the United States of America.

iii. The Grantor reserves a right of access to the property herein conveyed for the purpose of conducting any remedial action or corrective action found to be necessary on the property herein conveyed after the date of this conveyance.

b. Pursuant to Section 120(h)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9620(h)(4) the Grantor has identified certain other portions of the property conveyed herein as real property on which no hazardous substances and no petroleum products or their derivatives are known to have been released or disposed of as more particularly described in the FOST.

i. The Grantor hereby warrants any response action to corrective action found to be necessary after the date of this conveyance as a result of the discovery of hazardous substances or petroleum products or their derivatives existing on the property herein conveyed prior to the date of this conveyance shall be conducted by the United States of America.

ii. The Grantor hereby reserves a right of access to the property herein conveyed for the purpose of conducting any response action or corrective action found to be necessary on the property herein conveyed or adjoining property after the date of this conveyance.

c. These covenants shall not apply to the extent such remedial, response or corrective actions are caused by activities of the Grantee, its successors and/or assigns.

Type of Deed. This is called a Quitclaim Deed. The Grantor makes no promises as to ownership or title, but simply transfers whatever interest the Grantor has to the Grantee.

Signatures. The Grantor signs as of the date at the top of this page. This Deed is signed and attested to by its proper FMERA officers.

**FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY**

ATTEST:

By: _____

EXHIBIT A

PROPERTY DESCRIPTION

EXHIBIT B

“LEGALLY BINDING AGREEMENT”



Date: , 2016

To: Ms. Teri O'Connor, County Administrator
 County of Monmouth, New Jersey

From: Bruce Steadman, FMERA Executive Director

Re: Legally Binding Agreement (LBA) for
 County Homeless Shelter on Former Fort Monmouth

In furtherance of the federal base closure at the former Fort Monmouth pursuant to the requirements of the Enabling Acts, the Fort Monmouth Economic Revitalization Authority (“FMERA”) and the County of Monmouth, Department of Human Services (“County”) have executed a Legally Binding Agreement (“LBA”) attached here as Exhibit A, for the establishment of a Designated Homeless Service Facilities within the Oceanport section of the former Fort Monmouth and the provision of Homeless Support Services. Any capitalized term not otherwise defined herein shall have the meaning ascribed to the term in the LBA.

The purpose of this letter (“Letter”) is to supplement certain general provisions in the LBA in order to assist both parties in the implementation thereof. The terms of the LBA are incorporated into this Letter by reference, and if there are any conflicts between the terms of this Letter and the terms of the LBA, the terms of the LBA shall prevail.

1. Conditions Precedent

Nothing herein shall be construed as a waiver or as satisfying the federal actions in Section One to which the implementation of the LBA is subject. The implementation of the LBA pursuant to this Letter is additionally subject to (1) FMERA shall have entered into an agreement with the United States Department of the Army (“Army”) to acquire property that includes the Alternative Property (defined below), (2) FMERA shall have acquired title to the Alternative Property from the Army, (3) the modification of the Fort Monmouth Reuse and Redevelopment Plan, at the sole discretion of the FMERA Board, as necessary to permit and allow the County to develop and operate the Designated Homeless Service Facilities as described in the LBA, and (4) the execution by the Parties of a Purchase and Sale Agreement and Redevelopment Agreement (“PSARA”) substantially in the form attached as Exhibit B (collectively, the “Conditions Precedent”).

2. Property Transfer and Payment Amount

Pursuant to the terms of the LBA and the PSARA, FMERA will convey title to the County to land for \$1.00 within the Oceanport section of the former Fort Monmouth upon which the County will demolish existing buildings, construct and then operate the Facility. FMERA and the County have agreed that FMERA will convey a 3-acre +/- parcel along the west side of Murphy Drive within the Oceanport section ("Alternative Property"), as shown in Exhibit C. In addition, FMERA will provide payment(s) to the County of up to \$1.5 million ("Payments") to reimburse the County for Allowable Expenditures (defined below) incurred by the County in the demolition of existing buildings and construction of the Facility.

The County agrees that, subject to FMERA making the Payments as set forth in this Letter, the County shall assume full administrative and financial responsibility for demolishing existing buildings and constructing the Facility at the Alternative Property. (Collectively, the Alternative Property and the Facility to be constructed by the County shall be the "Alternative Facilities") and that the Alternative Facilities are comparable to the Designated Homeless Service Facilities pursuant to the criteria set forth in sub-clauses (a) through (e) of clause (i) of Section Four. The Parties agree and acknowledge that the Alternative Facilities constitute an alternative facility under Section Seven of the LBA and shall be deemed to be the Designated Homeless Service Facilities.

The Payments will be provided from the FMERA Homeless Trust, as established in the June 25, 2012 Agreement between U.S. Department of the Army and FMERA, into which funds are accumulated at the rate of \$20,055 for each developable acre at the time of closing of a sale by FMERA to a third party buyer, except as provided otherwise if the property is transferred to the New Jersey Economic Development Authority ("NJEDA") as a designated redeveloper. Payments to the County may only be made subject to the terms below, and subject to the availability of funds in the FMERA Homeless Trust that allow for reimbursement of the County's Allowable Expenditures as well as payments for the other 3 LBA obligations that FMERA has. The determination of availability of funds shall be at FMERA's sole discretion, but in no event shall FMERA be obligated to withdraw more than 10% of the available funds in the FMERA Homeless Trust to satisfy the County's requests for reimbursement.

3. Payment Requests and Schedule

Within thirty (30) days following the conveyance of title to the County, FMERA shall make available for an initial payment to the County an amount not to exceed \$170,000 from funds previously accumulated in the FMERA Homeless Trust, subject to the County's submission of one or more payment requests pursuant to the process below. Subsequent to FMERA's payment to the County of the initial amount, FMERA shall provide County notice within sixty (60) days of each closing by FMERA with a third party purchaser on a parcel or parcels of land on the former Fort Monmouth; however, if FMERA transfers a property to the NJEDA as a designated redeveloper, then FMERA shall provide the notice within sixty (60) days of actual receipt by FMERA of the amount for the FMERA Homeless Trust. Within thirty (30) days of receipt of each such notice, the County may request payment from the FMERA Homeless Trust.

Each payment request shall be in writing, shall describe in detail the Allowable Expenditures for which such payment is requested, and shall be accompanied by a project update from the County substantially in the form of Exhibit D and containing the following information satisfactory to FMERA (“Progress Update,” and together with the request, the “Application”): brief written narrative of project progress, along with lien waivers and/or other acceptable documentation that amounts previously paid by FMERA have been used to pay contractors and suppliers for Allowable Expenditures. Within thirty (30) days of FMERA’s approval of a payment request and project update from the County, FMERA shall fund the request, subject to the receipt by FMERA of funds from said third party purchaser, and subject to all other terms set forth in this Letter, the LBA, and the PSARA. In the event the Application is unsatisfactory to FMERA or the County is not in compliance with any material term in the LBA, this Letter, or the PSARA, FMERA shall, within thirty (30) days of its receipt of such Application, provide written notice to the County adequately describing the unsatisfactory Application information or noncompliance (the “Deficiency Notice”). Within ninety (90) days of receipt of the Deficiency Notice, the County may cure or initiate a cure of the unsatisfactory Application or noncompliance and resubmit the Application in accordance with the procedure set forth above. No request shall be funded if the County is not in compliance with any material term in the LBA, this Letter, or the PSARA.

4. Plans and Specifications; Allowable Expenditures

The County represents and warrants that the sources and uses of funds for the demolition of existing buildings and construction of the Facility are attached here as Exhibit E. The County shall notify FMERA of any material change to Exhibit E within thirty (30) days of such change. The plans and specifications for the Facility shall be those attached here as Exhibit F. The County shall not make any material change to the plans and specifications in Exhibit F without FMERA’s prior express written consent. The County agrees not to use Payments for any expense other than those attached here as Exhibit G (“Allowable Expenditures”). Expenses not included in Exhibit G shall not be considered Allowable Expenditures without FMERA’s prior express written approval. Exhibit G may be amended upon request by the County and FMERA’s prior express written consent.

The County warrants, represents, and covenants that the Facility has been designed, will be constructed, and shall be operated in compliance with all applicable Federal, State and local laws or ordinances (including rules and regulations), including, but not limited to, building safety, environmental quality, and the federal Fair Housing Act.

5. Audit Requirements

No later than January 31 after each calendar year the County receives funding under the LBA, the County shall provide to FMERA a Progress Update, a brief written narrative comparing the project status versus completion of the project, and a forecasted completion date for the project.

6. Reversion of Title Pursuant to the LBA

In addition to clauses (i) through (v) in Section Three of the LBA, the following events shall be considered occurrences for which FMERA shall provide written notice to the County and for which title shall revert to FMERA if the County fails to cure or initiate a cure as stated in Section Three: failing to initiate demolition of existing buildings or failing to diligently

pursue and complete the construction of the Facility within the time periods set forth in the PSARA.

In Section Six of the LBA, the County shall have two (2) months from the completion of construction of the Facility to begin delivery of the Homeless Services before title to the Designated Homeless Service Facilities shall revert to FMERA.

7. Complete Satisfaction of FMERA Obligations

The County hereby acknowledges and confirms that, subject to satisfaction of the Conditions Precedent, performance by FMERA of all of its covenants and obligations under this Letter will completely satisfy all of FMERA's obligations under the LBA.

8. Third Party Beneficiaries

The LBA and this Letter have been entered into solely by and among the parties that have executed the LBA; the LBA and this Letter will not be deemed to create any rights in third parties or to create any obligations of any party hereto to any such third parties.

9. New Jersey Contractual Liability Act

The County agrees that any and all claims made or to be made against FMERA based in contract law arising from the LBA or this Letter shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

FMERA Signature

ACKNOWLEDGED AND AGREED

County of Monmouth, New Jersey

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A
To Letter Agreement

Legally Binding Agreement

Exhibit B
To Letter Agreement

Purchase and Sale and Redevelopment Agreement

Exhibit C
To Letter Agreement

Alternative Property

Exhibit D
To Letter Agreement

Form Application

Exhibit E
To Letter Agreement
Sources and Uses of Funds

Exhibit F
To Letter Agreement
Plans and Specifications

Exhibit G
To Letter Agreement

Allowable Expenditures

**PURCHASE AND SALE AGREEMENT AND
REDEVELOPMENT AGREEMENT**

This PURCHASE AND SALE AGREEMENT AND REDEVELOPMENT AGREEMENT (“Agreement”) is made as of _____, 2016 (the “Effective Date”) between Fort Monmouth Economic Revitalization Authority, (“FMERA,” “Seller” or “Authority”) a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, (“FMERA Act”), whose address is 502 Brewer Avenue, Oceanport, New Jersey 07757 and the County of Monmouth (“Purchaser” or “County”), a political subdivision of the State of New Jersey, having an address at Hall of Records, One East Main Street, Freehold, New Jersey 07728. Seller and Purchaser are collectively referred to herein as the “Parties”.

WITNESSETH:

WHEREAS, the United States Army (the “Army”) recognizes Seller as the Local Redevelopment Authority for former Fort Monmouth military base (“Fort Monmouth”), located in the Boroughs of Oceanport, Eatontown and Tinton Falls, New Jersey;

WHEREAS, the Army and FMERA have, subject to US Department of Defense approval, negotiated a Memorandum of Agreement (“MOA”) that outlines the terms and conditions for the transfer of the Alternate Property (hereinafter defined) from the Army to FMERA and the Army and FMERA expect to enter into a Phase 2 Economic Development Conveyance Agreement substantially similar to the MOA;

WHEREAS, as of the date of this Agreement, the Army owns the Alternate Property;

WHEREAS, the Parties have entered into a certain Legally Binding Agreement for Homeless Provider Services dated as of September 7, 2010 (“LBA”), regarding FMERA making certain land available to the County in order for the County to utilize the land for the

construction and operation of facilities suitable for use as a shelter for homeless persons as more fully set forth therein;

WHEREAS, the LBA allowed the Parties to designate alternate property as the site for constructing and operating facilities suitable for use as a shelter for homeless persons;

WHEREAS, the Army granted to the County a license (the "Army License") to enter and use the Alternate Property as temporary housing for the homeless and, pursuant to the Army License, the County is currently authorized using and occupying the Alternate Property as temporary housing for homeless persons;

WHEREAS, by a certain letter agreement (the "Administrative Letter") dated _____, 2016 between FMERA and the County, the Parties supplemented certain general provisions in the LBA in order to assist with the implementation of the LBA; and

WHEREAS, Pursuant to the LBA as supplemented by the Administrative Letter, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, real property (designated in the Administrative Letter and in this Agreement as the "Alternate Property") on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the mutual receipt and legal sufficiency of which the parties hereto hereby acknowledge, Seller and Purchaser hereby agree as follows:

DEFINITIONS

"All Approvals" means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-governmental authorities needed to obtain building permits for all of the uses on the Alternate Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals

shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including but not limited to, the following Non-Appealable Final Approvals: (i) the mandatory conceptual review approval of the Project by FMERA which is required pursuant to N.J.A.C. 19:31C-3.20(c); (ii) preliminary and final site plan approval, if applicable, including the required review by FMERA in connection with “d” variances; (iii) such permits or approvals as may be needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit; and (iv) necessary licenses and approvals from all governmental authorities required to operate the property as set forth herein; and any amendment to the Fort Monmouth Reuse and Redevelopment Plan so that the Project is fully conforming therewith. Each such approval shall be referred to as an “Approval.”

“**Closing**” shall mean the Initial Closing or Subsequent Closing, as applicable.

“**Due Diligence Period**” means the ninety (90) day period commencing on the Effective Date and ending at 5:00 p.m. on the 90th day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Alternate Property to determine whether the as-is condition of the Alternate Property is satisfactory to the Purchaser.

“**Environmental Carve-Out Parcel**” shall mean the portion of the Alternate Property designated by the Army as Parcel 68 (UST 906A) where the Army retains ownership beyond the Initial Closing pending environmental investigations or remedial actions by the Army.

“**Finding of Suitability to Transfer**” or “**FOST**” means the initial and subsequent FOSTs documents issued by the Army confirming the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition the FOST includes CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions

necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA.

“Initial Closing” shall mean the transfer of the Alternate Property (but excluding the Environmental Carve-Out Parcel) from the Seller to the Purchaser and the transfer of the Purchase Price from the Purchaser to the Seller which shall occur upon the satisfaction of the Conditions Precedent to Initial Closing set forth in Section 9.

