

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 26, 2015

MINUTES OF THE MEETING

The full Board agenda, including detailed project summaries, is attached.

Members of the Authority present: Al Koeppe, Chairman; Steve Petrecca representing the State Treasurer; Commissioner Hal Wirths of the Department of Labor and Workforce Development; Commissioner Ken Kobylowski of the Department of Banking and Insurance; Commissioner Bob Martin of the Department of Environmental Protection; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Charles Sarlo, Fred B. Dumont, Philip B. Alagia, Massiel Medina Ferrara, Patrick Delle Cava, First Alternate Public Member; Harold Imperatore; Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Members via conference call: Public Member Larry Downes, and William J. Albanese, Sr., Second Alternate Public Member.

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

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

Chairman Koeppe welcomed new board member Patrick Delle Cava to the Board.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the January 13, 2015 regular and executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, seconded by Mr. McNamara, and was approved by the 13 voting members present.

Chairman Koeppe thanked former EDA CEO Michele Brown for her leadership and dedication over the last 2 ½ years, and expressed his appreciation for her former assistant Gina Bencivengo as well.

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

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Grant Program

ITEM: CDIP – Paulsboro Summit, LP

APPL.#38356

REQUEST: To approve the application of Paulsboro Summit, LP for a project located in Paulsboro Borough, Gloucester County for the issuance of tax credits. The recommendation is to give up 28% of the eligible costs, not to exceed \$1,268,968, in tax credits based on the budget submitted.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Residential Economic Redevelopment and Growth Grant Program – Modification

ITEM: Broadway Housing Partners LLC

APPL.#39374

REQUEST: To approve the request to modify the project which was approved on June 10, 2014 for the issuance of tax credits for a primary residential project in Camden.

MOTION TO APPROVE: Comm. Ken Kobylowski **SECOND:** Mr. McNamara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Grow New Jersey Assistance Program

ITEM: C&A Marketing, Inc.

APPL.#40414

REQUEST: To approve the finding of jobs at risk..

MOTION TO APPROVE: Ms. Kokas **SECOND:** Comm. Ken Kobylowski **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: C&A Marketing, Inc.

APPL.#40414

REQUEST: To approve the application of C&A Marketing, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Edison Township, NJ. Project location of Edison Township in Middlesex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained Full-Times Jobs and On Site Solar Generation of ½ of Project's Electrical Needs. The estimated annual award is \$541,746 for a 10-year term.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: First Data Corporation

APPL.#40454

REQUEST: To approve the application of First Data Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Jobs with Salary in Excess of County Average, and Targeted Industry (Finance). The estimated annual award is \$825,000 for a 10-year term.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Ms. Ferrara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Stay Fresh Foods, LLC

APPL.#40442

REQUEST: To approve the application of Stay Fresh Foods, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Pennsauken Township, NJ. Project location of Pennsauken Township, Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing) and location in a municipality in Camden County with 2007 Revitalization Index greater than 465. The estimated annual award is \$340,000 for a 10-year term.

MOTION TO APPROVE: Mr. Downs **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Grow New Jersey Assistance Program - Modification

ITEM: Grow New Jersey modification request for York Risk Services Group, Inc.

APPL.#40141

REQUEST: To approve the request to modify the project site previously approved by the Board on December 9, 2014. The original project site was 379 Interpace Highway, Parsippany; the new location is 1 Upper Pond Road, Parsippany.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Commissioner Kobylowski recused himself because York Risk Services Group, Inc. is regulated by the Department of Banking and Insurance.

Sales and Use Tax Exemption

PROJECT: Conair Corporation

APPL.#40171

LOCATION: East Windsor/Mercer

BUSINESS: Designer, Manufacturer, and Marketer

MAX PURCHASE AMOUNT: Up to \$15,756,500

ESTIMATED AWARD: \$1,102,955 Sales and Use Tax Exemption

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

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

BOND PROJECTS

Combination Preliminary and Bond Resolutions

ITEM: Black United Fund Health and Human Services APPL.#40357
LOCATION: Plainfield/Union
PROCEEDS FOR: Refinancing
FINANCING: \$4,000,000 Tax-exempt Bond
MOTION TO APPROVE: Mr. Imperatore **SECOND:** Comm. Wirths **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Premier Lender Program

