NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Executive Officer

DATE: January 15, 2021

SUBJECT: Agenda for Board Meeting of the Authority January 15, 2021

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Office of Economic Transformation

Authority Matters

Incentives

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memoranda

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

December 8, 2020

MINUTES OF THE MEETING

The Meeting was held by teleconference call.

Members of the Authority present via conference call: Chairman Kevin Quinn; Commissioner Robert Asaro-Angelo of the Department of Labor and Workforce Development; Commissioner Marlene Caride of the Department of Banking and Insurance; Catherine Brennan representing State Treasurer Elizabeth Muoio of the Department of Treasury; Jane Rosenblatt representing Commissioner Catherine McCabe of the Department of Environmental Protection; Public Members: Charles Sarlo, Vice Chairman; Philip Alagia, Virginia Bauer, Fred Dumont, Aisha Glover, Marcia Marley, Robert Shimko, First Alternate Public Member; and Rosemari Hicks, Second Alternate Public Member.

Also present via conference call: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Stephanie Brown, Governor's Authorities Unit; Dr. Brian Bridges, Acting Secretary, OSHE; Diana Gonzalez, Deputy Secretary, OSHE; and staff.

Members of the Authority absent: Massiel Medina Ferrara, Public Member.

Mr. Quinn called the meeting to order at 10:00 am.

In accordance with the Open Public Meetings Act, Mr. Sullivan 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.

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the November 13, 2020 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Commissioner Caride, and was approved by the 13 voting members present.

The next item of business was the approval of the November 13, 2020 executive session meeting minutes. A motion was made to approve the minutes by Commissioner Caride, and seconded by Ms. Brennan, and was approved by the 13 voting members present.

FOR INFORMATION ONLY: The next item was the presentation of the Chairman's Remarks to the Board.

FOR INFORMATION ONLY: The next item was the presentation of the Chief Executive Officer's Monthly Report to the Board.

AUTHORITY MATTERS

ITEM: 2021 Fiscal Plan
REQUEST: To approve extending the 2020 fiscal plan through January 2021.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Hicks **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Special Counsel: Executive Order 52 (Murphy 2019), Attorney General Investigation – Amendment to Retention Agreement
REQUEST: To approve additional contract funding due to ongoing need for representation related to the subject legal matters.
MOTION TO APPROVE: Ms. Brennan **SECOND:** Mr. Sarlo **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Offshore Wind Safety Training Challenge Memorandum of Understanding (MOU) — New Jersey Economic Development Authority (NJEDA) and Office of the Secretary of Higher Education (OSHE)
REQUEST: To approve an MOU between NJEDA and OSHE to provide program design and execution support to OSHE to run the New Jersey Offshore Wind Safety Training Program.
MOTION TO APPROVE: Ms. Glover **SECOND:** Ms. Marley **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: New Jersey Wind Port Project – Clarification and Budget Request for Design and Related Preconstruction Works
REQUEST: To approve additional funding for design and related preconstruction services for the New Jersey Wind Port project.
MOTION TO APPROVE: Ms. Bauer **SECOND:** Commissioner Angelo **AYES: 12**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Ms. Rosenblatt abstained as the Department of Environmental Protection is the permitting agency overseeing this project.

LOANS, GRANTS, GUARANTEES

Hazardous Discharge Site Remediation Fund (HDSRF)

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Shimko **SECOND:** Ms. Rosenblatt **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Town of Kearny (Gunnell Oval School) PROD. #00224582
LOCATION: Kearny Town, Hudson County
PROCEEDS FOR: Remedial Action
FINANCING: $315,693.03

PROJECT: Township of Neptune (Shark River Municipal Arena) PROD. #00218893
LOCATION: Neptune Township, Monmouth County
PROCEEDS FOR: Remedial Action
FINANCING: $7,813.62

PROJECT: Somerville Borough (Somerville Landfill) PROD. #00228006
LOCATION: Somerville Borough, Somerset County
PROCEEDS FOR: Remedial Investigation
FINANCING: $482,000.00

REAL ESTATE

Fort Monmouth Economic Revitalization Authority (FMERA)

ITEM: Subordination of Mortgage with respect to OPort Partners, LLC – Fort Monmouth Main Post – Oceanport, New Jersey
REQUEST: To approve the execution and to record the Subordination of Mortgage with respect to the Authority's interest in certain roadways in the Oceanport section of Fort Monmouth.
MOTION TO APPROVE: Commissioner Caride **SECOND:** Ms. Bauer **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

BOARD MEMORANDA

FYI ONLY: Credit Underwriting Projects Approved Under Delegated Authority for November 2020

NJ Main Street Program

PROJECT: Clarity Laboratories (PROD. #00228640)
LOCATION: Warren Township, Somerset County
PROCEEDS FOR: Working Capital
FINANCING: The Provident Bank $1,000,000 line of credit with a (50.00%) Authority guarantee, not to exceeed $500,000.

Micro Business Loan Program

PROJECT: Maximal Security Services, LLC (PROD. #00224279 & 00237015)
LOCATION: Union Township, Union County
PROCEEDS FOR: Working Capital
FINANCING: $45,000 working capital loan and a $5,000 forgivable working capital loan

PROJECT: Todd Shelton LLC (PROD. #00224352 & 00235742)
LOCATION: Elmwood Park Borough, Bergen County
PROCEEDS FOR: Working Capital
FINANCING: $22,500 working capital loan and a $2,500 forgivable working capital loan

PUBLIC COMMENT

Mr. Charles Kravotil asked if the Board would consider recording the meetings and offered to share best practices for board meetings.

There being no further business, on a motion by Mr. Quinn, and seconded by Ms. Bauer, the meeting was adjourned at 10:42 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.

Danielle Esser

Danielle Esser, Director
Governance & Strategic Initiatives

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan

Date: January 15, 2021

Re: January 2021 Board Meeting

Happy New Year! I hope everyone had a peaceful holiday season and was able to connect safely with their loved ones.

As we enter the new year, the NJEDA's focus will be on continuing to support businesses impacted by the COVID-19 pandemic and preparing for a stronger and more equitable recovery. The new package of tax incentive programs and other investment tools signed into law by Governor Phil Murphy through the NJ Economic Recovery Act of 2020 will play a central role in our recovery efforts. Under Governor Murphy's leadership, and with your partnership, the NJEDA will build these programs, which will provide much-needed economic stimulus while maintaining the highest standards of transparency and accountability that taxpayers deserve.

Of course, before we can begin recovery, we must provide relief for businesses that have been struggling throughout the COVID-19 pandemic. Supporting these businesses – especially those in historically disadvantaged communities and women-, minority-, veteran- and LGBTQ-owned firms – was the NJEDA's top priority throughout 2020 and our commitment to these businesses remains steadfast as the pandemic continues. In total, we provided more than $250 million in relief to nearly 55,000 businesses in 2020. Looking ahead, we expect to build on this unprecedented relief effort with Phase 2 of the Small Business Emergency Assistance Loan Program, the Main Street Recovery Program, and other relief efforts aimed at keeping New Jersey businesses of all sizes open until we can achieve our "new normal."

Looking beyond these immediate relief efforts, the new suite of tax incentive programs passed in December will be crucial to New Jersey's medium- and long-term economic recovery. These programs represent a new approach to economic development that create jobs, revitalize abandoned and contaminated properties, bring healthy grocery stores to food deserts, and boost our innovation ecosystem while holding the State and private industry to the highest standards of transparency and accountability.

Critically, this package includes a robust set of anti-corruption, oversight and good government reforms that will amplify our efforts within the NJEDA over the last three years to address the shortcomings and challenges of prior economic development programs. Transparency, accountability, and equity are the centerpiece of this new suite of programs, and we have implemented a variety of reforms to ensure fairness at every step of the application, review, and compliance monitoring process.

2020 was an incredibly challenging year for all of us. As we begin the long process of recovering from the COVID-19 pandemic, I want to once again thank the members of the NJEDA Board and the Authority staff for their tireless work supporting businesses and workers throughout New Jersey over the past ten months. With additional pandemic relief and a robust suite of new incentive programs, I am optimistic about what the new year holds and look forward to working together with all of you to achieve a stronger, fairer recovery that paves the way for long-term, equitable economic growth.

OFFICE OF ECONOMIC TRANSFORMATION

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: January 15, 2021

RE: **NJ ZIP, the New Jersey Zero Emission Incentive Program: Voucher Pilot for Medium Duty Zero Emission Vehicles**

REQUEST

The Members of the Board are requested to approve a $15,750,000 zero emission medium duty vehicle voucher pilot program called NJ ZIP, the New Jersey Zero emission Incentive Program, for which the pilot will focus on the adoption and use of zero emission vehicles in the greater Newark and greater Camden areas. The pilot and related administration will be funded from New Jersey Economic Development Authority's (NJEDA) allocation of the Regional Greenhouse Gas Initiative (RGGI) auction proceeds.

In relation to this pilot program, the Board is asked to approve granting delegated authority to:

- The CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations, (ii) adjust voucher amounts, (iii) select additional eligible communities, and (iv) expand the pilot program to a maximum of $25 million using RGGI funds;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to approve voucher Applicants, Vendors, and vehicles as eligible, as determined by an automated process or through a manual review;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to waive half the application fee for Applicants upon demonstration by the Applicant that the imposition of the fee would propose undue financial hardship, as determined by an automated process or through manual review;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to, upon recommendation of the reviewing officer, decline voucher eligibility based solely on non-discretionary reasons, as determined by an automated process or through a manual review;

- In connection with any appeal from declination based solely on non-discretionary reasons, the CEO or SVP of Economic Transformation to designate one or more Hearing Officers who have not previously been directly involved in the eligibility determination, to prepare a Final Administrative Decision. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, or Vice President, upon recommendation of the Hearing Officer

OVERVIEW

NJ ZIP pilot will be structured as a first-come, first-serve voucher program. It will be focused on incentivizing the adoption of medium-duty zero emission vehicles (ZEV) operating within NJ communities disproportionately impacted by emissions, with two overburdened communities (as defined by NJ P.L.2020, c.92, and which, for the purposes of this pilot, is used interchangeably with the term "environmental justice communities" specified in the RGGI Strategic Funding Plan) selected for this pilot: greater Newark area and greater Camden area. The pilot program will allow a New Jersey-registered for-profit business or a New Jersey non-profit business or institution ("Applicant") to reserve voucher funding for eligible medium-duty ZEV for commercial, industrial, or institutional use, and to redeem the applicable voucher or provide it to an eligible vendor after proof of registration of the eligible vehicle. The pilot program will have eligibility requirements for the Applicant, the vehicle purchased, and the vehicle seller/manufacturer ("Vendor").

The primary goals of this pilot program are to:

1) Accelerate the adoption and use of medium duty zero-emission vehicles within New Jersey;
2) Reduce emissions within the pilot overburdened communities, greater Newark and greater Camden
3) Allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption.

Based on the results of the pilot program, a longer-term program with expanded eligibility may be proposed.

For the purposes of this pilot, the greater Camden and greater Newark areas are defined as the overburdened communities within or intersected by a circle with a 10-mile radius centered in Camden or Newark, respectively. Specifically, the eligible municipalities within each area are:

- **Greater Camden area:** Bellmawr, Camden, Cherry Hill, Cinnaminson, Collingswood, Delran, Deptford, Gloucester, Lawnside, Lindenwold, Magnolia, Maple Shade, Merchantville, Mount Ephraim, Mount Laurel, Palmyra, Paulsboro, Pennsauken, Riverside, Somerdale, Stratford, Voorhees, Washington, West Deptford, Westville, Woodbury, Woodlynne

- **Greater Newark area:** Bayonne, Belleville, Bloomfield, Carlstadt, Carteret, Clark, Clifton, Cranford, East Newark, East Orange, East Rutherford, Elizabeth, Glenridge, Guttenberg, Harrison, Hillside, Hoboken, Irvington, Jersey City, Kearney, Kenilworth, Linden, Little Falls, Livingston, Lyndhurst, Maplewood, Millburn, Montclair, Moonachie, Newark, North Arlington, North Bergen, Nutley, Orange, Passaic, Rahway, Roselle, Roselle Park, Rutherford, Secaucus, South

Orange, Springfield, Summit, Union City, Verona, Wallington, Weehawken, West New York, West Orange, Winfield, Woodridge

The greater Camden and greater Newark areas were selected based on a quantitative analysis, considering the following criteria:

- percentage of a municipality's population meeting the NJ P.L.2020, c.92 overburdened community definition;
- municipal population density, used as a proxy for traffic density (which is reported at the county level); and
- the municipal revitalization index (MRI) rank and impacted community population.

The overburdened community criteria had the majority of the weight in the selection, as New Jersey's definition adopted to identify environmental justice communities; followed by population density as the traffic density-proxy, as this program is targeting emissions related to transportation; and finally, leveraging the MRI data to ensure the pilot focused support for communities in the most economic need. COVID-related economic impacts were also considered, but did not affect the selection of the two pilot communities. Based on this ranking analysis, communities surrounding both Newark and Camden were found to be the highest ranked candidates for the pilot program, while recognizing opportunities to expand support state-wide for ZEV adoption if the pilot is successful.

Through the NJ ZIP pilot program, NJEDA will:

- Subsidize the higher upfront cost of zero emission vehicles, as compared to the upfront costs of their conventional gasoline or diesel-powered alternatives;

- Accelerate the adoption of medium-duty zero emission vehicles for commercial, industrial, or institutional use. For the purposes of this program, medium duty vehicles are defined as Class 2b through Class 6 Vehicles, with a Gross Vehicle Weight Rating (GVWR) of 8,501 – 26,000 lbs.;

- Issue an estimated 100 – 300 vouchers to Applicants operating or registering vehicles in the pilot communities;

- Foster the growth of the commercial-use ZEV ecosystem and value chain within the State; and

- Support the State's goal of transitioning 75% of medium and 50% of heavy- duty vehicles to zero emission by 2050 using an incentive program, which is specified within the Energy Master Plan (Goal 1.1.8) as NJEDA's responsibility.

- Report on DEP-defined RGGI metrics, including assessment of avoided emissions and co-benefits.

NJEDA will implement and administer this program, using 2% of the pilot program budget drawn from the RGGI allocation, as permitted by the RGGI statute, "for administrative costs incurred in the administration of programs to reduce the emissions of greenhouse gases". NJEDA Staff will be responsible for reviewing applications, maintaining a program website, and providing educational resources, such as FAQs and webinars, to Vendors and Applicants when needed.

BACKGROUND

The Regional Greenhouse Gas Initiative (RGGI) & zero emission transportation

On January 29, 2018, Governor Murphy signed Executive Order 7 (EO 7), instructing state government agencies to return New Jersey to full participation in the Regional Greenhouse Gas Initiative (RGGI) as quickly as possible.[1] RGGI is a multi-state, market-based program that establishes a regional cap on carbon dioxide (CO2) emissions from the electric power generation sector allowing for auctioning of emissions rights, traditionally referred to as a "cap-and-trade" program.

Through its participation in the quarterly RGGI auction in 2020 New Jersey received funding that totaled approximately $94 million, and over the next two years, New Jersey expects to receive at least an additional $160 million through the RGGI auctions. The State plans to deploy those funds within four initiative categories:

1. Catalyze Clean, Equitable Transportation;
2. Promote Blue Carbon in Coastal Habitats;
3. Enhance Forests and Urban Forests; and,
4. Create a New Jersey Green Bank.

Programs and projects within these initiatives must demonstrate net emission reductions and economic co-benefits, as mandated in the RGGI Strategic Funding Plan: Years 2020 through 2022, released in April 2020.

New Jersey's RGGI funds allocation is governed by the Global Warming Solutions Fund Act (P.L. 2008, c. 340). By law, three state agencies (NJEDA, the New Jersey Department of Environmental Protection (NJDEP), and the New Jersey Board of Public Utilities (NJBPU)) are allocated RGGI proceeds, with NJEDA receiving 60% (focus area: commercial, institutional, and industrial entities), and NJBPU and DEP each receiving 20% (focus areas, respectively: low income and moderate income residential; and local government, forests, and tidal marshes). These funds must be appropriated each year. For Fiscal Year 2021, the Appropriations Act appropriated the RGGI funds to their statutorily dedicated purposes. Thus, for FY 21, EDA expects to receive approximately $56 million in RGGI funds from the 2020 RGGI auctions.

Transportation accounts for 42% of greenhouse gas emissions in the State, more than twice that of the second largest source, electricity generation (18%). Fossil fuel-powered transportation is also the leading source of air pollutants. Further, although medium and heavy-duty vehicles (MHDVs), Class 2b – Class 8 inclusive, represent fewer than 20% of the vehicles on the road, they contribute the majority of New Jersey's transport-sector emissions. Transitioning to zero-emission MHDVs is necessary to reduce these societal costs and to advance environmental justice (i.e., the health and quality of life outcomes for communities disproportionately impacted by pollutants). It aligns with the State's Global Warming Response Act goal of an 80% reduction in New Jersey's greenhouse gas emissions by 2050 in comparison to 2006 levels and, at the same time can increase the transportation sector's contribution to the goal of making New Jersey's economy both stronger and fairer.

[1] Executive Order 7 (EO 7) is available at: https://nj.gov/infobank/eo/056murphy/pdf/EO-7.pdf

As such, alongside NJBPU and NJDEP, a substantial majority of NJEDA's RGGI funding during the first three years of the State's renewed RGGI participation will be focused on programs and projects that support the deployment of zero emission MHDVs, with a focus in and around communities disproportionately impacted by emissions.

In August 2020, to enable this work, the Board approved hiring a consultant, Guidehouse, to support the development of a data-driven MHDV strategy for the State with the goals of increasing MHDV adoption, decreasing emissions, improving environmental justice, and foster the creation of new jobs and investments in New Jersey. The voucher pilot program proposed herein is the very first initiative of that holistic cross-Agency approach, intended to lay the groundwork and stimulate the market to prepare for future programs necessary to meet the broader programmatic goals.

Voucher incentive programs

Voucher programs are designed to reduce the higher upfront capital cost of a ZEV in comparison to an internal combustion engine alternative. By providing vouchers that bring ZEV closer to cost parity with traditional vehicles, ZEV become an affordable option for owners and operators, including the benefits of ZEV's lower cost over their lifetimes. In a typical program, once the new vehicle is delivered to the end user, and all program requirements, which vary from program to program, are met by the applicable parties, the voucher can be redeemed. While rebate programs are often utilized to provide post-purchase incentives for light-duty vehicles, such as the NJBPU's Charge Up New Jersey program, voucher programs are generally found to be more effective for medium and heavy-duty vehicles, as they allow purchasers to reserve funds and can defray the higher purchase price upfront. Voucher programs for low emission medium- and heavy- duty vehicles have been proposed or piloted in several US locations, including Massachusetts, Maryland, Oregon, and Chicago. Currently, however, only two other states, California and New York, have active voucher programs for medium and heavy-duty vehicles. The California and New York programs provide funding to pre-approved vendors for both zero emission vehicles and other alternative fueled vehicles that are not zero-emission, such as hybrid-electric and compressed natural gas. Learnings from these programs, including voucher values and eligibility requirements, were considered in the NJ pilot design. Further specifics on the proposed pilot program for NJ are detailed later within this document.

PROGRAM PURPOSE AND POLICY ALIGNMENT

The primary goals of this pilot program are to accelerate the adoption and use of medium-duty zero emission vehicles within New Jersey; reduce emissions within two pilot overburdened communities, the greater Newark area and greater Camden area; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodology for measuring economic impact of such adoption. Through eligibility requirements for the Applicant, vehicle, and the Vendor and in the context of a broader strategy, the pilot is being used as a vehicle to support the growth of the NJ ZEV ecosystem, with accelerated adoption of ZEVs being the first step to attracting more jobs and investment, as other zero emission MHDV programs and regulations roll out across multiple State agencies.

Several State plans call for ZEV adoption. Governor Murphy's 2018 Economic Development Strategic Plan, "The State of Innovation: Building a Stronger and Fairer New Jersey Economy" includes goals for innovation in clean energy and transportation, as a path to catalyze economic growth. The 2019 Energy Master Plan, which outlines the State's goal of 100% clean energy by 2050, includes as its first strategy the reduction of energy consumption and emissions from the transportation sector, establishing as targets that by 2050, 75% of medium-duty and 50% of heavy duty vehicles be ZEV. The 2020 RGGI Strategic Funding Plan, collectively developed by NJDEP, NJBPU, and NJEDA, outlines funding priorities and metrics for ZEV adoption to support clean, equitable transportation with anticipated economic co-benefits, such as increased jobs and investment.