“Project” The Project consists of demolition of existing Building 906 and Building 908 and construction of a new 4,080 square foot homeless assistance shelter facility using Ritzcraft brand modular units placed on perimeter foundation walls with continuous footings (the “Facility”). Plans and specifications for the Facility are attached to this Agreement as Exhibit B. The Project shall commence prior by the Initial Closing (by Purchaser utilizing the Army License) and be completed by December 31, 2016.

“Subsequent Closing” shall mean the closing for the Environmental Carve-Out Parcel which shall take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcel to FMERA.

1. Purchase/Sale Agreement. Subject to the terms and conditions set forth in this Agreement and the performance by the parties of all of their material obligations hereunder, the Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the property described below.

2. Alternate Property. The property to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all of the Seller’s rights relating to the land; and (c) all personal property specifically included in this Agreement. The real property to be sold is an approximately 3.0 acre parcel of land, including Building 906 and Building 908

in the Borough of Oceanport and the County of Monmouth (the "Alternate Property"). The Alternate Property is more fully described in the attached Exhibit A.

3. Purchase Price. The consideration for the sale of Alternate Property is One (\$ 1.00) Dollar and the covenants and obligations of the LBA as supplemented by the Administrative Letter.

4. Homeless Assistance Facility Project.

4.1 Subject to FMERA's making reimbursement payments to the County pursuant to the Administrative Letter, Purchaser shall commence and diligently prosecute the completion of the Project at the Alternate Property.

4.2 Utilizing the Army License, Purchaser shall commence the Project prior to the Initial Closing and complete construction of the Facility by December 31, 2016.

4.3 Purchaser represents and warrants to FMERA that the Project has been designed and shall be constructed and operated in compliance with all applicable Federal, State and local laws or ordinances (including rules and regulations), including, but not limited to, building safety, environmental quality, and the federal Fair Housing Act.

4.4 Each and every one of the foregoing representations and covenants contained in this Section 4 shall survive Closing, shall run with the land, and shall be a continuing obligation.

5. Declaration of Covenants. Prior to the Initial Closing, Purchaser shall provide the Seller with a declaration of covenants and restrictions upon the Alternate Property for review and approval by the Seller. The declaration of covenants and restrictions shall run with the land and

shall contain the following. The Declaration shall indicate or otherwise contain: 1.) The uses of the Alternate Property shall be limited to those uses permitted pursuant to the LBA; 2.) Purchaser commenced construction of the Project prior to the Initial Closing and will complete the Project by December 31, 2016; and 3.) Purchaser will not sell, lease or transfer the Alternate Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA.

6. Reversion to Seller.

6.1 The quitclaim deed from Seller to Purchaser shall provide that if the timeframes set forth herein have not been met, then Seller shall have the right of reversion of title, at Seller's sole option, to Alternate Property if: (i) Purchaser has not commenced or completed construction of the Project within the timeframes set forth in Section 4; or (ii) once construction of the Project is completed, Purchaser fails to utilize the completed Project to provide homeless assistance services in accordance with the LBA. Such right of reversion shall be set forth in the quitclaim deed.

6.2 Notwithstanding anything herein to the contrary, Seller agrees to provide Purchaser with thirty (30) days advance written notice of Seller's intent to exercise its right of reverter and the Purchaser shall have the opportunity to cure or initiate a cure within said notice period.

6.3 The Seller's right of reversion shall survive the Closing and shall run with the land.

7. Title and Survey Investigation.

7.1 During the Due Diligence Period, Purchaser, at Purchaser's cost and expense, shall obtain a title search and commitment for title insurance for the Alternate Property. No later than thirty (30) days from the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's title commitment together with a list of title exceptions that are unacceptable to Purchaser. Not later than ten (10) days after Seller receives Purchaser's title objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the title objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's title objections either prior to or at Closing.

7.2 Seller agrees that prior to and as a Condition Precedent to Closing, Seller shall:

- (i) Deliver title to the Alternate Property that is good, marketable, fee simple title, valid of record and insurable at regular rates; and
- (ii) Satisfy, remove, discharge and/or cure to the reasonable satisfaction of Purchaser and the Title Company the following requirements and exceptions that are identified in the Title Commitment:

7.3 Seller shall prepare, or cause to be prepared, a survey of the property no later than thirty (30) days before the end of the Due Diligence Period. Not later than the end of the Due Diligence Period, Purchaser shall deliver to Seller a Purchaser's list of survey objections, if any. Not later than ten (10) days after Seller receives Purchaser's survey objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the survey objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's survey objections either prior to or at Closing.

7.4 Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser's cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

7.5 If Seller fails to meet the requirements of Paragraph 7.3, or if Seller has agreed to cure a survey objection pursuant to Paragraph 7.3 and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Paragraph 7.4 and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon

by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller's expense; or (ii) terminate this Agreement.

7.6 From the date of this Agreement, Seller shall not permit any encumbrance on the Alternate Property without Purchaser's prior written consent. Notwithstanding the foregoing, Purchaser consents to Seller encumbering the Alternate Property, if necessary, to finance the purchase of Fort Monmouth, including the Property, from the Army, provided that any encumbrances on the Alternate Property will not encumber the Alternate Property following the Initial Closing contemplated in this Agreement in accordance with this Section 11.

8. Due Diligence Period.

8.1 Purchaser, its agents and Purchaser's prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the Alternate Property, to inspect the Alternate Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Alternate Property, the environmental condition of the Alternate Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Alternate Property. Purchaser must submit to FMERA an Environmental Investigation Plan before entering the Alternate Property for environmental investigation. The contact for FMERA is Joseph Fallon, 732-720-6437. Purchaser shall provide to FMERA, at no cost to FMERA, a copy of the finalized report(s) of its investigation within thirty (30) days of completion of its finalized report(s). Seller shall cooperate with Purchaser in the activation and testing of all building

systems and equipment and shall have qualified personnel available on-site to activate the systems and equipment to allow Purchaser to conduct its due diligence.

8.2 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 PM on the last day of the Due Diligence Period. Upon termination of this Agreement during the Due Diligence Period, the Initial Deposit and the Additional Deposit shall be promptly returned to Purchaser.

8.3 Purchaser, its agents and Purchaser's prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Alternate Property:

(i) Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of Five Million (\$5,000,000.00) Dollars, except automobile liability may be at a minimum of One Million (\$1,000,000) Dollars, for each occurrence of bodily injury, death, and property damage liability. Seller shall be named an additional insured on this policy;

(ii.) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand (\$100,000) Dollars per occurrence for bodily injury liability

and One Hundred Thousand (\$100,000) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand (\$500,000) Dollars occupational disease;

8.4 Purchaser shall repair any damage caused by its investigations and shall restore the Alternate Property to substantially the same condition as existed immediately prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser's agents or representatives in the performance of any and all activities conducted on the Alternate Property by Purchaser until Closing, unless such liability is the result of Seller's negligence or intentional acts or omissions.

9. Conditions Precedent to Initial Closing.

9.1 The Initial Closing is subject to and conditioned upon the following:

(i) The receipt by Purchaser of All Approvals to the extent required in order for Purchaser to commence the Project;

(ii) The receipt by Seller of a reasonably acceptable form of a declaration of covenants and restrictions upon the Alternate Property pursuant to Section 5 for review and approval by the Seller prior to Closing;

(iii) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 7;

- (iv) Seller has obtained EDA Board approval of Purchaser as the Redeveloper;
- (v) Seller shall have entered into a Phase 2 Economic Development Conveyance Agreement with the Army;
- (vi) Seller shall have acquired title to the Alternate Property from the Army; and
- (vii) Seller has modified the Fort Monmouth Reuse and Redevelopment Plan to permit and allow the Purchaser to develop and operate the Facility in accordance with the LBA.

9.2 The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:

- (i) Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of the Initial Closing and each Party shall have cured any of its respective defaults prior to Initial Closing or at Initial Closing; and
- (ii) Except for mandatory conceptual review of the Project by FMERA, either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party's default at any time prior to Initial Closing or at Initial Closing. Any such waiver shall be in writing and acknowledged by both Seller and Purchaser.

4. Time and Place of Initial Closing and Subsequent Closing.

10.1 The Initial Closing shall occur at a mutually agreed upon time not more than thirty (30) days following the expiration of the Due Diligence Period, or within ten (10) days after all Conditions Precedent to Initial Closing are satisfied. The Closing will be held at the offices of Purchaser's counsel.

10.2 Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser's title company: (1) quitclaim deed; (2) Affidavit of Title; (3) entity resolution; (4) paid receipt of Real Estate Broker; (5) tax and utility bills, if any; (6) Certificate of Compliance with Section 1445 of the Internal Revenue code (FIRPTA), (7) Bill of Sale for any Personalty; and (8) IRS Form 1099. Purchaser shall deliver the Purchase Price and a Title Closing Statement at Closing.

10.3 At Initial Closing, Purchaser shall pay the balance of the Purchase Price (after application of a credit for the Deposit and all accrued interest) to the Seller. Purchaser shall make payment at Purchaser's option by either certified check or attorney trust account check or with the consent of Seller by wire transfer.

10.4 Subsequent Closing for the Environmental Carve-Out Parcels to take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcels to FMERA. Purchaser shall accept title to the Environmental Carve-Out Parcel at the Subsequent Closing for no additional consideration.

5. Transfer of Ownership. At Closing, the Seller shall transfer ownership of the Alternate Property to the Purchaser. The Seller will give the Purchaser a properly executed quitclaim deed. The deed to be made hereunder shall include a metes and bounds description of

the Alternate Property. The metes and bounds description shall be based upon a certified survey to be supplied and paid by FMERA. The Seller agrees to transfer and the Purchaser agrees to accept ownership of the Alternate Property free of all claims and rights of others, except for: (a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the property next to the street or running to any building or other improvement on the Alternate Property; (b) recorded agreements which limit the use of the Alternate Property, including but not limited to covenants, warranties and easements and CERCLA, 42 U.S.C. §9620(h)(3)(A) and (B) (“CERCLA Covenants”), and other applicable laws, regulations, Department of Defense and U.S. Army policy, and easements, land use controls, conditions and restrictions, all as more particularly described in the FOST, attached hereto as Exhibit C covering the Alternate Property; (c) the Fort Monmouth Reuse and Redevelopment Plan; and (d) the FMERA Land Use Regulations and design and development guidelines and regulations adopted by FMERA. Purchaser shall pay all its own title insurance premiums, real estate transfer taxes, if any, recording fees and escrow fees associated with the conveyance of the Alternate Property. Purchaser agrees that the underground utility lines, pipes, wires, cables or conduits which presently traverse or enter upon the Alternate Property are not fully known; and the Parties agree that that same shall be set forth in the Deed, which shall include reservations of rights or easements allowing Seller and its successors and assigns to maintain, service, repair and use any such underground lines, pipes, wires, cables and conduits in perpetuity for the benefit of existing and future development.

6. Personal Property and Fixtures. All fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

12.1 The following fixtures are EXCLUDED from this sale: None.

12.2 The following personal property is INCLUDED in this sale: None.

7. Physical Condition of the Alternate Property. This Alternate Property is being sold “as is”. The Seller does not make any claims or promises about the condition or value of any of the Alternate Property included in this sale. The Purchaser has inspected the Alternate Property and relies on this inspection.

8. Acknowledgment and Covenants Regarding FOST. A “Finding of Suitability to Transfer” or “FOST” is the document developed and delivered by the Army that determines the environmental suitability for transfer of property from the Army to FMERA. The FOST summarizes the required notifications and applicable environmental requirements, including, but not limited to, a description of any long-term remedies (including land use controls) and responsibility for their maintenance and reporting. Purchaser acknowledges that they have been provided with the FOST for the Alternate Property, and that the transfer of ownership of the Alternate Property to Purchaser will be subject to the terms and conditions of the FOST. A copy of the FOST is attached to this Agreement as Exhibit C. Purchaser, its successors, assigns, heirs, devisees and personal representatives covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability, negligence or otherwise, concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any other relief, which may arise from the condition of the Alternate Property or the fact that the Alternate Property is subject to the FOST. This covenant shall survive Closing and/or termination of this Agreement and shall run with the land, and shall apply not only to the Purchaser, their successors, assigns, heirs, devisees and personal representatives,

but shall also apply to anyone occupying the Alternate Property, whether by employment, tenancy, in patient care or otherwise.

15. Risk of Loss. Seller shall be responsible for all losses and damages to the Alternate Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents or contractors) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Alternate Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Alternate Property is secure. Seller and Purchaser agree that any damage or destruction to the Alternate Property shall not otherwise affect the rights and responsibilities under this Agreement and that Purchaser shall not be entitled to any offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Alternate Property that might occur prior to Closing.

16. Termination of Agreement. If this Agreement is legally and rightfully terminated, the Purchaser and the Seller will be free of liability to each other and any obligations that specifically survive termination of the Agreement.

17. Default by Seller.

17.1 If Seller shall be unable or fail to convey the Alternate Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations

hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

17.2 Purchaser acknowledges that the remedies set forth in this Section 17 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the Closing as provided in this Agreement. In no event shall Purchaser have any claim for any damages against Seller, except as set forth in this Section 17. The terms of this Section 17 shall survive the Closing and/or any termination of this Agreement.

17.3 The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

18. Default by Purchaser.

18.1 If Purchaser shall be unable or fail to complete closing in accordance with the terms of this Agreement, then Seller shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

18.2 Seller acknowledges that the remedies set forth in this Section 18 are Seller's exclusive remedies in the event of any breach of or default under this Agreement by Purchaser or the inability or unwillingness of Purchaser to consummate the Closing as provided in this Agreement. In no event shall Seller

have any claim for any damages against Purchaser, except as set forth in this Section 18. The terms of this Section 18 shall survive the Closing and/or any termination of this Agreement

18.3 The Seller agrees that prior to declaring the Purchaser in default hereunder, Seller shall provide Purchaser with thirty (30) days advance written notice of such default and Purchaser shall have the right to cure such default within said thirty (30) day period.

19. Adjustments at Closing. The Purchaser and the Seller agree to adjust the following expenses as of the closing date: None.

20. Possession. At Closing, the Purchaser will be given possession of the Alternate Property. The delivery of the quitclaim deed and possession from Seller to Purchaser and the acceptance of same by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement.

21. Liens. In the event an objection to title consists of an unpaid lien of a defined amount, Seller has the right to satisfy the lien at the time of Closing.

22. Parties Liable. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

17. Assignment. Purchaser may not assign this Agreement without the consent of the Seller which consent Seller is under no obligation to give. Seller shall have the right to assign this Agreement without the consent of Purchaser to the State of New Jersey or any division thereof.

18. Successors and Assigns. This Agreement shall inure to the benefit of, and shall bind, not only the Seller and Purchaser, but also their successors and assigns.

19. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Alternate Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller. The Seller states that the Seller has not made any other Agreement to sell the Alternate Property to anyone else.

20. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter. The Seller and the Purchaser agree that: (i) any and all claims made or to be made against the Seller based in contract law, including but not limited to, costs and expenses and specific performance, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.; and (ii)) any and all claims made or to be made against the Seller based in tort law, including but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

21. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

22. No Partnership or Joint Venture. Nothing contained in this Agreement will make or will be construed to make the parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and buyer. Nor should anything in this Agreement render or be construed to render either of the parties hereto liable to the other for any third party debts or obligations due the other party.

23. No Third-Party Rights or Benefits. Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

24. No Waiver. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

25. Publication. Purchaser and Seller agree (i) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (ii) that the initial press release to be used with respect to the transactions contemplated hereby will be in the form agreed to by the parties hereto prior to the execution of this Agreement. Purchaser shall not issue any announcement or statement without the express written approval of Seller as to the text of the announcement.

26. No Recording or Notice of Pendency. Purchaser shall not record nor attempt to record this Agreement or a memorandum thereof or make any reference to this Agreement in any recorded document, except for a Notice of Settlement, without the prior written consent of Seller in its sole, arbitrary, and absolute discretion.

27. Authority Representations of Purchase and Seller. Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser's and Seller's behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute

a default under any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

28. Notices: Any notices required to be given under this Agreement must be in writing and shall be addressed as follows

to: Fort Monmouth Economic Revitalization Authority
502 Brewer Avenue
Oceanport, New Jersey 07724
Attention: Bruce Steadman, Executive Director

and

to: County of Monmouth
Hall of Records, Room 236
One East Main Street
Freehold, New Jersey, 07728
Attention:

All notices which must be given under this Agreement are to be given either by:

- (1) personal service,
- (2) certified mail, return receipt requested, addressed to the other party at their address specified above, or
- (3) overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United States Postal Service Next Day Mail).

34.1 Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision, to the other party at that party's last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

34.2 Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

29. No Brokerage Commissions. The Parties represent that they have not retained any other finders or brokers in connection with the introduction of the Purchaser and Seller and/or the purchase and sale of the Alternate Property. Seller shall be responsible for payment of any commission to Cushman and Wakefield, but in no event shall Seller be responsible for payment of any commission to a broker other than Cushman & Wakefield arising from this transaction. The provisions of this Section 36 shall survive Closing and/or any termination of this Agreement.

30. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.

37. Utilities.

37.1 Seller shall allow Purchaser to use and purchase interim water, sewer and electric services over existing systems as necessary and at cost.

37.2 Purchaser shall be responsible for establishing accounts with JCP&L, New Jersey American Water and New Jersey Natural Gas to serve the Alternate Property.

The Seller and Purchaser have signed this Purchase and Sale Agreement and Redevelopment Agreement as of the date first written above.

ATTEST:

FORT MONMOUTH ECONOMIC
REVITALIZATION AUTHORITY, Seller

By:

Bruce Steadman
Executive Director

ATTEST:

COUNTY OF MONMOUTH, Purchaser

By:

Thomas Arnone
Freeholder Director

113775610v2



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: August 9, 2016

RE: Cooper's Poynt Park and Road Construction Project
Former Riverfront State Prison Site, Camden, NJ

Summary

The Members are asked to approve the award of a construction services contract to D'Angelo Bros., Inc. of Philadelphia, PA for the construction of the Cooper's Poynt Park and Road Project located on the former Riverfront State Prison site located in Camden, NJ.

Background

In 2009, Treasury and EDA entered into a memorandum of understanding ("MOU") in which the New Jersey Economic Development Authority ("EDA") would assist Treasury to demolish the Riverfront State Prison and dispose of the remaining parcel for redevelopment purposes. The disposition of the Property was approved by the State House Commission in 2009 and Disposition Procedures were finalized in 2010. In November 2013, the City of Camden adopted a Redevelopment Plan for North Camden which includes the former Riverfront Prison site.

As required by the MOU, EDA subsequently identified the Delaware River Port Authority ("DRPA") as a funding source to accomplish the demolition. DRPA agreed to provide \$6 million to close and demolish the Riverfront Prison, perform limited environmental remediation and site improvements to the site and the surrounding area. In October 2009, EDA and DRPA memorialized the funding terms and conditions in the Funding and Reimbursement Agreement.

In September 2010, EDA partially completed the environmental remediation and demolition of the Riverfront State Prison improvements using \$1,664,480.53 of the DRPA grant funds. The balance remaining of the original \$6,000,000 allocation was \$4,335,519.47.

In June of 2013, Treasury and EDA executed a subsequent MOU to: i) establish criteria for the selection of a qualified purchaser/redeveloper for the Property; ii) facilitate the rezoning and/or subdivision of the Property to allow for redevelopment of the Property; and iii) allow EDA to manage the disposition of the Property to procure a developer (collectively, the "Disposition Services").

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In July of 2013, DRPA and EDA entered into a Grant Agreement permitting EDA to use the remaining \$4,335,519.47 to fund additional environmental due diligence and remediation, and various site improvements to enhance the value of the property and assist in attracting private sector developers. The sources and uses of the remaining grant funds are attached.

During 2014, Cooper's Ferry Partnership ("CFP"), a local public/private development agency, received a grant for a planning and design study for the North Camden Neighborhood which includes the former Prison Site. In adherence to the Redevelopment Plan, the new design was named Cooper's Poynt Park and Road Project. Particular attention of the CFP design effort for the Cooper's Poynt Park and Road Project is focused on the proposed public infrastructure improvements located within the former Prison Site which includes open/park space and new/realigned roadways.

In January 2016, the design of the Cooper's Poynt Park and Road Project was presented for courtesy review to the City of Camden Planning, and no objections were received from the Board Members or the public. The public park and infrastructure improvements are consistent with the approved and adopted Redevelopment Plan, the NJDEP requirements and the DRPA funding requirements. The City of Camden has agreed to be responsible for the operation and maintenance of the public improvements upon completion of construction and has agreed to take title after a developer has been selected and a Purchase and Sale Agreement has been executed.

The public park and associated infrastructure improvements on the waterfront portion of the Prison Site include earthwork (to complete the environmental remediation, as well as to raise the site above flood elevation), lighting, utilities (electric, water, sanitary, stormwater), walking paths, parking, open space, a playground, park amenities, and landscaping (ground cover, shrubs and trees). Upon completion of the construction of the Cooper's Poynt Park and Road Project, it is anticipated that EDA and its LSRP will file a Remedial Action Outcome and CEA, signifying the completion of all required remedial actions associated with all known AOCs.

The Real Estate Division publicly advertised and received nine (9) bids for construction of the Cooper's Poynt Park and Road Project, including one non-compliant fencing bid, which were publicly opened on July 27, 2016. The Base Bids ranged from \$3,912,000 to \$5,610,000 as listed on the attached chart.

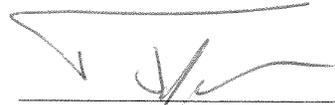
D'Angelo Bros.' submitted the lowest responsible bid. Their Base Bid of \$3,912,000, was higher than EDA's estimated budget requiring a scope reduction. Therefore, staff is recommending deletion of Playground B and associated costs. Based on estimated quantities and unit prices listed in D'Angelo Bros.' bid, the scope reduction results in a deduction in the amount of \$526,621 from the Base Bid. Therefore, staff is recommending that the Members approve D'Angelo Bros., Inc. of Philadelphia, PA to provide these services, as the lowest responsible bidder, for a Lump Sum Base Bid amount of \$3,385,379. Staff has reviewed all bids submitted and the adjustment does not affect the ranking of firms.

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Final approval of the selection of D'Angelo Bros., Inc. will be subject to their satisfaction of the compliance documentation and requirements. In the alternative, if D'Angelo Bros., Inc. is found to be non-compliant, we are seeking approval to enter into a contract with the next lowest responsible bidder, subject to satisfaction of the compliance documentation and requirements, as listed on the attached chart. Approval is requested to establish a construction budget of \$3,643,000 which includes the adjusted \$3,385,379 Lump Sum contract amount plus a contingency of \$257,621.

Recommendation

In summary, the Members' approval is requested to award a construction services contract to D'Angelo Bros., Inc. of Philadelphia, PA for a Lump Sum contract amount of \$3,385,379 plus a \$257,621 contingency for the construction of the Cooper's Poynt Park and Road Project located on the former Riverfront State Prison site in Camden, NJ and to establish a construction budget of \$3,643,000.



Timothy J. Lizura
President and Chief Operating Officer

Attachments

Prepared by: Thomas P. Catapano

Bid Summary
Cooper's Poynt Park and Road Project, Camden, NJ

	<u>Base Bid</u>	<u>Adjusted Base Bid</u>
D'Angelo Bros., Inc.	\$3,912,000.00	\$3,385,379.00
AP Construction, Inc.	\$3,934,877.00	\$3,615,288.00
Vollers Excavating & Construction, Inc.	\$4,013,855.50	\$3,631,497.00
RE Pierson Construction Co. Inc.	\$4,133,633.78	\$3,676,379.00
Fred Schiavone Construction, Inc.	\$4,294,000.00	\$3,759,631.00
South State, Inc.	\$4,300,000.00	\$3,858,790.00
Mount Construction Co., Inc.	\$4,987,984.75	\$4,434,819.00
JPC Group, Inc.	\$5,610,000.00	\$5,097,959.00
Amechi Fence Corporation (non-compliant – fencing only)		

Sources and Uses of Funds
Riverfront State Prison Site, Camden, NJ

Sources:

\$4,335,519 Total Available Funds/Budget

Uses:

\$ 5,000	Miscellaneous Expenses
\$ 6,800	Adjacent Site - Preliminary Site Assessment
\$ 13,500	Appraisals
\$ 198,000	Langan Engineering - LSRP Services
\$ 87,500	RWD/Pennoni Assoc - Construction Administration Services
\$ 124,500	PSE&G Lighting Costs
\$3,643,000	Construction Costs - Cooper's Poynt Park and Road Project
\$ 245,450	NJEDA Administrative Fee
<u>\$ 11,769</u>	Project Contingency
\$4,335,519	Total Uses of Funds



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Premier Education Group
Surrender and Cancellation of Lease and Occupancy Agreement
The Technology Centre of New Jersey (“Centre”)

DATE: August 9, 2016

Summary

I am requesting the Members’ approval to amend the existing Surrender and Cancellation of Lease and Occupancy Agreement between Premier Education Group (“Premier”) and the NJ Economic Development Authority (“NJEDA”) for the Tech VI building at the Centre by extending Premier’s occupancy to April 30, 2017 from the current surrender date of August 31, 2016, and amending some of its terms.

Background

The Tech VI building at the Centre is a 36,500 square foot Class B office building constructed in the 1960s, currently in fair condition. It was formerly occupied by Anthem Education Institute, Inc., which declared bankruptcy and sold its business to Premier in August, 2014. Premier, a privately owned career training organization, has occupied the Tech VI building since September 1, 2014.

After Premier chose not to pursue a ten year lease (which had been approved by the Members in December of 2014), the Members approved the execution of a Surrender and Cancellation of Lease and Occupancy Agreement (“Agreement”) with Premier at the September, 2015 meeting. In January, 2016, before the Agreement was executed, the Members approved a modification of terms which reflects the current surrender date of August 31, 2016.

Premier recently approached the NJEDA to request an eight month extension of the Agreement, citing difficulty in locating suitable replacement space. Premier’s rent is current at this time, but over the past year, staff has had difficulty collecting it in a timely manner. In addition, Premier has disputed some maintenance invoices presented to them for payment. There are no disputed charges at this time and payment of all outstanding amounts is expected by August 15th. In order for NJEDA to agree to an extension, NJEDA has required certain advance payments to be included in an amended agreement based on Premier’s poor payment history.

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The monthly rent will remain the same (\$45,000). Premier has agreed to provide a three month security deposit (\$135,000), September rent and maintenance, as well as a maintenance reserve of \$10,000 at the time the Agreement is executed, but no later than September 1st. Rent and monthly maintenance charges will be paid on the first of each month from October through January. Rent for February, March and April 2017 will be deducted from the security deposit.

The Agreement will continue to allow the NJEDA to file a complaint for eviction, and an entry of a Judgment of Possession and issuance of a Warrant of Removal if Premier does not comply with its terms. Therefore, it is anticipated that Premier could be evicted in an expeditious manner and the security deposit would provide rent and maintenance coverage.

Premier will have ability to leave earlier than April 2017 upon advance notice if their new space is ready for occupancy.

Recommendation

In summary, I am requesting the Members' approval to 1) extend the term of the Surrender and Cancellation of Lease and Occupancy Agreement between Premier and the NJEDA through April 30, 2017 for the 36,500 square foot building at the Centre known as Tech VI; (2) modify the terms of the Agreement as outlined above; and 3) to execute any and all other documents to complete these transactions on final terms acceptable to the NJEDA's Chief Executive Officer, President/ Chief Operating Officer and the Attorney General's Office.



Timothy Lizura
President/ Chief Operating Officer

Attachment
Prepared by: Christine Roberts



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: Update to Operating Authority
Real Estate Division and Technology & Life Sciences (TLS)

DATE: August 9, 2016

Summary

I am requesting the Members modify the Real Estate Division and CCIT Operating Authority by Level to: (i) revise Level 2 authority to SVP; (ii) clarify authority for staff to apply for grants; (iii) delegate signatory authority to TLS for CCIT Leases, as well as, increase or decrease tenant space, and extend term and/or reduce space and rent proportionately after the 4th year of the annual lease term on a month to month basis; (iv) delegate signatory of project documents to the Real Estate Director for Board approved projects; (v) establish guidelines for administering and executing leases for space occupied by EDA staff; (vi) amend signatory requirements and delegate authority for staff to enter into right of entry/license agreements; (vii) clarify and establish guidelines for signatory authority regarding purchase, sale and developer transactions; and (viii) incorporate existing signatory levels per current Credit Delegations Operating Authority into Real Estate Division Operating Authority by Level as outlined on the attached chart entitled Real Estate Division Operating Authority By Level.

Background

Level 2 Authority: In order to provide flexibility, it is requested that the Level 2 Operating Authority be revised from “SVP – Operations or COO” to “SVP”.

Procurement: The Real Estate Division is required to procure multiple vendors for both project related and EDA operational purposes. This section was updated to clarify signatories in accordance with current EDA Administrative Operating Authority.