PROJECT: New Jersey Restaurant Group, LLC APPL.#40444
LOCATION: South Brunswick/Middlesex
PROCEEDS FOR: Purchase of equipment & machinery/ Renovation of existing building
FINANCING: \$800,000 M&T Bank term loan with a 3-Year, 50% guarantee of principal outstanding not to exceed \$400,000.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Kokas **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Main Street Assistance Program

PROJECT: Patella Construction Corporation APPL.#40389
LOCATION: Passaic/Passaic
PROCEEDS FOR: Working Capital
FINANCING: 50% line of credit guarantee not to exceed \$500,000
MOTION TO APPROVE: Mr. McNamara **SECOND:** Comm. Koblyowski **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

Mr. Sarlo recused himself because Patella Construction Corporation has requested that his firm represent them on the planning board.

Statewide Loan Pool Program

PROJECT: Patella Construction Corporation APPL.#40390
LOCATION: Passaic/Passaic
PROCEEDS FOR: Refinancing
FINANCING: \$1,225,000 bank loan with 40.8% (\$500,000) Authority participation
MOTION TO APPROVE: Ms. Kokas **SECOND:** Comm. Kobylowski **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Mr. Sarlo recused himself because Patella Construction Corporation has requested that his firm represent them on the planning board.

Local Development Financing Fund Program

PROJECT: Patella Construction Corporation
LOCATION: Passaic/Passaic
PROCEEDS FOR: Acquisition of existing building/Renovation of existing building
FINANCING: \$5,000,000 bank loan with 30% (\$1,500,000) Authority participation
MOTION TO APPROVE: Ms. Kokas **SECOND:** Comm. Kobylowski **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

APPL.#40391

Mr. Sarlo recused himself because Patella Construction Corporation has requested that his firm represent them on the planning board.

Commissioner Martin entered the meeting at this time.

Petroleum Underground Storage Tank Program

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Comm. Wirths **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

PROJECT: Thomas Mosca
LOCATION: Bordentown Township/Burlington
PROCEEDS FOR: Remediation
FINANCING: \$178,181 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#39606

PROJECT: Saint Ann Catholic Church
LOCATION: Hoboken/Hudson
PROCEEDS FOR: Upgrade, Closure, and Remediation
FINANCING: \$486,190 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#40110

PROJECT: Timothy Mimna and Shawne Mimna
LOCATION: Springfield/Burlington
PROCEEDS FOR: Remediation
FINANCING: \$82,382 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#39608

PROJECT: Geraldyn Mijares-Echevarri
LOCATION: Jersey City/Hudson
PROCEEDS FOR: Remediation
FINANCING: \$303,668 Petroleum UST Remediation, Upgrade and Closure Fund Grant

APPL.#39788

Ms. Ferrara recused herself because Saint Ann Catholic Church is her parish.

OFFICE OF RECOVERY

Stronger New Jersey Business Loan Program

PROJECT: Yank Marine Services LLC
LOCATION: Maurice River Township/Cumberland
PROCEEDS FOR: Construction
FINANCING: \$2,072,250 loan
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

APPL.#39754

PROJECT: Yank Marine Services LLC
LOCATION: Maurice River Township/Cumberland
PROCEEDS FOR: Construction
FINANCING: \$50,000 Forgivable loan
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Alagia **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

APPL.#40502

Stronger New Jersey Business Program Appeals

ITEM: Stronger NJ Business Grant Program Appeal – Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church
REQUEST: To approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant for Toms River Country Club; Viking Yachting Center, Inc.; Valkyrie Squash Club LLC; and Ventnor City Community Church
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. McNamara **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Stronger New Jersey Neighborhood and Community Revitalization Program

ITEM: Extension of project completion deadline for the Stronger NJ Neighborhood and Community Revitalization Program
REQUEST: To approve a six month extension of the completion deadline for eligible applicants under the Stronger NJ Neighborhood and Community Revitalization Program for both Streetscape Revitalization and Development and Public Improvements program from December 31, 2015 to July 1, 2016.
MOTION TO APPROVE: Ms. Ferrara **SECOND:** Comm. Kobylowski **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

BOARD MEMORANDUMS

ITEM: PNC Business Growth Fund

REQUEST: It is recommended that the "New Jersey Business Growth Fund" program be extended for one more year.