In addition, Governor Murphy signed the Multi-state Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding in 2020, agreeing to target converting 30% of all MHDV sales to zero emission by 2030, and 100% of sales to zero emission by 2050. In each of these policies, equity in program planning, access, and impact is cited as a core pillar to meaningfully accomplish the stated goals.

Transitioning from internal combustion engine MHDVs to zero emission technologies will have a significant impact on state-wide transportation emissions and align with the above-noted policies; however, MHDV owners and operators face many barriers to EV adoption.

Beyond desktop research, NJEDA formally gathered stakeholder input on these barriers through a request for information (RFI) in July 2020 and has continued to host listening sessions and workshops with stakeholders throughout New Jersey to catalog challenges. Although there were and are many valuable and varied insights, three major themes arose:

1. Upfront cost of ZEV and related financing uncertainties are too high for near term adoption;
2. Charging infrastructure availability, costs, and related interconnection and permitting processes are too uncertain;
3. ZEV MHDV technology, knowledge, or access that meets their business or community needs is unavailable.

This pilot program primarily strives to address the first barrier for medium-duty zero emission vehicles. Medium-duty vehicles are targeted for the pilot as they comprise the largest percentage of the MHDV population and are more immediately available, as compared with the heavy-duty categories.

Additionally, this pilot is designed to ensure small businesses have access to these funds and additional incentives to support their transition to ZEV. For the purposes of this Program, a small business is defined as having 25 or fewer full time employees in total OR less than $5M in annual revenue.

This pilot does not include direct support for charging infrastructure but will serve as a way to gather data on charging plans and needs to inform potential future support. Similarly, this program does not itself support the creation of new technologies or workforce initiatives within the state, but it will incentivize local Vendors and manufacturers and gather insights on knowledge gaps, which are critical first steps to creating a ZE MHDV knowledge hub in the State that can stimulate further growth.

This pilot alone is not sufficient to match the ambition of the State's ZE MHDV goals, or to meaningfully address all the barriers laid out by stakeholders. It is one tool of many interlocking efforts that must be developed and deployed state-wide to serve as the foundation for New Jersey's zero emission transportation economic evolution.

PROPOSED PROGRAM STRUCTURE & DESIGN

Pilot Program Eligibility

The NJ ZIP pilot program will provide funding for Applicants who meet a set of eligibility criteria, and whose selected vehicles, vehicle Vendors, and vehicle use case (i.e., location of operation, and use for commercial, industrial, or institutional purposes) qualify. The goal of these eligibility criteria is to simplify the program for rapid impact, deliver a targeted impact in selected overburdened communities, appeal to a wide range of fleets interested in electrification, and collect information that will inform future programs.

To be eligible, an Applicant must:

- Be a commercial, industrial, or institutional organization in New Jersey. As defined in the Global Warming Solutions Fund regulation (N.J.A.C. 7:27D-1.2), "institutional" means serving a non-profit or public purpose, such as a library, hospital, public school, institution of higher education, municipal utility, public recreation or cultural facility, or government entity. The term "government entity" includes local and municipal government entities, but for the purposes of this pilot, State government entities are not eligible.
- If a for-profit business, be registered to conduct business in NJ (as demonstrated with a business registration certificate). Non-profit businesses or institutions may be required to provide a business registration certificate or other documentation as applicable to demonstrate their NJ operations and non-profit or institutional status.
- Provide a Tax Clearance Certificate (with the application or prior to closing)
- Be in good standing with the New Jersey Department of Labor and New Jersey Department of Environmental Protection

To be eligible, Applicant's proposed vehicle(s) must be:

- A new zero emission Class 2b – Class 6 (GVWR 8,501 lbs. – 26,000 lbs.) vehicle, used for commercial, industrial, or institutional purposes. Retrofits and repowers of pre-owned vehicles are not eligible.
    - All zero emission vehicles, defined as "a vehicle that emits no tailpipe pollutants from the onboard source of power, such as particulates, hydrocarbons, carbon monoxide, ozone, lead, and various oxides of nitrogen", are eligible for vouchers. This includes, but is not limited to, battery-electric (BEV) and hydrogen fuel cell-electric (FCEV) vehicles.
- Purchased and registered within six months of receipt of voucher approval letter, with proof of such intent to purchase required for eligibility. An extension for up to an additional 6 months may be permitted as described below.
- Not a subject of Volkswagen (VW) Settlement funding or any other State funding for the same vehicle(s)

- Procured from a Vendor that meets program eligibility requirements (detailed in the following section)

Note: Vehicle scrappage is not mandated by this program EXCEPT in the case that the new vehicle is replacing a vehicle model year 2009 or earlier. For consistency with prior State programs, scrappage is defined within the DEP's VW Settlement funded grant program as "rendering the vehicle inoperable and available for recycle; at a minimum, to cut a 3-inch hole in the engine block and disable the chassis by cutting the vehicle's frame rails complete in half". Vehicles that are not replacements (i.e., ZEV purchased are for new use cases or to expand a fleet) or are replacing a model year 2010 or later DO NOT have to comply with scrappage requirements. If the Applicant is defined as a small business, they can receive a bonus incentive on a per-vehicle basis for scrappage, as detailed later in this section.

To be eligible, vehicle Vendor must:

- Provide proof of a minimum of 12 months of experience selling or manufacturing eligible vehicles
- Be registered, or register to conduct business in NJ prior to executing an agreement with the Authority
- Be in good standing with the New Jersey Department of Labor and New Jersey Department of Environmental Protection
- Provide a Tax Clearance Certificate (with the application or prior to closing, if voucher funds will be distributed to Vendor)
- On a per-Applicant basis, provide additional documentation, including but not limited to:
    - A link to Vendor website that indicates eligible vehicles available for sale, and their related specifications
    - A specification sheet or, if custom vehicle, specification sheets for all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to Applicant's planned use, and eligibility
    - Timeline and process/plans by which Vendor intends to comply with the terms of the voucher (e.g., delivery of vehicle, development of charging/fueling plans, implementation of maintenance plan, etc.) prior to expiration of voucher
- Agree to accept the Program's voucher or voucher amount as a portion of the Applicant's final vehicle payment, deducting the full voucher(s) amount from the upfront cost.

By accepting the voucher funding, Applicants or, where applicable, Vendors will also agree to the following terms:

- Applicant will register the vehicle in the State of New Jersey for a minimum of the three initial, continuous years AND
    - Annually operate at least 75% of vehicle miles traveled (VMT) in the State of New Jersey AND annually operate 50% or more of VMT within either the greater Newark or greater Camden area for a minimum of three continuous years from date of registration
      OR
    - Annually operate at least 75% of vehicle miles traveled (VMT) in the State of New Jersey AND have a registration address and domicile the vehicle within either the greater Newark or greater Camden areas for a minimum of three continuous years from date of registration

- Vendors will provide
  - Certification from the Vendor that the vehicle complies with all applicable state and federal requirements for operation, including the Federal Motor Vehicle Safety Standards (FMVSS) issued by the National Highway Traffic Safety Administration (NHTSA), found in Title 49 of the Code of Federal Regulations (CFR).
  - Warranty to Applicant for the eligible vehicle, indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering, parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor.
  - In-state servicing plan for maintenance of Applicant's vehicle(s) aligned with industry norms and current best practices implemented by or before vehicle delivery
  - Charging or fueling needs and plans to address such needs, as applicable to the technology, indicating if the applicant intends to use already available infrastructure (public or private) or including, if available, details on anticipated count, type, capacity, and location of chargers necessary for vehicle
- NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption, and agree to provide responses and data upon request to support such audits and verifications. For example, to verify vehicle miles traveled within the eligible pilot communities, NJEDA may request data such as but not limited to telematics, route maps, delivery histories, etc.
- Permit the use by NJEDA of Applicant, Vendor, and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs
- Commit to displaying a visual indication on the commercial vehicle that it is a ZEV and that its purchase was subsidized through this program, meeting minimum standards or as materially provided by NJEDA (e.g., a bumper sticker, placard, etc.)

Pilot Program Voucher Funding Levels

Voucher funding amounts are based on GVWR laid out in the tables below:

Table 1: Voucher Amounts

Vehicle GVWR	Vehicle Class	Voucher amount
8,501 - 10,000 lbs.	Class 2b	$25,000
10,0001 - 14,000 lbs.	Class 3	$55,000
14,001 - 16,000 lbs.	Class 4	$75,000
16,001 - 19,500 lbs.	Class 5	$85,000
19,501 - 26,000 lbs.	Class 6	$100,000

These voucher amounts are benchmarked against other state's current, prior, and proposed programs. These values represent, based on current range of estimated ZEV costs, approximately 75 – 110% of the incremental cost of ZEV compared to similar internal combustion engine vehicles, bringing the zero emission vehicle closer to or at upfront cost parity.

Eligible Applicants may receive increased per-vehicle voucher bonuses through documentation of any of the following:

- Small business vehicle scrappage bonus: $2,000 per vehicle scrapped and replaced with a NJ ZIP voucher-funded ZEV

- Certified woman-, minority-, or veteran-owned business bonus: $4,000 per vehicle

- Small business bonus: A 25% increase of the base voucher amount per vehicle.

- New Jersey manufacturing bonus: A 25% increase of base voucher amount per vehicle will be available if the Vendor can formally document (for example, but not limited to, through price sheets and hourly rates) that 25% of the cost of the vehicle is spent in NJ on labor for vehicle design, assembly, and/or manufacturing or cost of components produced in New Jersey.

- Driver readiness and education bonus: $2,000 per vehicle; available if the Vendor provides two public training sessions (in-person, but may be web-based contingent on COVID-19 safety recommendations) per quarter in the year following Applicant voucher(s) approval, for a total of 8 sessions, including at least an overview of the technology, operation, and safety (associated with, for example, operation, charging, and/or maintenance) on two separate days, given by subject matter experts. In addition, Vendor must provide a once per quarterly opportunity in the year following Applicant voucher(s) approval for publicly available vehicle test drive or in-person vehicle viewing and demonstration within one or more of the selected pilot communities. In the case that the voucher funds have been disbursed prior to completion of this commitment, EDA will verify satisfactory completion of commitment and, if Vendor does not complete its obligation, Vendor may be required to refund the bonus funds to the voucher pool.

These bonuses may be stacked, with Applicant eligible for multiple bonus criteria.

Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive of any qualifying bonuses, cannot exceed 10% of the total program voucher budget (i.e., currently, cannot exceed $1,500,000, based on initial voucher budget), to ensure equitable distribution of resources.

Because this funding is provided through appropriations, all disbursements will be subject to appropriations and availability of funding.

Pilot Program Marketing, Promotional, Research, and Educational Activities and Funding

In addition to the voucher program itself, NJEDA will engage in related program marketing, promotion, research, and education regarding this program, using $435,000. These activities will include several components.

First, as part of program development, NJEDA will develop a detailed go-to-market strategy and, both prior to and after program launch, conduct marketing, outreach, educational workshops, and promotional activities to encourage uptake in the Program and support the growth of the ZEV ecosystem. The costs to develop and implement this campaign strategy will be drawn from this funding.

Second, as noted as part of the voucher funding terms, NJEDA will design and may produce a visual indication of program participation (e.g., bumper sticker, placard, etc.) which will be drawn from this funding.

Third, as noted as part of the voucher funding terms, NJEDA may conduct case studies and research to support outreach and program design updates. This work will be drawn from this funding.

Fourth, as identified through the detailed go-to-market strategy development and on-going stakeholder feedback and research, additional outreach and educational support may be developed.

Pilot Program Structure and Process

Vouchers will be issued and redeemed through six steps:

1. Applicant selects an eligible Vendor and an eligible vehicle
2. Applicant and Vendor prepare and submit their respective separate applications, including proof of eligibility. If a Vendor has already been approved, the Vendor does not need to obtain a new approval unless there is a change from the prior Vendor application and approval.
3. NJEDA processes the applications and, if the Applicant, Vendor, and vehicle are eligible and funds are available, approves voucher(s), inclusive of qualifying bonuses and sends the Applicant a voucher reservation approval letter.
4. The voucher funds are reserved for six months from the date of the approval letter. During this period, the vendor and the applicant must execute their respective program agreements and submit documentation of same. Then, the vehicle must be delivered to and registered by the Applicant during this period. A voucher reservation may be renewed for one six-month extension if requested prior to expiration and will be granted based on evidence by the Applicant and Vendor of good faith efforts to deliver and register vehicle within the additional time provided.
5. Vehicle is delivered to and registered by the Applicant. Applicant submits documentation of this to NJEDA.
6. Once vehicle is delivered and registered, and all relevant program agreements are met, Applicant may provide the voucher to the Vendor or submit the voucher for funds from NJEDA with which to pay the Vendor.

NJEDA Staff will be responsible for reviewing applications, maintaining the program website, and providing educational resources, such as FAQs and webinars, to Vendors and Applicants where needed.

Appeals

Applicants and Vendors will be able to appeal the Authority's determination of both initial eligibility and extension request eligibility. Appeals will be reviewed by a hearing officer, who will be a staff member who has not up until that point been directly involved in the eligibility determination. Funds will be set aside for the maximum amount of voucher for any appeals that are lodged with the Authority until final resolution of the appeal.

Post-eligibility audits

Staff will conduct audits to confirm that Applicant and Vendor self-certifications are accurate and commitments are upheld. In such cases where the audit reveals that the self-certification was not accurate or commitments were not upheld and this impacts eligibility, NJEDA may require, as remedy, that the funds be returned from either the Applicant or the Vendor and/or may refer these organizations to the relevant State agency for further investigation. Any intentional inaccuracies by an Applicant or Vendor in the self-certifications or failure to uphold relevant commitments by Applicant or Vendor may be considered by the Board in disqualifying the Applicant or Vendor from future contracting with or financial assistance from the Authority.

ESTIMATED BUDGET AND IMPACT

The total RGGI-funded NJ ZIP pilot program budget will be $15,750,000.

Of the total program budget, $15,000,000 will be reserved to fund vouchers, utilizing the following allocations:

- $2,000,000 will be set-aside for the greater Newark area
- $2,000,000 will be set-aside for the greater Camden area
- $5,000,000 will be set-aside for small businesses, inclusive of the locational restrictions. Thus, a small business within the Newark area will be counted toward both the Newark area and small business set asides.

Remainder of voucher fund will be un-allocated, but within the previously defined locational requirements of greater Newark or greater Camden.

As previously noted, the total funding provided to a single applicant (as determined by EIN) through vouchers and any qualifying bonuses cannot exceed 10% of the total voucher fund budget, $1,500,000, to ensure equitable distribution of resources.

In addition to the voucher budget, NJEDA will implement a marketing, promotional, research, and educational component with $435,000, and use 2% ($315,000), as authorized by the statute, of the pilot program "for administrative costs incurred in the administration of programs to reduce the emissions of greenhouse gases".

NJEDA will charge Applicants a $1000 fee for applying to this program; multiple vehicles can be applied for within a single application. For Applicants who demonstrate that the imposition of the fee would impose an undue financial hardship, this fee may be reduced.

Based on the pilot program voucher fund budget of $15 million, it is anticipated that 100 - 300 vouchers will be issued for the purchase of medium duty zero-emission vehicles. As required by the RGGI Strategic Funding Plan, NJEDA will report, based on NJDEP defined metrics, calculated avoided emissions and co-benefits.

DELEGATED AUTHORITY

Beginning in July 2003 the Members of the Authority have been asked to delegate signing authority to staff on certain financing and incentive transactions, to create efficiencies for our customers and provide fluidity to our business. Delegated authority for this program is consistent with delegated authority for other programs, as the average anticipated voucher amount is approximately $75,000 each, which would result in 200 applicants.

Specifically, for the NJ ZIP pilot program, the Board is asked to approve granting delegated authority to:

- The CEO, based upon program demand reviewed at 3-month intervals, to:
  - (i) shift funding between the set asides for the greater Camden and greater Newark areas and small businesses if funding reserved for a particular set-aside is unused and other set-asides are oversubscribed,
  - (ii) adjust voucher amounts, with ability to increase voucher amounts up to 50% if program is undersubscribed, up to total cost of vehicle, or decrease by up to 50% in the case the program is oversubscribed
  - (iii) select additional eligible municipalities by either expanding the eligible geography surrounding the pilot communities up to 10 additional miles or selecting up to three additional community areas based on the same metrics used to select the initial pilot communities
  - (iv) expand the pilot program to a maximum of $25 million using RGGI funds, which represents approximately half of the EDA's FY2021 RGGI allocation;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s), designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors, who will be provided SOP and related training to approve voucher Applicants, Vendors, and their associated vehicles as eligible, as determined by an automated process or through a manual review.;

- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to – based on the NJEDA's general administrative regulation for application fees – waive half the application fee for Applicants upon demonstration by the Applicant that the imposition of the fee would propose undue financial hardship, as determined by an automated process or through manual review;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s), designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors, who will be provided program SOP and training to, upon recommendation of the reviewing officer, decline voucher eligibility based solely on non-discretionary reasons, as determined by an automated process or through a manual review; and
- In connection with appeals from declinations based solely on non-discretionary reasons, the CEO or SVP of Economic Transformation to designate one or more Hearing Officers who have not previously been directly involved in the eligibility determination to prepare a Final Administrative Decision based on their review and program SOP. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, or Vice President, upon recommendation of the Hearing Officer

If the program expands beyond the pilot stage, these delegation levels are to be revisited by the Board.

CONCLUSION

The State has ambitious goals for the transition of New Jersey's MHDVs to zero-emission by 2050 with specific benefits to overburdened communities, and the NJ ZIP is a critical first step in this direction to support the ZEV marketplace and rapidly deploy electric MHDVs on the road. As such, the Members are requested to approve $15,750,000 of RGGI funding for the NJ ZIP pilot program, and all the associated components, delegated authority, and processes detailed herein.

In relation to this pilot program, the Board is asked to approve granting delegated authority to:

- The CEO to, based upon program demand reviewed at 3-month intervals, (i) shift funding allocations, (ii) adjust voucher amounts, (iii) select additional eligible communities, and (iv) expand the pilot program to a maximum of $25 million using RGGI funds;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to approve voucher Applicants, Vendors, and vehicles as eligible, as determined by an automated process or through a manual review;
- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to waive half the application fee for Applicants upon demonstration by the Applicant that the imposition of the fee would propose undue financial hardship, as determined by an automated process or through manual review;

- The CEO, SVP of Economic Transformation, Office of Economic Transformation Directors, or Voucher Program Lead(s) designated by the CEO, SVP of Economic Transformation, or Office of Economic Transformation Directors to, upon recommendation of the reviewing officer, decline voucher eligibility based solely on non-discretionary reasons, as determined by an automated process or through a manual review;

- In connection with appeals from declinations based solely on non-discretionary reasons, the CEO or SVP of Economic Transformation to designate one or more Hearing Officers who have not previously been directly involved in the eligibility determination, to prepare a Final Administrative Decision. The Final Administrative Decision must be approved by a Senior Vice President, Executive Vice President, or Vice President, upon recommendation of the Hearing Officer

____
Tim Sullivan, CEO

Prepared by: Victoria Carey, Sr. Project Officer

Attachment

Exhibit A
NJ ZIP – Zero emission Incentive Program, Medium Duty Voucher Pilot Program Specifications

These specifications are provided as a summary of the NJ ZIP pilot memorandum. In the case Exhibit A does not specify details or requirements or utilizes different language from the memorandum, the memorandum takes precedence.

Funding Source	Funding for NJ ZIP ("Program") and associated administration will be from eligible Authority funds from the Regional Greenhouse Gas Initiative (RGGI) funds.
Program Budget	$15,750,000
Program Expiration	Program to operate on a pilot basis – funds will be committed within an estimated 12 months from acceptance of the first application or until such time that the funds are depleted.
Program Purpose	To accelerate the adoption and use of zero-emission medium-duty vehicles within New Jersey; to reduce emissions within two pilot overburdened communities, the greater Newark area and greater Camden area; and to allow NJEDA to determine and stimulate market-readiness, assess effectiveness of funding levels and program design, and test methodologies for measuring economic impact of such adoption. The pilot is being used as a vehicle to support the growth of the NJ zero emission vehicle ecosystem, with accelerated adoption of zero emission vehicles being the first step to attracting more jobs and investment, as other zero emission vehicle programs and regulations roll out across multiple State agencies.
Applicant Eligibility Requirements	To be eligible, an Applicant must be: • A commercial, industrial, or institutional organization • If a for-profit business, be registered to conduct business in NJ. Non-profit businesses or institutions may be required to provide a business registration certificate or other documentation as applicable to demonstrate their NJ operations and non-profit or institutional status. • In tax compliance • In good standing with the New Jersey Department of Labor and New Jersey Department of Environmental Protection .
Project / vehicle eligibility requirements	To be eligible, Applicant's new vehicle(s) must be: • A new zero emission vehicle. Retrofits and repowers of vehicles already owned by the Applicant are not eligible. • Class 2b – Class 6 (GVWR 8,501 lbs – 26,000 lbs) vehicle, used for commercial, industrial, or institutional purposes • Purchased and registered within six months of receipt of voucher approval. An extension for up to an additional 6 months may be permitted, and will be reviewed on a case-by-case basis.