Grants: The Real Estate Division applies for grant funds as part of project funding, for example DRPA funding of the demolition of the Riverfront State Prison in Camden, New Jersey. The existing Operating Authority is silent on the delegation to authorize staff to make application for grant funds exceeding \$300,000. This section was updated to clarify application delegation. Acceptance and execution of grants in excess \$300,000 require Board approval. Final terms of all grant agreements are subject to the approval of the President/Chief Operating Officer and the Attorney General’s Office.

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CCIT Leases: In order to facilitate execution of CCIT leases, it is requested that TLS staff be able to execute lease documentation once Advisory Board approval is granted. Currently, lease agreements, amendments and extensions are sent to EDA headquarters after the tenant executes the document. Real Estate staff then processes that documentation to obtain signatures from the President/COO and Director of Real Estate, sends fully executed versions of the documents to the tenants and CCIT staff, electronically processes the documents, and retains the original executed documentation. Allowing CCIT staff to undertake the lease administration from inception to completion would result in a more cohesive, expedited process. Additionally, it is requested that staff be assigned delegated authority to amend leases to increase or decrease tenant space up to existing square footage delegations in total, as well as, extend the term and/or reduce space and rent proportionately after the 4th year of the annual lease term on a month to month basis on an average of 12 one month renewals but not to exceed up to 18 one month renewals to facilitate tenant graduation from CCIT. Final terms of any lease agreement, amendment or extension are subject to the approval of the SVP – Governance, Communications & Strategic Initiatives and the Attorney General’s Office.

Leases for EDA Owned/Operated Property: In order to improve existing guidelines for administering late payment fees, rent reductions/waivers for operational and CAM adjustments, holdover rental premiums, lease terminations, and space/rent reductions, and to effectuate more efficient operations, to enhance responsiveness to prospective small business tenants, and to escalate the timing of rent receipts it is requested that staff be delegated authority to: (i) expand existing delegation regarding reduction or waiver of tenant rent payments to include consideration of tenant’s financial hardship; and (ii) amend lease to increase tenant space up to 25% of current square footage on terms consistent and coterminous with that existing lease agreement based on a current market rental package. No additional EDA funding will be provided above the existing fit out allowance per square foot. (A monthly update of these activities will be provided to the Real Estate Committee.)

Leases for Space to be leased by EDA from Third Party: From time to time it is necessary for EDA to enter into Lease Agreements or MOUs with third parties to lease space for administrative purposes, as in the case of the EDA’s satellite office at 24 Commerce Street, Newark, New Jersey. It is requested that staff be delegated authority to select space/site, negotiate current market rental package and execute Lease Agreement with Landlord for leases for EDA operations. Selection, Board approval and signatory to be consistent with current contractual Delegated Authority Thresholds, Board approval is required when the payments for rent, over the term of the Lease Agreement total \$300,000 or more. All Lease Agreements are subject to the approval of the President/Chief Operating Officer and the Attorney General’s Office.

Right of Entry / License Agreements: In October of 2008, the Board authorized staff to: (i) grant limited use of real estate owned by or leased by the Authority to a third party (non-monetary/up to 90 day term); (ii) acquire the rights for the Authority to enter upon property owned by a third party related (non-monetary/short-term); and (iii) grant a right of entry or license agreement to a third party for a fee (payments up to and including \$100,000/up to 1 year term). Since that time, several requests have been received from third parties for longer term agreements. Therefore, in order to accurately reflect the timeframe required for certain third party requests and expedite execution of the document (which allows any required work to begin sooner), it is recommended that staff be assigned the delegated authority (with Director’s signatory) to execute a right of entry/license agreement as follows: (i) for non-monetary transactions, for a term of 3 years with two 1 year renewal options; (ii) for transactional agreements, which have previously been defined as a right of entry or license agreement in which the EDA receives a fee in relation to the use (payments up to and including \$100,000/for a term of 3 years with two 1 year

renewal options); (iii) authorization for Director to execute Right of Entry/License Agreements; and (iv) enter into Right of Entry/License Agreements for EDA owned property for standard utility, communications, infrastructure use between EDA and utility companies, communications companies, companies providing public utility, other governmental entities requiring access to provide EDA or its tenants services (10 years with two 5 year renewal options). Under this delegation, licenses and rights of entry will be granted by EDA only when the grantee provides indemnification, if applicable, and proof of adequate insurance and only to other governmental entities or enterprises that promote employment in New Jersey. In any case, licenses and rights of entry will be granted or received only when the other party enters into the Authority's standard form of Right of Entry Agreement or License Agreement, or other form acceptable to the Attorney General's Office. Final terms of the document will be subject to the approval of the President/Chief Operating Officer and the Attorney General's Office.

Purchase, Sale and Developer Transactions: The Real Estate Division may be required to acquire property as component of an EDA project. Additionally, the Real Estate Division may be required to enter into a Development Agreement with a Developer or other governmental entity in relation to an EDA development project. Once Board approval of the project is granted and the governing Purchase and Sale Agreement or Developer Agreement is signed by the SVP, it is requested that signatory authority of the acquisition, sale, closing, project documents and/or development documents be delegated to staff in accordance with the attached chart. Final terms of all closing documents will be subject to the approval of the President/Chief Operating Officer and the Attorney General's Office.

Signatory: The Real Estate Division signatory level is set forth in the current existing Credit Delegations Operating Authority, however, the Real Estate Division's Operating Authority has been silent on signatory. The attached chart incorporates the existing signatory policy into the Real Estate Division's Operating Authority.

Recommendation

In summary, I am asking the Members to: (i) revise Level 2 authority to SVP; (ii) clarify authority for staff to apply for grants; (iii) delegate signatory authority to TLS for CCIT Leases, as well as, increase or decrease tenant space, and extend term and/or reduce space and rent proportionately after the 4th year of the annual lease term on a month to month basis; (iv) delegate signatory of project documents to the Real Estate Director for Board approved projects; (v) establish guidelines for administering and executing leases for space occupied by EDA staff; (vi) amend signatory requirements and delegate authority for staff to enter into right of entry/license agreements; (vii) clarify and establish guidelines for signatory authority regarding purchase, sale and developer transactions; and (viii) incorporate existing signatory levels per current Credit Delegations Operating Authority into Real Estate Division Operating Authority by Level.



Timothy J. Lizura

Prepared by: Cathleen A. Schweppenheiser

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016								
OPERATING SCOPE:								
PROCUREMENT Contracts under Treasury DPP public bidding threshold. Subject to 6/12/01, 8/10/10 and 8/9/16 Board Approvals Complies with S-2194 & EO 37 (2006) [Refer to Note 3]	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	NO BOARD APPROVAL REQUIREMENT
	Any 1 of Level 1, 2, 3, or 4 are authorized to approve, execute and attest contract (1 member must be Level 3 or above).	Any 1 of Level 1, 2, 3, or 4 are authorized to approve, execute and attest contract (1 member must be Level 3 or above).	Any 1 of Level 1, 2, 3, or 4 are authorized to approve, execute and attest contract (1 member must be Level 3 or above).	Any 1 of Level 1, 2, 3, or 4 are authorized to approve, execute and attest contract (1 member must be Level 3 or above).		Clarifies Director's ability to execute these types of contracts in accordance with current EDA Administrative Operating Authority.	Expedite ability to effectuate services procured under this Operating Scope.	NO BOARD APPROVAL REQUIREMENT SINCE PROCUREMENT IS UNDER \$300,000.
R/E Development contracts A/E/Survey/related professional services subject to S-2194 over \$25,000 up to & including \$50,000. Subject to 6/12/01, 10/15/08 and 8/9/16 Board Approvals Complies with S-2194 & EO 37 (2006) [Refer to Note 3]	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).	Clarifies Director's ability to execute these types of contracts in accordance with current EDA Administrative Operating Authority.	Eliminated need for SVP to participate as required member of Selection Committee to enhance efficiency of procurement process and availability of appropriate qualified staff expertise.	NO BOARD APPROVAL REQUIREMENT SINCE PROCUREMENT IS UNDER \$300,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD REQUIREMENT
8/9/2016 R/E Development contracts A/E/Survey/related professional services subject to S-2194 over \$50,000 up to & including \$300,000. Subject to 6/12/01, 10/15/08 and 6/9/16 Board Approvals Complies with S-2194 & EO 37 (2006) [Refer to Note 3]	CEO/ICOO Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	SVP Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Director - Real Estate Development, Only ("DRE") Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Finance & Development Manager, Design & Construction Manager, Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Senior Project Officer and Project Officers - Real Estate Development, Only ("P-O") Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$300,000.
R/E Development contracts A/E/Survey/related professional services subject to S-2194 over \$25,000 with no limit (emergency procurement). Subject to 6/12/01 and 10/15/08 Board Approvals Complies with S-2194 & EO 37 (2006) [Refer to Note 3]	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis.	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis.	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis.		No Change	No Change	N/A	BOARD RATIFICATION REQUIRED IF PROCUREMENT IS OVER \$150,000. NOTICE TO BOARD AT NEXT MEETING OR AS SOON AS PRACTICABLE.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts A/E/Survey/related professional services subject to S-2194 over \$300,000 Subject to 6/12/01, 10/15/08 and 6/10/10 Board Approvals Complies with S-2194 & EO 37 (2006) [Refer to Note 3]	CEO/COO Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	SVP Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Director - Real Estate Development, Only ("DRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO") Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	BOARD APPROVAL REQUIREMENT IS OVER \$300,000.
8/9/2016 R/E Development contracts for professional services not subject to S-2194 over Treasury DPP public bidding threshold and up to and including \$50,000. Subject to 6/12/01, 10/15/08 and 6/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute contract (1 member must be Level 3 or above).	Clarifies Director's ability to execute these types of contracts in accordance with current EDA Administrative Operating Authority.	Eliminated need for SVP to participate as required member of Selection Committee to enhance efficiency of procurement process and availability of appropriate qualified staff expertise.	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$300,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts for professional services not subject to S-2194 over Treasury DPP public bidding threshold, over \$50,000 and up to and including \$300,000. Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$300,000.
R/E Development contracts for professional services not subject to S-2194 over \$300,000 Subject to 6/12/01 & 10/15/08 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above), Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Clarifies Director's ability to execute these types of contracts in accordance with current EDA Administrative Operating Authority. This scope represents those contract over \$50,000 up to \$300,000.	Real Estate reports to SVP (Level 2)	BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS OVER \$300,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts for construction related services not subject to S-2194 over Treasury DPP public bidding threshold and up to and including \$50,000. Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	CEO/COO Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 3 or above). Level 3 or above authorized to execute contract. Level 3 and 4 authorized to attest contracts.	SVP Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 3 or above). Level 3 or above authorized to execute contract. Level 3 and 4 authorized to attest contracts.	Director - Real Estate Development, Only ("DRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 3 or above). Level 3 or above authorized to execute contract. Level 3 and 4 authorized to attest contracts.	Finance & Development Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 3 or above). Level 3 or above authorized to execute contract. Level 3 and 4 authorized to attest contracts.	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO") Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$300,000.
R/E Development contracts for construction related services not subject to S-2194 over Treasury DPP public bidding threshold over \$50,000 and up to and including \$300,000. Subject to 6/12/01, 10/15/08, 8/10/10 and 8/11/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).	No Change	N/A	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$300,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	
8/9/2016 R/E Development contracts for construction related services not subject to S-2194 over \$300,000 Subject to 6/12/01 & 10/5/08 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	CEO/ICOO Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). SVP authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	SVP Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). SVP authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Director - Real Estate Development, Only ("DRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). SVP authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Finance & Development Manager, Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). SVP authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO") Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	BOARD APPROVAL REQUIREMENT
R/E Development contracts (direct procurement) up to and including Treasury DPP public bidding threshold. Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 5]	Any 2 of Level 1, 2 or 3 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).	Any 2 of Level 1, 2 or 3 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).	Any 2 of Level 1, 2 or 3 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).			Clarifies Director's ability to execute contract at this threshold.	This is in compliance with EDA Administrative Operating Authority.	NO BOARD APPROVAL REQUIREMENT SINCE UNDER \$150,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	
8/9/2016 R/E Development contracts (direct procurement) over Treasury DPP public bidding threshold up to and including \$50,000. Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 5]	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts (direct procurement) over Treasury DPP public bidding threshold over \$50,000 up to and including \$150,000 Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 5]	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract on a sole source basis if there is only one vendor capable or available to provide the services (1 member must be Level 3 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 3 or above).	Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).	Clarifies Director's ability to execute these types of contracts in accordance with current EDA Administrative Operating Authority.	This is in compliance with EDA Administrative Operating Authority.	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$150,000.
8/9/2016 R/E Development contracts (direct procurement) over Treasury DPP public bidding threshold over \$50,000 up to and including \$150,000 Subject to 6/12/01, 10/15/08, 8/10/10 and 8/9/16 Board Approvals Complies with EO 37 (2006) [Refer to Note 5]	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select a vendor, execute and attest contract (1 member must be Level 2 or above).	Any 4 of Level 1, 2, 3, 4 or 5 are authorized to select vendor, execute and attest contract (1 member must be Level 2 or above).	Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).	No Change	N/A	NO BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS UNDER \$150,000.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts (direct procurement) over \$150,000. Subject to 6/12/01 and 11/15/08 Board Approvals Complies with EO 37 (2006) [Refer to Note 5]	<p>Level 1</p> <p>CEO/COO</p> <p>Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.</p>	<p>Level 2</p> <p>SVP</p> <p>Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.</p>	<p>Level 3</p> <p>Director - Real Estate Development, Only ("DRE")</p> <p>Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.</p>	<p>Level 4</p> <p>Finance & Development Manager; Design & Construction Manager; Program Manager - Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")</p> <p>Any 4 of Level 1, 2, 3, 4, or 5 are authorized to select vendor (1 member must be Level 2 or above). C Level 2 (SVP) or above authorized to execute contract after Board approval of specific contract. Level 2, 3, and 4 are authorized to attest contracts.</p>	<p>Level 5</p> <p>Senior Project Officer and Project Officers - Real Estate Development, Only ("PC")</p> <p>Authorized to be a participant of Evaluation Committee to make recommendation of vendor with any 3 of Level 1, 2, 3 or 4 (1 member must be Level 2 or above).</p>	<p>No Change</p>	<p>N/A</p>	<p>BOARD APPROVAL REQUIRED SINCE PROCUREMENT IS MORE THAN \$150,000.</p>