MOTION TO APPROVE: Comm. Kobylowski **SECOND:** Mr. McNamara **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

FOR INFORMATION ONLY: Projects approved under Delegated Authority

NJ Main Street Program: Cedar Barista USA LLC (P40210)

Premier Lender Program: Woodbridge Township Ambulance & Rescue Squad, Inc. (P40244)

New Jersey Business Growth Fund - Modification: Ellis Real Estate Holdings LLC (P40431)

Small Business Fund Program - Modification: T Hook Carpet and Flooring LLC (P39593)

Stronger NJ Business Loan Program: Hobby Lobby Marine (P39045)

Strong NJ Business Loan Program - Modification: Shrewsbury River, Inc. and Shrewsbury River Associates (P38636)

FOR INFORMATION ONLY: PUST and HDSRF Program Funding Status

AUTHORITY MATTERS

ITEM: Organizational Matters

REQUEST: To approve the appointment of Melissa Orsen as CEO, effective March 9, 2015.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Comm. Kobylowski **AYES:** 14

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Mr. Dumont raised the issue of the New Jersey 1st Act requirements as they relate to Ms. Orsen. Fred Cole, Senior Vice President of Operations and Ethics Liaison Officer for the EDA who oversees such matters stated that in conversations with the Department of Labor and the Attorney General's office it was confirmed that Ms. Orsen is exempt from those requirements due to her years of service.

Chairman Koeppe expressed his confidence in Melissa Orsen and her ability to take on the CEO position given her experience in leadership roles.

Commissioners Martin, Kobylowski and Wirth all expressed their high regard and respect for Ms. Orsen.

PUBLIC COMMENT

There was no public comment.

Commissioner Martin left the meeting at this time.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss litigation matters and a real estate matter. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. McNamara **SECOND:** Comm. Kobylowski **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

The Board returned to Public Session.

The next item was to approve an increase to litigation budget and litigation consultant contract for the Greystone Park Psychiatric Hospital Project, and authorize staff to execute any and all documents required to effectuate this transaction, on final terms acceptable to the Attorney General's Office and the Chief Executive Officer and the President/Chief Operating Officer as discussed in Executive Session.

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Comm. Kobylowski **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

Mr. Delle Cava recused himself because he is a former employee of S.M. Electric.

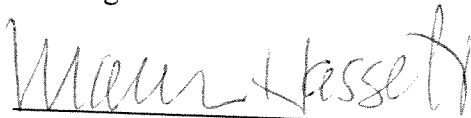
The next item was to approve authorization for staff to enter into exclusive negotiations for a purchase agreement for the Technology Centre expansion site, North Brunswick, NJ.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Kokas **AYES:** 14
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

There being no further business, on a motion by Mr. McNamara, and seconded by Ms. Kokas, the meeting was adjourned at 11:45 am.

Certification:

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



Maureen Hassett, SVP, Finance and Development
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

February 26, 2015

EXECUTIVE SESSION MINUTES

Members of the Authority present: Al Koepp, Chairman; Steve Petrecca representing the State Treasurer; Commissioner Hal Wirths of the Department of Labor and Workforce Development; Commissioner Ken Kobylowski of the Department of Banking and Insurance; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Public Members: Joseph McNamara, Vice Chairman; Charles Sarlo, Fred B. Dumont, Philip B. Alagia, Massiel Medina Ferrara, Patrick Delle Cava, First Alternate Public Member; Harold Imperatore; Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Members via conference call: Public Member Larry Downes, and William J. Albanese, Sr., Second Alternate Public Member.

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

Also present via conference call: Donna Sullivan, Director, Real Estate Development; and Deputy Attorney General Fred Cohen.

**INCREASE TO LITIGATION BUDGET AND LITIGATION CONSULTANT
CONTRACT GREYSTONE PARK PSYCHIATRIC HOSPITAL PROJECT**

Chairman Koepp asked President/COO Timothy Lizura to summarize the item before the board. Mr. Lizura stated that the Members were being requested to authorize an increase to the total litigation budget relating to the defense of Torcon, Inc. v. New Jersey Economic Development Authority, et al. from \$490,000.00 to an amount not to exceed \$556,000.00, and authorize an increase to the litigation consultant contract with JCMS in an amount not to exceed \$50,000.00, which is included in the proposed total budget.