Exhibit A
NJ ZIP – Zero emission Incentive Program, Medium Duty Voucher Pilot Program Specifications

	• Not a subject of VW or any other State funding for the same vehicle(s) • Procured from a Vendor that meets program eligibility requirements (detailed in the following section) Note: Scrappage is not required, except for vehicles that are directly replacing a vehicle which is model year 2009 or older.

Vendor Eligibility Requirements	To be accepted as an eligible Vendor, the Vendor must:
	• Be registered or register to conduct business in NJ
	• Provide proof of a minimum of 12 months of experience selling or manufacturing eligible vehicles
	• Be in good standing with the New Jersey Department of Labor and New Jersey Department of Environmental Protection
	• Provide a Tax Clearance Certificate (with the application or prior to closing, if voucher funds will be distributed to Vendor)
	• On a per-Applicant basis, provide additional documentation, including but not limited to:
	  o A link to Vendor website that indicates eligible vehicles available for sale, and their related specifications
	  o A specification sheet or, if custom vehicle, specification sheets for all major components, corroborating vehicle capabilities, charging/fueling needs, design appropriate to Applicant's planned use, and eligibility
	  o Timeline and process/plans by which Vendor intends to comply with the terms of the voucher (e.g., delivery of vehicle, development of charging/fueling plans, implementation of maintenance plan, etc.) prior to expiration of voucher
	• Agree to accept the Program's voucher amount as a portion of the Applicant's final vehicle payment, deducting the full voucher(s) amount from the upfront cost.

Program funding level	The Program will be funded for $15,750,000, with $750,000 reserved for Program operation and $15,000,000 reserved to fund vouchers, utilizing the following allocations: • $2,000,000 will be set-aside for the greater Newark area • $2,000,000 will be set-aside for the greater Camden area • $5,000,000 will be set-aside for small businesses, inclusive of the locational restrictions. Thus, a small business within the Newark area will be counted toward both the Newark area and small business set asides.

Exhibit A
NJ ZIP – Zero emission Incentive Program, Medium Duty Voucher Pilot Program Specifications

<table>
<tr><td></td><td>Remainder of voucher fund will be un-allocated, but within the previously defined locational requirements of greater Newark or greater Camden.</td></tr>
<tr><td>Project/vehicle funding levels</td><td>Qualifying vehicles will be funded at the following levels:
<table>
<tr><th>Class, GVWR (lbs)</th><th>Voucher amount</th></tr>
<tr><td>Class 2b, 8,501 – 10,000 lbs</td><td>$25,000</td></tr>
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Eligible applications may receive increased per-vehicle voucher bonuses through documentation of any of the following:

Small business vehicle scrappage bonus: $2,000 per vehicle scrapped and replaced with a NJ ZIP voucher-funded ZEV
Certified woman-, minority-, or veteran-owned business bonus: $4,000 per vehicle
Small business bonus: A 25% increase of the base voucher amount per vehicle.
New Jersey manufacturing bonus: A 25% increase of base voucher amount per vehicle will be available if the Vendor can formally document (for example, but not limited to, through price sheets and hourly rates) that 25% of the cost of the vehicle is spent in NJ on labor for vehicle design, assembly, and/or manufacturing or cost of components produced in New Jersey.
Driver readiness and education bonus: $2,000 per vehicle; available if the Vendor provides two public training sessions (in-person, but may be web-based contingent on COVID-19 safety recommendations) per quarter in the year following Applicant voucher(s) approval, for a total of 8 sessions, including at least an overview of the technology, operation, and safety (associated with, for example, operation, charging, and/or maintenance) on two separate days, given by subject matter experts. In addition, Vendor must provide a once per quarterly opportunity in the year following Applicant voucher(s) approval for publicly available vehicle test drive or in-person vehicle viewing and demonstration within one or more of the selected pilot communities. In the case that the
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	voucher funds have been disbursed prior to completion of this commitment, EDA will verify satisfactory completion of commitment and, if Vendor does not complete its obligation, Vendor may be required to refund the bonus funds to the voucher pool. These bonuses may be stacked, with Applicant eligible for multiple bonus criteria. Applicants may apply for more than one vehicle voucher within the same application. The total funding per vehicle may equal but may not exceed the cost of the vehicle. The total funding reserved for an Applicant (as determined by EIN) through vouchers inclusive any qualifying bonuses, cannot exceed 10% of the total voucher program budget (i.e., currently, cannot exceed $1,500,000, based on initial voucher budget), to ensure equitable distribution of resources.
Funding Disbursement	Vouchers will be reserved at time of application approval, with a voucher approval reservation letter sent to the qualified Applicant. Voucher funds will be reserved for Applicant for 6 months, with the possibility of one 6 month extension. Once vehicle is delivered to and registered by the Applicant, Applicant will submit documentation of this to NJEDA (if required, proof of vehicle scrappage will be provided at this time). Once vehicle is delivered and registered, and all relevant program agreements are met, Applicant may provide the voucher to the Vendor or submit the voucher for funds from NJEDA with which to pay the Vendor.

Conditions of funding	By accepting the voucher funding, Applicants or, where applicable, Vendors will also agree to the following terms:
	• Applicant will register the vehicle in the State of New Jersey for a minimum of the three initial, continuous years AND
	    o Annually operate at least 75% of vehicle miles traveled (VMT) in the State of New Jersey AND annually operate 50% or more of VMT within either the greater Newark or greater Camden area for a minimum of three continuous years from date of registration
	    OR
	    o Annually operate at least 75% of vehicle miles traveled (VMT) in the State of New Jersey AND have a registration address and domicile the vehicle within either the greater Newark or greater Camden areas for a minimum of three continuous years from date of registration
	• Vendors will provide
	    o Certification from the Vendor that the vehicle

Exhibit A
NJ ZIP – Zero emission Incentive Program, Medium Duty Voucher Pilot Program Specifications

	complies with all applicable state and federal requirements for operation, including the Federal Motor Vehicle Safety Standards (FMVSS) issued by the National Highway Traffic Safety Administration (NHTSA), found in Title 49 of the Code of Federal Regulations (CFR). o Warranty to Applicant for the eligible vehicle, indicating at least 3 years or 50,000 miles of coverage, whichever comes first, covering, parts (at a minimum, motor, drive train, and batteries, hydrogen fuel cells, etc.) and labor. o In-state servicing plan for maintenance of Applicant's vehicle(s) aligned with industry norms and current best practices implemented by or before vehicle delivery o Charging or fueling needs and plans to address such needs, as applicable to the technology, indicating if the applicant intends to use already available infrastructure (public or private) or including, if available, details on anticipated count, type, capacity, and location of chargers necessary for vehicle • NJEDA's right to audit and verify compliance with eligibility requirements post-voucher redemption, and agree to provide responses and data upon request to support such audits and verifications. For example, to verify vehicle miles traveled within the eligible pilot communities, NJEDA may request data such as but not limited to telematics, route maps, delivery histories, etc. • Permit the use by NJEDA of Applicant, Vendor, and vehicle data and information that is provided in the application and audit process, and that is not otherwise prohibited by law, for case studies and to support the development of future versions of this program, or future alternative programs • Commit to displaying a visual indication on the commercial vehicle that it is a ZEV and that its purchase was subsidized through this program, meeting minimum standards or as materially provided by NJEDA (e.g., a bumper sticker, placard, etc.)
Fee Schedule	Applicant will be assessed an application fee of $1000 / application, unless Applicant demonstrates that the imposition of the fee would impose an undue financial hardship. Applicant may apply for more than one vehicle voucher in a single application.

NJEDA

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 15, 2021

SUBJECT: New Jersey Wind Port – Request For Legal Counsel Budget Increase & Approval of a Letter of Agreement with Atlantic City Electric (ACE) and Feasibility Study Funding

REQUEST

The Members of the Board are asked to approve an additional $2.74 million in funding for the New Jersey Wind Port (NJWP) project, comprising:

- A $2 million increase in funding for outside legal counsel services. Funding is necessary to provide continuity of specialist legal support as the Authority: finalizes a Ground Lease with PSEG; begins commercial negotiations with prospective sub-tenants; and achieves contractual close with a construction manager (currently under procurement); and
- $740,000 in funding for Atlantic City Electric (ACE) to cover feasibility costs associated with the construction of an electricity transmission line to the Port. ACE is a public utility and regulated franchisee for electricity provision in the area in which the Port is located.

Members of the Board are also asked to approve the Authority entering into a letter of agreement with ACE to fund the above-mentioned feasibility works (included at Attachment A).

Approval of this funding request will increase overall funding for the NJWP to-date to $21.8 million; including $3.75 million in approved funding for outside legal counsel costs.

Members should note that while these costs will be expended at-risk by the Authority on behalf of the State, staff anticipates capitalizing them (alongside all other external project costs and staff time dedicated to this project) into the development of the project – with these capitalized costs reimbursed to the Authority once project funding and/or financing is in place.

BACKGROUND

Current budget approvals & costs incurred

To-date, the Authority's Board has approved $19 million in NJWP project funding, as outlined in Figure 1 below, comprising initial economic feasibility, professional services, as well as design and related preconstruction costs for Phase 1 of the Port's development, and Phase 2 feasibility.

Figure 1 – Current Board approvals for the NJWP project

Approval	Amount approved	Date of approval
Economic feasibility study of potential port locations and development types	$0.365M	July 2019
Professional services (financial, technical, appraisal)	$2.55M	February 2020
Outside legal counsel	$1.75M	March 2020
Feasibility, early stage design and related preconstruction (e.g. geotechnical, environmental, permitting) works	$7M[1]	June 2020 & August 2020[2]
Assignment (from PSEG) of engineer-of-record contract with Moffat & Nichol	$7.38M[3]	September 2020 & November 2020[4]
Total	**$19M**	**N/a**

Board members should note that certain of the above costs will extend into 2021 and beyond. The Authority's current costs incurred, as well as forecast costs through April 2021, is included below in Figure 2. This forecast is staff's best efforts at this time. As this project is still in its early stages, there is the potential for costs to move forward or backwards.

Figure 2 – Current & forecast NJWP-related costs through April 2021[5]

By end of Nov	By end of Dec (f)	By end of Jan (f)	By end of Feb (f)	By end of Mar (f)	By end of Apr (f)
$8.3 million	$10.3 million	$12.4 million	$13.8 million	$14.8 million	$16.1 million

Outside legal counsel – request for budget increase

In March 2020, the Board approved up to $1.75 million for outside legal counsel costs up until the project achieves financial close (see Attachment B). Following a competitive procurement led by the Office of The Attorney-General (OAG), a joint-bid by law firms Ashurst and Love & Long

[1] These costs will be incurred by PSEG and reimbursed by the Authority under the terms of the LOI with PSEG
[2] A $4 million cap was initially approved by the Board in June 2020, subsequently increased to $7 million in August
[3] The Board approved a total not-to-exceed contract value of $9.13 million, noting that $1.75 million of this amount is already budgeted under the Authority's $7 million cap for costs that will be reimbursed to PSEG under the LOI
[4] The assignment was approved in September 2020. In November 2020, Staff secured approval for an increase in the total contract value – this reflected certain costs being brought forward, as well as unanticipated additional costs
[5] Costs include those incurred by PSEG that will be reimbursed by the Authority under the terms of its LOI with PSEG

was accepted. Legal Counsel was subsequently buttressed through the addition of Hogan Lovells, which brought specialist capabilities in nuclear regulation.

A core focus for the Legal Counsel team has been assisting the Authority in reaching a commercial agreement for long-term use of the property with the private landowner, PSEG. Given the long-term nature of the lease and complexities stemming from the adjacent Hope Creek nuclear plant, the target for lease finalization has been revised from the end of 2020 to the end of March 2021.

Concurrent to lease negotiations, Legal Counsel has supported the Authority in its assignment from PSEG of a contract with Moffatt & Nichol, which is serving as engineer-of-record on the project.

Looking forward to 2021, the Authority will in addition to finalizing a Ground Lease:
- Commence negotiations with prospective Port sub-tenants, following the recent issuance of a public notice for offers to sublease property at the Port from mid-2023;
- Finalize contractual terms with a Construction Manager, following the conclusion of its procurement process (which is currently underway);
- Finalize contractual agreements with various vendors related to permitting, utilities provision and potentially other preconstruction works; and
- Finalize project financing, in partnership with the State.

Achieving these important project milestones on schedule and ensuring commercial terms that are in the best interests of the Authority and the State will require ongoing specialist legal support. Staff estimate that a funding increase of $2 million will ensure continuity of support through the end of August 2021. Staff will continue to work with the OAG to determine appropriate scope additions. The Authority's overall at-risk exposure will continue to be managed through the issuance of incremental maximum not-to-exceed caps ("Fee Caps").

Power connection costs

ACE holds the exclusive franchise to a service area in Southern New Jersey totaling 2,800 square miles, including the area in which the NJWP is located. On July 23, 2020, staff submitted an Application for Electric Service to ACE outlining the NJWP's projected electricity needs and development timeframe. Following a period of dialogue, on October 20, 2020, ACE provided the Authority with a high level capital cost estimate for providing a power connection to the Port and an indicative development timeframe. ACE's cost estimate reflects the lack of an existing transmission line connection to the Port site – with ACE required to construct an approximately 12 mile extension from one of several existing regional substations.

The Authority's owner's engineer on the Port project, WSP, and engineer-of-record, Moffatt & Nichol, were tasked with investigating localized/decentralized alternatives. This work quickly determined that no viable alternative solution exists, owing to regulatory as well as cost barriers.

With Phase 1 of the Port on-track for completion by mid-2023, Staff are eager for ACE to promptly commence with its feasibility assessment of a transmission line extension. In order for ACE to begin this work, the Authority is required to pay the first installment in ACE's development process. Estimated at $740,000, this initial phase will comprise: a routing study; Light Detection and Ranging (LiDAR); and right of way, property, and underground utility surveys. Completion is expected within six to eight months.

The cost and precise scope of this feasibility assessment is codified in a letter of agreement with ACE (see Attachment A). Immediately prior to or following the completion of the feasibility assessment, when the technical solution is resolved and ACE's costs are more refined, staff will finalize a detailed agreement with ACE on the terms of an electricity line extension to the Port. This will include a total cost for design and construction, which may or may not be fixed, as well as a development schedule. Staff anticipate seeking Board approval for this full agreement in Quarter 3 2021.

The Authority understands from its dialogue with ACE that it will be entitled to an annual credit (against ACE's upfront construction costs) for electricity consumption for the first ten years of Port operations. The precise terms of this credit will be codified in the abovementioned agreement.

SUMMARY

The Members of the Board are asked to approve an additional $2.74 million in funding for the New Jersey Wind Port (NJWP) project, comprising:

- A $2 million increase in funding for outside legal counsel services. Funding is necessary to provide continuity of specialist legal support as the Authority: finalizes a Ground Lease with PSEG; begins commercial negotiations with prospective sub-tenants; and achieves contractual close with a construction manager (currently under procurement); and
- $740,000 in funding for Atlantic City Electric (ACE) to cover feasibility costs associated with constructing an electricity transmission line to the Port. ACE is a public utility and regulated franchisee for electricity provision in the area in which the Port is located.

Members of the Board are also asked to approve the Authority entering into a letter of agreement with ACE to fund the above-mentioned feasibility works (included at Attachment A).

Approval of this funding request will increase overall funding for the NJWP to-date to $21.8 million; including $3.75 million in approved funding for outside legal counsel costs.

Members should note that while these costs will be expended at-risk by the Authority on behalf of the State, staff anticipates capitalizing them (alongside all other external project costs and staff time dedicated to this project) into the development of the project – with these capitalized costs reimbursed to the Authority once project funding and/or financing is in place.

____
Tim Sullivan, CEO

Prepared by Jonathan Kennedy, Bette Renaud, Dennis Feeney

Attachment A – Letter of agreement with Atlantic City Electric (ACE) for feasibility-related work

atlantic city electric.
An Exelon Company

LETTER OF AGREEMENT FOR FEASIBILITY STUDY
Between

NJEDA
Company
P O Box 990
Trenton, NJ 08625

Atlantic City Electric

5100 Harding Highway
Mays Landing, NJ 08330

SERVICE ADDRESS:
PSEG Nuclear
Lower Alloways Creek, NJ 08038

Atlantic City Electric Company (ACE) will conduct a Feasibility Study to provide the New Jersey Economic Development Authority (NJEDA) the information necessary to provide 28 MVA of capacity for the NJ Wind Port (Project). As described below, NJEDA will pay $740K for this Feasibility Study which will be applied toward the total Project costs.

ACE will study the feasibility of the following, which will comprise the Feasibility Study:

- Upgrade the 69kV at Quinton substation to add a third feeder.
- Build up to a 12-mile 69 kV line from Quinton Substation to the Project site.
- Estimated construction time frame is up to 48 months. ACE recognizes the NJEDA request for initial power to the site by Q2 2023 and, to the extent possible, ACE will collaborate and work with stakeholders, regulators, and permitting officials to attempt to meet the NJEDA's time frame.

This Feasibility Study includes a route analysis and a more detailed cost estimate for the Project. This Feasibility Study will only commence following ACE's receipt of this signed agreement and the payment of $740K that is described in the next paragraph.

The undersigned party will pay $740K, which will be used to do the Feasibility Study. When complete, any excess funds beyond the cost to do this Feasibility Study will be refunded or may be credited to other required preliminary work for the Project.

This agreement shall be governed, interpreted, 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. The forum and venue for all actions related to the matters which are the subject of this agreement shall be a court of competent jurisdiction in the County of Mercer and the State of New Jersey.

Any and all claims made or to be made against the NJEDA 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*. Any and all claims made or to be made against the NJEDA based atlantic city electric. An Exelon Company

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*.

The parties agree that the work of the Feasibility Study shall be performed in a safe and professional manner, and in accordance with any and all applicable rules, regulations, ordinances, statutes and laws.

Please note that this agreement for the cost of the Feasibility Study as specified in this document will be valid only until January 31, 2021.

Please sign and return this agreement to the address noted on the front page. Keep one copy for your records. If you have any questions or need assistance, please call Vernita Coverdale during normal business hours at (302) 451-5305 or (302) 803-7354. Electronic signature of this agreement shall be deemed to be valid execution and delivery as though an original ink. The parties explicitly consent to the electronic delivery of the terms of the transaction evidenced by this agreement and affirm that their electronic signatures indicate a present intent to be bound by the electronic signatures and the terms of the agreement.

AGREED:

____________________ New Jersey Economic Development Authority	____________________ Signature	____________________ Date
Vernita Coverdale Atlantic City Electric Company Manager Large Accounts	Vernita M Coverdale Signature	January 6, 2021 Date

6

AUTHORITY MATTERS

NJEDA

To: Members of the Authority

From: Tim Sullivan, Chief Executive Officer

Date: January 15, 2021

Subject: FY 2021 Fiscal Plan

Enclosed for your review and consideration is the proposed FY21 Fiscal Plan. It is the result of a collaborative effort by senior management and staff. Collectively, we believe our discussions have yielded a fiscally responsible plan which will support the Authority's continued evolution into a comprehensive development agency and best position the organization to support the four strategic priorities of the statewide economic development plan, including investing in people, investing in communities, making New Jersey the State of Innovation, and making government work better to improve the State's competitiveness and business climate.

Underlying these goals are several key imperatives for the Authority: 1) to grow New Jersey's economy, with a focus on increasing broad-based equity and creating a pilot, learn, scale culture, supported by bank-like operations; 2) to advance a financially sustainable business platform, optimizing for a balance of State economic activity and fiscal stability of the Authority; and 3) to support our effectiveness through enhanced resources, infrastructure, and compliance. These imperatives are reflected within the Fiscal Plan's revenue and program cost projections, and administrative expense constraints, respectively.