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 R/E Development contracts not subject to S-2194 no dollar limit (emergency procurement) Subject to 6/12/01, 10/15/08 and 8/10/10 Board Approvals Complies with EO 37 (2006) [Refer to Note 3]	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")		Accurately reflects current organization of department.	
	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis. Subsequent notification to Board for procurement in excess of \$150,000.	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis. Subsequent notification to Board for procurement in excess of \$150,000.	Any 3 of Level 1, 2 or 3 are authorized to declare "an emergency", select vendor, execute and attest contract on sole source basis. Subsequent notification to Board for procurement in excess of \$150,000.			No Change	N/A	BOARD RATIFICATION REQUIRED IF PROCUREMENT IS OVER \$150,000. NOTICE TO BOARD AT NEXT MEETING OR AS SOON AS PRACTICABLE.
GRANTS								
Authorized to apply for, modify, execute financial documents and other instruments in connection with the acceptance of a grant for program initiatives and/or project financings up to \$300,000.	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 1 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement (1 member must be Level 2 or above).	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 1 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement (1 member must be Level 2 or above).	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 1 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement (1 member must be Level 2 or above).			Clarifies signatory Level; Previous Operating Authority was silent on signatory.	Clarification	NO BOARD APPROVAL REQUIRED IF \$300,000 OR LESS.
Subject to 8/10/10 and 8/1916 Board Approval								

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	BOARD APPROVAL
Authorized to apply for a grant, or a modification to an existing grant, for program initiatives and/or project financings in excess of \$300,000. Subject to 8/9/16 Board Approval	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)	Any 1 of Level 1, 2 or 3 are authorized to apply for a grant or grant modification, extension, revision; Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)			Allows for application of grant in excess of \$300,000.	Enhance efficiency of development and budgeting process for feasibility, development and construction projects by allowing acceptance of grants to offset EDA expenditures.	BOARD APPROVAL NOT REQUIRED FOR APPLICATION OF GRANT BUT IS REQUIRED UPON ACCEPTANCE AND EXECUTION OF GRANT (see following Row).
Authorized to accept, modify, execute financial documents and other instruments in connection with the acceptance of a grant, or grant modification, for program initiatives and/or project financings in excess of \$300,000. Subject to 8/9/16 Board Approval	Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)	Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)	Any 2 of Level 1, 2 or 3 may accept a grant, execute and attest grant agreement after Board Approval (1 member must be Level 2 or above)			Allows for acceptance of grant and execution of grant modification, in excess of \$300,000.	Enhance efficiency of development and budgeting process for feasibility, development and construction projects by allowing acceptance of grants to offset EDA expenditures.	BOARD APPROVAL REQUIRED FOR ACCEPTANCE AND EXECUTION OF GRANTS, OR GRANT MODIFICATION, IN EXCESS OF \$300,000.

ALL TENANT LEASES								
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REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016	Authorized to select tenants to lease space in NJEDA owned or leased property (in excess of 8,000 square feet) at current market rental package- not applicable to CCIT. Subject to 8/10/10, 9/13/12 and 8/9/16 Board Approvals [Refer to Note 7]	Authorized to select tenants to lease 8,001 sq. ft. of space or more. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). Director authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases after Board approval.	Authorized to select tenants to lease 8,001 sq. ft. of space or more. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). Director authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases after Board approval.	Authorized to select tenants to lease 8,001 sq. ft. of space or more. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). Director authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases after Board approval.	Finance & Development Manager, Design & Construction Manager, Program Manager- Real Estate Development, Only ("PMRE") ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Accurately reflects current organization of department.	BOARD APPROVAL REQUIRED IF LEASE IS MORE THAN 8,001 sq. ft. of space.
8/9/2016	Authorized to select tenants to lease up to and including 8,000 sq. ft. of space. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). SVP authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases.	Authorized to select tenants to lease up to and including 8,000 sq. ft. of space. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). SVP authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases.	Authorized to select tenants to lease up to and including 8,000 sq. ft. of space. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). SVP authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases.	Authorized to select tenants to lease up to and including 8,000 sq. ft. of space. Any 3 of Level 1, 2, 3, or 4 are authorized to select tenant (1 member must be Level 2 or above). SVP authorized to execute lease and Level 2, 3, and 4 are authorized to attest leases.	CEO/COO/President, Level 1 removed as signatory in an effort to expedite execution of Board approved Lease Agreements.	CEO/COO/President, Level 1 replaced with SVP Level 2 as signatory in an effort to expedite execution of Lease Agreements. Allows Delegation to Division to select tenants and enter into Lease Agreement with Level 2 authorization.	Expedite ability to enter into a Lease Agreement with Tenants under this Operating Scope. All actions taken under this scope will be reported to the next Real Estate Committee (see Note 6).	NO BOARD APPROVAL REQUIRED IF LEASE IS UP TO AND INCLUDING 8,000 sq. ft. of space.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 Authorized to reduce or waive late payment fees upon tenant request up to 90 days. Subject to 8/10/10 and 9/13/12 Board Approvals [Refer to Note 6]	CEO/COO Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive late payment fees upon tenant request up to 90 days (1 member must be Level 3 or above).	SVP Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive late payment fees upon tenant request up to 90 days (1 member must be Level 3 or above).	Director - Real Estate Development, Only ("DRE") Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive late payment fees upon tenant request up to 90 days (1 member must be Level 3 or above).	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive late payment fees upon tenant request up to 90 days (1 member must be Level 3 or above).	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO") Authorized to make recommendation of reduction or waiver with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).	Corrected departmental titles.	Accurately reflects current organization of department.	NO BOARD APPROVAL REQUIRED IF REDUCTION OR WAIVER IS 90 DAYS OR LESS.
Authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Authorized to make recommendation of reduction or waiver with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).	Allows reduction or waiver for financial hardship.	Clarifies additional reason for waiver or reduction.	NO BOARD APPROVAL REQUIRED IF REDUCTION OR WAIVER IS 90 DAYS OR LESS OR UP TO \$50,000, WHICHEVER IS LESS.
Authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less, for operational, CAM adjustments or other financial hardship Subject to 8/10/10, 9/13/12 and 8/9/16 Board Approval [Refer to Note 6]	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Any 3 of Level 1, 2, 3, 4 or 5 are authorized to reduce or waive rent payments upon tenant request up to 90 days or up to \$50,000, whichever is less (1 member must be Level 3 or above).	Authorized to make recommendation of reduction or waiver with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).			

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	
8/9/2016	<p>Any 3 of Level 1, 2, 3, 4 or 5 are authorized to waive or reduce holdover rent premium up to 180 days upon tenant request (1 member must be Level 3 or above).</p> <p>Subject to 8/10/10, 9/13/12 and 8/9/16 Board Approval [Refer to Note 6]</p>	<p>Any 3 of Level 1, 2, 3, 4 or 5 are authorized to waive or reduce holdover rent premium up to 180 days upon tenant request (1 member must be Level 3 or above).</p>	<p>Any 3 of Level 1, 2, 3, 4 or 5 are authorized to waive or reduce holdover rent premium up to 180 days upon tenant request (1 member must be Level 3 or above).</p>	<p>Any 3 of Level 1, 2, 3, 4 or 5 are authorized to waive or reduce holdover rent premium up to 180 days upon tenant request (1 member must be Level 3 or above).</p>	<p>Authorized to make recommendation of waiver or reduction with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</p>	<p>Allows reduction or waiver for tenant's transition.</p>	<p>Clarifies additional reason for waiver or reduction.</p>	<p>BOARD APPROVAL REQUIREMENT</p>
	<p>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</p>	<p>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</p>	<p>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</p>	<p>Any 3 of Level 1, 2, 3, or 4 are authorized to waive or reduce holdover rent premium upon tenant request up to 1 year (1 member must be Level 2).</p>	<p>Authorized to make recommendation of waiver or reduction with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above).</p>	<p>Allows reduction or waiver for tenant's transition. Previously only Level 1 (CEO/COO) could authorize, now allows SVP, Level 2, to authorize.</p>	<p>Clarifies additional reason for waiver or reduction.</p>	<p>NO BOARD APPROVAL REQUIRED IF REDUCTION OR WAIVER IS 1 YEAR OR LESS.</p>

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 Authorized to terminate a lease or reduce space and rent proportionately upon tenant request during last six months of lease term up to \$50,000 Subject to 8/10/10 and 9/13/12 Board Approvals [Refer to Note 6]	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	No Change	N/A	NO BOARD APPROVAL REQUIRED IF TERMINATION AND/OR MODIFICATION(S) ARE DURING LAST 6 MONTHS OF LEASE TERM AND \$50,000 OR LESS.
Authorized to amend a lease to increase square footage of tenant's existing lease, on terms consistent and coterminous with that existing lease (at current market rental package). No additional EDA funding will be provided above the existing tenant fit out allowance per square foot.		Any 3 of Level 1, 2, 3 or 4 are authorized to amend a lease to increase space up to 25% of existing tenant's current square footage (1 member must be Level 2 or above).	Any 3 of Level 1, 2, 3 or 4 are authorized to amend a lease to increase space up to 25% of existing tenant's current square footage (1 member must be Level 2 or above).	Any 3 of Level 1, 2, 3 or 4 are authorized to amend a lease to increase space up to 25% of existing tenant's current square footage (1 member must be Level 2 or above).	Authorized to make recommendation of increase of square footage for existing tenant space with any of 2 of Level 1, 2, 3, or 4 (1 member must be Level 2 or above).	Allows Delegated Authority to increase tenant space by 25% of current leased space.	Enhances staff ability to assist growing tenant in their leasing needs in an expeditious fashion.	NO BOARD APPROVAL REQUIRED IF AMENDMENT TO INCREASE SPACE IS 25% OR LESS OF EXISTING TENANTS CURRENT SQUARE FOOTAGE.
Subject to 8/9/16 Board Approval [Refer to Note 6]						ENTIRELY NEW CATEGORY	Operating Authority was formerly silent on this Operational Scope	
LEASES FOR EDA OCCUPIED SPACE						Sets forth authority for EDA to enter into Lease Agreement as a Tenant		

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016	<p>Any 4 of Level 1, 2, 3, or 4 are authorized to select space/site as well as execute Lease Agreements (1 member must be Level 2 or above)</p> <p>CEO/COO</p>	<p>Any 4 of Level 1, 2, 3, or 4 are authorized to select space/site as well as execute Lease Agreements (1 member must be Level 2 or above)</p> <p>SVP</p>	<p>Any 4 of Level 1, 2, 3, or 4 are authorized to select space/site as well as execute Lease Agreements (1 member must be Level 2 or above)</p> <p>Director - Real Estate Development, Only ("DRE")</p>	<p>Level 4 is authorized to attest Lease Agreement</p> <p>Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")</p>	<p>Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")</p>	<p>Corrected departmental titles.</p>	<p>Accurately reflects current organization of department.</p>	<p>CONSISTENT WITH EXISTING CONTRACTUAL AUTHORITY THRESHOLDS.</p>
	<p>Authorized to select space/site, negotiate current market rental package and execute Lease Agreement with Landlord for leases for EDA operations. Selection and signatory to be consistent with current contractual Delegated Authority Thresholds</p> <p>Subject to 8/9/16 Board Approval</p>							
	RIGHT OF ENTRY / LICENSE AGREEMENTS							

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	
8/9/2016 R/E development right of entry and license agreements from third parties (non-monetary)/3 years with two 1 year renewal options). Subject to 10/15/08, 8/10/10 and 8/9/16 Board Approvals [Refer to Note 6]	CEO/COO Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	SVP Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Director - Real Estate Development, Only ("DRE") Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE") Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	BOARD APPROVAL REQUIREMENT
R/E development right of entry and license agreements to third parties (payments up to & including \$100,000/3 years with two 1 year renewal options). Subject to 10/15/08, 8/10/10 and 8/9/16 Board Approvals [Refer to Note 6]	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Allows Director to execute Right of Entry Agreements.	Allows Director to execute Right of Entry Agreements.	Memorializes terms previously approved by Board.	NO BOARD APPROVAL REQUIRED IF RIGHT OF ENTRY OR LICENSE IS NON-MONETARY FOR A TOTAL OF 5 YEARS OR LESS (INCLUDING EXTENSIONS).
	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 3 or above).	Allows Director to execute Right of Entry Agreements.	Allows Director to execute Right of Entry Agreements.	Memorializes terms previously approved by Board.	NO BOARD APPROVAL REQUIRED IF RIGHT OF ENTRY OR LICENSE FEES ARE \$100,000 OR LESS AND FOR 3 YEARS WITH TWO, 1 YEAR RENEWALS.

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016 Right of Entry/License Agreements for EDA owned property for standard utility, communications, infrastructure use between EDA and utility companies, communications, companies providing public utility other governmental entities requiring access to provide EDA or its tenants services (10 year with two 5 year renewal options) Subject to 8/11/16 Board Approval	CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE", "D&CMRE", "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	
	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 2 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 2 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 2 or above).	Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy (1 member must be Level 2 or above).	Allows SVP to execute longer term Right of Entry Agreements.		Aids in expediting access for work required on EDA sites or adjacent sites (requiring access through EDA owned property). All actions taken under this scope will be reported to the next Real Estate Committee (see Note 6).	NO BOARD APPROVAL REQUIRED IF RIGHT OF ENTRY OR LICENSE IS WITH UTILITY COMPANY, COMMUNICATIONS COMPANY OR OTHER GOVERNMENTAL ENTITY FOR A TOTAL OF 20 YEARS OR LESS (INCLUDING EXTENSIONS).
PURCHASE, SALE AND DEVELOPER TRANSACTIONS					ENTIRELY NEW CATEGORY			

