

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 9, 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; Jane Rosenblatt representing Commissioner Catherine McCabe of the Department of Environmental Protection; Catherine Brennan representing State Treasurer Elizabeth Muoio; 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; and staff.

Absent: Public Member Massiel Medina Ferrara.

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 May 12, 2020 meeting minutes. A motion was made to approve the minutes by Ms. Bauer, and seconded by Commissioner Caride, and was approved by the 13 voting members present.

The next item of business was the approval of the May 22, 2020 meeting minutes. A motion was made to approve the minutes by Commissioner Angelo, 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 Report 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: Update to NJEDA Board Committees

FYI: The establishment of a new ad hoc committee, to be known as the COVID-19 Response Committee, to work with staff to address the on-going and long-term fiscal and economic impacts of the COVID-19 pandemic.

ITEM: Healthy Functions; Robert Jarmon, M.D.; New Jersey-Israel Innovation Partnership Initiative

THIS ITEM WAS WITHHELD FROM CONSIDERATION

ITEM: USED A Revolving Loan Fund Opportunity

FYI: USED A invited NJEDA to apply for a revolving loan fund of up to \$10,000,000 with supporting administration funds of up to \$1,000,000.

ITEM: Micro Business Loan Program

REQUEST: To approve enhancements to the Micro Business Loan Program, utilization of up to \$10 million from the USED A Revolving Loan Fund and/or the NJEDA Economic Recovery Fund to fund the program, delegated authority to staff to administer the program, and suspension of new applications under the existing program.

MOTION TO APPROVE: Ms. Brennan. **SECOND:** Commissioner Caride **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Small Business Emergency Assistance Grant Program – Phase 2

REQUEST: To approve revisions to the eligibility requirements for Phase 2 of the Small Business Emergency Assistance Grant Program and to clarify how the Opportunity Zone set-aside will be calculated.

MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Marley **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. Alagia recused himself as Essex County may make funds from the federal CARES Act available to the program.

Ms. Glover recused from voting because the organization for which she works and/or an organization for which she serves on the Board may participate in this program.

INCENTIVE PROGRAMS:

UEZ/ENERGY SALES TAX EXEMPTION PROGRAM:

ITEM: F&S Produce Co., Inc.

REQUEST: To approve F&S's application to participate in the Energy Sales Tax Exemption Program for UEZ manufacturers (U-STX) for one year through June 9, 2021.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Brennan **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

BOND PROJECTS:

ITEM: NJEDA School Facilities Construction Refunding Bonds

REQUEST: To approve adoption of the 42nd Supplemental Resolution authorizing issuance of the 2020 Refunding Bonds in the total aggregate principal equal to \$597,455,000 and associated delegations to staff to implement the refunding action.

MOTION TO APPROVE: Ms. Bauer **SECOND:** Mr. Shimko **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

LOANS, GRANTS GUARANTEES

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program project approved by the Department of Environmental Protection.

MOTION TO APPROVE: Ms. Rosenblatt **SECOND:** Ms. Brennan **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

PROJECT: Melvin Zgodny

PROD.#188283

LOCATION: Elizabeth City, Union County

PROCEEDS FOR: Upgrade, Closure, Remedial Action

FINANCING: \$95,683.22

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.

MOTION TO APPROVE: Ms. Rosenblatt **SECOND:** Commissioner Caride **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Camden Redevelopment Agency (Camden Laboratories) PROD.#188248

LOCATION: Camden City, Camden County

PROCEEDS FOR: Remedial Action

FINANCING: \$564,333.75

BOARD MEMORANDA:

FOR INFORMATION ONLY: May 2020 Credit Underwriting Delegated Authority Approvals

Premier Lender Program

PROJECT: 1885 Swarthmore Ave LLC (PROD-00187965)

LOCATION: Lakewood Township, Ocean County

PROCEEDS FOR: Purchase the project property

FINANCING: \$3,465,000 Cross River Bank loan with a \$1,540,000 EDA participation.

PUBLIC COMMENT

There were no public comments.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to receive attorney-client advice regarding a real estate project, and to discuss financial transactions where disclosure could adversely impact the public interest.

MOTION TO APPROVE: Mr. Quinn **SECOND:** Commissioner Caride **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

The Board returned to Public Session.

Commissioner Angelo left the meeting.

Mr. Alagia left the meeting.

REAL ESTATE

ITEM: Letter of Intent – Real Estate Development Project

REQUEST: To approve the request for an extension of a Letter of Intent as it relates to a real estate development project

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Bauer **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

There being no further business, on a motion by Mr. Quinn, and seconded by Mr. Dumont, the meeting was adjourned at 11:12am.

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, Director
Governance & Strategic Initiatives

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 9, 2020

EXECUTIVE SESSION MINUTES

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; Jane Rosenblatt representing Commissioner Catherine McCabe of the Department of Environmental Protection; Catherine Brennan representing State Treasurer Elizabeth Muoio; 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; and staff.

Absent: Public Member Massiel Medina Ferrara.

REQUEST FOR EXTENSION OF LETTER OF INTENT – OFFSHORE WIND PORT DEVELOPMENT PROJECT

Chairman Quinn asked Mr. Sabina to summarize the item before the board, the approval of an extension through September 30, 2020, of the binding Letter of Intent between NJEDA and PSEG Nuclear regarding the offshore wind port development at Lower Alloways Creek, NJ.

Mr. Sabina stated that the LOI extension, in substantially final form, will allow NJEDA to better de-risk the port development project including making further progress on:

1. Developing design options and feasibility studies;
2. Completing financial and legal analyses; and
3. Incorporating market feedback before reaching a definitive agreement with PSEG on a lease or lease option.

Mr. Sabina remarked that in addition, due to federal offshore wind permitting delays, industry decision-making deadlines have been pushed at least three months, which enables NJEDA to extend the LOI period without undermining its market advantage. NJEDA staff is not requesting to increase the \$4 million in PSEG-related project costs cap at this time. However, staff are likely to request an expansion of the capital budget by approximately \$2 million at the July Board meeting, after providing the Board an additional update into pending de-risking studies/activities.

Mr. Dumont asked whether the EDA was still committed to PSEG or rethinking it's options. Mr. Sabina said that the Authority has a very strong commitment to PSEG.

Mr. Dumont asked if September was adequate time for an extension or if the end of the year might be necessary. Mr. Sabina stated that staff didn't want to give themselves too much time, and wanted to keep the pressure on themselves and on PSEG, so September was adequate. Staff believes that September 30, 2020 is an appropriate deadline given the complexity of the lease agreement – which will likely include multiple lease options and development related considerations – and the revised decision-making timeline from offshore wind developers

Mr. Dumont asked for an update on Orsted. Mr. Sabina said the Orsted's Ocean Wind project has delayed its timeline for a final marshalling port decision from end of June to September or October 2020. He added that other offshore wind developers that could utilize Lower Alloways Creek for their projects have indicated that they would not be making any decisions earlier than the September or October 2020 timeframe.

POST CLOSING CREDIT DELEGATED AUTHORITY APPROVALS FOR 1ST QUARTER 2020 - FOR INFORMATIONAL PURPOSES ONLY

Chairman Quinn asked Mr. Weick to summarize the next item before the board. Mr. Weick stated that the Providence Pediatric Medical Daycare, Inc., SBL loan for \$1,597,088 was written off with recourse during the first quarter of 2020 pursuant to delegated authority, and that the memorandum is presented in Executive Session as disclosure of the write-off could harm EDA's ability to recover the loans.

As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management officers conduct a quarterly portfolio review, and with concurrence from management, recommend loans to be written off with recourse pursuant to delegated authority.

EDA retains legal rights against the borrower and/or guarantors and pursues collections of the loan written off with recourse through litigation.

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

On a motion by Mr. Quinn, seconded by Ms. Brennan, 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.



Danielle Esser, Director
Governance & Strategic Initiatives