The proposed 2021 Fiscal Plan represents an ongoing investment in terms of staffing up for exciting, new initiatives; and, at the same time, maintaining our focus on, and commitment to, critical emergency assistance programs necessitated by COVID-19. Taking into consideration the Authority's ongoing organizational transformation, as well as the Murphy Administration's prioritized initiatives, we are projecting total revenue to be within approximately 3% of 2020 Plan. Relative to administrative expenses, the Authority is committed to accomplishing its strategic objectives and alignment with the statewide economic development plan in the most efficient manner possible. This includes the continued build out of new divisions of the Authority, including the Office of Economic Transformation, Strategic Initiatives & Operations, and Portfolio Management and Compliance. To that end, EDA core headcount will reflect an increase from 230 projected for FY20 to 251 by the end of FY21, including recruiting for positions related to the implementation of new projects and initiatives, and specific programmatic activity.

The FY21 Plan is presented with a planned deficit of $4,350,000 which, although unusual for the Authority, is supported by prior year retained earnings, achieved in part with the success of the Authority's long-standing venture fund investment initiatives. While legacy financing program activity continues to taper from the high volume received in recent years, it will still provide an important revenue source in 2021. Other significant revenue categories include new initiatives related to the State's participation in the regional greenhouse gas initiative, and new Authority efforts such as the Offshore Wind and NJ Emerge tax credit programs, as well as an extension of the Economic Recovery & Growth (ERG) program. At the same time, the Authority anticipates federal CARES Act reimbursement of eligible personnel expenses directly related to the administration of emergency assistance programs.

Also reflected are the following benefit expense items:

- The EDA contribution to PERS is based on billing information from the Division of Pensions. Any amount that can be attributable to dedicated Office of Recovery staff will be sought as a reimbursable fringe item;
- Health insurance premiums reflect an increase of 2% over 2020, depending on plan and level of coverage selected, however, approx 30% of total premiums are expected to be paid by employees, enabling the Authority to recapture nearly $1,000,000 of this cost;
- There is no anticipated contribution to the post-employment benefit trust, as the most recent actuarial valuation indicates the trust is sufficiently funded, creating a savings of approx $2 million from 2020 Plan.

Program Costs represent expenditures that align with specific programs, projects, and initiatives. At $9,230,000, the FY21 Plan provides an increase from FY20 Plan, as certain OET costs will be reimbursable from project funds, while continuing to provide for important incentive program audits as well as needed outreach expenditures aimed at diversity and inclusion. Other costs such as property & liability insurance premiums, legal representation through the Division of Law, and asset management expenditures are generally consistent with the prior year Plan.

Consistent with prior years, the Plan also includes cash transactional items that may or may not be reimbursable; do not represent costs and expenses related specifically to current year production; or may not be within the scope of what the Authority typically does. These items are presented *below* the NOE for informational purposes. Included here are the reimbursable personnel expenses related to administration of both Fort Monmouth and Office of Recovery activity (which comprise 8 and 16 budgeted staff positions, respectively, resulting in an aggregate expected headcount of 275). Also reflected here are long-term projects such as the ERP software upgrade, New Jersey Bioscience Center re-design and remaining pre-development costs associated with the Myer Center property at Fort Monmouth.

The compilation of the 2021 Fiscal Plan has been a collective process that interrelates with and supports the Authority's key strategic imperatives. At its meeting of January 5th, the Plan was reviewed by the Audit Committee which concurred it is fiscally responsible and supports the Authority's mission; accordingly, the Board's approval is requested.

____
Tim Sullivan, CEO

Prepared by:

Richard LoCascio, CPA
Controller

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

1/5/21

2021 FISCAL PLAN

	2020 Fiscal Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**	'21 Plan to '20 Plan % Variance
Operating Revenue:						
Financing Fees	$7,690,000	$3,179,000	($4,511,000)		**$7,158,000**	
Lease Revenue	8,065,000	7,574,400	(490,600)		**7,383,000**	
Interest from Notes	5,100,000	4,900,000	(200,000)		**5,100,000**	
Agency Fees	541,000	538,500	(2,500)		**601,000**	
Program Services	7,535,000	2,613,500	(4,921,500)		**7,421,000**	
Venture Fund Distributions/Warrants	1,525,000	966,500	(558,500)		**871,000**	
Real Estate Development Fees	4,367,000	3,848,800	(518,200)		**3,511,000**	
Late Fees and Other	100,000	500,000	400,000		**518,000**	
Total Operating Revenue	34,923,000	24,120,700	(10,802,300)	-30.9%	**32,563,000**	**-6.8%**
Non Operating Revenue:						
Interest from Cash Investments	6,000,000	5,300,000	(700,000)		**2,250,000**	
Federal CARES Act Reimbursement *		4,985,000	4,985,000		**5,000,000**	
Total Non Operating Revenue	6,000,000	10,285,000	4,285,000	71.4%	**7,250,000**	**20.8%**
Total Revenue	40,923,000	34,405,700	(6,517,300)	-15.9%	**39,813,000**	**-2.7%**
Administrative Expenses						
Personnel and Benefits	28,809,000	27,005,700	(1,803,300)		**29,995,000**	
General and Administrative	4,292,000	3,846,800	(445,200)		**4,938,000**	
Total Administrative Expenses	33,101,000	30,852,500	(2,248,500)	-6.8%	**34,933,000**	**5.5%**
Program Specific Costs	11,572,000	8,299,800	(3,272,200)	-28.3%	**9,230,000**	**-20.2%**
Total Expenses & Costs	44,673,000	39,152,300	(5,520,700)	-12.4%	**44,163,000**	**-1.1%**
Net Operating Earnings	($3,750,000)	($4,746,600)	($996,600)		**$ (4,350,000)**	

CASH TRANSACTIONAL ITEMS

	2020 Fiscal Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**
Operating Revenue:					
FMERO Staff Reimbursement	$1,557,000	$1,226,500	($330,500)		**$1,225,000**
Loss recoveries		300,000	300,000		
Total Operating Revenue	1,557,000	1,526,500	(30,500)		**1,225,000**
Administrative Expenses					
FMERO Personnel & Benefits	1,557,000	1,226,500	(330,500)		**1,225,000**
Office of Recovery Personnel & Benefits	1,880,000	1,175,000	(705,000)		**1,750,000**
**(Reimbursement due for OR Personnel)*	*(1,880,000)*	*(1,175,000)*	*705,000*		***(1,750,000)***
NJ Comm on Science & Innov Tech		200,000	200,000		**350,000**
**(Reimbursement due for CSIT Personnel)*		*(200,000)*	*(200,000)*		***(350,000)***
ERP Procurement and Phase II	1,000,000	1,000,000			**350,000**
Accounting System Upgrade	250,000		(250,000)		
Procurement System Upgrade	50,000		(50,000)		
Program Costs					
NJBC / Tech V Plan/Design	2,500,000		(2,500,000)		**2,500,000**
Myer Center Pre-Development	80,000	65,000	(15,000)		**85,000**
Technical Assistance	300,000	300,000			**300,000**
Total Expenses & Costs	5,737,000	2,591,500	(3,145,500)		**4,460,000**
Net Cash Transactional Items	($4,180,000)	($1,065,000)	$3,115,000		**($3,235,000)**

***Note**: Reimbursement due for Core EDA staff devoting time to OR and/or COVID activity is reflected as an increase to net assets upon receipt, as is full reimbursement for dedicated OR/COVID personnel & benefits.
For calendar year 2020, the EDA anticipates **$4.98 million** in cash infusions through federal CARES Act reimbursement solely for personnel expense; and for 2021 the preliminary reimbursement is anticipated to be **$5.0 million**.
These dollars are presented as a non-operating revenue item for Fiscal Plan purposes, although will be presented as an increase to net assets in the audited financial statements.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2021 FISCAL PLAN

Revenue Detail

	2020 Fiscal Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**	'21 Plan to '20 Plan % Variance
Financing Fees						
Application Fees (All Programs)	$855,000	$620,000	($235,000)		**$1,004,000**	
Bond Closing Fees-Private	450,000	350,000	(100,000)		**450,000**	
Bond Closing Fees-State	300,000		(300,000)		**300,000**	
Bond refunding Fees-Private	125,000	318,000	193,000		**125,000**	
Bond refunding Fees-State	150,000		(150,000)		**150,000**	
Commitment Fees Credit	240,000	20,000	(220,000)		**143,000**	
Loan Closing Fees Credit	150,000	10,000	(140,000)		**118,000**	
Guarantee Closing Fees	5,000		(5,000)		**30,000**	
New Incentive Activity TBD					**1,000,000**	
Commitment Fees ERGG	400,000		(400,000)		**1,000,000**	
Closing Fees ERGG	350,000		(350,000)		**313,000**	
Aspire Tax Credit Approval Fees	150,000		(150,000)		**150,000**	
Angel Tax Credit Approval Fees	320,000	70,000	(250,000)		**382,000**	
Windport Project					**30,000**	
Film Tax Credit Issuance Fees	112,000		(112,000)		**142,000**	
GROW NJ Approval Fees	95,000	21,000	(74,000)			
GROW NJ Issuance Fees	2,848,000	1,500,000	(1,348,000)		**821,000**	
Modification Fees	400,000	150,000	(250,000)		**200,000**	
NJ Emerge Tax Credit Approval Fees	350,000		(350,000)		**350,000**	
Offshore Wind Approval Fees	340,000		(340,000)		**400,000**	
Other	50,000	120,000	70,000		**50,000**	
Total Financing Fees	7,690,000	3,179,000	(4,511,000)	-58.7%	**7,158,000**	**-6.9%**
Lease Revenue						
NY Daily News	119,000	119,000			**50,000**	
NJBC	6,095,000	5,594,400	(500,600)		**5,489,000**	
NJBC Step-Out Labs	953,000	814,000	(139,000)		**903,000**	
NJBC Incubator	858,000	958,000	100,000		**845,000**	
Camden Amphitheater Office	12,000	3,000	(9,000)		**12,000**	
SPF-Philadelphia 76ers	28,000	86,000	58,000		**84,000**	
Total Lease Revenue	8,065,000	7,574,400	(490,600)	-6.1%	**7,383,000**	**-8.5%**
Agency Fees						
Board of Public Utilities Clean Energy	90,000	88,000	(2,000)		**87,500**	
CSIT - Clean Tech Seed Program					**62,500**	
Historic Trust Fund	1,000	500	(500)		**1,000**	
NJ Local Development Financing Fund	450,000	450,000			**450,000**	
Total Agency Fees	541,000	538,500	(2,500)	-0.5%	**601,000**	**11.1%**
Program Services						
BEIP Service Fees	1,036,000	150,000	(886,000)		**687,000**	
BRRAG Service/Transfer Fees	166,000	120,000	(46,000)		**122,000**	
ERGG Service/Transfer Fees	145,000	260,000	115,000		**263,000**	
Grow Service/Transfer Fees	4,173,000	2,000,000	(2,173,000)		**4,331,000**	
HUB Annual Review/Tax Transfer Fees	95,000	82,500	(12,500)		**98,000**	
Regional Greenhouse Gas Initiative (RGGI)	1,920,000		(1,920,000)		**1,920,000**	
Other Program Services Fees		1,000	1,000			
Total Program Services	7,535,000	2,613,500	(4,921,500)	-65.3%	**7,421,000**	**-1.5%**
Venture Fund Distributions/Warrants						
Evergreen	500,000		(500,000)		**81,000**	
Edison VI, VII, & VIII	260,000	673,000	413,000			
NewSpring Health	325,000		(325,000)		**320,000**	
NJ Tech Council	95,000	103,500	8,500			
Osage	345,000	190,000	(155,000)		**470,000**	
Total Distributions/Warrants	1,525,000	966,500	(558,500)	-36.6%	**871,000**	**-42.9%**
Real Estate Development and Mgt Fees						
Development Fees						
Windport Project					**2,200,000**	
Camden Parking Projects - Various	45,000	68,800	23,800		**45,000**	
Department of Health Building	1,485,000	1,481,000	(4,000)		**320,000**	
Division of Taxation Building	1,883,000	1,875,500	(7,500)		**340,000**	
Parcel F-1 ROI/RWJ	306,000		(306,000)		**306,000**	
Total Development Fees	3,719,000	3,425,300	(293,700)	-7.9%	**3,211,000**	**-13.7%**
Management Fees						
Aquarium	600,000	381,500	(218,500)		**300,000**	
Bio-Medical Administrative Fee		20,000	20,000			
State Office Buildings	48,000	22,000	(26,000)			
Total Management Fees	648,000	423,500	(224,500)	-34.6%	**300,000**	**-53.7%**
Total RE Development & Mgt Fees	4,367,000	3,848,800	(518,200)	-11.9%	**3,511,000**	**-19.6%**

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2021 Fiscal Plan
Administrative Expenses

	2020 Approved Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**	'21 Plan to '20 Plan % Variance
SALARY EXPENSE	$19,912,000	$20,157,000	$245,000	1.2%	$22,700,000	14.0%
FRINGE BENEFITS						
Social Security	1,482,000	1,397,000	(85,000)		1,690,000	
Pension Costs	2,021,000	2,021,000			2,210,000	
Non-health related Ins.	280,000	258,200	(21,800)		310,000	
Health Insurance	3,270,000	2,814,000	(456,000)		3,218,000	
Less: Employee Contribution	(981,000)	(850,000)	131,000		(966,000)	
Post-employment benefits obligation	1,977,000	500,000	(1,477,000)		-	
Prescription Ins.	606,000	525,500	(80,500)		568,000	
Dental Care Ins.	212,000	168,000	(44,000)		233,000	
Vision Care	30,000	15,000	(15,000)		32,000	
TOTAL FRINGE BENEFITS	8,897,000	6,848,700	(2,048,300)	-23.0%	**7,295,000**	-18.0%
TOTAL PERSONNEL AND FRINGE	$28,809,000	$27,005,700	($1,803,300)	-6.3%	**$29,995,000**	4.1%
Total Salaried Employees	221	230	9		**251**	13.6%

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
2021 Fiscal Plan
Administrative Expenses

	2020 Approved Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**	'21 Plan to '20 Plan % Variance
PERSONNEL RELATED						
Part-time Employees	$75,000	$50,000	($25,000)		**$130,000**	
Temporary Agencies	75,000	70,000	(5,000)		**100,000**	
Publications & Subscriptions	7,000	9,000	2,000		**10,000**	
Automobile	10,000	7,500	(2,500)		**10,000**	
Local Travel & Meetings	65,000	26,500	(38,500)		**77,000**	
Affirmative Action Monitoring	5,000	1,200	(3,800)			
Conference	50,000	15,000	(35,000)		**45,000**	
Professional Training/Development	220,000	120,000	(100,000)		**238,000**	
TOTAL PERSONNEL RELATED	507,000	299,200	(207,800)	-41.0%	**610,000**	20.3%
CONTRACT SERVICES						
Financial Audit & Actuarial Services	243,000	215,400	(27,600)		**157,000**	
Board Governance		299,500	299,500			
HR Consultation	20,000	20,000			**20,000**	
Strategic Initiatives					**80,000**	
GAU/OAL Assessments	34,000	34,000			**44,000**	
TOTAL CONTRACT SERVICES	297,000	568,900	271,900	91.5%	**301,000**	1.3%
INFORMATION SYSTEMS						
System Maintenance	159,000	141,000	(18,000)		**140,000**	
System Software	514,000	508,000	(6,000)		**720,000**	
System Hardware	133,000	96,500	(36,500)		**110,000**	
CRMS	25,000	25,000			**50,000**	
Online Subscriptions	125,000	135,000	10,000		**177,000**	
Communications	331,000	332,800	1,800		**441,000**	
External Services Providers	75,000	70,000	(5,000)		**83,000**	
TOTAL INFORMATION SYSTEMS	1,362,000	1,308,300	(53,700)	-3.9%	**1,721,000**	26.4%
OFFICE OPERATIONS						
Utilities	311,000	263,000	(48,000)		**278,000**	
Postage & Delivery	27,000	11,500	(15,500)		**21,000**	
Rent	431,000	259,500	(171,500)		**379,000**	
Insurance-liability & property	262,000	262,000			**328,000**	
Equipment Maintenance	19,000	5,600	(13,400)		**18,000**	
Furniture/Equipment lease/purchase	127,000	94,300	(32,700)		**307,000**	
Stationary & Supplies	47,000	21,400	(25,600)		**45,000**	
TOTAL OFFICE OPERATIONS	1,224,000	917,300	(306,700)	-25.1%	**1,376,000**	12.4%
BUILDING MANAGEMENT						
Facility Management	123,000	128,300	5,300		**134,000**	
Buiding Security Guard	142,000	127,100	(14,900)		**148,000**	
Janitorial	142,000	137,600	(4,400)		**200,000**	
Taxes/PILOT	64,000	64,100	100		**66,000**	
Grounds	60,000	17,000	(43,000)		**50,000**	
Parking Lot	94,000	66,100	(27,900)		**101,000**	
Mechanical Maintenance	219,000	176,400	(42,600)		**168,000**	
TOTAL BUILDING MANAGEMENT	844,000	716,600	(127,400)	-15.1%	**867,000**	2.7%
GENERAL	58,000	36,500	(21,500)	-37.1%	**63,000**	8.6%
TOTAL GEN'L & ADMIN. EXPENSE	$4,292,000	$3,846,800	($445,200)	-10.4%	**$4,938,000**	15.1%
TOTAL ADMINISTRATIVE (Excl FM/OR)	$33,101,000	$30,852,500	($2,248,500)	-6.8%	**$34,933,000**	5.5%

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2021 FISCAL PLAN

Program Cost Detail

	2020 Fiscal Plan	2020 Projected Actual	Actual Over/(Under) Plan	% Variance	**2021 Fiscal Plan**	'21 Plan to '20 Plan % Variance
Asset Management						
Maintenance and Repair	$1,861,000	$1,607,000	($254,000)		**$1,603,000**	
Property Management	226,000	235,600	9,600		**310,000**	
Taxes and PILOT	1,210,000	1,165,000	(45,000)		**1,179,000**	
Tenant Billing System	9,000	8,100	(900)		**9,000**	
Utilities	1,146,000	1,034,500	(111,500)		**1,076,000**	
Total Asset Management	4,452,000	4,050,200	(401,800)	-9.0%	**4,177,000**	**-6.2%**
Outreach						
Marketing	200,000	160,000	(40,000)		**120,000**	
Events & Sponsorship - General	300,000	240,000	(60,000)		**200,000**	
Events & Sponsorship - OET Specific					**100,000**	
Website Redevelopment	50,000	40,000	(10,000)		**10,000**	
Total Outreach	550,000	440,000	(110,000)	-20.0%	**430,000**	**-21.8%**
Consultation/Legal						
Deputy AG Contracted Fees	925,000	740,000	(185,000)		**925,000**	
Other Litigation (External/Special Counsel)	1,000,000	800,000	(200,000)		**500,000**	
BAC Site Mart Update					**25,000**	
Camden Waterfront Survey	20,000		(20,000)		**20,000**	
Choose NJ	150,000	150,000				
DEP/CCI/Brownfield MOU	390,000	660,000	270,000		**670,000**	
DEP/Licensed Site Remediation	10,000	3,800	(6,200)		**10,000**	
iDMS Programming	175,000	250,000	75,000			
Diversity Communications Consult					**250,000**	
Diversity/Inclusion Initiatives					**50,000**	
Environmental Consultants	35,000		(35,000)		**35,000**	
Incentive Programs Audit	100,000	145,000	45,000		**100,000**	
Incubator Funding Competition (NJ Ignite)	100,000	75,000	(25,000)			
Innovation Challenge I & II		150,000	150,000			
GSGZ/Small Bus. Incentives	25,000		(25,000)			
Legal Review/Due Diligence (BRG)					**100,000**	
Small Business Pitch Competition	100,000		(100,000)			
State Office Bldg/Other Feasibility Opportunities	200,000		(200,000)			
Stranded Assets (Planning/Grants)	250,000		(250,000)			
NJBC PILOT Space Plng/Feas/Soft Costs	125,000		(125,000)		**112,500**	
NJBC Condo (Engineering/Architect)	50,000	38,800	(11,200)		**50,000**	
Real Estate Advisory Services	100,000	285,000	185,000		**100,000**	
NJIT Brownfields Extended MOU					**200,000**	
NJTransit MOU					**100,000**	
Other New RE Consulting/Feasibility	100,000		(100,000)		**150,000**	
OET-*Specific* Program Costs (see detail)	2,074,000	2,500	(2,071,500)		**600,000**	
Total Consultation/Legal	5,929,000	3,300,100	(2,628,900)	-44.3%	**3,997,500**	**-32.6%**
Services						
Appraisals of Collateral	30,000	2,000	(28,000)		**30,000**	
Credit Reporting Services	5,000	3,500	(1,500)		**4,000**	
Realtor Commissions	185,000	190,000	5,000		**190,000**	
Total Services	220,000	195,500	(24,500)	-11.1%	**224,000**	**1.8%**
Insurance						
Property & Liability Insurance	252,000	240,000	(12,000)		**253,000**	
Total Insurance	252,000	240,000	(12,000)	-4.8%	**253,000**	**0.4%**
Other						
Debt Servicing	26,500	26,500			**26,500**	
Filing Fees	5,000	1,500	(3,500)		**5,000**	
Program Related Travel & Meetings	70,000	10,000	(60,000)		**50,000**	
Office of International Trade	25,000		(25,000)		**25,000**	
Searches-Titles, Liens, Property	22,500	18,000	(4,500)		**22,000**	
Other	20,000	18,000	(2,000)		**20,000**	
Total Other	169,000	74,000	(95,000)	-56.2%	**148,500**	**-12.1%**
Total Program Costs	$11,572,000	$8,299,800	($3,272,200)	-28.3%	**$9,230,000**	**-20.2%**

New Jersey Economic Development Authority
2021 Fiscal Plan
Office of Economic Transformation
New Program Costs and Related Initiatives

Sector	Initiative	Estimate
Technology	Evergreen	$500,000
	Funding offset	($500,000)
	Diversity Entreprenuership support	$150,000
	Angel Tax Credit	$250,000
	Corporate Engagement Program	$100,000
Offshore Wind	GWO Training Facility Challenge	3,000,000
	Wind Turbine Technician Program	1,000,000
	Wind Institute Launch / Programs	500,000
	Funding offset	($4,500,000)
Clean Energy	C-PACE	250,000
	RGGI Green Bank	500,000
	RGGI Electric Vehicle Programs	500,000
	Funding offset	(1,250,000)
Financial/Professional Services	eSports Innovation Center	100,000
Total OET Additional Costs:		$600,000

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 15, 2021

RE: **Second Amendment to the Memorandum of Understanding between the Authority and the New Jersey Commission on Science, Innovation and Technology**

Proposal

The Members are requested to approve a second amendment to the existing Memorandum of Understanding (MOU) between the Authority and the New Jersey Commission on Science, Innovation and Technology ("Commission" or "CSIT") to include the ability for other personnel hires of the Commission to be NJEDA employees. In addition, EDA will provide support to CSIT in recruiting and selecting other personnel, and all final decisions related to the hiring and compensation of other personnel will be made jointly by CSIT and EDA. All personnel hires shall report solely to CSIT. EDA will provide office space and ancillary support and services to the other personnel as described in the Second Amendment to the MOU. All salary, fringe benefits, and expenses for any additional CSIT personnel would be paid for out of the Commission's appropriated funds which are currently being managed by the NJEDA.