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

	Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
8/9/2016	<p>CEO/COO</p> <p>Any 4 of Level 1, 2, 3, or 4 are authorized to execute Developer, Purchase and Sale Agreements, Memoranda of Agreement and Memoranda of Understanding (1 member must be Level 2 or above)</p>	<p>SVP</p> <p>Any 4 of Level 1, 2, 3, or 4 are authorized to execute Developer, Purchase and Sale Agreements, Memoranda of Agreement and Memoranda of Understanding (1 member must be Level 2 or above)</p>	<p>Director - Real Estate Development, Only ("DRE")</p> <p>Any 4 of Level 1, 2, 3, or 4 are authorized to execute Developer, Purchase and Sale Agreements, Memoranda of Agreement and Memoranda of Understanding (1 member must be Level 2 or above)</p>	<p>Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")</p> <p>Any 4 of Level 1, 2, 3, or 4 are authorized to execute Developer, Purchase and Sale Agreements, Memoranda of Agreement and Memoranda of Understanding (1 member must be Level 2 or above)</p>	<p>Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")</p>	<p>Corrected departmental titles.</p>	<p>Accurately reflects current organization of department.</p>	<p>BOARD APPROVAL OF PURCHASE, SALE AND DEVELOPMENT OF EDA OWNED OR PENDING ACQUISITION OF PROPERTY REQUIRED.</p>
<p>Authorized to execute Developer Agreements, Purchase and Sale Agreements, Development Agreements, Memoranda of Understanding, Memoranda of Agreement for Development or Purchase and Sale Transactions after Board approval of transaction.</p> <p>Subject to 8/9/16 Board Approval</p> <p>(Refer to Note 7)</p>	<p>Authorized to execute any and all closing documents associated with Board approved transaction.</p> <p>Subject to 8/9/16 Board Approval</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>The new category was included as RE Operating Authority was previously silent on these types of transactions. Allows SVP to sign PSA and Development Agreements, MOAs and MOUs after Board approval.</p> <p>All actions taken pursuant to this delegation will be reported to the Real Estate Committee at the next meeting.</p>	<p>The RE Division consistently enters into these types of Agreements and inclusion in the Operating Authority clarifies signatory ability. Consistent with current Credit Delegation Operating Authority.</p>	<p>BOARD APPROVAL OF PURCHASE, SALE AND DEVELOPMENT OF EDA OWNED OR PENDING ACQUISITION OF PROPERTY REQUIRED.</p>	
<p>Authorized to execute any and all closing documents associated with Board approved transaction.</p> <p>Subject to 8/9/16 Board Approval</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>Any 2 of Level 1, 2, 3 or 4 are authorized to approve, execute and attest agreement in accordance with approved policy after Board approval (1 member must be Level 3 or above).</p>	<p>This allows the Director to execute closing documents--subsequent to Board approval and the SVP's executing of the governing agreement--for the Board approved transaction.</p>	<p>Enhances efficiency as Director can execute closing documents at the settlement table. Since closing documents are rarely approved several days in advance of settlement, this will allow EDA to proceed to settlement with an authorized signatory. Consistent with current Credit Delegations Operating Authority.</p>	<p>BOARD APPROVAL OF PURCHASE, SALE AND DEVELOPMENT OF EDA OWNED OR PENDING ACQUISITION OF PROPERTY REQUIRED.</p>	

REAL ESTATE DIVISION OPERATING AUTHORITY BY LEVEL

Level 1	Level 2	Level 3	Level 4	Level 5	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	BOARD APPROVAL REQUIREMENT
CEO/COO	SVP	Director - Real Estate Development, Only ("DRE")	Finance & Development Manager; Design & Construction Manager; Program Manager- Real Estate Development, Only ("FDMRE"; "D&CMRE"; "PMRE")	Senior Project Officer and Project Officers - Real Estate Development, Only ("PO")	Corrected departmental titles.	Accurately reflects current organization of department.	

8/9/2016

NOTE 1: Level 2 has been revised from "SVP Operations" to "SVP" to reflect current staff.

NOTE 2: Level 4 authority to attest or execute contracts up to \$25,000 is in accordance with existing NJEDA Administrative Operating Authority.

NOTE 3: All procurement approvals are subject to compliance with NJEDA Procurement and Policy Procedures and public bidding requirements, where applicable.

NOTE 4: All tenants are approved in accordance with the CCTT Admission Policy and Procedures.

NOTE 5: Direct procurements are subject to Section 16 (a) through (g) of Executive Order 37 (2006).

NOTE 6: All actions taken pursuant to this delegation will be reported to the Real Estate Committee at the next meeting and to the Board at quarterly intervals.

NOTE 7: All acquisitions, sales and leases are subject to compliance with NJEDA Disposition Procedures.

SIGNATORY FOR DOCUMENTS	Document Type:	Position	Level of Authority	CLARIFICATIONS/REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	KEY INDICATING LEVEL TO POSITION
<p>Transactions: Procurements; Development Transactions; Grant Transactions; Program Transactions; Right of Entry Agreements; Lease Transactions; Purchase and Sale Transactions</p> <p>Subject to 8/9/16 Board Approval</p>	<p>Procurement contracts, leases; financing documents; grant applications and agreements; closing documents; Right of Entry Agreements and all project related documentation.</p>	<p>Director of Real Estate Development (Level 3)</p>	<p>Authority to execute all approved transactional documents including but not limited to leases, contracts, grant applications, deeds, financing documents and other instruments in connection with Real Estate projects as necessary to effectuate completion for Board approved transactions with attestation by Level 4.</p>	<p>Allows Director to execute transactional documents for Board approved transactions or projects.</p>	<p>Clarifies Director's authority to execute financing documents to include Real Estate Project and closing documents. Previous Real Estate Operating Authority was silent on authorized signatory, however this practice is consistent with the authority of the Director of Real Estate Development under the current the Credit Delegations Operating Authority.</p>	<p>Level 1 CEO/COO Level 2 SVP Level 3 DRE Level 4 FDMRE D&CMRE PMRE Level 5 PO</p>
<p>Purchase and Sale Transactions; Developer Transactions</p> <p>Subject to 8/9/16 Board Approval</p>	<p>Purchase and Sale Agreements; Development and Option Agreements</p>	<p>CEO, COO, SVP (Level 2 or above)</p>	<p>Level 2 or above must execute Purchase and Sale Agreements as well as Development and Option Agreements with attestation by Level 3 or above.</p>	<p>Allows Level 1 and Level 2 to execute transactional documents for Board approved transactions or projects.</p>	<p>Previous Real Estate Operating Authority was silent on authorized signatory, however this practice is consistent the current Credit Delegations Operating Authority.</p>	

LEASE OPERATING SCOPE ONLY	Level 1 Chief Executive Officer ("CEO") and President/COO ("President")	Level 2 SVP	Level 3 Director - Technology and Life Sciences-only ("D-TLS")	Level 4 Program Manager-Technology and Life Sciences, Only ("PM-TLS")	Level 5 Program Specialist ("PS") CCIT ONLY	REVISIONS FROM CURRENT OPERATING AUTHORITY	REASONING	ADVISORY BOARD APPROVAL REQUIREMENT	BOARD APPROVAL REQUIREMENT
Authorized to extend term and add or reduce space and rent proportionately after the 4th year of annual lease term on a month to month basis on an average of 12 one month renewals but not to exceed 18 one month renewals lease expiration up to 4-year to facilitate tenant graduation from CCIT. Subject to 8/10/10, 9/13/12, and 8/9/16 Board Approval [Refer to Note 6]	Any 2 of Level 1, 2, 3, or 4 are authorized to continue or reduce space and rent proportionately up to 18 months (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3, or 4 are authorized to continue or reduce space and rent proportionately up to 18 months (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3, or 4 are authorized to continue or reduce space and rent proportionately up to 18 months (1 member must be Level 3 or above).	Any 2 of Level 1, 2, 3, or 4 are authorized to continue or reduce space and rent proportionately up to 18 months (1 member must be Level 3 or above).	Authorized to make recommendation of continuing, adding or reducing space and reducing rent with any 2 of Level 1, 2, 3 or 4 (1 member must be Level 3 or above) CCIT ONLY.	Corrected departmental titles. Allow Director of TLS to execute and Program Manager to Attest Lease Agreements	Accurately reflects current organization of department. Enhances CCIT ability to enter into Lease Agreements and expedites the Lease execution process. Additionally, allows some flexibility if tenant graduate space not ready.	ADVISORY BOARD APPROVAL REQUIRED FOR EXTENSION OF TERM; NO ADVISORY BOARD APPROVAL REQUIRED FOR REDUCTION OF SPACE.	NO BOARD APPROVAL REQUIRED IF MODIFICATION(S) ARE 18 MONTHS OR LESS.

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: August 9, 2016

SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in July 2016:

Camden ERB:

- 1) W Keith Williams II (P42660 & P42662), located in Camden City, Camden County, is a practicing attorney and district attorney for Yeadon, PA. Mr. Williams also invests in real estate within Camden, NJ and Philadelphia, PA, and has recently been renovating the project properties. Mr. Williams was approved for a \$20,000 Business Improvement Incentive Grant to fund a portion of the financing costs associated with the renovation of the subject property at 217 Market St., Camden to accommodate a full service restaurant. In addition, Mr. Williams was approved for a \$20,000 Business Improvement Incentive Grant to fund a portion of the renovations of the subject property at 219 Market St., Camden to accommodate first floor retail space and four upstairs apartments.

Premier Lender Program:

- 1) 6001 Bordentown, LLC (P42826), located in Sayreville Borough, Middlesex County, is a recently formed real estate holding company created to purchase the project property. The operating company, OEG Building Materials, Inc. is a manufacturer and distributor of high quality, light weight and durable steel framing accessories for homebuilders and contractors in the building industry. Fulton Bank approved a \$2,880,000 bank loan contingent upon a 40% (\$1,150,000) Authority participation. Proceeds will be used to purchase the project property. Currently, the Company has 80 employees and plans to create 25 new positions within the next two years. SSBCI funds will be utilized for this project.
- 2) Richard E Pierson Materials Corporation (“REPMC”) (P42797), located in Cinnaminson Township, Burlington County, was formed in 1980, to produce and sell asphalt, concrete and other construction materials to commercial businesses and municipalities. REPMC competes for work through competitive public bidding, often times as a joint venture with other large contractors. Furthermore, the Company operates as a subcontractor for various functions such as earthwork, utility work, paving and demolition. TD Bank approved a \$5,562,500 Direct Finance Lease contingent upon a 36% (\$2,000,000) Authority participation. Proceeds will be used to purchase equipment and machinery. The Company currently has 125 employees and plans to create twelve new jobs over the next two years.

Stronger NJ Business Loan Program:

- 1) C & C Marine Services LLC (P42708), located in Berkeley Township, Ocean County, began operation in 2006 as a boat storage and repair facility. Over the years, the business evolved into a retailer of boats, yachts, and marine supplies. The Company was heavily damaged during Superstorm Sandy with significant losses to equipment, bulkheads and docks, and office space. The Company was approved for a \$495,159 working capital loan to reimburse working capital expenses. Currently, the Company has four employees.
- 2) Headquarters Pub LLC d/b/a Tun Tavern (P41880 & P40592), located in Atlantic City, Atlantic County, is a restaurant and brewery located within the Sheraton Hotel and connected to the Atlantic City Convention Center. The Company has been in operation for 16 years and offers craft beer manufactured on-site in addition to restaurant operations and room service for guests staying at the Sheraton Hotel. The Company was approved for a \$1,050,000 working capital loan and a \$50,000 forgivable working capital loan to reimburse working capital expenses incurred after Superstorm Sandy. The Company currently has 23 employees and plans to create twelve new positions within the next two years.
- 3) LaGrutta-Russo, LLC d/b/a Mulberry Street Restaurant & Bar (P41919 & P41922), located in Woodbridge Township, Middlesex County, is a dine-in restaurant that serves lunch and dinner throughout the year. Operating since 2002, the Company serves Southern Italian food six days a week. In addition, the restaurant provides catering services and hosts on site private parties for personal and corporate clients. The Company was approved for a \$502,592 working capital loan and a \$50,000 forgivable working capital loan to reimburse 2014 working capital expenses. The Company has six employees and plans to create five additional jobs within the next two years.
- 4) Payton Enterprises, LLC (P42555), located in Point Pleasant Beach Borough, Ocean County, was founded in 2001 as a commercial real estate holding company operating out of Point Pleasant Beach. The Company owns four properties (three in Point Pleasant Beach and one in Brielle) and leases the properties out to operating companies under the same ownership. The Company was approved for a \$256,732 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy. The Company plans to create three new jobs over the next two years.

A handwritten signature in black ink, appearing to be 'D. Lawyer', is written over a horizontal line.

Prepared by: D. Lawyer
DL/gvr



TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Petroleum Underground Storage Tank Program (PUST) - Delegated Authority
Second Quarter 2016 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Petroleum Underground Storage Tank Program (PUST) up to \$100,000 and supplemental awards for existing grants (of any size) up to an aggregate of \$100,000, provided that the aggregate amount of the supplemental awards does not exceed \$100,000.

Attached is a summary of the Delegated Authority approvals for the second quarter ending June 30, 2016. 168 Grants were approved totaling \$2,730,379.



Timothy Lizura

Prepared by: Wendy Wisniewski

August 2016 Board Book - Board Memorandums

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Abalo, Carmen (P42116)	Initial grant for upgrade, closure and remediation	\$15,655	\$15,655
Ahedo, Ed and Elaine (P42076)	Initial grant for upgrade, closure and remediation	\$22,513	\$22,513
Ayekof-Avanya, John Sunshine (P42066)	Initial grant for upgrade, closure and remediation	\$13,288	\$13,288
Bader, Alan (P42242)	Initial grant for upgrade, closure and remediation	\$20,370	\$20,370
Balle, Martha (P42178)	Supplemental grant for site remediation	\$1,142	\$33,582
Baniewicz, Charles (P42203)	Initial grant for upgrade, closure and remediation	\$16,062	\$16,062
Baniuszewicz, Leslaw (P41975)	Initial grant for upgrade, closure and remediation	\$35,153	\$35,153
Battista, John Jr. (P42087)	Initial grant for upgrade, closure and remediation	\$7,929	\$7,929
Beer, Moshe (P42164)	Initial grant for upgrade, closure and remediation	\$19,564	\$19,564
Beggs, Daniel (P41687)	Initial grant for upgrade, closure and remediation	\$5,294	\$5,294
Bennett, Mary (P42289)	Initial grant for upgrade, closure and remediation	\$44,012	\$44,012
Betancourt, John (P42196)	Initial grant for upgrade, closure and remediation	\$37,394	\$37,394
Binns, Stephen (P41727)	Initial grant for upgrade, closure and remediation	\$3,945	\$3,945
Bland, William (P41991)	Initial grant for upgrade, closure and remediation	\$5,591	\$5,591
Bolislavsky, Abram (P42484)	Initial grant for upgrade, closure and remediation	\$2,467	\$2,467
Born, Gary (P42334)	Initial grant for upgrade, closure and remediation	\$12,828	\$12,828
Bradley, Pamela (P41977)	Initial grant for upgrade, closure and remediation	\$12,714	\$12,714
Brillstein, Lili (P41454)	Initial grant for upgrade, closure and remediation	\$17,446	\$17,446
Canzone, John and Kelly (P41987)	Initial grant for upgrade, closure and remediation	\$3,737	\$3,737
Carrol, Joseph (P42281)	Initial grant for upgrade, closure and remediation	\$4,198	\$4,198
Choma, Joan (P42331)	Initial grant for upgrade, closure and remediation	\$14,340	\$14,340
Clinton, Nancy (P42118)	Initial grant for upgrade, closure and remediation	\$9,292	\$9,292
Coimbra, Palmira (P42229)	Supplemental grant for site remediation	\$4,966	\$16,683
Collins, Judith and Amy Merrill (P42121)	Initial grant for upgrade, closure and remediation	\$27,020	\$27,020