Mr. Lizura stated that the matter is currently in mediation and we are holding state resources. He stated that this recommendation will get us through the mediation.

Chairman Koepp asked Mr. Sarlo to provide his insights on the matter. Mr. Sarlo stated that the matter was a complicated and somewhat unique. He advised that Torcon doesn't have any insurance to look to, and that Vitetta is in financial dire straits and can't pay premiums to their insurance company. He added that he's been in discussions with DAG Cohen on how to strategize and proceed.

Chairman Koepp asked DAG Fred Cohen to summarize his plans for proceeding. DAG Cohen stated that his first choice is to settle as quickly as possible.

He remarked that it's especially difficult when there's at least six parties, each with two attorneys involved and that he would like to settle in increments and get the carrier involved, however; the longer the matter goes on the less leverage we have.

Mr. Imperatore asked what the original claim was. Mr. Lizura stated the Authority is named as a third-party defendant in a lawsuit filed by S.M. Electric Company, Inc. v. Torcon, Inc., et al., which is related to the construction of the Greystone Park Psychiatric Hospital Project.

Mr. Lizura stated that S.M. Electric filed a Complaint, in NJ Superior Court, against Torcon in January 2010. In September of 2010, Torcon filed a Third-Party Amended Complaint including the Authority as a third-party defendant. Torcon is stating that they did nothing wrong and that Vitetta's drawings were incorrect or incomplete. The Amended Complaint seeks the Authority's indemnification for damages asserted by S.M. Electric against Torcon, and contribution from the Authority in the event Torcon is held liable to S.M. Electric.

Commissioner Kobylowski asked what that total amount at issue was. DAG Cohen said approximately \$350,000 has been paid to date but it would be difficult to calculate what the total amount will be at this time.

Mr. Delle Cava stated he would abstain from any voting on the matter because he is a former employee of S.M. Electric.

**CONSIDERATION OF AUTHORIZATION FOR STAFF TO ENTER INTO
EXCLUSIVE NEGOTIATIONS FOR A PURCHASE AGREEMENT FOR THE
TECHNOLOGY CENTRE EXPANSION SITE, NORTH BRUNSWICK, NJ**

Chairman Koeppe asked COO Timothy Lizura to summarize the item before the board. Mr. Lizura stated that the Members are requested to authorize staff to select the offer submitted by KTR Capital Partners as the most favorable offer received for the purchase of the Technology Centre Expansion Site; to enter into exclusive negotiations with KTR for a purchase agreement for the Expansion Site and to reject all other offers received for the purchase of the Expansion Site.

An Evaluation Committee was established and all best and final offers received were distributed to the Evaluation Committee members, who scored the offers independently, according to above-referenced criteria which was contained in the Best and Final Offers. KTR received the highest score as outlined in the attached evaluation matrix. KTR also submitted the highest priced offer of \$6,000,000, which is \$50,000 higher than the appraised value.

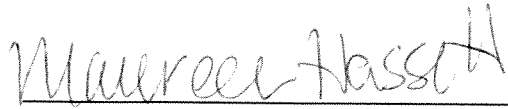
KTR has requested a sixty day due diligence period. After the due diligence period, KTR will have 120 days (with up to three, thirty day extensions) to obtain approvals to allow for development of approximately 306,000 square feet of industrial warehouse space.

In addition to successfully completing negotiations, NJEDA's execution of a contract to sell the Expansion Site to KTR will be contingent upon final approval of the terms and conditions of sale by the NJEDA Board at a future date. At closing, the Authority will be required to pay a 1% commission pursuant to its Exclusive Brokerage Agreement with CBRE, Inc.

In conclusion, there being no further business, Chairman Koeppe asked for a motion to close the Executive Session and return to Public Session.

On a motion by Mr. McNamara, seconded by Ms. Kokas, the Board adjourned the Executive Session and opened the Public Meeting.

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.

A handwritten signature in cursive script, reading "Maureen Hassett", written over a horizontal line.

Maureen Hassett, SVP; Finance and Development
Assistant Secretary