The Members are also requested to grant EDA staff delegated authority to agree to the hiring of additional CSIT staff if requested by CSIT.

Background

<u>July 2019:</u>
The Members approved a Memorandum of Understanding with the Commission, in June 2019, effective in July 2019, which laid out the parameters by which the NJEDA will provide support to the Commission in the areas of:

- Administrative support such as access to office space, IT equipment, accounting, records management, and board management support
- Fiscal management support including encumbering and disbursing State funds appropriated for CSIT purposes at the Commission's direction

NJEDA

As part of that agreement, the NJEDA agreed not to charge the Commission for office space or administrative and support services, thereby enabling the Commission to operate efficiently, maximizing the amount of funding that is dedicated to program related activities. In addition, this agreement allowed the Commission to ramp-up programs more quickly than if it were operating on its own and better coordinate and market programs to innovation community stakeholders in the State. These activities complement the Authority's Technology and Life Science activities and support the goals of the Governor's strategic plan for economic development.

September 2019:
The MOU was amended and re-adopted by the NJEDA and the Commission in August 2019, effective in September 2019, to allow for the Executive Director of the CSIT to be an employee of the NJEDA.

Dec. 2020
As the Commission's responsibility continues to grow and expand, and as the Commission continues to have ownership over the long-term implementation of new programs, including multiple launches over the last quarter of 2020 and additional anticipated launches in the first quarter of 2021, the need for additional staff dedicated exclusively to CSIT work has become evident.

Recommendation

The Members are requested to approve a second amendment to the MOU between the Authority and the New Jersey Commission on Science, Innovation and Technology to include the ability for other personnel hires of the CSIT to be NJEDA employees. All final decisions related to the hiring and compensation of other personnel will be made jointly by CSIT and EDA. All personnel hires shall report solely to CSIT. EDA will provide office space and ancillary support and services to the other personnel as described in the second amendment to the MOU. All salary, fringe benefits, and expenses for any additional CSIT personnel would be paid for out of the Commission's appropriated funds which are currently being managed by the NJEDA.

The Members are also requested to grant EDA staff delegated authority to agree to the hiring of additional CSIT staff if requested by CSIT.

Tim Sullivan, CEO

Attachment: Draft Amended Memorandum of Understanding between NJEDA and the CSIT

SECOND AMENDMENT TO
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY
AND
THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

This Second Amendment ("Second Amendment") to the Memorandum of Understanding (Original MOU") made by and between the NEW JERSEY COMMISSION ON SCIENCE, INNOVATION AND TECHNOLOGY ("CSIT") and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY ("NJEDA"), instrumentalities of the State of New Jersey ("the "State"). The CSIT and the NJEDA may sometimes hereinafter be collectively referred to as the "Parties" and individually as a "Party." Except as otherwise defined herein, all capitalized terms shall have their meaning as set forth in the Original MOU.

WHEREAS, the Parties entered into the Original MOU between the CSIT and NJEDA effective July 2, 2019 which committed to provide support services and staff to the CSIT and CSIT would reimburse the NJEDA for the cost of such services; and

WHEREAS, the Parties amended the Original MOU by way of a First Amendment and Restatement to the Memorandum of Understanding ("Amended and Restated") effective on September 23, 2019 to allow the NJEDA to commence the hiring process for the CSIT Executive Director, for the CSIT to have ultimate approval over who was to be hired, and to allow for the CSIT Executive Director to be an employee of the NJEDA, and for CSIT to reimburse the NJEDA for actual costs to the NJEDA of the CSIT Executive Director's employment; and

WHEREAS, the CSIT has a need for hiring additional staff for program support; and

WHEREAS, the NJEDA and the CSIT have agreed that it would be in the best interests of the State to allow additional CSIT staff to be hired as NJEDA employees, for which CSIT will reimburse the NJEDA for the actual costs to the NJEDA of the CSIT's staff employment; and

NOW THEREFORE, in consideration of the foregoing the Parties hereby agree as follows:

1. Section 1 of the Amended and Restated MOU is hereby amended to read as follows:

EDA will provide support to CSIT in its recruitment and hiring of an Executive Director and other personnel as deemed necessary by CSIT and agreed to by the EDA, with all final decisions related to the compensation and hiring of an Executive Director being done by CSIT and compensation and hiring of other personnel being decided jointly by EDA and CSIT. The Executive Director and other personnel shall report solely to the CSIT and shall be paid from State funds appropriated to the CSIT unless otherwise agreed to among the parties. Notwithstanding that CSIT will bear all costs of the Executive Director and other personnel, the Parties agree that the Executive Director and other personnel will be employees of the EDA. EDA shall provide office space and ancillary *support and services, as described in subsections a through c of this section, to the Executive Director and other personnel, and make available to the Executive Director EDA staff, as needed, which will utilize a portion of their time as follows: […]*

2. Except as otherwise provided in this Second Amendment, all of the terms, covenants and conditions of the Original MOU, and the Amended and Restated MOU shall remain in full force and effect.

3. All references to the term "MOU" in the Original MOU shall be deemed to refer to the Original MOU, as modified by this Second Amendment.

4. The Second Amendment shall be effective as of the date of final execution by the parties ("the Effective Date").

IN WITNESS WHEREOF, the Parties have executed and delivered this SECOND AMENDMENT on the date set forth next to their respective signatures below, but effective as of the date set forth above. The Parties agree to accept electronic signatures.

New Jersey Commission on Science, Innovation and Technology

__________________________________ Date:____________________

By: Judith Sheft, Executive Director

New Jersey Economic Development Authority

__________________________________ Date:____________________

By: Tim Sullivan, Chief Executive Officer

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: Ritz Hotels Services LLC
P45829/PROD-00187719 Grow NJ Program

DATE: January 15, 2021

Request:

Members of the Authority are requested to decline the Grow NJ application from Ritz Hotels Services LLC ("Ritz" or the "Company"), as EDA Staff cannot recommend that the Applicant demonstrated that the Grow NJ Award will be a material factor to locate/maintain/grow the business in NJ.

Background:

On June 27, 2019, Ritz submitted a Grow New Jersey application in connection with its evaluation of sites to operate its growing commercial laundry business. Ritz's application represented an option to renovate and expand at its current facility (at the time of application) in Paterson, NJ, or lease 30,339 sq. ft. of space in Suffern, NY. The Company expects to complete renovations and purchase machinery and equipment for a total capital investment of $1,170,818 at the Paterson, NJ location. The Company also expects to create 49 new jobs.

Ritz Hotels Services LLC is a commercial laundry provider serving hotels. It picks-up, cleans, finishes, and delivers an average of 27.5 million pounds of hotel linens per year. The Company continues to grow organically via expanding market share and selectively through opportunistic acquisitions. In support of its customers, it operates 7 days per week, 365 days per year. Ritz Hotels currently provides services to hotels in the tri-state area and it is looking to continue its growth/market share. The Company has been operating for approximately 7 years and was founded by Mikhail and Aleksandr Usherenko. Ritz has grown over the past 6 years and has reached a decision point regarding its business location. Its choice is to either invest and expand in New Jersey or move out of state. The first option is to invest and expand at its existing 30,000 sq. ft. location in Paterson, NJ, which is a Garden State Growth Zone. The alternate location is a 30,339 sq. ft. facility in Suffern, NY. Renovations at the NJ location include items such as a new roof, electrical upgrades, HVAC, lighting and some concrete work. Renovations at the NY site include items similar to those in NJ, but for the roof. The cost of renovations at the alternate site is lower, as the building is newer and in less need of this work.

Pursuant to the Grow NJ Act and Regulations, the provision of a grant from the Grow NJ Program must be a "material factor" in a company's decision to retain, relocate, or expand operations in NJ. Accordingly, the program regulations and application require the Applicant to provide documentation demonstrating this "material factor," including but not limited to:

A. A full economic analysis of all locations under consideration including such components as, but not limited to, the cost effectiveness of remaining in this State versus relocation under alternative plans out of State (e.g. Real Estate listings, Tax or other State/Local financial incentives offered to the Applicant and Cost Benefit Analysis, which may include cost per square foot, real estate tax, tax incentives, training incentives, labor costs, etc.) A completed Cost Benefit Analysis blank template form ("CBA"), is provided by the Authority and prepared by the Applicant. The CBA includes one-time upfront costs (such as building acquisition cost, building construction, building renovation, purchase of furniture, fixtures and equipment, company moving costs, etc.) and on-going costs (such as annual rental costs, annual real estate costs, utilities, building maintenance, annual payroll) for both the in-State and out-of-State alternative. The Applicant must also provide a copy of all documentation to support the costs delineated on the CBA, including copies of construction or renovations budgets prepared by a third party; equipment purchases quotes; moving company's quote etc.;
B. All lease agreements, ownership documents or substantially similar documentation for the business' in-State location(s);
C. All lease agreements, ownership documents, or substantially similar documentation for the potential out-of-state location alternatives, to the extent such alternatives exist;
D. A specific statement on the role the grant will play in the company's decision-making process to remain/expand in New Jersey; and
E. An executed CEO certification that states that the CEO reviewed the application and that 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.

Generally, a key factor to demonstrate the "material factor" is for the Applicant to show in the CBA that the NJ site is the more expensive option, based on supporting documentation and assumptions that have been satisfactorily vetted and deemed reasonable by EDA staff. The current policy is that 100% of the costs illustrated on the CBA for both locations must be fully documented. In addition, there should be no evidence that the location decision has been made (for example a purchase contract being fully executed by the buyer and seller without an acceptable contingency that the sale is contingent upon approval of the Grow NJ award).

The CBA provided by the Applicant shows the one-time upfront costs of NJ option totaling $1,170,818 and the NY option totaling $875,942. Ongoing costs in NJ totaled $8,922,741 compared to $8,127,058 in NY, both amounts to be reduced due to non-inclusion of EZ Pass toll costs, of $305,136 and $74,030, respectively). The difference in costs confirmed that the NJ is the more expensive option on a net present value over 10 years and 15 years. Documentation for the lease of the alternate site in Suffern, NY was an unexecuted lease proposal from the Landlord's broker to the Company's (i.e., Tenant's) broker, in response to a draft lease proposal from the Company's (Tenant's) broker to the Landlord's broker.

The Company submitted and represented in the Grow NJ application dated June 27, 2019, and to EDA staff in subsequent due diligence by EDA Staff the following to support the "provision of a material factor" in the location decision:

- **Why is the grant a material factor in the project?** "The grant is a material factor in our decision because we operate in a very competitive industry and cost and efficiency are 2 of our most critical variables. As we have mentioned, we need to improve the layout (and thus efficiency) of our building. With the current layout, efficiency suffers mightily.
  The other critical variable is our labor cost. The vast majority of our employees are hourly workers

and we support Governor Murphy's efforts to raise the minimum wage and view this as a needed and beneficial change. However, this places the company in an untenable situation as other, neighboring states are either not raising the minimum wage or the implementation schedule is significantly later so that it puts us at a severe disadvantage. For example, although NYS is also raising its minimum wage, the increase in NYS will phase in more slowly than NJ and it will top out at $12.50. Thus, there will be a $2.50 per hour surcharge to working in NJ. This difference raises our cost of doing business in New Jersey by $9 million over the term."

- **What are the advantages of the NJ Project location vs. the alternate location?** "Considering that the business is already up and running at the Paterson location, we have the advantage of not having to move our operations (we will however have to move and reconfigure existing operations while simultaneously operating the facility). Not moving means less disruption to our employees and the operation. Additionally, there are no assurances that our employees would be willing or able to commute or move to a new location in Suffern and that would mean the loss of some highly valued employees that have been with the company for a long time. We value our employees and we are proud of our role as a significant employer in Paterson. We would like to build on our role in Paterson as a reliable and respectable employer and also to continue our role in helping to improve Paterson as a place to work and live."
- **What diligence has the company performed in regard to Alternate Location?** "We conducted CoStar searches covering Brooklyn, Long Island, Rockland County and PA for appropriate industrial properties. We then called the agents for the properties that we were interested in to verify the information and availabilities that were listed on CoStar. After due diligence was completed, we then toured the short list of properties."

EDA Staff reviewed the application and attachments as well as the CBA and all supporting documentation and concludes that Ritz has not demonstrated that the award will be a material factor in the Company's decision to relocate within New Jersey due solely on its reliance on the payroll differential being the only line item which flips the CBA to NJ being more expensive that the alternate site in Suffern, NY on both a 10 and 15 year NPV Basis, and the inability to provide a current LOI for the alternate site after several requests (due to ongoing legal issues with the property). EDA Staff's conclusion resulted from the following facts and observations:

1. As evidence of its annual payroll estimate, Ritz submitted a 15-year annual payroll projection for both NJ and NY. This analysis was based on actual and projected data, given the transition in NJ to a minimum hourly wage rate of $15.00 per hour by Summer of 2024. While the State of NY has a transition of its own with regard to an increase of the minimum hourly wage rate to reach $15.00, it transitions more gradually, especially in the county where the alternate site for this project is located, i.e., Suffern, NY. Typically, Applicants to the Grow NJ program, look at the annual wages, by job at the proposed QBF, and compare those wages for the same positions at the alternate location. This is done as of a point in time, and the alternate site rates are generally taken from a source such as the Bureau of Labor Statistics, or another similar accepted search tool. Current wages for retained employees and projected employees at one location are compared to the same wages at the alternate site. This same amount is used across the time horizon utilized in the CBA. In this example, the Applicant used a 15-year projection of the minimum hourly wage rates in both NJ and Suffern, NY, and averaged those amounts for the time period to determine the amount to be used on the annual payroll line of the CBA. The Company's analysis shows the 15 year range from 2020 to 2034, but the hourly rate in NJ does not begin to go above the NY hourly rate until late in 2022. Use of this method presented the only way that the Applicant could make the CBA showing NJ more expensive than NY, for annual wages or overall.

2. In addition, at the time of application and into 2020, the alternate site was under litigation between the current and previous owners. While the Applicant and its consultant claimed they were not aware of this litigation at the time and that it presented no bearing on the ability of the Landlord to lease the property, attempts by EDA staff to obtain a current LOI, were not fruitful, dating back to mid-November through early January 2020. Staff was presented with several "reasons" as to why a current LOI could not be provided. The most recent was dated January 28, 2020, where the Applicant, though its consultant, informed EDA Staff that, "the NJEDA should continue to process and evaluate this application based on the information it already has".
3. Despite the majority of its current business being located in NY, Ritz made a business decision to move from NY to NJ in 2016, to get away from the planned Minimum hourly rate increase to be imposed by the State. Shortly after business operations were established in Paterson, the State of NJ announced it was also going to seek a Minimum Hourly wage rate of $15.00 per hour.
4. EDA Staff (Underwriting and Business Development) met with the Company and its consultant on November 27, 2019 to discuss the project, and also on February 18, 2020, to provide a project update, both meetings held via conference call.

The Company and its consultant were informed on November 27, 2019 that EDA Staff needed to further review and discuss the method they used to calculate the annual payroll amounts, as it was not consistent with the typical method used by other Grow NJ Applicants to calculate this amount; and on February 18, 2020 to advise the client that there was not sufficient support within the EDA to use that methodology for the annual payroll calculation on the CBA. When reverting back to the conventional method used to evaluate and analyze annual payroll amounts, the Applicant would not be able to prove the requirement to show that NJ was the more expensive option over the alternate site and as such, the Grow NJ application could not be advanced for approval by the EDA Board. As is the general practice, during the February 18, 2020 call with the Applicant and its Consultant, the Applicant was informed that EDA staff would not recommend approval of the Company's Grow NJ application and asked the Applicant if it would prefer to withdraw its application. The Applicant clearly stated on that call it will not withdraw its application.

Updates:

On November 20, 2020, Staff sent an email to Ritz and its consultant working on this Grow NJ Application, reminding Ritz, as had been previously discussed, after review of the application for a Grow NJ Award Authority staff could not conclude that Ritz demonstrated that the Grow NJ Award was a material factor to complete the project. We also presented the facts listed in the application for financial assistance, emails and telephone conversations with Mark Segal Member Manager of Ritz Hotels Services LLC and Lee Winter of WRE Consulting, Ritz's consultant. We asked them to review those statements and identify any inaccuracies. Additionally, we invited Ritz to provide supplemental or clarifying information as to why the Grow NJ award is a material factor in its decision to complete the project. Along with the three statements made in the Material Factor section of the Application, Staff also sent Ritz its observations from the representations made in the application and accompanying documents, further due diligence emails and telephone conversations, which are also shown above in this memo on pages 3 & 4.

On November 24, 2020, the Company's consultant, Lee Winter, provided a response, stating, "After receiving the email below last Friday, Mark Segal and I discussed the project. We disagree with the points raised in your email and we disagree with your conclusion that Ritz did not demonstrate that the Grow NJ award was a material factor". The applicant and consultant presented their narrative as to why they disagreed with our conclusions. We then asked if Ritz Hotels Services LLC ("Ritz") completed its project in NJ or at the alternate site, as represented in the application. Or, has Ritz not done anything on its project.

Lee Winter responded, "Ritz has not done anything other than necessary repairs and maintenance at the site. The project is on hold".

On December 1, Staff asked Ritz and its consultant to join us on a call to get a project status update from Ritz. We sent an updated calendar invite with the specific agenda items we wanted to discuss, including, Project Status Update confirmation and status of existing or any new legal cases. The project status was confirmed on the call as stated in this paragraph and the lawsuits are discussed below.

There are two lawsuits pending with regard to the alternate site in Suffern, NY. The first dates back to before the date of the Application for the Grow NJ Award, and the second, was filed in October 2020 and was discovered by Staff on November 2020 via a Google search. The second lawsuit appears to be based on a title insurance issue on the property. According to an article found by EDA staff, the owner/landlord Suffern Partners LLC says, "the lawsuit has clouded the title, and has left the entity unable to lease, refinance or sell the property or get new title insurance."