August 2016 Board Book - Board Memorandums

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Conlin, John and Lorna (P42252)	Supplemental grant for site remediation	\$19,974	\$89,208
Constantine, Peggy (P42015)	Initial grant for upgrade, closure and remediation	\$50,732	\$50,732
D'Agostaro, Sebastiano (P42187)	Initial grant for upgrade, closure and remediation	\$7,465	\$7,465
Danikas, Alky A. (P41828)	Initial grant for upgrade, closure and remediation	\$11,318	\$11,318
Darmetko, Irene (P42304)	Initial grant for upgrade, closure and remediation	\$7,529	\$7,529
DeLeon, Lorraine (P42276)	Initial grant for upgrade, closure and remediation	\$22,660	\$22,660
DeSimone, Rudy (P41840)	Supplemental grant for site remediation	\$33,737	\$40,376
Decker, Blanch M. (P42064)	Initial grant for upgrade, closure and remediation	\$22,362	\$22,362
DellaPietro III, Frank (P42141)	Initial grant for upgrade, closure and remediation	\$20,589	\$20,589
DiGiovanni, Paul (P42381)	Initial grant for upgrade, closure and remediation	\$11,650	\$11,650
DiModugno, Giuseppe (P41131)	Initial grant for upgrade, closure and remediation	\$10,041	\$10,041
Dickson, James (P42132)	Initial grant for upgrade, closure and remediation	\$6,663	\$6,663
Dienes, Louis (P41730)	Initial grant for upgrade, closure and remediation	\$2,417	\$2,417
Doby, Nolan (P42137)	Initial grant for upgrade, closure and remediation	\$19,487	\$19,487
Dodge, Melissa (P42168)	Initial grant for upgrade, closure and remediation	\$4,523	\$4,523
Doolan, James (P42179)	Supplemental grant for site remediation	\$37,240	\$65,698
Drew, Jeffrey and Carmen (P42085)	Initial grant for upgrade, closure and remediation	\$20,904	\$20,904
Dunbar, Bruce (P41807)	Initial grant for upgrade, closure and remediation	\$3,174	\$3,174
Eklund, Jon (P42286)	Initial grant for upgrade, closure and remediation	\$16,416	\$16,416
Elsesy, Enayat (P42205)	Initial grant for upgrade, closure and remediation	\$15,278	\$15,278
Engell, Lawrence and Elayne (P42166)	Initial grant for upgrade, closure and remediation	\$5,222	\$5,222
Estate of Carmela Marra (P42151)	Initial grant for upgrade, closure and remediation	\$2,155	\$2,155
Estate of Carmella DeSimone (P42113)	Initial grant for upgrade, closure and remediation	\$3,731	\$3,731
Estate of Janina Koprowski (P42027)	Initial grant for upgrade, closure and remediation	\$80,465	\$80,465

August 2016 Board Book - Board Memorandums

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Estate of Mario Nascati (P42190)	Initial grant for upgrade, closure and remediation	\$56,639	\$56,639
Estate of Virginia Giannino (P42378)	Initial grant for upgrade, closure and remediation	\$29,297	\$29,297
Falzo, Gerard (P42072)	Initial grant for upgrade, closure and remediation	\$17,581	\$17,581
Fares, Nor (P42134)	Initial grant for upgrade, closure and remediation	\$29,455	\$29,455
Father John's Animal House (P41637)	Initial grant for upgrade, closure and remediation	\$16,609	\$16,609
Fedge, Daniel (P41859)	Initial grant for upgrade, closure and remediation	\$5,901	\$5,901
Feinberg, Helen (P42493)	Initial grant for upgrade, closure and remediation	\$14,633	\$14,633
Ferrigno, Teresa (P42070)	Initial grant for upgrade, closure and remediation	\$10,790	\$10,790
Fieldhouse, Priscilla (P42102)	Initial grant for upgrade, closure and remediation	\$5,979	\$5,979
Fiola, Anthony J. (P42016)	Initial grant for upgrade, closure and remediation	\$15,338	\$15,338
Fisher, Jane P. (P41699)	Initial grant for upgrade, closure and remediation	\$46,884	\$46,884
Flanders, Bernice and Flanders, Anthony (P42449)	Initial grant for upgrade, closure and remediation	\$6,833	\$6,833
Flanner, Colleen (P42026)	Initial grant for upgrade, closure and remediation	\$32,464	\$32,464
Fulling, Mary (P42193)	Initial grant for upgrade, closure and remediation	\$9,621	\$9,621
Galinis, Chris (P41849)	Initial grant for upgrade, closure and remediation	\$7,914	\$7,914
Garcia, Esteban (P42172)	Initial grant for upgrade, closure and remediation	\$5,474	\$5,474
Garner, Elwood W. (P42063)	Initial grant for upgrade, closure and remediation	\$48,697	\$48,697
Gaul, Hubert and Holly (P42253)	Initial grant for upgrade, closure and remediation	\$3,578	\$3,578
Gloeckner, Susan (P42139)	Initial grant for upgrade, closure and remediation	\$18,718	\$18,718
Greenberg, Evan (P42256)	Initial grant for upgrade, closure and remediation	\$6,474	\$6,474
Hartensveld, Brian and Lisa (P42078)	Initial grant for upgrade, closure and remediation	\$4,463	\$4,463
Heinrich, Rita (P42501)	Initial grant for upgrade, closure and remediation	\$13,708	\$13,708
Hernandez, Lino (P42030)	Initial grant for upgrade, closure and remediation	\$4,605	\$4,605

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APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Hoffman, Karen (P42391)	Initial grant for upgrade, closure and remediation	\$72,850	\$72,850
Hoke, Jr., Harris C. (P41865)	Initial grant for upgrade, closure and remediation	\$5,278	\$5,278
Horton, Lester W. (P42050)	Initial grant for upgrade, closure and remediation	\$6,379	\$6,379
Kaplan, Steven (P42410)	Initial grant for upgrade, closure and remediation	\$10,181	\$10,181
Keaveney, William (P42122)	Initial grant for upgrade, closure and remediation	\$17,132	\$17,132
Kielar, Frances (P41993)	Initial grant for upgrade, closure and remediation	\$19,720	\$19,720
Kirejevas, Laurie (P42010)	Initial grant for upgrade, closure and remediation	\$16,103	\$16,103
Kocsis, Endre and Stella (P42390)	Initial grant for upgrade, closure and remediation	\$8,555	\$8,555
Koste, Denise (P41658)	Initial grant for upgrade, closure and remediation	\$4,820	\$4,820
Lada, Raymond (P42174)	Initial grant for upgrade, closure and remediation	\$6,028	\$6,028
Lapi, Michael and Kathy (P42288)	Initial grant for upgrade, closure and remediation	\$20,549	\$20,549
Lawrence, Rochus (P41747)	Initial grant for upgrade, closure and remediation	\$13,268	\$13,268
Ligosh, Nicholas and Carol (P42140)	Initial grant for upgrade, closure and remediation	\$4,455	\$4,455
Liloia, Arnold (P42405)	Initial grant for upgrade, closure and remediation	\$54,602	\$54,602
Lollo, Eugene (P42028)	Initial grant for upgrade, closure and remediation	\$19,860	\$19,860
Loukides, Curt (P42150)	Initial grant for upgrade, closure and remediation	\$16,290	\$16,290
Madsen, Joseph (P42040)	Initial grant for upgrade, closure and remediation	\$4,204	\$4,204
Marinzulich, Judy (P42240)	Initial grant for upgrade, closure and remediation	\$20,593	\$20,593
Martin, Priscilla (P42269)	Initial grant for upgrade, closure and remediation	\$4,246	\$4,246
Martin, Virginia (P41745)	Initial grant for upgrade, closure and remediation	\$11,939	\$11,939
Matonis, David (P42037)	Initial grant for upgrade, closure and remediation	\$14,405	\$14,405
Maziarz, Boleslaw (P41855)	Initial grant for upgrade, closure and remediation	\$4,399	\$4,399
McCartney, Sarina (P42368)	Supplemental grant for site remediation	\$53,958	\$63,959

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APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
McGurr, Claire (P42100)	Initial grant for upgrade, closure and remediation	\$20,612	\$20,612
McMillan, Gary and Melanie (P42023)	Supplemental grant for site remediation	\$542	\$10,792
Mendes, Manuel and Isabel (P42539)	Initial grant for upgrade, closure and remediation	\$35,494	\$35,494
Morante, Carl (P42377)	Initial grant for upgrade, closure and remediation	\$15,497	\$15,497
Nataluk, Regina (P42283)	Initial grant for upgrade, closure and remediation	\$14,202	\$14,202
Nawracaj, Edward (P42173)	Initial grant for upgrade, closure and remediation	\$20,942	\$20,942
Nitz, Helen (P42290)	Initial grant for site remediation	\$42,294	\$42,294
Nizza, Onofrio (P42074)	Initial grant for upgrade, closure and remediation	\$11,593	\$11,593
O'Neal, Dennis (P42065)	Initial grant for upgrade, closure and remediation	\$26,487	\$26,487
Oluwehuje, Moussa J. (P42238)	Initial grant for upgrade, closure and remediation	\$4,402	\$4,402
Page, Ian (P42332)	Initial grant for upgrade, closure and remediation	\$13,956	\$13,956
Palinkas, Joseph (P42379)	Initial grant for upgrade, closure and remediation	\$26,256	\$26,956
Pata, Maria and Manuel (P41731)	Initial grant for upgrade, closure and remediation	\$7,145	\$7,145
Patterson, Eileen (P42383)	Initial grant for upgrade, closure and remediation	\$4,195	\$4,195
Perovich, Michael (P42204)	Initial grant for upgrade, closure and remediation	\$21,205	\$21,205
Pertusi, Widya (P41984)	Initial grant for upgrade, closure and remediation	\$17,092	\$17,092
Phalon, Christine (P42436)	Initial grant for upgrade, closure and remediation	\$3,139	\$3,139
Plauka, Alan (P42124)	Initial grant for upgrade, closure and remediation	\$14,365	\$14,365
Powell, Albert W. (P42215)	Initial grant for upgrade, closure and remediation	\$6,000	\$6,000
Putney, Cheryl (P42530)	Supplemental grant for site remediation	\$34,770	\$59,385
Ranaudo, Rio Ryan (P42081)	Initial grant for upgrade, closure and remediation	\$5,655	\$5,655
Rankin, Dean (P42098)	Initial grant for upgrade, closure and remediation	\$62,984	\$62,984
Reid, Joan (P42293)	Initial grant for upgrade, closure and remediation	\$3,415	\$3,415
Reilly, Linda (P42103)	Initial grant for upgrade, closure and remediation	\$11,333	\$11,333

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APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Reilly, Martin (P42206)	Initial grant for upgrade, closure and remediation	\$11,503	\$11,503
Rivera, Enrique (P42067)	Initial grant for upgrade, closure and remediation	\$12,065	\$12,065
Rizzo, James (P42382)	Initial grant for upgrade, closure and remediation	\$24,083	\$24,083
Rohr, Michael (P42439)	Initial grant for upgrade, closure and remediation	\$17,249	\$17,249
Roland, Philip (P41610)	Initial grant for upgrade, closure and remediation	\$2,771	\$2,771
Roller, Adam (P42230)	Supplemental grant for site remediation	\$17,777	\$106,772 *
Rua, Louis (P42127)	Initial grant for upgrade, closure and remediation	\$5,628	\$5,628
Sabey, Kristofor (P42225)	Initial grant for upgrade, closure and remediation	\$5,000	\$5,000
Salmon, Andrew and Christine (P42071)	Initial grant for upgrade, closure and remediation	\$2,186	\$2,186
Sanford, John (P42505)	Initial grant for upgrade, closure and remediation	\$4,706	\$4,706
Santagada, Elaine (P42212)	Initial grant for upgrade, closure and remediation	\$10,523	\$10,523
Santos, Delfim (P42236)	Initial grant for upgrade, closure and remediation	\$8,466	\$8,466
Schisani, Joseph (P42211)	Initial grant for upgrade, closure and remediation	\$16,591	\$16,591
Schulz, Robert (P42328)	Initial grant for upgrade, closure and remediation	\$8,658	\$8,658
Scott, Karen (P42273)	Initial grant for upgrade, closure and remediation	\$14,524	\$14,524
Scovzen, Sharon (P42084)	Initial grant for upgrade, closure and remediation	\$1,715	\$1,715
Secallus, Gary (P42106)	Initial grant for upgrade, closure and remediation	\$27,984	\$27,984
Shaw, Priscilla and Scott (P42068)	Initial grant for upgrade, closure and remediation	\$4,750	\$4,750
Sheridan, Karen (P41899)	Initial grant for upgrade, closure and remediation	\$5,400	\$5,400
Shimko, Christine (P42207)	Initial grant for upgrade, closure and remediation	\$22,947	\$22,947
Sinsky, Mayer (P41985)	Initial grant for upgrade, closure and remediation	\$10,598	\$10,598
Slekitis, Marcia (P42055)	Initial grant for upgrade, closure and remediation	\$5,784	\$5,784
Smith, Donald (P41860)	Initial grant for upgrade, closure and remediation	\$17,850	\$17,850

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APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Smith, Tom (P42045)	Initial grant for upgrade, closure and remediation	\$6,201	\$6,201
St. Mary's Church (P41761)	Initial grant for site remediation	\$40,300	\$40,300
Stankevich, Sharon (P42153)	Initial grant for upgrade, closure and remediation	\$6,425	\$6,425
Stein, Michael and Chaya (P41904)	Initial grant for upgrade, closure and remediation	\$11,232	\$11,232
Strickland, Johnnie and Mildred (P40554)	Supplemental grant for site remediation	\$2,933	\$9,569
Sullivan, Daniel and Kristin (P41733)	Initial grant for upgrade, closure and remediation	\$5,780	\$5,780
Taylor, John (P42213)	Initial grant for upgrade, closure and remediation	\$14,311	\$14,311
Thatcher, Laura (P42086)	Initial grant for upgrade, closure and remediation	\$7,711	\$7,711
Tobia, Marie (P42244)	Initial grant for upgrade, closure and remediation	\$12,931	\$12,931
Turchyn, Elizabeth (P42091)	Supplemental grant for site remediation	\$78,055	\$89,637
Twining, Linda and Kenneth (P42013)	Initial grant for upgrade, closure and remediation	\$5,400	\$5,400
Underwood, Helen (P42136)	Initial grant for upgrade, closure and remediation	\$5,085	\$5,085
Uniglicht, Lois (P42309)	Initial grant for upgrade, closure and remediation	\$1,825	\$1,825
Urban, Margo (P42337)	Initial grant for upgrade, closure and remediation	\$2,782	\$2,782
Vasil, William M. and Martha Larkins (P41813)	Initial grant for upgrade, closure and remediation	\$11,416	\$11,416
Vincent, Justine (P42125)	Initial grant for upgrade, closure and remediation	\$3,069	\$3,069
Wein, Jorg (P42157)	Initial grant for upgrade, closure and remediation	\$14,470	\$14,470
Weldon, Roselind (P41976)	Initial grant for upgrade, closure and remediation	\$56,892	\$56,892
Westerinen, Art and Susan Smart (P42048)	Initial grant for upgrade, closure and remediation	\$23,216	\$23,216
Whittington, Dwayne and Hermania (P41459)	Initial grant for upgrade, closure and remediation	\$10,328	\$10,328
Wiesel, Ephrain (P41571)	Initial grant for upgrade, closure and remediation	\$17,060	\$17,060
Williamson, Rose (P42138)	Initial grant for upgrade, closure and remediation	\$24,257	\$24,257
Wojciechowski, Robert and Katherine Payne (P42111)	Initial grant for upgrade, closure and remediation	\$9,460	\$9,460
Worosila, Barbara (P41607)	Initial grant for upgrade, closure and remediation	\$13,046	\$13,046

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Zaros, Marion (P42036)	Initial grant for upgrade, closure and remediation	\$4,554	\$4,554
Zuccarelli, Julia (P42186)	Initial grant for upgrade, closure and remediation	\$6,088	\$6,088
Zyga, Leszek (P42275)	Initial grant for upgrade, closure and remediation	\$39,098	\$39,098
168 Grants	Total Delegated Authority for Leaking Tank Applications	\$2,730,379	

*Includes cumulative awards to date (initial & supplemental). Supplemental grant awards do not exceed \$100,000 the delegation permitted



TO: Members of the Authority

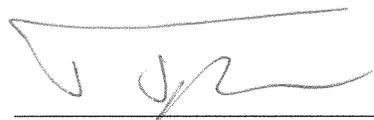
FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority Second Quarter 2016 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) up to \$100,000 and supplemental awards for existing grants (of any size) up to an aggregate of \$100,000, provided that the aggregate amount of the supplemental awards does not exceed \$100,000.

Attached is a summary of the Delegated Authority approvals for the second quarter ending June 30, 2016. 11 grants were approved totaling \$424,027.



Timothy Lizura

Prepared by: Wendy Wisniewski

August 2016 Board Book - Board Memorandums

APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
Clayton Borough (Clevenger Brothers Glass Works) P42020	Initial grant to perform Preliminary Assessment	\$6,466	\$6,466
Clayton Borough (Wayne's Auto) P42356	Supplemental grant for Site Investigation	\$41,902	\$84,877
Edison Township (Muller Machinery Company) P42342	Initial grant to perform Preliminary Assessment and Site investigation	\$80,773	\$80,773
Estate of John Wozniak P41467	Initial grant to perform Remedial Action activities	\$42,438	\$42,438
Glassboro Borough (Proposed Town Square) P42510	Initial grant to perform Preliminary Assessment, Site Investigation and Remedial Action activities	\$79,777	\$79,777
Montclair Township (Frm Southend Pyramid Service) P41724	Supplemental grant for Remedial Investigation	\$38,790	\$150,402 *
Paterson City (Paterson Steam Plant) P42346	Initial grant to perform Preliminary Assessment	\$33,540	\$33,540
Salem City (North Bend Fire Comp. No. 4) P38498	Initial grant to perform Preliminary Assessment	\$6,109	\$6,109
Sebring Company P42350	Initial grant for Remedial Action	\$35,298	\$35,298
Sebring Company P42351	Initial grant for Remedial Action	\$36,945	\$36,945
Winters, Robert P41965	Initial grant for Remedial Action	\$21,989	\$21,989
Total Delegated Authority for HDSRF Applications		\$424,027	
11 Grants			

*Includes cumulative awards to date (initial & supplemental). Supplemental grant awards do not exceed \$100,000 the delegation permitted



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Retail Fuel Station – Energy Resiliency Program
(For Informational Purposes Only)

In 2014, the Members approved delegations to staff for the retail fuel station program to support program efficiencies. There have been seven modifications that were administrative in nature and did not materially change the original approvals of these grants.

Attached is a list of the retail fuel modifications that have been approved.

Prepared by: Wendy Wisniewski

ACTIONS APPROVED UNDER DELEGATED AUTHORITY

ENDING JUNE 30, 2016

RETAIL FUEL STATION

Applicant	Modification Action	Approved Award
Bordentown Valero – P39112 APCO Petroleum Corporation 1080 Route 206, Bordentown, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
Cranbury Valero – P39106 APCO Petroleum Corporation 2736 Route 130, Cranbury, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
Mahwah Valero – P39049 ADPP Enterprises Inc. 193 Route 17 North, Mahwah, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
Mahwah Valero – P39059 Paks Fast Service Inc. 198 Route 17 South, Mahwah, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
Phillipsburg Mobil – P40846 ADPP Enterprises Inc. 400 Memorial Parkway, Phillipsburg, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
South Brunswick Valero – P39105 APCO Petroleum Corporation 2040 Route 130, South Brunswick, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000
Yardville Valero – P39120 Tri-State Petro, Inc. 42 Route 130, Yardville-Groveville, NJ	Consent to the equipment change from the installation of a Permanent Generator to the installation of a Quick Connect	\$15,000



TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

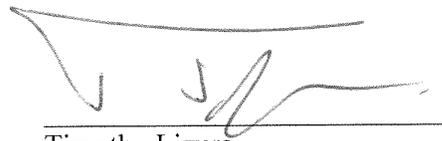
DATE: August 9, 2016

SUBJECT: Retail Fuel Station – Energy Resiliency Program
(For Informational Purposes Only)

In December 2013 and again in December 2014, the members approved the Retail Fuel Station – Energy Resiliency Program (“RFS”) to aid retail fuel stations with becoming energy resilient during natural disasters that often result in extensive power outages like those that occurred during Superstorm Sandy.

The program, which is a joint effort between New Jersey Office of Emergency Management (“NJOEM”), the Federal Emergency Management Agency (“FEMA”) and EDA, was initially capitalized with \$7 million to provide grants to install permanent generators or quick connections for portable generators at retail fuel stations. The initial round resulted in 72/\$3,030,000 approved applications, and the second round resulted in 58/\$970,000 approved applications, for a total of 130/\$4,000,000. To date, 112 applicants have completed their installations; of which a total of 97 (61 quick connects and 36 permanent generators) are operational.

To support program efficiencies, the members approved delegation to staff to approve these projects. Attached is a summary of the Delegated Authority approvals for the second quarter ending June 30, 2016. 6 grants were approved totaling \$90,000.



Timothy Lizura

Prepared by: Wendy Wisniewski

ATLANTIC COUNTY Applicant	Description	Grant	Anticipated Completion
Egg Harbor Sunoco Highway Petroleum Inc. P41109	Installation of a quick connect at 1451 White Horse Pike, Egg Harbor, NJ	\$15,000	November 2016
Hammonton Sunoco Highway Petroleum Inc. P41108	Installation of a quick connect at 950 S. White Horse Pike, Hammonton, NJ	\$15,000	November 2016
CAMDEN COUNTY Applicant	Description	Grant	Anticipated Completion
Berlin Valero S & S Gasoline Corp. P41114	Installation of a quick connect at 898 Route 73, Berlin, NJ	\$15,000	November 2016
GLOUCESTER COUNTY Applicant	Description	Grant	Anticipated Completion
Paulsboro Valero S & S Gasoline Corp. P41115	Installation of a permanent generator at 1803 S. Delaware Street, Paulsboro, NJ	\$15,000	February 2017
SALEM COUNTY Applicant	Description	Grant	Anticipated Completion
Pilesgrove Sunoco Highway Petroleum Inc. P41119	Installation of a permanent generator at 843 Route 40, Pilesgrove, NJ	\$15,000	February 2017
UNION COUNTY Applicant	Description	Grant	Anticipated Completion
Mountainside Exxon Mountainside Petroleum LLC P40721	Installation of a quick connect at 1413 Route 22, Mountainside, NJ	\$15,000	November 2016
6 Grants	Approved 2Q16	\$90,000	



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Delegated Authority Approvals for 2nd Quarter 2016
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the second quarter of 2016:

Name	EDA Credit Exposure	Action
Matrix East Front Street Urban Renewal Associates, LLC	\$ 4,625,633	Extend the maturity three months to October 1, 2016 to allow time for the Borrower to refinance the NMTC loan.
AP&G Co., Inc/SCF Realty III, LLC	\$ 2,591,483	Consent to increasing TD Bank’s line of credit from \$1,500,000 to \$3,000,000 and subordinate EDA’s lien on corporate assets to support the company’s growth.
22 Jackson Dr., LLC	\$ 728,222	Extend the loan maturity four months to August 1, 2016 to allow time for Borrower to refinance the maturing EDA participation.
502 Pleasant Valley, LLC	\$ 255,141	After a short term extension, extend EDA’s SLP loan maturity to July 1, 2021 to be coterminous with agent Bank of America.
Handicapped High Riders Club, Inc.	\$ 212,666	Extend EDA’s maturing direct loan to 2030 to allow business to repay the loan in full.
Somerset County Cultural Arts Center, Inc. (d/b/a Brook Theater)	\$ 0	Accept \$350,000 as settlement on this \$545,500 FCED loan previously written off.

Conduit Bonds (EDA has no credit exposure)	
Shining Schools, Inc.	Consent to substitution of a mortgaged property and assignment of leases and rents for the \$3.6 million tax exempt bond.
Princeton Junior School, Inc.	Consent to amend the \$2.2 million tax exempt bond to align the bond agreement with the bond’s debt service schedule.

Congregation Yeshiva Yesodei Torah, Inc.	Consent to modify the interest rate reset provisions of the \$4.22 million bond agreement.
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Prepared by: Mansi Naik



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

Since 2001, and most recently in June, 2014, the Members have approved delegations to the President/Chief Operating Officer for post closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 2nd quarter ending June 30, 2016.

A handwritten signature in black ink, appearing to read 'Timothy Lizura', is written over a solid horizontal line. The signature is stylized and cursive.

Prepared by: J. Halo

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
 QUARTER ENDING JUNE 30, 2016

BUSINESS EMPLOYMENT INCENTIVE PROGRAM

Applicant	Modification Action	Approved Award
Medidata Solutions, Inc.	Consent to add project location 194 Wood Avenue South, Woodbridge; and, consent to remove project location at 379 Thornall Street, Edison	\$642,010

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to Date	Location	# of Employees/% Involved in Manufacturing	Benefit
Dg3 North America Inc.	March 13, 2017	Jersey City, NJ	345/70%	\$105,000
Durand Glass Manufacturing Company	May 26, 2017	Millville, NJ	769/91%	\$900,000
JE Berkowitz, LP	April 18, 2017	Pedricktown, NJ	226/68%	\$450,000



MEMORANDUM

FOR INFORMATION ONLY

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: August 9, 2016

RE: Sale of Property to KTR Property Trust III
Technology Centre Expansion Site, North Brunswick, NJ

Summary

The purpose of this memorandum is to inform the Members that the Investigation Period under the existing Agreement for Sale of Property has been extended to August 31, 2016.

Background

In May of 2015, the Members approved the sale of the Technology Centre Expansion Site, North Brunswick, NJ (“the Expansion Site”) to KTR Property Trust III, a Maryland real estate investment trust. The Authority and KTR NJ IV, LLC, a wholly owned subsidiary of KTR Property Trust, III (“KTR”) entered into a Purchase and Sale Agreement (“Agreement”) on July 8, 2015. The Agreement provided an Investigation Period (“IP”) of 60 days with a 120 day Approval and Permit Period to follow immediately upon conclusion of the IP.

During the IP, KTR discovered a title issue related to the Expansion Site. An unrecorded, private waterline runs across the property and provides service to an adjoining property owner. KTR’s planned development of the site requires relocation of that waterline. As further research was required regarding the title records and waterline, the IP was extended several times through contract amendments.

Both the Authority and KTR made attempts to discuss relocation of the line with the adjoining property owner. KTR diligently worked to resolve this title impediment even though, at times, the beneficiary of the easement was unresponsive and reluctant to cooperate. Due to this delay, several additional amendments extending IP were granted. Authority staff and KTR were finally able to have a meeting with the beneficiary of the waterline. KTR continued to pursue the adjoining property owner regarding the relocation, and requested and received several additional extensions to do so.

At this time, KTR reports that it has reached a tentative agreement with the adjoining property owner to relocate the waterline, however, they need additional time to prepare an agreement to memorialize all of the terms. In order to allow KTR time to have the agreement regarding relocation of the waterline finalized, in writing, Authority staff has granted an additional 30 day extension to IP.



Timothy J. Lizura
President/Chief Operating Officer

Prepared by: Cathleen A. Hamilton



MEMORANDUM

Executive Session

TO: Members of the Authority

FROM: Timothy J. Lizura, President and Chief Operating Officer

DATE: August 9, 2016

SUBJECT: Delegated Authority Approvals for Write Off's
For Informational Purposes Only

The loans listed below were written off during the second quarter 2016 pursuant to delegated authority. This memorandum is presented in Executive Session as disclosure of the write-off could harm EDA's ability to recover the loan.

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management officers conduct a quarterly portfolio review, and with concurrence from management, recommend loans to be written off pursuant to delegated authority. EDA retains legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

Name	Credit Exposure	Description
Southview, LLC	\$ 4,277,500	Southview, LLC owns a skilled nursing facility in Paterson leased to the related company Phylco LTD. This NMTC loan matured on May 1, 2015, and the borrower has been unable to secure take out financing due to weak financial condition and ongoing litigation over ownership of the business. EDA has not received a payment since May 2015. The loan is secured by a 2 nd mortgage on the project property with uncertain value due the special purpose of the building and the senior lien amount.
Marine Terminal Urban Renewal Associates	\$ 1,446,689	Marine Terminal is a real estate holding company which owns an office building in Trenton. The loan matured in January 1, 2011. The borrower has been unable to secure take out financing due to cash flow problems, unpaid taxes and maintenance issues with the building. EDA has not received payment since June 2015. The loan is secured by 1 st leasehold mortgage on the building with uncertain equity value due to unpaid real estate taxes and deferred maintenance issues.

Prepared by: Daniel Weick