Ritz informed us that its primary source of business, the hotel industry was down substantially which has translated to a decrease in its own business of approximately 84%. More than 100 of its employees have been furloughed, leaving it with 80-90 full-time jobs currently. These challenges currently being experienced by both the company and the market were brought about by the COVID-19 pandemic. There has not been any indication from the company of what the future holds for jobs that have been lost or may be lost.

Ritz also mentioned the possibility of acquiring another business and moving into its facility in Long Island, NY. This would assume that the Grow NJ award does not get approved. They reiterated on the call that they do not want to withdraw their Grow NJ Application.

Recommendation:
Based on all of the above evidence and discussion, the Board is requested to decline the Grow NJ Application submitted by Ritz Hotels Services LLC.

____
Tim Sullivan, CEO

Prepared by: Mark Chierici

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ) MODIFICATION

NJEDA

MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: January 15, 2021

Subject: E-Trade Financial Corp. – PROD# 00152504
Grow New Jersey Assistance Program ("Grow NJ")

Request

Consent to the merger of E-Trade Financial Corp. ("E-Trade Corp") into E-Trade Financial Holdings, LLC. Post-merger, E-Trade Financial Holdings LLC will be the surviving entity and the recipient of the Grow NJ award.

In exchange for approving the merger, the surviving entity will agree to meet all the terms of the Grow NJ approval and will, in addition, be required to meet a statewide employment number of 510. There will be no increase in the incentive award amount approved by the members in June 2018.

The Members are asked to approve this action because it exceeds the criteria for staff delegations to approve these matters.

Background

E-Trade Financial Corp is a financial services company that provides online brokerage and related products and services primarily to individual retail investors. On August 16, 1996, the company became a public company via an initial public offering. E-Trade Corp operates in many locations in the US and overseas in Philippines.

E-Trade Corp applied for and was approved for a BEIP in 2006. It is currently in compliance with documentation filings related to the BEIP, and the BEIP will terminate on April 24, 2021. None of the employees from the BEIP are incented by this Grow NJ application. E-Trade Corp has a balance in excess of $1 million to be collected from back-payments still owed. E-Trade opted in for the tax credit conversion.

In June 2018, E-Trade Financial Corp., was approved for a $20,080,000 10-year Grow NJ tax credit to create 251 new jobs at a 130,569sf leased facility in Jersey City. At approval, the estimated capital investment to complete the project was $20,975,434. The company confirmed that more than 100 new employees are at the approved location and more than $20 million has been expended. E-Trade Financial Holdings anticipates submitting its overall certification package of capital investment and jobs in 2021.

Following the approval of the Grow incentive, E-Trade Corp underwent a series of business transactions that impact the structure of our applicant.

In October 2020, E-Trade Financial Corp, which was acquired by Morgan Stanley, subsequently merged into E-Trade Financial LLC ("E-Trade LLC"), a newly formed entity for the purpose of the merger. This newly formed entity survived in the merger and assumed the tax-ID of E-Trade Corp.

On December 31, 2020, E-Trade LLC will merge into E-Trade Financial Holdings LLC ("E-Trade Financial Holdings"); E-Trade Financial Holdings, another newly formed entity with a new EIN, will be the surviving entity post-merger. E-Trade Financial Holdings has requested approval of the merger as the surviving entity based on its commitment to meet all the terms of the Grow approval. In addition, E-Trade Financial Holdings will agree to the statewide employment number of 510 as the newly formed entity was created after Board approval.

E-Trade Financial Holdings will continue to invest at the facility going forward and aggregate its capital investment with that made by E-Trade Corp and E-Trade Financial LLC with any post-merger investment; the jobs created and maintained by E-Trade Corp at the QBF will be transferred and maintained by E-Trade Financial Holdings to meet the conditions of approval. The statewide number for the project will be adjusted to reflect the New Jersey full-time employees of the original recipient and the surviving entity as well as any eligible affiliates in the tax period prior to the approval of the Grow NJ tax credit.

Staff reviewed the modification application and there were no legal matters reported by the recipient.

Recommendation

Consent to the merger of E-Trade Corp into E-Trade Financial Holdings and E-Trade Financial Holdings as the surviving entity to the merger for the purposes of the Grow approval. In exchange for the approval, E-Trade Financial Holdings will continue to meet all the terms and conditions of the original approval and will agree to maintain the statewide employment of 510 effective December 2020.

____

Tim Sullivan, CEO

Prepared by: Vincent Man

NJ FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – FILM TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Film Tax Credit Program, applicants are eligible for a tax credit equal to 30% of qualified film production expenses, or 35% of qualified film production expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: Crabs in a Bucket LLC PROD-00188172

APPLICANT BACKGROUND:
Crabs in a Bucket LLC is the production company responsible for “Crabs in a Bucket”, the story of a real estate developer torn between loyalty, legacy and lucrative deals as he returns to his old Philly neighborhood and must decide to raze or resurrect his family’s bar.

The film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission. The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Film Tax Credit Program, a film must meet at least one of two expense eligibility thresholds:

1. Total Film Production Expenses: A minimum of 60% of the film’s total production expenses (calculated excluding post-production expenses) must be incurred after July 1, 2018 but before July 1, 2023 for services performed and goods purchased through vendors authorized to do business in New Jersey. The following film production expenses are projected by the applicant.

A. Total Film Production Expenses	$1,160,139
B. Total Post-Production Expenses	$132,250
C. Total expenses for services performed and goods purchased through vendors authorized to do business in New Jersey (excluding any post-production expenses)	$939,694
Percentage Calculation = C/(A-B)	91.41%
Criterion Met	**Yes**

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than $1 million in qualified film production expenses. “Qualified film production expenses” are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. “Qualified film production expenses” shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup,

wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a "qualified film production expenses" unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). "Qualified film production expenses" shall not include: expenses incurred in marketing or advertising a film; and payment in excess of $500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Total Qualified Film Production Expenses incurred in NJ in two privilege periods, of which at least $1 million is incurred in a single privilege period after July 1, 2018.	$956,870
Criterion Met	**No**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Qualified Film Production Expenses	$956,870 x 30% =	$287,061
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses.	$0 x 2% =	$0
5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0 x 5% =	$0
Total Award		**$287,061**

APPLICATION RECEIVED DATE:	12/27/2019 (Application #36)
DATE APPLICATION DEEMED COMPLETE:	12/8/2020
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	9/23/2019
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Bayonne City
ESTIMATED DATE OF PROJECT COMPLETION:	10/18/2020
APPLICANT'S FISCAL YEAR END:	12/31/2021
TAX CREDIT VINTAGE YEAR(S):	2021
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	1/31/2021

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act originally provided a total of $75 million in tax credits for State Fiscal Year 2019 and increased to $100 million as amended by law on 1/21/2020. The program amendment also allows $50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, $150 million of film tax credits are available for State Fiscal Year 2021. After today's approvals, $131.4 million remains in the program for State Fiscal Year 2021 which may be available to 14 additional applications in the pipeline totaling $30.2 million.

APPROVAL REQUEST:
The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award, and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

APPROVAL OFFICER: S. Novak

DIGITAL MEDIA TAX CREDIT PROGRAM

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY – DIGITAL MEDIA TAX CREDIT PROGRAM

As created under the Garden State Film and Digital Media Jobs Act, P.L. 2018, c. 56, the New Jersey Film and Digital Media Tax Credit Program provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. Under the Digital Media Tax Credit Program, applicants are eligible for a tax credit equal to 20% of qualified digital media content expenses, or 25% of qualified digital media content expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.

APPLICANT: CNBC LLC PROD-00187849

APPLICANT BACKGROUND:
CNBC LLC is the company responsible for "CNBC", a provider of business news that offers real-time financial market coverage and business information.

ELIGIBILITY AND TAX CREDIT CALCULATION:
As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet the statutory and regulatory definition of Digital media content. Digital media content is any data or information that is produced in digital form, including data or information created in analog form but reformatted in digital form, text, graphics, photographs, animation, sound and video content.

1. CNBC's interactive web and digital platforms provide content and end user experiences for a global market place supported by editors, writers, technicians, designers and engineers. CNBC delivers business and money content, such as articles, video, audio, and social media posts, which are exclusively produced for online audience via CNBC's digital products. CNBC has a portfolio of digital products, offering CNBC content to a variety of platforms such as: CNBC.com; CNBC PRO, a premium service that provides in-depth access to Wall Street; a suite of CNBC mobile apps for iOS and Android devices; Amazon Alexa, Google Assistant and Apple Siri voice interfaces; and streaming services including Apple TV, Roku, Amazon Fire TV, Android TV and Samsung Smart TVs.

As part of eligibility for tax credits under the New Jersey Digital Media Tax Credit Program, an applicant must meet two expense eligibility thresholds:

2. <u>Percentage of the qualified digital media content production expenses for wages</u>: A minimum of 50% of the qualified digital media content production expenses of the taxpayer are for wages and salaries paid to full-time or full-time equivalent employees in New Jersey;

A. Total Qualified Digital Media Content Production Expenses after July 1, 2018	$37,557,808
B. Wages Paid to Employees in New Jersey	$25,805,298
C. Percentage of the qualified digital media content production expenses incurred for wages in New Jersey	68.70%
Criterion Met	**Yes**

3. Total Digital Media Content Production Expenses: A minimum of $2,000,000 of qualified digital media content production expenses. “Qualified digital media content production expenses” are expenses incurred in New Jersey after July 1, 2018 but before July 1, 2028 for services performed and goods purchased through vendors authorized to do business in New Jersey. “Qualified digital media content production expenses” shall include but shall not be limited to: wages and salaries of individuals employed in the production of digital media content on which the tax imposed by the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq. has been paid or is due; and the costs of computer software and hardware, data processing, visualization technologies, sound synchronization, editing, and the rental of facilities and equipment. Payment made to a loan out company or to an independent contractor shall not be a “qualified digital media content production expense” unless the payment is made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required. “Qualified digital media content production expenses” shall not include expenses incurred in marketing, promotion, or advertising digital media or other costs not directly related to the production of digital media content. Costs related to the acquisition or licensing of digital media content by the taxpayer for distribution or incorporation into the taxpayer's digital media content shall not be “qualified digital media content production expenses.” The following digital media content expenses are projected by the applicant.

Total Qualified Digital Media Content Production Expenses incurred in NJ in two privilege periods, of which at least $2 million is incurred in a single privilege period after July 1, 2018.	$37,557,808
Criterion Met	**Yes**

AWARD CALCULATION

Base Award Criteria	Calculation	Result
20% of Qualified Digital Media Content Production Expenses	$37,557,808 x 20% =	$7,511,561.60
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Digital Media Content Production Expenses.	$0 x 2% =	$0
5% of Qualified Digital Media Content Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	$0 x 5% =	$0
Total Award		**$7,511,561.60**

APPLICATION RECEIVED DATE: 8/19/2019 (Application #1)
DATE APPLICATION DEEMED COMPLETE: 2/12/2020
ESTIMATED DATE OF PROJECT COMMENCEMENT: 7/1/2018
ESTIMATED DATE OF PROJECT COMPLETION: 6/30/2019
APPLICANT’S FISCAL YEAR END: 12/31/2021
TAX CREDIT VINTAGE YEAR(S): 2021
TAX FILING TYPE: Corporate Business Tax

ANTICIPATED CERTIFICATION DATE: 2/28/2021

In general, the final documentation shall be submitted to the Authority no later than four years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to N.J.S.A. 54:10A-5 and three years after the Authority's initial approval if the taxpayer is seeking a credit against the tax imposed pursuant to the N.J.S.A. 54A:1-1 et seq.

The Garden State Film and Digital Media Jobs Act provides a total of $10 million in Digital Media tax credits originally available for State Fiscal Year 2021. After today's approval, $2.5 million remains in the program for State Fiscal Year 2021.

CONDITIONS OF APPROVAL:

1. All invoices submitted to document expenses will be in the name of the Applicant, CNBC LLC.

APPROVAL REQUEST:

The Members of the Authority are asked to initially approve the proposed award to the applicant under the New Jersey Film and Digital Media Tax Credit Program. The recommended tax credit is contingent upon receipt by the Authority of evidence that the applicant has met certain criteria to substantiate the recommended award, and is subject to final approval by the Authority and the Division of Taxation. Staff may issue the Authority's final approval if the criteria met by the company is consistent with that shown herein. If the criteria met by the company differs from that shown herein, Staff may lower the tax credit amount to reflect what corresponds to the actual criteria that have been met.

APPROVAL OFFICER: S. Novak

BOND PROJECTS

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: Aries Newark, LLC PROD-00235681

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 400 Doremus Ave Newark City Essex

APPLICANT BACKGROUND:

Aries Newark, LLC established in 2018, will be a waste processing facility engaged in biochar manufacturing. The process uses organic residual biosolids from wastewater treatment plants as a raw material to produce a beneficial use building material aggregate for use in concrete and asphalt applications.

Aries Newark, LLC is owned 100% by Aries Project Company, LLC which is a wholly owned subsidiary of Aries Clean Energy, LLC. Aries Clean Energy, LLC develops, designs and builds innovative proprietary downdraft and fluidized bed gasification systems. The Company focuses on disposal of biosolids, biomass and waste, reduction of carbon emissions and production of clean thermal and electrical energy. The Company's current projects include the Aries Linden New Jersey Biosolids Gasification Facility.

Biochar is a charcoal-like substance made by burning organic waste material. The process also produces co-products "bio-oil" and "syn-gas" which can be used to generate electricity, or as low-grade fuel.

This project qualifies as an Exempt Facility- solid waste disposal facilities, under Section 142(a)(6) of the IRS Code and therefore is exempt from the $20 million capital expenditure limitation under Section 144 of the Code

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct and equip a waste processing facility, fund a debt service reserve fund and pay interest on the bonds during construction. Proceeds of the bonds will also pay the cost of issuance.

This project is being presented for preliminary approval.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PRODUCT COSTS:

Construction of New Building or Addition	$19,632,080.00	Debt Service Reserve Fund	$4,326,000.00
Construction of Roads, Utilities, Etc.	$1,444,816.00	Interest During Construction	$8,460,000.00
Finance Fees	$1,141,200.00	Soft Costs	$900,000.00
New Equipment	$21,935,904.00	Development and G&A	$2,160,000.00

TOTAL COSTS: $60,000,000.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
0	75	0	100

PUBLIC HEARING: N/A

BOND COUNSEL: McManimon, Scotland, and Baumann, LLC

DEVELOPMENT OFFICER: Monika Athwal

UNDERWRITER OFFICER: Steven Novak

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: Linden Renewable Energy, LLC PROD-00228622

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 4900 Tremley Point Road Linden City Union

APPLICANT BACKGROUND:

Linden Renewable Energy, LLC, established in 2019, will be an organic waste anaerobic digester (AD) facility which will use food waste and other processed organic material to produce Renewable Natural Gas (RNG) and commercial grade digested solids, similar to peat moss/finished compost, for use as a soil amendment.

Linden Renewable Energy, LLC is a wholly owned subsidiary of RNG Energy Solutions, LLC. RNG Energy Solutions, LLC (RNG) develops, finances, owns and manages the operations of state-of-the-art anaerobic digester projects that produce renewable natural gas. As the successor company to AgEnergy USA, RNG brings three decades of conventional and alternative energy development experience in the agricultural, urban and industrial environments. Most notably, AgEnergy USA completed the development of the Heartland Renewable Energy project, which is the largest co-digestion anaerobic digester project in the world.

Anaerobic digestion is a sequence of processes by which microorganisms break down biodegradable material in the absence of oxygen. The process is used to manage waste or to produce fuels.

This project qualifies as an Exempt Public Facility- solid waste disposal facilities, under Section 142(a)(6) of the IRS Code and therefore is exempt from the $20 million capital expenditure limitation under Section 144 of the Code.

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct and equip an organic waste anaerobic digester (AD) facility, fund a debt service reserve fund and pay interest on the bonds during the construction. Proceeds of the bonds will also pay the cost of issuance.

This project is being presented for preliminary approval.

FINANCING SUMMARY:

BOND PURCHASER:

AMOUNT OF BOND:

TERMS OF BOND:

ENHANCEMENT: N/A

PRODUCT COSTS:

Construction of New Building or Addition	$133,423,200.00	Debt Service Reserve Fund	$11,595,824.00
Engineering & Architectural Fees	$1,700,000.00	Interest During Construction	$13,995,375.00
Finance Fees	$4,165,275.00		
Legal Fees	$1,700,000.00		
New Equipment	$75,000,000.00		

TOTAL COSTS: $241,579,674.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
0	23	0	450

PUBLIC HEARING: N/A

BOND COUNSEL: McCarter & English, LLP

DEVELOPMENT OFFICER: M. Athwal

UNDERWRITER OFFICER: S. Novak

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 15, 2021

SUBJECT: Count Basie Theatre, Inc.
$8,500,000 Stand Alone Bond Modification
PROD-00128408 (Refunding) and PROD-00128412 (New Money)

Request:
Consent to defer principal and interest payments for 3 months and principal payments for 9 months as requested by the Borrower and Bondholder, Investors Bank, to provide debt service relief due to Covid19 related issues.

Background:
Count Basie Theatre, Inc. is a nonprofit theater that provides a broad spectrum of entertainment and education programs that are designed to foster understanding and appreciation of the performing arts located in Red Bank, Monmouth County.

In 2017, the Members approved a $8,500,000 tax-exempt bond for (i) the current refunding of the 2008 tax-exempt Bond outstanding principal amount of $6,149,362.55; (ii) the refinancing of a loan and the reimbursement of certain costs and expenses relating to the theatre (iii) the financing of certain equipment; (iv) the payment of a swap termination fee in connection with the current refunding of the 2008 Bond; and (v) the payment of the cost of issuance. Investors Bank purchased the 2017 Bonds for a maximum of 25 years with a current interest rate of 2.15%. The Bond's outstanding balance is approximately $7.9 million and as a conduit issuer, EDA has no financial exposure.

In July 2020, the Authority consented, pursuant to delegated authority to the Borrower's and bondholder's request to defer principal and interest payments for six months totaling $40,454.31from July 1, 2020 thru December 1, 2020. The deferred payments will become a lump sum payable on the maturity date of November 1, 2027.

Currently, borrower has requested, and Investors Bank has agreed to the deferral of principal and interest payments for three additional months from January 1, 2021 thru March 1, 2021, and a deferral of principal only from April 1, 2021 thru December 1, 2021 totaling approximately $121,000 in deferred payments. The maturity date will remain unchanged and at that time, the deferred payments will become due. EDA's acknowledgement and consent to the Second Amendment to the Bond Agreement is required by Section 14.1 of the Bond Agreement.

McCarter & English, bond counsel, advised that this modification constitutes a material deferral of scheduled payments which causes a reissuance under the IRS Code and Treas. Reg. §1.1001-3, and therefore requires a public hearing to ensure compliance with the IRS. As a result, this matter is being presented to the Members for approval. Bond counsel also opined that the tax-exempt status of the Bond will not be adversely affected as a result of this modification.

Recommendation:
Consent to deferring three months payments of principal and interest beginning January 1, 2021, and nine months of principal payments beginning April 1, 2021 as described above.

____
Tim Sullivan, CEO

Prepared By: Kendra Hall

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: January 15, 2021

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following municipal projects have been approved by the Department of Environmental Protection to perform remedial investigation and remedial action activities. The scope of work is described on the attached product summaries:

HDSRF Municipal Grants:

Prod 188196	Camden Redevelopment Agency (ABC Barrel Company)	$246,046.98
Prod 224579	Camden Redevelopment Agency (Andujar Park)	$139,412.00
Prod 224580	Camden Redevelopment Agency (Andujar Park)	$195,562.00
Total HDSRF Funding –January 2021		**$581,020.98**

Tim Sullivan, CEO

Prepared by: Kathy Junghans

36 West State Street | PO Box 990 | Trenton, NJ 08625-0990 | 609-858-6700 | customercare@njeda.com | www.njeda.com

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Government Facility

APPLICANT: Camden Redevelopment Agency – ABC Barrel Company PROD-00188196

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 121-123 Penn Street Camden City Camden County

APPLICANT BACKGROUND:

Camden Redevelopment Agency is the owner of ABC Barrel Company, which was a commercial drum storage facility located in Camden. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant is awarded based on a calculation equal to 25% of the remedial action costs of $984,187.92. The matching 75% of grant funding, $738,140.94, is being provided by the Environmental Protection Agency (EPA) for the project.

The scope of work includes remedial action activities to achieve an unrestricted re-use classification. In addition, pursuant to the evaluation it has been determined that the applicant meets the Authority's standard guidelines under the program.

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $246,046.98 to perform the approved scope of work at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $246,046.98

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$246,046.98
EDA Administrative Cost	$500.00
TOTAL COSTS:	**$246,546.98**

DATE: 12/10/2020

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Government Facility

APPLICANT: Camden Redevelopment Agency – Andujar Park PROD-00224579

PROJECT USER(S): Same as applicant

PROJECT LOCATION: SE Erie and Point Street Camden City Camden County

APPLICANT BACKGROUND:

Camden Redevelopment Agency (CRA), identified as Block 12, Lots 1, 3-9 and 18-21 and Block 14, Lots 29-35 and 37 is a former park with an underground storage tank and historic fill which has potential environmental areas of concern (AOCs). CRA owns the project site and has satisfied proof of site control. It is the CRA's intent upon completion of the environmental investigation activities to redevelop the project site for recreational use. CRA has a concurrent project for remedial action in the amount of $195,562 under Product 224580.

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.

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

CRA is requesting grant funding to perform RI in the amount of $139,412 at the Andujar Park project site. Total grant funding including pending approval of Product 224580 is $334,974.

FINANCING SUMMARY:

GRANTOR:	Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT:	$139,412.00
TERMS OF GRANT:	No Interest; No Repayment

PROJECT COSTS:

Remedial Investigation	$139,412.00
EDA Administrative Cost	$500.00
TOTAL COSTS:	**$139,912.00**

DATE: 12/1/2020

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Government Facility

APPLICANT: Camden Redevelopment Agency – Andujar Park PROD-00224580

PROJECT USER(S): Same as applicant

PROJECT LOCATION: SE Erie and Point Street Camden City Camden County

APPLICANT BACKGROUND:

Camden Redevelopment Agency (CRA), identified as Block 12, Lots 1, 3-9 and 18-21 and Block 14, Lots 29-35 and 37 is a former park with an underground storage tank and historic fill which has potential environmental areas of concern (AOCs). CRA owns the project site and has satisfied proof of site control. It is CRA's intent upon completion of the environmental remedial activities to redevelop the project site for recreational use. CRA has a concurrent project for remedial investigation in the amount of $139,412 under Product 224579.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% grant funding is being paid by a revolving loan provided by the USEPA.

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

CRA is requesting grant funding to perform RA in the amount of $195,562 at the Andujar Park project site. Total grant funding including pending approval of Product 224579 is $334,974.

FINANCING SUMMARY:

GRANTOR:	Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT:	$195,562.00
TERMS OF GRANT:	No Interest; No Repayment

PROJECT COSTS:

Remedial Action	$195,562.00
EDA Administrative Cost	$500.00
TOTAL COSTS:	**$196,062.00**

DATE: 12/1/2020

REAL ESTATE

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: January 15, 2021

RE: Recommendation for Contract Awards, 2020-RFQ/P #084, Real Estate Appraisal Services

Summary
The Members are requested to approve entering into contracts with the appraiser firms indicated in this Memo to provide Real Estate Appraisal Services on an as needed basis to the Authority.

Background
The Authority utilizes appraisers for various real estate assignments on an as needed basis. Appraisals might be needed related to potential property acquisitions by purchase and/or condemnation through the exercise of the Authority's power of eminent domain or the Authority may also require services related to its current or proposed property ownership interest (e.g., fee or leasehold interest).

Procurement Process
The Internal Process Management (IPM) department issued a Request for Qualifications/Proposals – 2020-RFQ/P #084 for Real Estate Appraisal Services on August 28, 2020. The RFQ/P was advertised in three newspapers for two days and posted on both the NJ State Business Portal and on the Authority's website. Additionally, one hundred seventy-five (175) firms were notified of issuance of the solicitation via e-mail.

The RFQ/P sought to solicit proposals from qualified appraisers to undertake appraisal assignments on an as needed basis, utilizing Task Order Requests on a rotating basis, in either or both North Jersey and South Jersey. The RFQ/P provided for the awarding of up to five (5) contracts per region (North and South) for three (3) year terms, with two possible one-year extension options to be exercised at the sole discretion of the Authority. The budget for the services is an estimated three hundred thousand dollars ($300,000) for the entire term of the contract, including all potential extension options.

Proposals were due on September 15, 2020, and 15 proposals were submitted and received by the due date. IPM staff reviewed all proposals for responsiveness and four proposals were deemed non-responsive for failure to submit required items or to sign required form(s).

Eleven proposals were then forwarded to an Evaluation Committee, comprised of qualified Authority staff, for review and evaluation. As outlined in the RFQ/P, proposals were reviewed, evaluated and scored by the Evaluation Committee members based on:

- Experience of firm and demonstrated qualifications on projects of a similar size and scope
- Personnel qualifications and experience
- Ability to complete the Scope of Work based on the proposer's Technical Proposal

Fee Schedules were not provided to the Evaluation Committee. The Authority's Procurement staff applied the ranking weighting to the criteria, including the pricing provided in the Fee Schedules, and then compiled the completed overall scoring for each proposal. The Authority then issued a Best & Final Offer request to potential awardees in order to maximize the Authority's ability to obtain the best value.

The below chart identifies the firms recommended for contracts by region:

Northern Region		
Rank	**Proposing Firm**	**Score**
1	Nationwide Consulting Company	3.92
2	Sterling DiSanto & Associates	3.82
3	Lasser Sussman Associates	3.8
4	Otteau Group	3.32
5	BRB Valuation & Consulting	3.25

Southern Region		
Rank	**Proposing Firm**	**Score**
1	BRB Valuation & Consulting	3.55
2	Wade Appraisal	3.45
3	Otteau Group	3.32

Legal Review and Debarment Check

Following the Evaluation Committee's initial review and potential recommendation for awards to the appraiser firms listed above, the recommendation was forwarded to the Authority's Legal Review Unit to conduct its legal review/debarment check and all firms have been cleared.

Recommendation

In summary, I request the Members approve entering into contracts with the appraiser firms listed above to provide Real Estate Appraisal Services on an as needed basis to the Authority, as outlined in this memo, on final terms subject to approval by the Chief Executive Officer.

Tim Sullivan
Chief Executive Officer

Prepared by: Juan Burgos and Liza Nolan

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

RE: Former Myer Center Site, Fort Monmouth:
Third Amendment to Contract for Civil & Environmental Engineering Services with T&M Associates

DATE: January 15, 2021

Request

I am requesting that the Members approve an amendment to the Authority's contract for civil and environmental engineering services with T&M Associates of Middletown, New Jersey in connection with the former Myer Center site (a/k/a Parcel F-1) in the Tinton Falls section of Fort Monmouth.

Background

At the July 2016 meeting, the Members authorized the execution of a Memorandum of Understanding (the "MOU") with the Fort Monmouth Economic Revitalization Authority ("FMERA") whereby the Authority would perform pre-development services with regard to the approximate 35-acre Parcel F-1 parcel (the "Property"). Specifically, the Authority would be responsible for procuring consultants to prepare plans, specifications and a scope of work for the environmental remediation and demolition of the obsolete buildings on the Property totaling over 700,000 sf. Those documents would also be used to issue a bid for remediation and demolition.

Following a publicly-advertised Request for Proposals process conducted in accordance with S-2194, the Members authorized the award of a contract to the highest-ranking proposer, T&M Associates of Middletown, New Jersey, and established a contract budget of $644,400 for the consultant's pre-development and construction phase services.

At the September 2017 meeting, the Members authorized the execution of a Purchase and Sale Agreement ("PSA") with FMERA for the Property. The PSA called for the Authority to fund and manage environmental remediation and demolition of the Myer Center and its ancillary buildings on the Property in return for title to the 35-acre tract. At that meeting, the Members authorized an acquisition, remediation and demolition budget for the Property in the amount of $7,328,771. The Members also approved an amendment to T&M's contract for additional construction phase services in the amount of $77,300 as well as additional environmental site investigation services in the amount of $117,000; the intent of the latter was to preserve the Authority's innocent purchaser status. The total amount of T&M's contract amendment equaled $194,300.

In February 2018, Robert Wood Johnson/Barnabas Health ("RWJBH") submitted an unsolicited offer to NJEDA to purchase the Property for an amount not to exceed $8 million. RWJBH proposed to develop a health care campus on the Property, to include:

- An ambulatory care center
- A medical office building
- A Cancer Institute of New Jersey facility
- A system business office, and
- Campus space for future medical and health facilities

After negotiations among RWJBH, NJEDA and FMERA (jointly the "Parties") and the approval of the NJEDA and FMERA Boards, the Parties executed an Agreement to Assign on August 10, 2018. RWJBH is pursuing approvals to develop its health care campus on the Property.

Proposed Third Amendment to Contract with T&M Associates

Real Estate Department staff oversaw the abatement and demolition of the Myer Center and its ancillary buildings through our contractor, Tricon Enterprises. The work was completed last year on time and within budget.

During demolition activities, T&M encountered petroleum oil on the groundwater. T&M determined that its source was a 300-gallon kerosene underground storage tank ("UST") located in the vicinity of the former Myer Center. T&M decommissioned and removed the UST along with impacted soil and groundwater. T&M has closed out this Area of Concern and issued a Response Action Outcome.

In its investigation of the UST, T&M also encountered elevated levels of perchloroethylene ("PCE") in the groundwater. At the May 2020 meeting the Board authorized a contract amendment in the amount of $35,000, reflecting T&M's cost proposal along with a contingency for additional groundwater testing, if warranted. Subsequently, staff authorized T&M to undertake additional sampling to determine the limits of the PCE as well as its origin, as it is unrelated to the UST.

Based on the findings of these previous investigations, the extent of PCE detected in groundwater has been horizontally and vertically delineated. However, additional investigation is necessary to address the remaining PCE in groundwater and attempt to demonstrate that the optimal remedial option for the low levels of PCE is monitored natural attenuation ("MNA").

In order to accomplish this goal, T&M proposes the following:

- Task 1: Install four (4) permanent monitoring wells; perform two (2) rounds of groundwater sampling at the newly installed wells and one (1) round of groundwater sampling at existing wells KW-1 and KW-2; and prepare a Remedial Investigation Report.

- Task 2: Prepare a Remedial Action Workplan that proposes MNA as the presumptive remedy; and, in support of preparing a Classification Exception Area ("CEA") for the groundwater plume, perform eight (8) rounds of groundwater monitoring, to include four (4) consecutive quarterly groundwater monitoring events, in order to evaluate spatial and temporal distribution. In addition, slug testing and contaminant fate and transport modeling will be performed in support of the CEA.

T&M has proposed an additional fee of $77,580 for the scope of services presented above, which includes approximately $37,100 for well installation, sampling and laboratory analysis/testing subcontracting services. Accordingly, staff recommends a contract amendment in the amount of $85,000, reflecting T&M's cost proposal along with a 10% contingency for additional groundwater testing, if warranted. This amendment increases T&M's contract budget amount from $873,700 to $958,700. Because the demolition of the Myer Center was completed under budget, sufficient authorization remains in the September 2017 Board-approved project budget to fund these additional services. We anticipate that the Authority will be reimbursed for its demolition, remediation and consultant costs upon FMERA's sale of the Myer Center site to RWJBH.

Recommendation

In summary, I request that the Members authorize an amendment to the Authority's contract for civil and environmental engineering services with T&M Associates of Middletown, New Jersey in connection with the former Myer Center site in the Tinton Falls section of Fort Monmouth.

Tim Sullivan
Chief Executive Officer

Prepared by: David E. Nuse

YOUR GOALS. OUR MISSION.

September 30, 2020

Thomas Catapano, Design & Construction Manager
NJ Economic Development Authority
36 West State Street, PO Box 990
Trenton, NJ 08625

RE: Proposal for PCE Investigation
Myer Center (Parcel F-1)
Existing Block 101, Part of Lot 1
Proposed Block 101.03, Lot 1
Borough of Tinton Falls, Monmouth County, New Jersey
Project No.: NJRDOH-170002

Dear Mr. Catapano:

T&M Associates (T&M) has prepared this proposal to conduct additional investigation activities associated with the tetrachloroethene (PCE) in groundwater at the above referenced Site. Based on the findings of previous investigation, the former kerosene underground storage tank (UST) area of concern (AOC) can be closed and T&M will issue an AOC specific Response Action Outcome (RAO) for the former UST. Based on the findings of previous investigations, the extent of PCE detected in groundwater has been horizontally and vertically delineated. Therefore, this proposal includes the services to address the remaining PCE exceedances and attempt to demonstrate that the optimal remedial option for the low levels of PCE is monitored natural attenuation (MNA).

<u>BACKGROUND</u>

On March 29, 2019, T&M was on-site to inspect an area where separate phase petroleum oil was encountered on the groundwater during demolition activities. Upon inspection of the area, the New Jersey Department of Environmental Protection (NJDEP) was notified and Case# 19-03-29-1446-53 was assigned. The separate phase product was determined to be from a 300-gallon kerosene UST.

On May 8, 2019, a 300-gallon kerosene UST was decommissioned and removed. On May 31, 2019, T&M was on-site to inspect the removal of impacted soil and groundwater in the vicinity of the former UST. Upon removal of the impacted soil and groundwater, six post-excavation samples (EX-1 through EX-6) were collected and analyzed for Extractable Petroleum Hydrocarbons (EPH), Naphthalene, 2-Methylnaphthalene and VO+15.

No compounds were detected above the NJDEP Residential Direct Contact Soil Remediation Standards (RDCSRS) or the Non-Residential Direct contact Soil Remediation Standards (NRDCSRS). 2-Methylnaphthalene was detected above the NJDEP Default Impact to Groundwater Soil Screening Levels (DIGWSSL) in one sample, EX-2. Since separate phase product was removed from the excavation and since 2-Methylnaphthalene was detected above the DIGWSSL at the water table, further investigation was conducted.

On August 28, 2019, nine (9) soil borings, DB-1 through DB-9, were advanced in the immediate vicinity of the excavation. A groundwater sample was collected from temporary wells DB-1TW through DB-5TW. DB-1TW contained Semi-Volatile Organic (SVO) total tentatively identified compounds (TICs) above the

Groundwater Quality Standards (GQS). DB-5TW contained tetrachloroethene (PCE) and several PAHs above the GQS. Based on the analytical results, sample DB-9TW was activated for analysis. DB-9TW also contained PCE, and several PAHs above the GQS.

The elevated level of PCE, which is a chlorinated solvent, would require further investigation but is not associated with the former UST. The PAHs could possibly be associated with the former UST. The PAHs that were detected at low levels could also be associated with turbid samples. Therefore, two monitoring wells were installed on November 11, 2019: one well (KW-1) at the location of DB-1TW which contained the highest concentrations of SVO TICs located within the vicinity of the former UST; and one well (KW-2) located in the vicinity of DB-9TW which contained the highest levels of PAHs located to the west of the former UST.

On December 6, 2019, groundwater samples were collected from monitoring wells KW-1 and KW-2. The groundwater samples were sent to a New Jersey certified laboratory and analyzed for VO+15 and SVO+15. The analytical results indicated that PCE was detected in both wells above the GQS. PCE is not related to the kerosene UST and will need to be addressed separately.

Benzene and an unknown VOC TIC were detected above the GQS in monitoring well KW-2. The benzene and the TIC could potentially be related to the kerosene UST. T&M recommended collecting an additional sample from KW-2 only, where the benzene and VOC TIC were identified, approximately 30 days from our initial sample. NJEDA also recommended the installation of two additional monitoring wells screened deeper than the previously installed shallow wells to determine the vertical extent of the chlorinated solvents identified in KW-1 and KW-2.

On February 13, 2020, two deeper permanent monitoring wells (KW-2I and KW-2D) were installed in close proximity to shallow well KW-2. On February 28, 2020, groundwater samples were collected from monitoring wells KW-2, KW-2I and KW-2D. Two samples were collected from each well (designated A and B), so that the chlorinated solvent impacts identified in the shallow wells could be vertically delineated. Pump depths for the samples were as follows: KW-2-A was collected at 5 feet below the top of the PVC well casing (TOC), KW-2-B was collected at 10.5 feet below top of casing (TOC), KW-2I-A was collected at 17 feet below TOC, KW-2I-B was collected at 23.5 feet below TOC, KW-2D-A was collected at 30 feet below TOC and KW-2D-B was collected at 36.5 feet below TOC.

The groundwater samples were sent to a New Jersey certified laboratory. Sample KW-2A was analyzed for VO+15 and SVO+15 to determine whether the contaminants previously identified which are potentially related to the kerosene UST were still present in KW-2. All deeper samples were analyzed for VO+15 to vertically delineate the chlorinated solvent, PCE. The analytical results indicated that tetrachloroethene (PCE) was detected in both the A and B samples in KW-2 above the GQS. However, PCE was not identified in the A or B samples from KW-2I or KW-2D. PCE has been vertically delineated, but additional investigation will be required to horizontally delineate the extent of the PCE and to determine the source of the PCE as it is not related to the kerosene UST.

Benzene was identified in KW-2 at concentrations below the GWQS in the February 2020 groundwater sampling event. Additionally, no exceedances for VOC TICs or SVOC TICs were identified in KW-2.

On June 25, 2020, a representative from T&M was on site to oversee EST collecting a groundwater sample from monitoring well KW-2. As KW-1 did not exhibit any exceedances for any kerosene related compounds during the initial December 2019 sampling event, it was not sampled. KW-2 did not exhibit any exceedances for kerosene related contaminants of concern during the February 2020 groundwater sampling event so this confirmatory sampling round was completed 4 month later to account for season fluctuation. KW-2 was sampled to confirm the February 2020 sampling results which exhibited no exceedances for any kerosene related contaminants of concern.

The laboratory analytical results for the June 25, 2020 groundwater sampling event indicated that benzene and VOC TICs were either reported as non-detect or were detected at concentrations below the current applicable NJDEP GQC for Class II-A aquifers in KW-2. Therefore, no further action is required for the former UST.

On June 26, 2020, a total of sixteen (16) temporary groundwater sampling points were installed utilizing direct push drilling technologies (Geoprobe®) in an attempt to horizontally delineate PCE in groundwater. Fourteen (14) of the groundwater samples were activated to complete the horizontal delineation of PCE. However, additional investigation is necessary to address the remaining low levels of PCE in groundwater Based on the findings of previous investigations, the extent of PCE detected in groundwater has been horizontally and vertically delineated. Therefore, this proposal includes the services to address the remaining PCE exceedances and attempt to demonstrate that the optimal remedial option for the low levels of PCE is monitored natural attenuation (MNA).

SCOPE OF SERVICES

The following is a summary of the scope of services to be provided by T&M.

Item 1: LSRP Management, Technical Support, and Project Coordination

A Licensed Site Remediation Professional (LSRP) is required to oversee the investigation and remediation activities for the PCE impacted groundwater. T&M's LSRP will provide management and technical support services during the proposed activities including communication with the NJDEP, the EDA, etc., as needed, as well as time for meetings, teleconferences, addressing NJDEP emails, notifications, coordination with contractors, etc.

Item 2: Monitoring Well Installation and Quarterly Sampling

Currently, four (4) wells are located at the source area of PCE, KW-1, KW-2 (shallow), KW-2I (intermediate), and KW-2D (deep). T&M proposes the installation of four (4) permanent groundwater monitoring wells to be located surrounding the fringe of the PCE plume. The proposed new monitoring wells will be installed and properly developed by a New Jersey licensed well driller. Based on the known depth to groundwater at the Site, the new monitoring wells will be installed to a depth of approximately 15 feet to 20 feet deep.

The newly installed monitoring wells will be surveyed by a New Jersey licensed land surveyor and the necessary NJDEP Forms A and B will be provided. In addition, all drill cuttings and purged groundwater will be drummed and properly disposed of offsite. The cost associated with the disposal of the drums as Non-Hazardous is included in this proposal.

As presented in the NJDEP Monitored Natural Attenuation Technical Guidance, March 1, 2012, eight (8) rounds of groundwater monitoring data should be used to demonstrate the applicability of MNA. Of these eight (8) rounds, four (4) consecutive quarterly groundwater monitoring events are necessary to evaluate spatial and temporal distribution. T&M will collect eight (8) sets of groundwater samples from the four (4) existing wells and the four (4) proposed wells quarterly for one (1) year. Based on the findings of the first year of quarterly sampling, T&M will evaluate the data and determine the schedule for the next four (4) rounds of sampling. In addition, based on the findings of the one (1) year of sampling, T&M will determine if select wells could be sampled at a reduced frequency. During the groundwater sampling, field testing for geochemical parameters (i.e. dissolved oxygen, pH, temperature, redox potential, conductivity, etc.) and measure floating product thickness (if present) will be performed.

Groundwater samples will be placed in laboratory prepared sample jars and submitted to a New Jersey Certified Laboratory. Standard chain of custody procedures will be implemented to track the samples. Groundwater samples collected will be analyzed for TCL VO+15. All groundwater samples will be analyzed on a standard turnaround timeframe of two week.

A field quality assurance program consisting of field and trip blank samples will be implemented during the temporary well point sampling and each well sampling event to demonstrate the integrity of the decontamination procedures and assess any potential contamination encountered during the handling and shipment of the samples to the analytical laboratory.

Item 3: Slug Test and Contaminant Fate and Transport Modeling

T&M will perform rising-head slug tests from several selected monitoring wells to estimate the representative hydraulic conductivity of the aquifer underlying the Site in the vicinity of the PCE impacted groundwater pursuant to N.J.A.C. 7:26E-4.3(a).

To evaluate Site-specific aquifer characteristics (including groundwater flow direction, groundwater velocity and contaminant migration rates) four (4) monitoring wells will be tested utilizing hydrologic transducer devices placed within the selected wells. All data collected during the aquifer tests will be evaluated utilizing the analytical computer program.

T&M will also establish fate and transport modeling based on the results of the groundwater sampling program to evaluate the extent of dissolved groundwater impacts (plume) and to compare the degradation predictions to existing data.

The results of the slug tests will be utilized to complete contaminant fate and transport modeling and establish a Classification Exception Area (CEA) for the groundwater plume.

Item 4: Remedial Investigation Report and Remedial Action Workplan

Upon completion of the proposed scope of work presented above, T&M will prepare a Remedial Investigation Report and Remedial Action Workplan (RIR/RAW) detailing the additional RI activities completed by T&M in accordance with the N.J.A.C. 7:26E and the Administrative Requirements for the Remediation of Contaminated Sites (N.J.A.C. 7:26C). In addition, the RIR/RAW will also document the proposed remedial action of MNA to address the impacted groundwater at the Site. In addition, T&M will prepare the required documents (CEA/Well Restriction Area [WRA] Fact Sheet Form, figures, etc.) to establish a CEA for groundwater associated with the present of PCE at the Site.

NOTE: If during the proposed RI activities above, the extent of the groundwater impacts have not been fully delineated and/or a decreasing trend in the concentrations of PCE in groundwater cannot be demonstrated, then further investigation will be required and the RIR/RAW cannot be prepared. The scope of service and cost for any additional work (investigation and remediation) would be submitted under separate cover.

T&M's LSRP, in accordance with SRRA, will also prepare and submit the following required NJDEP forms associated with the remedial investigation activities:

- Case Inventory Document (CID);
- Receptor Evaluation Report/Form;
- Laboratory Electronic Deliverables;
- Remedial Investigation Report and Remedial Action Workplan (RIR/RAW) online form

FEE SUMMARY

T&M is prepared to proceed with the above scope of services upon your authorization, for a not to exceed fee of **$77,580** for the scope of services presented above. Please note that the fee includes well installation, sampling and laboratory analysis/testing subcontracting services for approximately $37,100.00.

The fee will be billed monthly based on time expended, utilizing our current billing rate schedule in place for the Myer Center Abatement, Demolition and Site Improvements contract.

Payment shall be in accordance with the current Charges, Billing and Payment schedule arrangement outlined in the Standard Terms and Conditions attached to this proposal unless prior written arrangements have been made with T&M.

NEXT STEPS

The following are potential next steps in the investigation, which is not included in this proposal:

Based on the findings of the RIR, the RAW will provide the strategy to complete the remedial actions (MNA sampling frequency, sentinel well placement, etc.). Therefore, the next phase of the work will include preparation of a Remedial Action Permit Application for Groundwater and preparation of a routine groundwater monitoring plan, preparation of a Remedial Action Report, preparation of a Restricted Use AOC specific RAO, routine monitoring well sampling and Biennial Certifications, which are outside the scope of this proposal.

Depending if additional investigation is necessary and the ultimate remedial requirements, the costs to complete the RAR could range from $30,000 to $200,000 (if active remediation was necessary); and the costs to conduct biannual sampling and certification reports is approximately $5,000 to $8,000 every two (2) years. This is just for budgetary purposes and upon completing additional investigation the remediation cost estimate could be better defined.

RESPONSIBILITIES OF THE CLIENT

It is understood that the following items, information and arrangements to be supplied and/or finalized by the Client will be utilized in the scope of services described within this proposal.

1. The Client will provide all information in its possession, custody, or control, which may relate to the properties, including survey maps or sketches illustrating the limits and legal boundaries of the site and copies of any previous environmental assessments and/or investigation reports.

2. The Client will be fully responsible for obtaining the necessary authorization to allow T&M, its agent, subcontractors and representatives to have access to the site and tenant spaces and structures thereon at reasonable times throughout the term of this agreement.

LIMITATIONS

This proposal does not include environmental investigations beyond what is presented.

T&M will rely on the accuracy of any information submitted to us by the Client in the performance of our services and will not be held responsible for errors or inaccuracies contained in information provided to us. In the event that our activities indicate areas of significant health, safety, or environmental concern, the scope of work outlined above may need to be expanded as appropriate.

T&M shall be responsible only for its activities and that of its employees on the Site. Neither the professional activities nor the presence of T&M or its employees or subcontractors on a Site shall imply that T&M controls the operations of others.

In the event that any condition is observed by T&M that warrants a notification to the NJDEP, in accordance with 7:1E-5.3 and/or N.J.A.C. 7:26E-1.4, T&M will notify the Client prior to notification to the NJDEP, if required.

Utilities will be identified by the NJDEP-certified contractor retained by T&M by contacting the New Jersey One Call Service. The Client/property owner will be responsible for the identification of all on-site utilities not identified by the New Jersey One Call service. It is understood and agreed that T&M is not responsible for marking out any underground features or structures. The Client/property owner must clearly mark any private utility lines or laterals, either by private utility mark-out or using facility as-built drawings and Site knowledge. Relocation of utilities is not included in this cost proposal, and for proposal purposes it is assumed that no underground utilities will interfere with the drilling or soil remedial operations.

CLOSING

Any item listed above that is not ordered will not be billed. Separate authorization from the Client will be requested prior to commencing services outside the scope of this proposal.

All out-of-pocket expenses including, but not limited to, application fees, Mylar copies, certified mailings, photographs, blueprints, and special deliveries are considered additional to the proposal items unless specifically noted within the scope of this proposal.

This proposal is submitted solely and exclusively for the use of the Client for consideration of the professional services of T&M. Disclosure of this proposal's content to any third party without prior written authorization from T&M is expressly prohibited.

Please indicate your acceptance of this proposal by signing in the space provided on the last page and returning one (1) copy to this office. Receipt of the signed proposal, resolution or purchase order shall be considered authorization to proceed with all items described within this proposal. Any items not intended to be authorized shall be clearly and specifically noted as such within the client's signed and returned proposal.

ACCEPTED BY:

NAME:

Signature **Print Name**

DATE:

We thank you for the opportunity to submit this proposal. Please feel free to contact this office with any questions regarding the scope, sequence or fees as indicated.

Very truly yours,

T&M ASSOCIATES

Thomas Neff, P.E.
Group Manager

Pearse Mackle, P.E., LSRP
Supervising Environmental Scientist

PCM/TPN

Cc: Joseph Martin, CHMM Principal Environmental Scientist, T&M Associates
Timothy C. Kinsella, T&M Associates

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BOARD MEMORANDUM

NJEDA

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: January 15, 2021

SUBJECT: Credit Underwriting Projects Approved Under Delegated Authority – **For Informational Purposes Only**

The following projects were approved under Delegated Authority in December 2020:

Direct Loan Program:

1) AMM Real Estate, LLC (PROD-00235743), located in West Milford Township, Morris County, was founded in 2006 to purchase the project property. The operating company, Gimenez Trading, LLC was started in 1989 as a processed meat and food products manufacturer and distributor under the brand name "Manila's thawan", serving the Filipino community in local Asian grocery stores. The EDA approved a $400,000 Direct loan to refinance existing debt. Currently, the Company has twelve employees and plans to create two new positions over the next two years.

Micro Business Loan Program:

1) Bazar Internationale LLC (PROD-00224305 & 00257872), is located in Woodbridge Township, Middlesex County. Bazar Internationale LLC DBA Sakkhii was formed in 2010 and operates a storefront that sells Indian ethnic apparel and accessories for men, women and children. The NJEDA approved a $22,500 working capital loan and a $2,500 forgivable working capital loan. Currently, the Company has one employee. USEDA funds will be utilized for the non-forgivable portion of this loan.

2) Envocare Environmental & Facility Management LLC (PROD-00224404 & 00257822), is located in Franklin Township, Somerset County. Envocare is a licensed site remediation organization specializing in site assessments, remediation, grant management, permitting, Brownfield redevelopment, and stream restoration using sustaining principles. The NJEDA approved a $22,230 working capital loan and a $2,470 forgivable working capital loan. The Company currently has three employees and plans to create one new position over the next two years. USEDA funds will be utilized for the non-forgivable portion of this loan.

3) James J Descano CPA Inc. (PROD-00224296 & 00257828), located in Pennsauken Township, Camden County. Formed in 2001, James J Descano CPA Inc. offers tax preparation and small business accounting services to the public. The NJEDA approved a $21,960 working capital loan and a $2,440 forgivable working capital loan. Currently, the Company has one employee. USEDA funds will be utilized for the non-forgivable portion of this loan.

4) Pupz Club LLC (PROD-00224460 & 00257819), located in Rahway City, Union County, was formed in 2018 to provide canine daycare, overnight boarding, dog washing services, and some retail sales. The NJEDA approved a $22,500 working capital loan and a $2,500 forgivable working capital loan. Currently, the Company has two employees. USEDA funds will be utilized for the non-forgivable portion of this loan.

5) Song Dental, LLC (PROD-00224206 & 00257829), located in Tenafly Borough, Bergen County, was formed in 2004 as a dental office that provides various services to the public. The NJEDA approved a $45,000 working capital loan and a $5,000 forgivable working capital loan. The Company has three employees. USEDA funds will be utilized for the non-forgivable portion of this loan.

6) Vikings Deli Corporation (PROD-00224271 & 00257814) is located in North Arlington Borough, Bergen County. Formed in 2019, Vikings Deli Corporation is a sandwich restaurant/convenience store that specializes in a variety of sandwiches and salads and offers small party catering, pickup and delivery services. The NJEDA approved a $22,500 working capital loan and a $2,500 forgivable working capital loan. The Company currently has two employees. USEDA funds will be utilized for the non-forgivable portion of this loan.

7) Zada Rehab LLC (PROD-00224273 & 00257897), located in Lakewood Township, Ocean County, was founded in 2017 as a physical and occupational therapy business. Zada focuses on treatments for headaches, neck pain, Parkinson's disease and general orthopedics. The NJEDA approved a $45,000 working capital loan and a $5,000 forgivable working capital loan. The Company has one employee. USEDA funds will be utilized for the non-forgivable portion of this loan.

____
Tim Sullivan, CEO

Prepared by: G. Robins

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 15, 2020

SUBJECT: Real Estate Division Delegated Authority for Leases and Right of Entry (ROE)/ Licenses for Fourth Quarter 2020 - ***For Informational Purposes Only***

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in October, November and December 2020 :

LEASES

TENANT	LOCATION	TYPE	TERM	S.F.
Innovera Pharmaceuticals	Bioscience Center Incubator	Lease Extension	One Year	1,000sf
SPES Pharmaceuticals	Bioscience Center Incubator	Lease Extension	One Year	1,600sf
API Pharma Tech	Bioscience Center Incubator	Month to Month	One Year	1,600sf
Calyptus Pharmaceuticals	Bioscience Center Incubator	Lease Extension	One Year	900sf

COVID19 LEASE DEFERRAL

TENANT	LOCATION	TYPE	TERM	AMOUNT
None				

RIGHT OF ENTRY/LICENSES/EXTENSIONS

ENTITY	LOCATION	TYPE	CONSIDERATION
None			

MISCELLANEOUS

ENTITY	LOCATION	TYPE	CONSIDERATION
None			

Tim Sullivan
Chief Executive Officer

Prepared by: Stacy Pellegrino

CONFIDENTIAL MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: January 15, 2021

SUBJECT: Request for extension of the Authority's Letter of Intent (LOI) with PSEG regarding the New Jersey Wind Port (NJWP) project

REQUEST

The Members of the Board are asked to approve an extension through March 31, 2021, of the binding Letter of Intent (LOI) between the Authority and PSEG Nuclear ("PSEG") regarding the development of the New Jersey Wind Port (NJWP) project.

Members are also asked to approve a delegation of authority to the Chief Executive to extend the LOI by up to a further two months – that being, through May 31, 2021 – to provide additional flexibility for Staff to reach commercial terms that are most favorable to NJEDA and the State.

BACKGROUND

Since late 2019, NJEDA has partnered with PSEG on permitting, preliminary design and related preconstruction works in relation to the NJWP project, which is located on PSEG-owned property at Lower Alloways Creek, Salem County. This has allowed the project to progress on schedule, while NJEDA finalizes a long-term Ground Lease with PSEG.

The Authority entered a non-binding LOI with PSEG Nuclear in October 2019 for the purpose of analyzing the Lower Alloways Creek site's suitability as an offshore wind port. Following the conclusion of that assessment, which found the site to be the most technically viable and economically beneficial of two potential sites, NJEDA entered into a binding LOI with PSEG in March 2020 to begin early-stage project development. A summarized timeline of subsequent Board approvals relating to the LOI is included below:

- June 2020 Board – Approval to extend the LOI through September 30, 2020;
- July 2020 Board – Approval to increase the budgetary cap for (reimbursable) costs incurred by PSEG on the NJWP project from $4 million to $7 million; and
- September 2020 Board – Approval to extend the LOI through November 30, 2020.
    - The LOI was further extended through January 31, 2021 under delegated authority (delegation of authority to extend was approved at the September Board Meeting).

The Ground Lease remains under negotiation and, once finalized, will be submitted to the Board for its approval. While Staff are targeting an agreement on terms by March 31, 2021 if not sooner, the requested extension option will provide additional flexibility to reach terms that are most favorable to NJEDA and the State. The requested extension also recognizes the complexity of the lease negotiations due to its long-term nature, operational and security requirements of PSEG's adjacent nuclear power plant, as well as unique technical requirements inherent to an OSW Port.

Concurrent to Ground Lease negotiations, Staff are taking steps to establish direct control over all aspects of project delivery. This includes scaling-up the Authority's in-house project delivery team and assigning from PSEG a contract with Moffatt & Nichol for engineering and design services; which was approved by the Board in September 2020 and executed on December 17, 2020.

The current budgetary cap for costs incurred by PSEG in relation to the NJWP, which the Authority is obligated to reimburse under the terms of the LOI, remains unchanged at $7 million.

The amendment to the LOI is attached in substantially final form (Attachment A).

SUMMARY

The Members of the Board are asked to approve an extension through March 31, 2021, of the binding Letter of Intent (LOI) between the Authority and PSEG Nuclear ("PSEG") regarding the development of the New Jersey Wind Port (NJWP) project.

Members are also asked to approve a delegation of authority to the Chief Executive to extend the LOI by up to a further two months – that being, through May 31, 2021 – to provide additional flexibility for Staff to reach commercial terms that are most favorable to NJEDA and the State.

____
Tim Sullivan, CEO

Prepared by Jonathan Kennedy & Bette Renaud

FIFTH AMENDMENT TO THE LETTER OF INTENT

THIS FIFTH AMENDMENT TO LETTER OF INTENT, made as of this _th_ day of January 2021 (this "AMENDMENT") between PSEG Nuclear LLC, a New Jersey corporation having its principal office at 80 Park Plaza, Newark, New Jersey, 07102, hereinafter referred to as "PSEG", and THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of New Jersey, with its principal offices located at 36 West State Street, Box 990, Trenton, New Jersey 08625, hereinafter referred to as "NJEDA" (together with PSEG, the "Parties").

WHEREAS, on April 16, 2020, the Parties executed a Letter of Intent that set forth how PSEG and the NJEDA had determined to cooperate in their efforts to develop an Off-Shore Wind Port at Lower Alloway's Creek ("Port"), on June 23, 2020, the Parties executed a First Amendment to Letter of Intent to extend the date of the Cooperation Period, as defined therein, to September 30, 2020 and on August 18, 2020, the Parties executed a Second Amendment to Letter of Intent to increase the maximum reimbursement to PSEG , on September 25, 2020, the Parties executed a Third Amendment to the Letter of Intent to extend the date of the Cooperation Period, as defined therein, to November 30, 2020, on November 30, 2020, the Parties executed a Fourth Amendment to the Letter of Intent to extend the date of the Cooperation Period, as defined therein, to January 31, 2021 (the Letter of Intent, the First Amendment, Second Amendment, Third Amendment, and the Fourth Amendment together referred to herein as "LOI"); and

WHEREAS, under the LOI, the Parties have made good progress in advancing the development of the Port, leading to a clearer definition of the size and timing of Port development; and

WHEREAS, the Parties are in the process of negotiating definitive documents that will replace the LOI but those negotiations may not be completed by January 31, 2021; and

WHEREAS, the Parties wish to extend the date of the Cooperation Period under the LOI to March 31, 2021 to allow the project to continue while the Parties are negotiating definitive documents;

NOW, THEREFORE, intending to be legally bound as described below, and for adequate consideration, PSEG and NJEDA hereby agree as follows:

SECTION 1. DEFINITIONS

The Definitions in this Amendment shall be the same as in the LOI, with the exception of the following, which will replace the definition in the LOI:

"Cooperation Period" means the period from the execution of the Letter of Intent (this "LOI") through and including March 31, 2021.

SECTION 2. GENERAL

A. This Amendment will be governed by New Jersey law.

B. Notices shall be made by e-mail or certified mail: To NJEDA: 36 West State Street P.O. Box 990 Trenton, NJ 08625
ATT'N: Brian Sabina, SVP, Office of Economic Transformation
bsabina@njeda.com

To PSEG:
ATT'N: Kate Gerlach, Director Generation Development, PSEG Power LLC
Michael Hyun, Deputy General Counsel and Corporate Secretary
kathryn.gerlach@pseg.com; michael.hyun@pseg.com

C. This Amendment may be executed in counterparts. The effective date hereof will be the final date of execution by both Parties.
D. This Amendment shall not be construed to create any rights on behalf of any party other than the PSEG and NJEDA. Neither this Amendment nor any rights or duties may be assigned or delegated by either party hereto without the written consent of the other party and any such purported assignment or delegation shall be null and void and of no force or effect.
E. NJEDA may assign this Amendment to any government entity of the State of New Jersey for the purpose of pursuing the Project by notifying PSEG two weeks in advance. PSEG may not assign the Amendment without NJEDA's prior written consent, except to an entity that controls, is controlled by, or under common control with, PSEG Nuclear LLC.
F. By execution, delivery, and performance of this Amendment, each Party represents to the other that it has been duly authorized by all requisite action on the part of the PSEG and the NJEDA, respectively. This Amendment constitutes the legal, valid, and binding obligation of the parties hereto.
G. If any provision of this Amendment shall be such as to destroy its mutuality or to render it invalid or illegal, then, if it shall not appear to have been so material that without it this Amendment would not have been made by the parties, it shall not be deemed to form a part hereof but the balance of this Amendment shall remain in full force and effect.
H. This Amendment is subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1.
I. The entire agreement between the Parties is contained in the Amendment and in the LOI, and no change in or modification, termination, or discharge of this Amendment shall be effective unless in writing and signed by the Party to be charged therewith. No waiver, forbearance or failure by any Party of its rights to enforce any provision of this Amendment shall constitute a waiver or estoppel of

such Party's right to enforce any other provision of this Amendment or a continuing waiver by such Party of compliance with any provision.

J. Except as amended in this Amendment, the LOI shall remain in full force and effect in accordance with its terms.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed, and attested.

WITNESS:	NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
____________________ By:	______________________________ By: Tim Sullivan Title: Chief Executive Officer
Date:	Date:
WITNESS:	PSEG NUCLEAR LLC
____________________ By: Title:	______________________________ By: Title:
Date:	Date: