



MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: February 9, 2016

SUBJECT: Agenda for Board Meeting of the Authority February 9, 2016

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 12, 2016

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Commissioner Richard Badolato of the Department of Banking and Insurance; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, Philip B. Alagia, David Huber, Fred B. Dumont, Patrick Delle Cava, First Alternate Public Member; and William J. Albanese, Sr., Second Alternate Public Member.

Members Present via conference call: Harold Imperatore, Third Alternate Public Member.

Absent: Steve Petrecca representing Acting State Treasurer Ford M. Scudder; Massiel Medina Ferrara, Public Member; and Rodney Sadler, Non-Voting Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 8, 2015 regular and executive session meeting minutes. A motion was made to approve the minutes by Commissioner Badolato and seconded by Mr. Huber, and was approved by the 12 voting members present.

Mr. Alagia entered the meeting at this time.

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

CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT TO THE BOARD

INCENTIVE PROGRAMS

Economic Redevelopment and Growth Grant Program

ITEM: Island Campus Redevelopment Associates LLC APPL.#41653
REQUEST: To approve the application of Island Campus Redevelopment Associates, LLC for a project located in Atlantic City, Atlantic County for the issuance of tax credits. The recommendation is to award up to \$29,925,360 in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Chairman Koeppe recused himself because one of the applicants has a business relationship with New Jersey Resources and he is a member of the NJ Resources board.

Mr. Downes recused himself because one of the applicants has a business relationship with New Jersey Resources and he is the Chairman of the NJ Resources board.

Mr. Imperatore recused himself because some of his family members are involved with the project.

ITEM: Island Campus Redevelopment Associates LLC APPL.#41622
REQUEST: To approve the application of Island Campus Redevelopment Associates, LLC for a project located in Atlantic City, Atlantic County for the issuance of tax credits. The recommendation is to award 40% of actual eligible costs, not to exceed \$38,423,008, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Stoller **AYES:** 10
RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Chairman Koeppe recused himself because one of the applicants has a business relationship with New Jersey Resources and he is a member of the NJ Resources board.

Mr. Downes recused himself because one of the applicants has a business relationship with New Jersey Resources and he is the Chairman of the NJ Resources board.

Mr. Imperatore recused himself because some of his family members are involved with the project.

ITEM: South Inlet Partners Urban Renewal LLC APPL.#41581
REQUEST: To approve the application of South Inlet Partners Urban Renewal, LLC for a project located in Atlantic City, Atlantic County for the issuance of tax credits. The recommendation is to award 40% of actual eligible costs, not to exceed \$24,433,560, in tax credits, based on the budget submitted.
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Delle Cava **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Prior to the vote CEO Melissa Orsen summarized comments Senator Jim Whelan made to the New Jersey Housing and Mortgage Finance Agency, and provided to the EDA prior to the meeting, stating his opposition to the project.

Grow New Jersey Assistance Program

ITEM: Aralez Pharmaceuticals US, Inc.

APPL.#41817

REQUEST: To approve the application of Aralez Pharmaceuticals US, Inc., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in West Windsor Twp., NJ. Project location of West Windsor Twp, in Mercer 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 Transit Oriented Development, Jobs with Salary in Excess of County Average and Targeted Industry of Life Sciences. The estimated annual award is \$562,500 for a 10-year term.

MOTION TO APPROVE: Mr. Albanese **SECOND:** Mr. Delle Cava **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: C2 Imaging LLC

APPL.#41772

REQUEST: To approve the application of C2 Imaging LLC, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, in 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, Capital Investment in Excess of Minimum (non-Mega), and Targeted Industry of Manufacturing. The estimated annual award is \$1,155,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Fabuwood Cabinetry Corp.

APPL.#41774

REQUEST: To approve the finding of jobs at risk.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Fabuwood Cabinetry Corp.

APPL.#41774

REQUEST: To approve the application of Fabuwood Cabinetry Corp., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Newark, NJ. Project location of Newark City, in Essex County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Large Number of New/Retained F/T Jobs, Targeted Business of Manufacturing and Mega Ind. Project w/Cap. Inv. In Excess of Minimum. The estimated annual award is \$3,996,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: FXDirectDealer, LLC

APPL.#41717

REQUEST: To approve the application of FXDirectDealer, LLC, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, in Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development and Targeted Industry of Finance. The estimated annual award is \$907,500 for a 10-year term.

MOTION TO APPROVE: Mr. Albanese

SECOND: Mr. Delle Cava **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: Linde North America, Inc.

APPL.#41770

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. McNamara

SECOND: Mr. Stoller **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: Linde North America, Inc.

APPL.#41770

REQUEST: To approve the application of Linde North America, Inc., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Bridgewater, NJ. Project location of Bridgewater, in Somerset County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, and Targeted Industry of Manufacturing. The estimated annual award is \$1,102,350 for a 10-year term.

MOTION TO APPROVE: Mr. Huber

SECOND: Mr. Stoller **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: NYK Line (North America) Inc.

APPL.#41822

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. McNamara

SECOND: Mr. Downes **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: NYK Line (North America) Inc.

APPL.#41822

REQUEST: To approve the application of NYK Line (North America) Inc., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Secaucus, NJ. Project location of Secaucus Town, in Hudson 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 Jobs with Salary in Excess of County Average and Targeted Industry of Logistics. The estimated annual award is \$285,000 for a 10-year term.

MOTION TO APPROVE: Mr. Stoller

SECOND: Mr. Albanese **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Rainforest Distribution Corp.

APPL.#41640

REQUEST: To approve the application of Rainforest Distribution Corp., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Bayonne City, NJ. Project location of Bayonne City, in Hudson 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 Transit Oriented Development. The estimated annual award is \$240,000 for a 10-year term.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Commissioner Badolato **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

ITEM: Showman Fabricators, Inc.

APPL.#41648

REQUEST: To approve the application of Showman Fabricators, Inc., for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Bayonne City, NJ. Project location of Bayonne City, in Hudson 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 Transit Oriented Development, Cap. Inv. In Excess of Minimum (non-Mega), Jobs with Salary in Excess of County Average and Targeted Industry of Manufacturing. The estimated annual award is \$877,500 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

Grow New Jersey Assistance Program Modifications

ITEM: GBT US LLC

APPL.#41351

REQUEST: To approve the modification request for location, number of employees and name of entity.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

BOND PROJECTS

ITEM: 2015 Carry Forward Request

REQUEST: The State Treasurer allocated \$110,000,000 to the New Jersey Economic Development Authority out of the State's 2015 Private Activity Bond Cap. The Authority may elect to carry forward any unused portion of the above noted 2015 Private Activity Bond allocation with the U.S. Department of Treasury.

MOTION TO APPROVE: Mr. Delle Cava **SECOND:** Mr. Alagia **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Combination Preliminary and Bond Resolutions

ITEM: LEAP Cramer Hill, LLC APPL.#41961
LOCATION: Camden City/Camden County
PROCEEDS FOR: Renovation of existing building
FINANCING: \$1,000,000 Series C Taxable Bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Albanese **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

Bond Projects

ITEM: Jewish Community Center on the Palisades APPL.#41373
LOCATION: Tenafly Borough/Bergen County
PROCEEDS FOR: Refinancing
FINANCING: \$12,000,000 Tax-exempt bond
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Huber **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Preliminary Resolutions

ITEM: Allied Specialty Foods, LLC APPL.#41908
LOCATION: Vineland City/Cumberland County
PROCEEDS FOR: Renovation/Acquisition of Existing Building/Purchase of equipment and machinery
FINANCING: \$15,000,000
MOTION TO APPROVE: Mr. McNamara **SECOND:** Ms. Kokas **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

ITEM: Standard Merchandising Co. APPL.#41708
LOCATION: Camden City/Camden County
PROCEEDS FOR: Renovation/Construction of Existing Building or Addition
FINANCING: \$6,598,925
MOTION TO APPROVE: Mr. Stoller **SECOND:** Ms. Kokas **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

LOANS/GRANTS/GUARANTEES

Petroleum Underground Storage Tank Program

FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program (PUST) – Delegated Authority Fourth Quarter 2015 Approvals

Hazardous Discharge Site Remediation Fund Program

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

PROJECT: Borough of Point Pleasant Beach (Sea Coast Oil Company) APPL.#41543

LOCATION: Point Pleasant Borough/Ocean County

PROCEEDS FOR: Remedial Investigation

FINANCING: \$81,566

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund (HDSRF) – Delegated Authority Fourth Quarter 2015 Approvals

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Delegated Authority Approvals for 4th Quarter 2015

FOR INFORMATION ONLY: Incentives Modifications

FOR INFORMATION ONLY: Retail Fuel Station – Energy Resilience Program

FOR INFORMATION ONLY: Projects Approved Under Delegated Authority

Direct Loan Program: The Fred 101, LLC (P41248)

New Jersey Advantage Program: Grant Group, LLC and Nova Development Group, Inc. (P41691 and P41690)

Small Business Fund Program:

FHG Properties LLC (P41791)

TDH Penn Properties LLC (P41769)

Stronger NJ Business Loan Program:

Blue Water Properties, LLC d/b/a The Beach Home (P41523)

Double O Seven d/b/a Ohana Grill (P41082)

Hamlett Management LLC (P41545 and P41546)

Renova Environmental Services, LLC (P41879)

New Jersey Business Growth Fund – Modification:

Candace Real Estate Holding LLC and Happy Today and Bright Tomorrow, LLC
(P41877)

Galloway Pediatrics, LLC (P41768)

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Leases, CCIT Grants and Right of Entry (ROE)/ Licenses for Fourth Quarter 2015

FOR INFORMATION ONLY: Real Estate Division Delegated Authority for Approval of Projects under the Streetscape Revitalization Program for the Fourth Quarter 2015

REAL ESTATE

ITEM: Premier Education Group

REQUEST: To extend the term of the Surrender and Cancellation of Lease and Occupancy Agreement – The Technology Centre of New Jersey

MOTION TO APPROVE: Mr. Sarlo **SECOND:** Mr. Downes **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: NJ Unmanned Aircraft Systems (UAS) Consortium

REQUEST: To approve requests associated with the continuation of the NJ UAS Program.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

AUTHORITY MATTERS

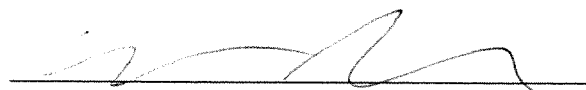
FOR INFORMATION ONLY: Summary of resolved executive session items.

PUBLIC COMMENT

There were no public comments.

There being no further business, on a motion by Commissioner Badolato, and seconded by Mr. Albanese, the meeting was adjourned at 11:19 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.



Erin Gold, Director, Governance & Communications
Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: February 9, 2016

RE: Monthly Report to the Board

STATE EXPERIENCES HIGHEST JOB GROWTH IN 15 YEARS

The United States Bureau of Labor Statistics (BLS) reported figures in January indicating that New Jersey added 13,300 jobs in December for an annual total of 65,200. This number caps off 2015 as the strongest year of private sector job growth in 15 years and the sixth consecutive year of private sector growth in the Garden State. The jobless rate was also encouraging, as it fell to 5.1 percent – a level the state has not seen since June 2008.

The labor participation rate in New Jersey continued to outpace the national rate, 64.1 percent to 62.6 percent in December, as 24,200 additional workers joined the state labor force. Also noteworthy is the fact that 233,500 private sector jobs have been created since the Governor's first full month in office in 2010.

Residential construction in New Jersey remains robust with more than 28,000 building permits issued in 2015 as of November, which is 10.5 percent higher than the prior year. This marks the most permits issued year-to-date since 2006.

In line with these numbers is construction jobs data recently released by the Associated General Contractors of America, indicating that 44 states and the District of Columbia added construction jobs for the full year 2015. Of note, New Jersey experienced a 7.5 percent gain in state construction employment between December 2014 and 2015.

EOA-SUPPORTED PROJECTS MARK KEY MILESTONES IN JANUARY

Projects supported by programs administered under the Economic Opportunity Act (EOA) continue to help drive economic growth in the State as they mark construction, investment, and job creation milestones. Late in January, the Philadelphia 76ers revealed the rendering of their future

Camden waterfront training complex, scheduled to be completed before the start of the 2016-2017 National Basketball Association (NBA) season.

The 125,000-square-foot training complex, which was approved for Grow New Jersey tax credits in June 2014, will be the largest in the NBA and will include the Sixers' basketball operations facility and business operations offices. The facility will include two NBA regulation-size basketball courts, a 2,800-square-foot player locker room, and state-of-the-art performance, wellness, recovery, and hydrotherapy rooms.

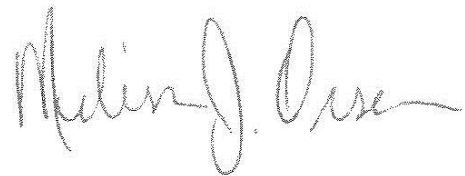
Earlier in January, Chickie's and Pete's announced the signing of a lease to be the anchor tenant at 220 Rowan Blvd. in Glassboro. The \$74 million, six-story, 316,000-square-foot building, which connects the Rowan University campus to Glassboro's downtown, was approved under the Residential Economic Redevelopment and Growth (ERG) Program in 2014. A ribbon cutting was held in August 2015 at the site, which is comprised of student housing, market rate apartments, retail and medical offices, and parking.

CLOSED PROJECTS

In January 2016, EDA closed on \$9.3 million in assistance to support eight projects, leveraging \$9.7 million in public/private investment and the creation of an estimated 29 new permanent jobs and 45 construction jobs.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 21 events in January. These included the NJ Bankers Economic Leadership Forum in Somerset, the Chamber of Commerce of Southern New Jersey "Committed to Camden" panel discussion, and the NAIOP Annual Meeting & Commercial Real Estate Outlook in Short Hills.



INCENTIVES PROGRAM

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



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: February 9, 2016

RE: **Glassboro A-3 Urban Renewal, LLC**
Residential Economic Redevelopment and Growth Grant Program (“RES ERG”)
P #41303

Request

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

The Members are asked to approve the application of Glassboro A-3 Urban Renewal, LLC (the “Applicant”) for a Project located in Glassboro Borough, Gloucester County (the “Project”), for the issuance of tax credits pursuant to the RES ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$102,741,491 and of this amount \$100,429,582 are eligible costs under the RES ERG program. The recommendation is to give 30% of actual eligible costs, not to exceed \$30,128,874. A residential project is eligible to receive a RES ERG tax credit of up to 20% of the total eligible project costs. Glassboro A-3 Urban Renewal, LLC is also eligible for a bonus of 10% (for a total of 30%) because the Applicant will be satisfying the RES ERG Program’s requirement of reserving 20% of a project’s apartment units for moderate income housing.

Project Description

The “Project” is the new construction of a mixed use property that will include 3 buildings and a parking structure in Glassboro Borough, Gloucester County. The buildings will be mixed use containing a total of approximately 40,665 square feet of retail space, a 17,700 square foot fitness center, approximately 550 student beds, 33,500 square feet of classroom space and 36 market rate apartments. The parking garage will be 7 levels and provide parking to 865 vehicles. The classroom space will include 15 classrooms and a student lounge area.

The Project is a phase in the Rowan Boulevard Redevelopment Enterprise (“Enterprise”). The Enterprise is a \$350 million revitalization project linking the Rowan University campus with Glassboro’s downtown retail district. Glassboro Borough acquired 26 acres of dilapidated real estate in downtown Glassboro, demolished the existing structures and has completed the following phases for the Enterprise by partnering with multiple developers. The first phase was completed in 2009/2010 and includes 884 student beds in four story, village style buildings and 36,000 square feet of retail space occupied by Barnes and Noble. The second phase was completed in 2012 and is the construction of a mixed use building, the Whitney Center. This 5 story building includes 280 student beds for Rowan University’s Honor College and 20,000 square feet of first floor retail space. The Third phase was completed in 2013 and consists of a 129 room Marriott Hotel, a 1,200 car parking garage, and a 52,000 square foot classroom building for Rowan’s College of Graduate Education. The fourth phase also known as “Project A-2” consists of a 6 story building that contains 57 apartments, 465 student beds, 28,000 square feet of medical space and 20,000 square feet of retail space was completed in August of 2015. Project A-2 (P# 38966) was approved for a \$22,045,806 RES ERG at the EDA’s May 16, 2014 board meeting. Nexus Properties will also be developing another phase “A-4” next to this Project which has applied for RES ERG tax credits. Project A-4 will consist of the development of 577 student beds, 30 market rate apartments, and 20,400 square feet of retail space.

Future development phases of the Enterprise include a town square park and two additional phases of new construction of mixed use buildings. The Town Square Park is a 1.75 acre park located adjacent to the Project. It will include a great lawn area, perimeter gardens, veteran’s plaza, pavilions, and a large paver terrace that will accommodate an ice rink in the winter months. A mixed used building is planned to be developed at the east end of High Street. The Building’s first floor will consist of 5,000 square feet of restaurant and kitchen space and three theaters which are planned to contain 175, 125, and 85 seats respectively. The first floor will also include a 7,700 square foot Radio and TV Studio. The second floor will consist of classrooms and faculty offices for Rowan’s Communications department. The building’s third and fourth floors will consist of thirty-four residential apartments. A second mixed use building is anticipated to be developed from a shell property located on High Street. When completed the three-story building will contain 15,000 square feet; include an art gallery on the first floor and classrooms/offices on the second and third floors.

Construction is expected to begin April 2016 with an anticipated completion date of October 2017. The Applicant intends to comply with the green building requirements by meeting the LEED silver standard.

The property is currently owned by the Borough of Glassboro, a body politic and municipal corporation of the State of New Jersey who plans to enter into a 99-year ground lease (“Ground Lease”) with the Applicant. Glassboro A-3 Urban Renewal, LLC will pay an initial rent equal to

\$4,200,000 the first year. The annual leasehold fee will be \$1.00 thereafter. Nexus engaged a third party, Brailsford & Dunleavy, to conduct a student housing market study to evaluate the demand for future University-affiliated student housing at Rowan University (within one block of the campus) which was prepared in October 2015. This report, in conjunction with data from Rowan University, supports the demand for student housing and rental rates forming the basis of the Applicant's pro-forma.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 420 temporary construction jobs and 110 full time positions at the Project site as a result of the ERG subsidy.

Project Ownership

The Applicant is a single purpose for-profit entity owned by Nexus Holdings, LLC ("Nexus"). Nexus is a second generation business engaged in real estate construction, investment, development and management. Nexus has developed and currently manages in excess of two million square feet of commercial office, warehouse and retail space. In addition, Nexus has also developed and manages three six-level parking facilities and several surface parking lots and has a portfolio of over 760 residential units built and under development. Nexus and their affiliated companies are organized as S-corporations, limited partnerships and limited liability companies which are all controlled by members of the Sussman family.

Financial information on the specific owners of the Applicant can be found in the Confidential Memorandum on Financial Analysis, following this analysis.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>RES ERG Eligible Amount</i>
Acquisition of Land and Buildings	\$ 4,200,000	\$ 4,200,000
Construction & Site Improvements	88,263,951	88,263,951
Professional Services	2,072,166	2,072,166
Financing & Other Costs	6,110,392	3,798,483
Contingency	2,094,982	2,094,982
TOTAL USES	\$ 102,741,491	\$ 100,429,582

RES ERG eligible project costs exclude ineligible costs aggregating \$2,311,909, including reserves of \$2,000,000, and ineligible advertising costs of \$311,909.

<i>Sources of Financing</i>	<i>Amount</i>
Permanent Debt	\$ 55,193,193
ERG Bridge Loan	27,000,000
Equity:	
Developer Equity	20,548,298
Total	\$ 102,741,491

The Applicant received a letter of intent for construction and permanent financing from M&T Bank. It is anticipated that the permanent debt will have a 15 year amortization period with a term of 15 years and a fixed interest rate of 5.50%. M&T Bank will also be providing a RES ERG Bridge Loan in the amount of \$27 million. The Bridge loan will have a 10 year term with a 15 year amortization period at a fixed interest rate of 5.50%.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this Project. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR 2.89%	Equity IRR 9.64%

As indicated in the chart above, the Project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 9.64% which is below the Maximum IRR of 13.52% for a retail and multifamily project located in Glassboro, Gloucester County. This maximum IRR was calculated by the EDA’s Hurdle Rate Model which was developed by Jones Lang LaSalle.**

Other Statutory Criteria

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

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

The Project is economically feasible based on the track record of the Applicant and their development team as well as the numerous funding sources and subsidies that have been made available to this Project. Nexus engaged a third party, Brailsford & Dunleavy, to conduct a student housing market study to evaluate the demand for future University-affiliated student housing at Rowan University which was prepared in October of 2015. This report, in conjunction with data from Rowan University, supports the demand for student housing and rental rates that form the basis of Applicant’s proforma.

The Project has an anticipated IRR of 2.89% without the RES ERG and 9.64% with the RES ERG. The RES ERG incentive grant is needed for the viability of the Project and to encourage the Applicant to undertake the capital investment which is required to complete the proposed development.

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

Per the amended Redevelopment Plan amended January 12, 2005 the Borough of Glassboro is committed to redeveloping the Central Business District. The Redevelopment plan states “Since 2000, Glassboro Borough has focused its efforts on encouraging the redevelopment of the Central Business District and other older industrial areas of the Borough, many of which contain vacant and underutilized properties.” The Plan’s goals include developing mixed use properties including student housing, retail catering to the community as well as students, restaurants, open gathering spaces, a book store, hotel, and market rate and senior housing. The mix of housing and retail uses will redevelop a diverse community in the Central Business District. This Project is an integral part of the overall redevelopment of Glassboro’s Central Business District in conjunction with Rowan University’s expansion.

The Project will compliment the other development that was completed in the Central Business District in the first phases of the Borough of Glassboro’s Redevelopment. The first phase was completed in 2009/2010 and includes 884 student beds in four story, village style buildings and 36,000 square feet of retail space occupied by Barnes and Noble. The second phase was completed in 2012 and involved the construction of a mixed use building, the Whitney Center. This 5 story building includes 280 student beds for Rowan University’s Honor College and 20,000 square feet of first floor retail space. The Third phase was completed in 2013 and consists of a 129 room Marriott Hotel, a 1,200 car parking garage, and a 52,000 square foot classroom building for Rowan’s College of Graduate Education. The fourth phase also known as “Project A-2” consists of a 6 story building that contains 57 apartments, 465 student beds, 28,000 square feet of medical space and 20,000 square feet of retail space was completed in August of 2015. Project A-2 was approved for a RES ERG in the amount of \$22,045,806 at the EDA’s May 16, 2014 board meeting.

The Project is located in the Borough of Glassboro, an urban aid municipality. Glassboro is ranked number 468 out of 566 municipalities per the ranking of distress in New Jersey. Glassboro’s median household income is \$59,515 per year versus New Jersey’s median household income of \$70,165. The downtown area of the Borough of Glassboro is a depressed area with multiple blocks containing vacant and dilapidated houses and buildings. This Project will continue the revitalization of the Borough of Glassboro’s downtown area.

Recommendation

Authority staff has reviewed the application for Glassboro A-3 Urban Renewal, LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG Approval Letter is contingent upon the Applicant meeting the following condition:

1. Submission of the final executed ground lease, redevelopment agreement, and PILOT.

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

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

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

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

The New Jersey Economic Opportunity Act of 2013 provides a total of \$600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This Project being located in Glassboro, Gloucester County qualifies to be funded under the allocation for projects located in Southern New Jersey Counties with an MRI Index of 400 or higher. The initial total of this allocation was \$75 million. After today's approvals, \$1.98 million remains in the allocation and \$81.9 million tax credits remain in the total residential program.

Total Eligible Project Costs: \$100,429,582

Eligible Tax Credits and Recommended Award: The recommendation is to award 30% of actual eligible costs, not to exceed \$30,128,874 to be paid over 10 years.



Timothy Lizura

Prepared by: Matt Boyle



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: February 9, 2016

RE: **Glassboro A-4 Urban Renewal, LLC**
Residential Economic Redevelopment and Growth Grant Program (“RES ERG”)
P #41304

Request

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

The Members are asked to approve the application of Glassboro A-4 Urban Renewal, LLC (the “Applicant”) for a Project located in Glassboro Borough, Gloucester County (the “Project”), for the issuance of tax credits pursuant to the RES ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$71,722,157 and of this amount \$69,488,674 are eligible costs under the RES ERG program. The recommendation is to give 30% of actual eligible costs, not to exceed \$20,846,602. A residential project is eligible to receive a RES ERG tax credit of up to 20% of the total eligible project costs. Glassboro A-4 Urban Renewal, LLC is also eligible for a bonus of 10% (for a total of 30%) because the Applicant will be satisfying the RES ERG Program’s requirement of reserving 20% of a project’s apartment units for moderate income housing.

Project Description

The “Project” is the new construction of a mixed use property that will include 2 six story buildings and 1 four story building. The buildings will be mixed use containing a total of approximately 20,400 square feet of retail space, 577 student beds and 30 market rate apartments.

The Project is a phase in the Rowan Boulevard Redevelopment Enterprise (“Enterprise”). The Enterprise is a \$350 million revitalization project linking the Rowan University campus with Glassboro’s downtown retail district. Glassboro Borough acquired 26 acres of dilapidated real estate in downtown Glassboro, demolished the existing structures and has completed the following phases for the Enterprise by partnering with multiple developers. The first phase was completed in 2009/2010 and includes 884 student beds in four story, village style buildings and 36,000 square feet of retail space occupied by Barnes and Noble. The second phase was completed in 2012 and is the construction of a mixed use building, the Whitney Center. This 5 story building includes 280 student beds for Rowan University’s Honor College and 20,000 square feet of first floor retail space. The Third phase was completed in 2013 and consists of a 129 room Marriott Hotel, a 1,200 car parking garage, and a 52,000 square foot classroom building for Rowan’s College of Graduate Education. The fourth phase also known as “Project A-2” consists of a 6 story building that contains 57 apartments, 465 student beds, 28,000 square feet of medical space and 20,000 square feet of retail space was completed in August of 2015. Project A-2 (P# 38966) was approved for a \$22,045,806 RES ERG at the EDA’s May 16, 2014 board meeting.

Nexus Properties will also be developing another phase “A-3” next to this Project which has applied for RES ERG tax credits. Project A-3 is the new construction of a mixed use property that will include 3 buildings and a parking structure. The buildings will be mixed use containing a total of approximately 40,665 square feet of retail space, a 17,700 square foot fitness center, approximately 550 student beds, 33,500 square feet of classroom space and 36 market rate apartments. The parking garage will be 7 levels and provide parking to 865 vehicles.

Future development phases of the Enterprise include a town square park and two additional phases of new construction of mixed use buildings. The Town Square Park is a 1.75 acre park located adjacent to the Project. It will include a great lawn area, perimeter gardens, veteran’s plaza, pavilions, and a large paver terrace that will accommodate an ice rink in the winter months. A mixed used building is planned to be developed at the east end of High Street. The Building’s first floor will consist of 5,000 square feet of restaurant and kitchen space and three theaters which are planned to contain 175, 125, and 85 seats respectively. The first floor will also include a 7,700 square foot Radio and TV Studio. The second floor will consist of classrooms and faculty offices for Rowan’s Communications department. The building’s third and fourth floors will consist of thirty-four residential apartments. A second mixed use building is anticipated to be developed from a shell property located on High Street. When completed the three-story building will contain 15,000 square feet; include an art gallery on the first floor and classrooms/offices on the second and third floors.

Construction is expected to begin February 2017 with an anticipated completion date of June 2018. The Applicant intends to comply with the green building requirements by meeting the LEED silver standard.

The property is currently owned by the Borough of Glassboro, a body politic and municipal corporation of the State of New Jersey who plans to enter into a 99-year ground lease (“Ground Lease”) with the Applicant. Glassboro A-4 Urban Renewal, LLC will pay an initial rent equal to \$2,650,000 the first year. The annual leasehold fee will be \$1.00 thereafter. Nexus engaged a third party, Brailsford & Dunleavy, to conduct a student housing market study to evaluate the demand for future University-affiliated student housing at Rowan University (within one block of the campus) which was prepared in October 2015. This report, in conjunction with data from Rowan University, supports the demand for student housing and rental rates forming the basis of the Applicant’s pro-forma.

Although applicants for the RES ERG program are not required to maintain certain employment levels, it is estimated that this Project, per the Applicant, will create approximately 320 temporary construction jobs and 75 full time positions at the Project site as a result of the ERG subsidy.

Project Ownership

The Applicant is a single purpose for-profit entity owned by Nexus Holdings, LLC (“Nexus”). Nexus is a second generation business engaged in real estate construction, investment, development and management. Nexus has developed and currently manages in excess of two million square feet of commercial office, warehouse and retail space. In addition, Nexus has also developed and manages three six-level parking facilities and several surface parking lots and has a portfolio of over 760 residential units built and under development. Nexus and their affiliated companies are organized as S-corporations, limited partnerships and limited liability companies which are all controlled by members of the Sussman family.

Financial information on the specific owners of the Applicant can be found in the Confidential Memorandum on Financial Analysis, following this analysis.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>RES ERG Eligible Amount</i>
Acquisition of Land and Buildings	\$ 2,650,000	\$ 2,650,000
Construction & Site Improvements	60,942,862	60,942,862
Professional Services	1,551,146	1,551,146
Financing & Other Costs	3,958,486	1,725,003
Contingency	2,619,663	2,619,663
TOTAL USES	\$ 71,722,157	\$ 69,488,674

RES ERG eligible project costs exclude ineligible costs aggregating \$2,233,483, including reserves of \$2,000,000, and ineligible advertising costs of \$233,483.

<i>Sources of Financing</i>	<i>Amount</i>
Permanent Debt	\$ 38,615,785
ERG Bridge Loan	18,761,941
Equity:	
Developer Equity	14,344,431
Total	\$ 71,722,157

The Applicant received a letter of intent for construction and permanent financing from M&T Bank. It is anticipated that the permanent debt will have a 15 year amortization period with a term of 15 years and a fixed interest rate of 5.50%. M&T Bank will also be providing a RES ERG Bridge Loan in the amount of \$18.7 million. The Bridge loan will have a 10 year term with a 15 year amortization period at a fixed interest rate of 5.50%.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this Project. Staff analyzed the pro forma and projections of the Project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR 7.01%	Equity IRR 12.11%

As indicated in the chart above, the Project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 12.11% which is below the Maximum IRR of 13.52% for a retail & multifamily real estate project located in Glassboro, Gloucester County. This maximum IRR was calculated by the EDA’s Hurdle Rate Model which was developed by Jones Lang LaSalle.**

Other Statutory Criteria

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

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

The Project is economically feasible based on the track record of the Applicant and their development team as well as the numerous funding sources and subsidies that have been made available to this Project. Nexus engaged a third party, Brailsford & Dunleavy, to conduct a student housing market study to evaluate the demand for future University-affiliated student housing at Rowan University which was prepared in October of 2015. This report, in conjunction with data from Rowan University, supports the demand for student housing and rental rates that form the basis of Applicant’s proforma.

The Project has an anticipated IRR of 7.01% without the RES ERG and 12.11% with the RES ERG. The RES ERG incentive grant is needed for the viability of the Project and to encourage the Applicant to undertake the capital investment which is required to complete the proposed development.

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

Per the amended Redevelopment Plan amended January 12, 2005 the Borough of Glassboro is committed to redeveloping the Central Business District. The Redevelopment plan states “Since 2000, Glassboro Borough has focused its efforts on encouraging the redevelopment of the Central Business District and other older industrial areas of the Borough, many of which contain vacant and underutilized properties.” The Plan’s goals include developing mixed use properties including student housing, retail catering to the community as well as students, restaurants, open gathering spaces, a book store, hotel, and market rate and senior housing. The mix of housing and retail uses will redevelop a diverse community in the Central Business District. This Project is an integral part of the overall redevelopment of Glassboro’s Central Business District in conjunction with Rowan University’s expansion.

The Project will compliment the other development that was completed in the Central Business District in the first phases of the Borough of Glassboro’s Redevelopment. The first phase was completed in 2009/2010 and includes 884 student beds in four story, village style buildings and 36,000 square feet of retail space occupied by Barnes and Noble. The second phase was completed in 2012 and involved the construction of a mixed use building, the Whitney Center. This 5 story building includes 280 student beds for Rowan University’s Honor College and 20,000 square feet of first floor retail space. The Third phase was completed in 2013 and consists of a 129 room Marriott Hotel, a 1,200 car parking garage, and a 52,000 square foot classroom building for Rowan’s College of Graduate Education. The fourth phase also known as “Project A-2” consists of a 6 story building that contains 57 apartments, 465 student beds, 28,000 square feet of medical space and 20,000 square feet of retail space was completed in August of 2015. Project A-2 was approved for a RES ERG in the amount of \$22,045,806 at the EDA’s May 16, 2014 board meeting.

The Project is located in the Borough of Glassboro, an urban aid municipality. Glassboro is ranked number 468 out of 566 municipalities per the ranking of distress in New Jersey. Glassboro’s median household income is \$59,515 per year versus New Jersey’s median household income of \$70,165. The downtown area of the Borough of Glassboro is a depressed area with multiple blocks containing vacant and dilapidated houses and buildings. This Project will continue the revitalization of the Borough of Glassboro’s downtown area.

Recommendation

Authority staff has reviewed the application for Glassboro A-4 Urban Renewal, LLC and finds that it is consistent with eligibility requirements of the Act. It is recommended that the Members approve and authorize the Authority to issue a commitment letter to the Applicant.

Issuance of the RES ERG Approval Letter is contingent upon the Applicant meeting the following condition:

1. Submission of the Final executed ground lease, redevelopment agreement, and PILOT.

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

1. Financing commitments for all funding sources for the Project consistent with the information provided by the Applicant to the Authority for the RES ERG; and
2. Evidence of site control and site plan approval for the Project; and
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Evidence that the Project complies with N.J.A.C. 19:31-4.3(a) (3).

Tax Credits shall be issued upon:

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

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

The New Jersey Economic Opportunity Act of 2013 provides a total of \$600 million in tax credits to be utilized towards eligible residential based projects. This allocation is further separated into five additional allocations to assist projects meeting certain geographic and/or economic criteria. This Project being located in Glassboro, Gloucester County qualifies to be funded under the allocation for projects located in Southern New Jersey Counties with an MRI Index of 400 or higher. The initial total of this allocation was \$75 million. After today's approvals, \$1.98 million remains in the allocation and \$81.9 million tax credits remain in the total residential program.

Total Eligible Project Costs: \$69,488,674

Eligible Tax Credits and Recommended Award: The recommendation is to award 30% of actual eligible costs, not to exceed \$20,846,602 to be paid over 10 years.



Timothy Lizura

Prepared by: Matt Boyle

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

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

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

APPLICANT: Ferrero U.S.A., Inc. P42019

PROJECT LOCATION: 7 Sylvan Way, 4th Floor Parsippany-Troy Hills Morris County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Ferrero U.S.A., Inc. was established in 1969 as a wholly owned subsidiary of Ferrero International S.A., a privately owned company based in Luxembourg. Ferrero U.S.A., Inc. is engaged in the warehousing and distribution of confectionery products within the U.S. Its product lines include Nutella, Rocher, and Tic Tac. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Ferrero U.S.A., Inc. currently operates in an owned facility in Somerset, NJ, comprised of office, warehouse and distribution spaces. The applicant is experiencing significant growth, and is evaluating options to relocate its headquarters into a new, leased facility, while maintaining distribution and warehouse operations in the Somerset location. The applicant is considering leasing and renovating either a 50,069 square foot office space, consisting of the entire 4th floor, at 7 Sylvan Way, Parsippany, NJ, or a 50,000 square foot office space, consisting of portions of the 1st and 2nd floors, at 700 Township Line Road, Yardley, PA. At the selected project location, the applicant would relocate 128 jobs from the Somerset location, as well as create 50 new jobs.

Ferrero U.S.A., Inc. is evaluating the renovation and operational costs of both the Parsippany, NJ and Yardley, PA locations. The applicant anticipates it would experience a lower attrition rate if locating the project at the NJ facility. The applicant would renovate the selected project site, and anticipates the associated cost to be substantially similar at each location. The applicant calculates operating costs at the PA location to be higher, and it anticipates it would be eligible to receive incentives at this location in the form of State cash grants and State corporate income tax incentives.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Ferrero U.S.A., Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Paul D. Chibe, the CEO of Ferrero U.S.A., Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the

creation and retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$46.1 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 128 New Jersey jobs listed in the application are at risk of being located outside the State on or before September 1, 2016 because it will outgrow its current facility, and anticipates it will complete its lease and renovation of the selected project facility by that time. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$2,002,760	\$5,006,900
New Jobs	35	50
Retained Jobs	50	128

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a	Parsippany-Troy Hills is a designated Priority Area

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$3,000 = \$1,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$5,006,900 / 10 / (50 + 128) = \$2,812) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE: Priority Area	\$ 3,000
INCREASE PER EMPLOYEE:	\$ <u>0</u>
PER EMPLOYEE LIMIT: Priority Area	\$10,500
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 3,000
AWARD:	
New Jobs:	50 Jobs X \$3,000 X 100% = \$150,000
Retained Jobs:	128 Jobs X \$3,000 X 50% = <u>\$192,000</u>
Total:	\$342,000
ANNUAL LIMITS: Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$606,225)
TOTAL ANNUAL AWARD	<u>\$342,000</u>

PROJECT IS: (X) Expansion (X) Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 5,006,900
EXPECTED PROJECT COMPLETION: September 1, 2016
SIZE OF PROJECT LOCATION: 50,069 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 50
RETAINED FULL-TIME JOBS: 128
STATEWIDE BASE EMPLOYMENT: 149
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Somerset
MEDIAN WAGES: \$ 82,816

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 49,552,314
**TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT
 90% OF WITHHOLDINGS)** \$ 3,420,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 46,132,314

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: C. Fuentes

APPROVAL OFFICER: D. Poane

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

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

APPLICANT: Intex Millwork Solutions, LLC P41862

PROJECT LOCATION: 20 Bogden Boulevard and 25 Airwork St. Millville City Cumberland County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Intex Millwork Solutions, LLC (“Intex” or “the company”) specializes in the design and fabrication of custom PVC trim and millwork. Architects and builders rely on the company’s strengths in both traditional workmanship and engineering technology to craft intricately detailed, high-quality millwork for distinctive homes and buildings.

Intex has also innovated a line of fabricated, ready-to-install PVC window and door surrounds, and offers standard PVC millwork lengths and decorative accessories. The company was founded in 2005 and has been in its current location since 2010. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Recent company growth in the Southeast United States requires Intex to expand its current operations. As such, Intex proposes to acquire a facility, 25 Airwork Street, Millville, NJ. The facility is 27,000 sf of usable office and manufacturing space that is currently owned by the City of Millville. Intex will also renovate and upgrade its existing space (42,000 sf), which is on a parcel that is adjacent to the new facility. The upgrades to the current facility will include substantial demolition and reconstruction to accommodate the office functions, manufacturing and finishing of Exterior PVC Railing products. The alternate site for this expansion is in a 71,627 square foot property in Langhorne, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Intex Millwork Solutions LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Joseph Umosella, the CEO of Intex Millwork Solutions LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$6.0 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 38 New Jersey jobs listed in the application are at risk of being located outside the State on or before April 1, 2017 when it would be able to move into the alternative facility. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$920,000	\$1,695,660
New Jobs	8	20
Retained Jobs	19	38

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

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

	designated Municipality	Distressed
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$1,695,660 is 84.3% above the minimum capital investment resulting in an increase of \$3,000 per year.
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$54,216 exceeds the Cumberland County median salary by 47.4% resulting in an increase of \$250 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Millville has a 2007 Revitalization Index of 526.

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

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

All other projects

The Retained Full-Time Jobs will receive the lesser of:

- 1/2 of the Grant Calculation for New Full-Time Jobs (1/2 * \$8,750 = \$4,375) or
- **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$1,695,660/ 10 / (20 + 38) = \$2,923)**

In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality \$ 4,000

INCREASES PER EMPLOYEE:

Capital Investment in Excess of Minimum (non-Mega):	\$3,000
Jobs with Salary in Excess of County Average:	\$ 250
Targeted Industry (Manufacturing):	\$ 500
2007 Revit. Index>465 in Cumberland:	\$1,000

INCREASE PER EMPLOYEE: \$ 4,750

PER EMPLOYEE LIMIT:

Distressed Municipality \$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: \$ 8,750

AWARD:

New Jobs:	20 Jobs X \$8,750 X 100% =	\$175,000
Retained Jobs:	38 Jobs X \$2,923 X 100% =	<u>\$111,074</u>

Total: **\$286,074**

ANNUAL LIMITS:

Distressed Municipality \$ 8,000,000

TOTAL ANNUAL AWARD **\$286,074**

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,695,660
EXPECTED PROJECT COMPLETION: December 1, 2016
SIZE OF PROJECT LOCATION: 69,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 20
RETAINED FULL-TIME JOBS: 38
STATEWIDE BASE EMPLOYMENT: 38
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 54,216

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 8,851,716
TOTAL AMOUNT OF AWARD: \$ 2,860,740
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 5,990,976
ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Justin Kenyon

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: Red Hat, Inc. P41998

PROJECT LOCATION: One International Boulevard, 5th Floor Mahwah Bergen County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Red Hat, Inc., founded in 1993 and headquartered in Raleigh, North Carolina, is a provider of open source solutions in developing and offering reliable and high performing operating systems, virtualization, middleware, storage and cloud technologies. The company’s software includes (but is not limited to) Red Hat Enterprise Linux, an operating system platform that runs on a broad range of hardware and is used in physical, virtual, container and cloud environments; Red Hat Enterprise Virtualization, a software that allows customers to utilize and manage a common hardware infrastructure to run operating systems and applications. Red Hat operates worldwide with 85 offices in 35 countries and over 7,800 employees, including 69 employees in NJ with 26 employees located in Mahwah, NJ and another 43 sales, marketing and engineering employees that work remotely. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

To accommodate growth due to the recent acquisition of a complementary cloud management software company, Red Hat is evaluating its expansion strategy for its business units. As the existing Mahwah space can only accommodate the current 26 employees, the company has identified a 16,948 sq. ft. office on the 5th floor of its existing location, which would be able to support its existing workforce plus the expected growth of 50 new jobs. The alternative is to accommodate this growth in comparable space at its engineering headquarters in Westford, MA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Red Hat, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Jim Whitehurst, the CEO of Red Hat, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$28 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$677,920	\$2,493,000
New Jobs	25	50
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Mahwah is a designated Priority Area
Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant’s	The proposed median salary of \$100,000 exceeds the Bergen

	median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	County median salary by 68% resulting in an increase of \$250 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Technology business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$3,750 = \$1,875) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$2,493,000 / 10 / (50 + 0) = \\$4,986$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>			
BASE GRANT PER EMPLOYEE:			
Priority Area			\$3,000
INCREASES PER EMPLOYEE:			
Jobs with Salary in Excess of County Average:		\$ 250	
Targeted Industry (Technology):		\$ 500	
INCREASE PER EMPLOYEE:			
			<u>\$ 750</u>
PER EMPLOYEE LIMIT:			
Priority Area		\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			
			\$3,750
AWARD:			
	New Jobs:	50 Jobs X \$3,750 X 100% =	\$187,500
	Retained Jobs:	0 Jobs X \$3,750 X 50% =	<u>\$0,000</u>
		Total:	\$187,500
ANNUAL LIMITS:			
Priority Area	(Est. 90% Withholding Limit)		\$ 4,000,000/(\$353,970)
TOTAL ANNUAL AWARD			
			<u>\$187,500</u>

PROJECT IS: Expansion Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 2,493,000

EXPECTED PROJECT COMPLETION: December 31, 2018

SIZE OF PROJECT LOCATION: 16,948 sq. ft.

NEW BUILDING OR EXISTING LOCATION? Existing

INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial

CONSTRUCTION: Yes No

NEW FULL-TIME JOBS:	50
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT:	58
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	\$ 100,000
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 30,291,167
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$ 1,875,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 28,416,167
ELIGIBILITY PERIOD:	10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 26 current positions it has at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 26 positions employed by the applicant at the project site.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: M. Peters

APPROVAL OFFICER: T. Wells

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

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

APPLICANT: Sysco Guest Supply, LLC P41819

PROJECT LOCATION: 300 Davidson Avenue Somerset Somerset County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Sysco Guest Supply, LLC, a wholly owned subsidiary of publicly traded U.S. based Sysco Corporation, is a distributor of branded and private label amenities, such as soaps, lotions, linens, paper products and cosmetics to the hotel industry. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:

Sysco Guest Supply, LLC currently operates in a leased office facility in Monmouth Junction, NJ, which is in need of significant repairs and renovation. The applicant’s lease will expire on December 31, 2016 and, as such, it is evaluating options to relocate its headquarters into a new, leased facility. The applicant is considering leasing and renovating either 63,818 SF of office space, at 300 Davidson Avenue, Somerset, NJ, or 40,000 SF of office space in Sysco Corporation’s corporate headquarters at 1390 Enclave Pkwy, Houston, TX. The reduction in SF would be possible as Sysco Corporation would also take on a portion of the applicant’s back office support functions through Sysco Business Services group, located in Cypress, TX. At the selected project location, the applicant would relocate 121 jobs from the Somerset location, as well as create 35 new jobs. The applicant is seeking a grant to provide an incentive to locate its headquarters within the State.

The applicant is evaluating the renovation and operating costs of both the Somerset, NJ and Houston, TX locations. Should the applicant choose to locate its project in NJ, it would lease and renovate the space. Alternatively, if the applicant elects to relocate its headquarters to TX, it would incur employee relocation expenses. Additionally, the TX location offers reduced annual operating expenses as compared to the NJ facility.

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

Xenis, the President of Sysco Guest Supply, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$26.4 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 121 New Jersey jobs listed in the application are at risk of being located outside the State on or before August 31, 2016 because the project is anticipated to be completed by this date. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$2,552,720	\$3,000,000
New Jobs	35	35
Retained Jobs	50	121

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Somerset is a designated Priority Area
Increase(s) Criteria		

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$3,000 = \$1,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$3,000,000 / 10 / (35 + 121) = \\$1,923$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>			
BASE GRANT PER EMPLOYEE:			
Priority Area			\$ 3,000
INCREASE PER EMPLOYEE:			
			\$ <u>0</u>
PER EMPLOYEE LIMIT:			
Priority Area		\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			
			\$ 3,000
AWARD:			
New Jobs:	35 Jobs X \$3,000 X 100% =		\$105,000
Retained Jobs:	121 Jobs X \$3,000 X 50% =		<u>\$181,500</u>
	Total:		\$286,500
ANNUAL LIMITS:			
Priority Area (Est. 90% Withholding Limit)		\$ 4,000,000/(\$413,531)	
TOTAL ANNUAL AWARD			<u>\$286,500</u>

PROJECT IS: (X) Expansion (X) Relocation
 ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 3,000,000
 EXPECTED PROJECT COMPLETION: August 31, 2016
 SIZE OF PROJECT LOCATION: 63,818 sq. ft.
 NEW BUILDING OR EXISTING LOCATION? Existing
 INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
 CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 35
 RETAINED FULL-TIME JOBS: 121
 STATEWIDE BASE EMPLOYMENT: 132
 CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Monmouth Junction
 MEDIAN WAGES: \$ 70,000

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 29,313,802
 TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS) \$ 2,865,000
 NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 26,448,802

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before August 31, 2016; 2) approve the proposed Grow New Jersey grant to encourage Sysco Guest Supply, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger

APPROVAL OFFICER: D. Poane

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

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

APPLICANT: W&W Jewelers Inc. P41823

PROJECT LOCATION: 35 Journal Square, Suite 231 Jersey City Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

W&W Jewelers Inc. (“W&W”) is a manufacturer for the jewelry trade. The company takes raw materials (precious metals and stones) and creates the jewelry that gets sold in retail stores. W&W has been in business since 1973. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

W&W Jewelers Inc. currently operates out of its facility in New York City and is considering two sites to expand in. The first is a 3,726 square foot facility in Jersey City, NJ and the alternate site is a 4,000 square foot facility in Brooklyn, NY. If the alternate location in NY is chosen, the company would be able to retain its existing workforce, all of whom are trained. Moving to Jersey City, NJ would require the hiring of a new workforce, which would require substantial costs. This would not be economically feasible without the proposed Grow NJ Award in this application.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of W&W Jewelers Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Stuart Kuropatkin, the President of W&W Jewelers Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$4.2 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$74,520	\$455,000
New Jobs	10	45
Retained Jobs	25	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	35 Journal Square is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	35 Journal Square is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority

		Trans-Hudson Corporation rail station
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$455,000 is 510.6% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$9,000 = \\$4,500$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$455,000 / 10 / (45 + 0) = \\$1,011$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation**BASE GRANT PER EMPLOYEE:**

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

Deep Poverty Pocket:	\$1,500
Transit Oriented Development:	\$2,000
Capital Investment in Excess of Minimum (non-Mega)	\$3,000
Targeted Industry (Manufacturing)	\$ 500

INCREASE PER EMPLOYEE:	<u>\$ 7,000</u>
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PER EMPLOYEE LIMIT:

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

New Jobs: 45 Jobs X \$12,000 X 100% =	\$ 540,000
Retained Jobs: 0 Jobs X \$ 1,011 X 100% =	<u>\$ 0,000</u>

Total:	\$ 540,000
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ANNUAL LIMITS:

Urban Transit HUB Municipality	\$10,000,000
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TOTAL ANNUAL AWARD	<u>\$ 540,000</u>
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PROJECT IS: (X) Expansion () Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 455,000
EXPECTED PROJECT COMPLETION: October 31, 2016
SIZE OF PROJECT LOCATION: 3,726 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 45
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT: 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 50,000

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 9,604,641
TOTAL AMOUNT OF AWARD: \$ 5,400,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 4,204,641

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Maggie Peters

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: World Business Lenders, LLC P42005

PROJECT LOCATION: 101 Hudson Street Jersey City Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

World Business Lenders, LLC (“WBL”) is a commercial lender specializing in providing working capital to small and medium size businesses. As a private and direct lender, WBL employs its own underwriting guidelines, enabling it to make funding decisions in a matter of days. The executive team consists of seasoned entrepreneurs and bankers with over one hundred years of combined experience in the financial services industry. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

WBL was founded in 2011 with 6 people, and has grown substantially in just under 5 years. The company now employs approximately 206 full-time staff, split between its corporate headquarters in Manhattan and 11 regional sales offices. At present, it employs approximately 125 people at its headquarters and expects that number to reach 225 by the end of 2016. As WBL approaches this period of rapid growth and with its Manhattan lease expiring in May of 2016, it has begun to evaluate options in the Brooklyn, Queens and Jersey City markets. Following a comprehensive review of options in each market, including tours of selected sites, WBL has identified two primary sites, a 35,040 square foot facility in Jersey City and a 34,000 square foot facility in Queens. The pre-incentives occupancy costs of the finalist locations are within close proximity, with New Jersey being more expensive.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of World Business Lenders, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Doug Naidus, the CEO of World Business Lenders, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$94.2 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,401,600	\$2,102,400
New Jobs	25	225
Retained Jobs	35	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of \$2,000 per job	101 Hudson Street is located

	for a project locating in a Transit Oriented Development	in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$7,500 = \\$3,750$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$2,102,400 / 10 / (225 + 0) = \\933) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit HUB Municipality		\$ 5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	\$ 2,000	
Targeted Industry (Finance):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 2,500</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	\$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 7,500
AWARD:		
New Jobs:	225 Jobs X \$7,500 X 100% =	\$1,687,500
Retained Jobs:	0 Jobs X \$ 933 X 100% =	<u>\$ 0,000</u>
	Total:	\$1,687,500
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		<u>\$1,687,500</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 2,102,400
EXPECTED PROJECT COMPLETION: June 1, 2016
SIZE OF PROJECT LOCATION: 35,040 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 225
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT: 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 48,200

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$101,943,070
TOTAL AMOUNT OF AWARD: \$ 16,875,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 85,068,070

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Christina Fuentes

APPROVAL OFFICER: Mark Chierici

GROW NEW JERSEY ASSISTANCE PROGRAM - MODIFICATIONS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 9, 2016

SUBJECT: Grow New Jersey modification request for Capintec, Inc. – P41249

MODIFICATION REQUEST

The Board approved Capintec, Inc. for a \$2,430,000 Grow New Jersey Grant Award on August 11, 2015. Since then, the company could not procure the original project site of 121 Corporate Boulevard in South Plainfield Borough and has identified a new location of 7-9 Vreeland Road in Florham Park. The Board is requested to modify the previously approved award to the newly identified site.

BACKGROUND:

Capintec, Inc. (“Capintec”) is a manufacturer of energy measurement products and devices, including CRC dose calibrators, CAPTUS thyroid uptake systems and CAPRAC wipe test counters. Capintec also has a full line of lead lined cabinets and PET shielding products including hot cells, mini cells, shielded hoods, dose drawing stations and personnel protective shielding. For over 40 years, Capintec has been a leader in the development, manufacture and marketing of state-of-the-art radiation measuring and monitoring instrumentation. The applicant has demonstrated the financial ability to undertake the project.

MODIFICATION:

Capintec, Inc. was approved for a \$2,430,000 Grow New Jersey Grant Award on August 11, 2015.

The applicant had to abort its purchase contract during the due diligence phase and resume its search for a prospective location to house its corporate headquarters in New Jersey. The proposed new qualified business facility is 41,000 square feet located at 7-9 Vreeland Road, Florham Park, NJ. This facility would be a lease as opposed to a purchase.

Since the original application was approved on August 11, 2015, the applicant has hired 4 full-time NJ employees and is proposing to hire 5 more NJ full-time employees, prior to the February 9, 2016 NJEDA board meeting. These 9 full-time positions are considered as new employees as their hire date will be after our original Board approval date making a total of 45 proposed new employees. The number of retained employees (16) is under the minimum required, so none will be recognized in the Grant Award calculation.

MATERIAL FACTOR/NET BENEFIT:

Although the NJ location has been modified to Florham Park, the alternate site is still Pittsburgh, PA.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and,

as a result, the management of Capintec, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an updated executed CEO certification by John Viscovic, the CEO of Capintec, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$13 million over the 20 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

The date in which the applicant must complete and submit the capital investment and employment requirements will remain within three years from the date of the original approval of the Grow New Jersey Award, which was granted on August 11, 2015.

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$820,000	\$1,314,086
New Jobs	10	45
Retained Jobs	25	0

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Florham Park is a designated Priority Area
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$1,314,086 is 60.3% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$6,500 = \$3,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time

	<p>Jobs (\$1,314,086 / 10 / (45 + 0) = \$2,920)</p> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>
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<u>Grant Calculation - Per Modification</u>			
BASE GRANT PER EMPLOYEE:			
Priority Area			\$ 3,000
INCREASES PER EMPLOYEE:			
Capital Investment in Excess of Minimum (non-Mega):	\$3,000		
Targeted Industry (Manufacturing):	\$ 500		
INCREASE PER EMPLOYEE:			<u>\$ 3,500</u>
PER EMPLOYEE LIMIT:			
Priority Area		\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			\$ 6,500
AWARD:			
New Jobs:	45 Jobs X \$6,500 X 100% =		\$292,500
Retained Jobs:	0 Jobs X \$2,920 X 100% =		<u>\$ 0,000</u>
	Total:		\$292,500
ANNUAL LIMITS:			
Priority Area (Est. 90% Withholding Limit)		\$ 4,000,000/ (\$75,350)	
TOTAL ANNUAL AWARD			<u>\$292,500*</u>
<p>* The Modification Request is limited to the amount approved under the original Board action which is \$243,000.</p>			

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 1,314,086
EXPECTED PROJECT COMPLETION: June 1, 2016
SIZE OF PROJECT LOCATION: 41,000 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS: 45
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT: 16
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 43,000

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 15,425,484
**TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT
 90% OF WITHHOLDINGS)** \$ 2,430,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 12,995,484

ELIGIBILITY PERIOD: 10 years

RECOMMENDATION:

Based on the above, staff recommends a modification request allowing the Qualified Business Facility to be located at the new address.



Prepared by: Mark Chierici

BOND RESOLUTIONS

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

APPLICANT: Jelt Realty, Inc.

P41708

PROJECT USER(S): Great Socks, LLC

* - indicates relation to applicant

PROJECT LOCATION: 1535 Broadway

Camden City (T/UA)

Camden

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

APPLICANT BACKGROUND:

Jelt Realty, Inc., formerly Standard Merchandising Co., was a family owned, textile manufacturing business that had operated in Camden and Reading PA since 1922. The company experienced large growth in the 1970's and the 1980's manufacturing knit headbands and wristbands for the tennis market. Currently the company manufactures socks, which had overtaken tennis accessories as its largest line of business with 67 employees in Camden, NJ and 25 employees in Reading, PA.

Jelt Realty recently closed on an asset sale of its manufacturing business to Great Socks, LLC, a limited liability company formed by LongWater Opportunities, LLC. LongWater Opportunities is a private equity firm based in Dallas, TX that invests in family owned manufacturing businesses.

Great Socks, LLC was approved for a \$13 million Grow NJ award (Appl. P41133) over 10 years in connection with the relocation of the manufacturing operations to this project site.

APPROVAL REQUEST:

Authority assistance will enable the applicant to construct a 48,900 sq. ft. building and renovate an existing 21,100 sq. ft. building for use by the manufacturing business of Great Socks, LLC, plus fund costs of issuance. Jelt Realty has entered into a Ground Lease with the South Jersey Port Corporation who is the owner of the 4.3 acres of land together with the existing building on the land.

FINANCING SUMMARY:

BOND PURCHASER: Santander Bank, N.A. (Direct Purchase)

AMOUNT OF BOND: \$3,150,000 Tax-exempt Bond

TERMS OF BOND: 8 years; Interest only during the period of construction; Variable interest rate based on the tax-exempt equivalent of the 30 day LIBOR plus 200 basis points based on a 25 year amortization. On the closing date, the borrower may enter into a fixed interest rate swap for 7 years. Estimated fixed rate as of 1/25/16 is 2.55%.

ENHANCEMENT: N/A

PROJECT COSTS:

Construction of new building or addition	\$4,971,358
Renovation of existing building	\$1,164,167
Engineering & architectural fees	\$260,400
Demolition	\$128,000
Interest during construction	\$126,000
Legal fees	\$45,000
Finance fees	\$27,000
Accounting fees	\$5,000
TOTAL COSTS	<hr/> \$6,598,925

JOBS: At Application 67 Within 2 years 33 Maintained 0 Construction 57

PUBLIC HEARING: 02/09/16 (Published 01/26/16) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** T. Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Springpoint at Denville, Inc.

P42145

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 19, 21, and 23 Pocono Road Denville Township (N) Morris

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

APPLICANT BACKGROUND:

Springpoint at Denville, Inc. (Springpoint) is an affiliate of Springpoint Senior Living, Inc. (SSL). SSL and its affiliates have been providing quality housing and other health and personal care services to the elderly and disable in New Jersey for close to one hundred years. The system represents the largest not-for-profit provider of retirement housing in New Jersey. Springpoint was formed for the sole purpose of entering into an Asset Purchase Agreement with St. Francis Life Care Corporation, pursuant to which, Springpoint will acquire assets of Franciscan Oaks.

Franciscan Oaks, is a continuing care retirement community of 528,014 square feet, consisting of 285 residences, 33 licensed assisted living units (34 beds) and a four-story health care center containing 84 skilled nursing beds, in Denville, Morris County.

Since 1998, Springpoint Senior Living, Inc. and its affiliates have financed or refinanced several of its facilities with EDA tax-exempt bonds. Currently outstanding is approx. \$138 million, which is comprised of the following projects: 1) Springpoint Senior Living, Inc. Obligated Group Refunding Series 2015 (Appl. P41504); 2) Springpoint at Montgomery, Inc. Refunding Series 2015 (Appl. P41505); 3) Marcus L. Ward Home (Winchester Gardens) Series 2014 (Appl. P39622); and 4) Springpoint at the Atrium Series 2015 (Appl. 40994).

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

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance a portion of the purchase price for the acquisition of Franciscan Oaks, a continuing care retirement community, and the costs of issuing the bond. The remainder of the project costs will be funded via conventional financing (\$17M) and funds from the applicant (\$7.5M).

FINANCING SUMMARY:

BOND PURCHASER: Investors Bank (Direct Purchase)

AMOUNT OF BOND: \$25,000,000 tax-exempt bond

TERMS OF BOND: 25 years; fixed interest rate for 5 years based on the tax-exempt equivalent of the 5 year US Treasury plus 200 basis points; subject to a rate reset every 5 years at a new rate agreed upon by Lender and Applicant; the bond has an optional call provision by the Lender at the end of the 10th, 15th and 20th years; the estimated interest rate as of 2/2/16 is 3.5%.

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$35,000,000
Working capital	\$6,202,280
Other	\$3,825,000
Capital Expenditures	\$3,000,000
Finance fees	\$662,580
Acquisition Cost	\$610,000
Legal fees	\$150,000
TOTAL COSTS	\$49,449,860

JOBS: At Application 153 Within 2 years 3 Maintained 0 Construction 0

PUBLIC HEARING: 02/09/16 (Published 01/26/16) **BOND COUNSEL:** McCarter & English, LLP

DEVELOPMENT OFFICER: D. Bennis **APPROVAL OFFICER:** M. Chierici

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

APPLICANT: Uncommon Properties VII, LLC

P42143

PROJECT USER(S): North Star Academy Charter School of Newark, * - indicates relation to applicant

PROJECT LOCATION: 377 Washington Street Newark City (T/UA) Essex

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

APPLICANT BACKGROUND:

Uncommon Properties VII, LLC, a wholly owned subsidiary of Uncommon Schools, Inc. ("USI"), was recently formed to provide real estate services and hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 44 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer and Norman Atkins is the Board Chair of USI.

North Star Academy Charter School of Newark, Inc. is currently a network of eleven public charter schools ("NSA Charter Schools") serving over 4,000 students in grades K-12. Founded in 1997, NSA Charter School's mission is to prepare each student to enter, succeed in, and graduate from college. Uncommon Properties and its affiliates have closed on several bond financings with the Authority for the benefit of NSA Charter Schools. In 2009, the Authority issued \$16.48 million of Qualified School Construction Bonds ("QSCBs") to build a new high school at 13-25 Central Ave., Newark (Appl. P29061). Proceeds of \$35,700,000 in QSCBs (Appl. P38413 & P38415) which closed in 2013, were used to acquire NSA Valisburg Elementary & Middle School located on Hazelwood Ave. and for renovations at NSA Downtown Middle School and High School, located at 2 Washington Place, all in Newark. Both projects are complete.

Qualified Zone Academy Bonds were issued in the principal amounts of \$7,806,000 in 2012 (Appl. P37823), \$7,132,000 in 2013 (Appl. P38814), \$7,145,000 in 2014 (Appl. P40207), and \$7,145,000 in 2015 (Appl. P41792) the proceeds of which will be utilized for various renovation projects at several NSA Charter Schools in Newark.

The project will be occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified School Construction Bonds pursuant to Section 54F of the Internal Revenue Code of 1986.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to construct a six-story, approximately 162,000 sf building and renovate and equip the same plus pay the costs of issuance.

Approximately \$13.65 million in NMTC related funds, an approximately \$32 million construction loan from M&T Bank, and approximately \$4.5 million in equity will complement this project's Sources of Funds.

FINANCING SUMMARY:

BOND PURCHASER: Uncommon Lender VI, LLC (Direct Purchase)

AMOUNT OF BOND: \$41,300,000 of Qualified School Construction Bonds

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QSCB based on the tax credit rate and term published by U.S. Treasury. On February 2, 2016, the tax credit rate was 4.67% with a max. term of 26 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$48,345,000
Original Issue Discount	\$12,202,000
Soft Costs	\$5,280,000
Land	\$5,000,000
Interest during construction	\$3,200,000
Furniture & Fixtures	\$2,100,000
Finance fees	\$1,035,000
Legal fees	\$665,000
TOTAL COSTS	\$77,827,000

JOBS: At Application 0 Within 2 years 35 Maintained 0 Construction 407

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: D. Poane

LOANS/GRANTS/GUARANTEES

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority

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

DATE: February 9, 2016

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

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

Below is the funding availability as of the fourth quarter ending on December 31, 2015:

PUST:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$16.1 million available to support an estimated \$36.5 million pipeline of projects, of which approximately \$4.5 million are under review at EDA.

HDSRF:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$21.5 million available to support an estimated \$35.7 million pipeline of projects, of which approximately \$1.5 million are under review at EDA.

Prepared by: Wendy Wisniewski

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: February 9, 2016

SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following residential grant project has been approved by the Department of Environmental Protection to perform upgrade, closure and site remediation activities. The scope of work is described on the attached project summary:

UST Residential Grant:

Luis Pacheco \$ 167,301

Total UST Funding – February 2016 \$ 167,301



Timothy Lizura

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

APPLICANT: Luis Pacheco

P40970

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 315 Stegman Parkway

Jersey City (T/UA)

Hudson

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

APPLICANT BACKGROUND:

Between September 2007 and July 2011, Luis Pacheco received an initial grant in the amount of \$22,077 and supplemental grants totaling \$69,772 to perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities including well installation, soil and groundwater remediation.

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

APPROVAL REQUEST:

Luis Pacheco is requesting supplemental grant funding in the amount of \$167,301 to perform the approved scope of work at the project site. Total grant funding including this approval is \$259,150.

The NJDEP oversight fee of \$16,730 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$167,301

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$167,301
NJDEP oversight cost	\$16,730
EDA administrative cost	\$250
TOTAL COSTS	\$184,281

APPROVAL OFFICER: K. Junghans

**HAZARDOUS DISCHARGE SITE REMEDIATION
FUND PROGRAM**



MEMORANDUM


TO: Members of the Authority
FROM: Timothy Lizura
President/Chief Operating Officer
DATE: February 9, 2016
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grant:

City of Newark (Maas & Waldstein Co. East Parcel) \$ 135,873

Total HDSRF Funding – February 2016 \$ 135,873



Timothy Lizura

Prepared by: Wendy Wisniewski

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

APPLICANT: City of Newark (Maas & Waldstein Co. E. Parcel)

P41143

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2104-2118 McCarter Hwy. Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

The project site, identified as Block 827, Lot 1 is a former chemical manufacturing plant which has potential environmental areas of concern (AOCs). The City of Newark currently holds a tax sale certificate on the project site and has satisfied proof of site control. It is the City's intent, upon completion of the environmental investigation activities to redevelop the project site for industrial use.

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

APPROVAL REQUEST:

The City of Newark is requesting grant funding to perform (RI) in the amount of \$135,873 at the Maas & Waldstein Co. East Parcel project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$135,873

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$135,873
EDA administrative cost	\$500
TOTAL COSTS	\$136,373

APPROVAL OFFICER: K. Junghans

OFFICE OF RECOVERY

STRONGER NJ BUSINESS LOAN PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM**

APPLICANT: The Dutchman's Brau Haus Inc

P40729

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 2500 East Bay Ave

Stafford Township (N)

Ocean

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

APPLICANT BACKGROUND:

The Dutchman's Brau Haus Inc. is a restaurant and bar located in Manahawkin, New Jersey known for its Seafood and German cuisine. The Company also offers private parties and banquets services for up to 125 people. The Company was founded in 1952.

APPROVAL REQUEST:

A \$2,046,402 construction loan is requested under the Stronger NJ Business Loan Program.

A previous request by the Company was submitted and approved by the EDA Board on 06/9/2015 for a working capital loan in the amount of \$1,382,030.

The Company previously received a \$50,000 Stronger NJ Business Grant.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$2,046,402

TERMS OF LOAN: 30 year term. 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan no principal payments are due. Thereafter, equal monthly payments of principal in an amount adequate to fully amortize the loan over the remaining term.

PROJECT COSTS:

Construction Unmet	\$2,293,090
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TOTAL COSTS	<u>\$2,293,090</u>
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JOBS: At Application	Within 2 years	Maintained	Construction	
Jobs on Related P040367	<u>21</u>	<u>36</u>	<u>57</u>	<u>0</u>

DEVELOPMENT OFFICER: T. Trifeletti

APPROVAL OFFICER: S. Novak



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

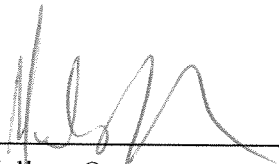
DATE: February 9, 2016

SUBJECT: Stronger NJ Business Grant Program Appeal – Mapeople LLC.

Pursuant to the appeal process approved by the Board at the June 10, 2014 Board meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned to each project to provide an independent review of the appeal.

The Hearing Officer's review includes reviewing the appeal letter, the application and file, as well as speaking directly with the applicant and relevant Office of Recovery staff. The applicant has been sent the Hearing Officer's report in advance of the Board Meeting. They have been given an opportunity to reach out directly to the Hearing Officer to discuss the decision, and have been notified of the date and time of the Board Meeting.

At this meeting, the Board is being asked to consider one appeal: Mapeople LLC. Attached to this memo you will find the Hearing Officer's recommendation, the Hearing Officer's letter to the applicant, the declination letter and the applicant's appeal. I have reviewed the attached and I concur with the recommendation that the declinations under the Stronger NJ Business Grant Program for Mapeople LLC be upheld.



Melissa Orsen

attachments



MEMORANDUM

TO: Melissa Orsen, Chief Executive Officer
Members of the Authority

FROM: Dina Khmelnitsky
Hearing Officer

DATE: February 9, 2016

SUBJECT: Stronger NJ Business Grant Program Appeals
Mapeople LLC - 53650

Request:

The Members are asked to approve the Hearing Officer's recommendation to uphold the declination of the Stronger NJ Business Grant application for Mapeople LLC. Pursuant to the appeal process approved by the Board at the April 30, 2013 Special Board meeting, and revised at the June 10, 2014 Board Meeting, applicants to the Stronger NJ Business Grant program may challenge the EDA's decisions by submitting in writing to the EDA no later than 30 calendar days from the date of the denial, an explanation as to how the applicant has met the program criteria. A Hearing Officer is assigned by the CEO to each project to provide an independent review of the appeal. Dina Khmelnitsky has fulfilled the role of Hearing Officer to review the following appeal and has completed the review with legal guidance from the Attorney General's Office.

The appeal has been reviewed and a letter has been sent to the applicant with the Hearing Officer's recommendation. The applicant was notified in the letter that they have the opportunity to provide comments or exceptions directly to the Hearing Officer. The letter is attached to this memo.

Based on the review of the appeal submitted by the applicant and the analysis prepared by the initial review team from the EDA, the Hearing Officer recommends the following:

Business Name	Reason for Decline	Discussion
Mapeople LLC	The applicant is a home-based business without a separate entrance for commercial customers.	The applicant does not have a separate entrance for commercial customers in his home that does not lead through a residentially utilized portion of the home.

Recommendation:

As a result of careful consideration of the above appeal in consultation with the Attorney General's Office, the recommendation of the Hearing Officer is to uphold the declination of the Stronger NJ Grant application for Mepeople LLC.

Prepared by: Dina Khmelnsky



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 7, 2016

In Reference to:
Stronger NJ Business Grant (SG) # 53650

Benjamin Ofunwa
Mapeople LLC
307 Pemberton Road
Plainfield, New Jersey 07060

RE: Stronger NJ Business Grant Application

Dear Mr. Ofunwa:

My name is Dina Khmel'nitsky and I was appointed to serve as the Hearing Officer for your appeal under the Stronger NJ Business Grant Program ("Program").

By way of background, the New Jersey Economic Development Authority ("EDA") reviewed and declined your application for a grant on October 2, 2015. The information you provided indicated that you are owner of Mapeople, LLC ("Mapeople"), an exporting company operated out of your residence in Plainfield, New Jersey. As part of my review of your grant application and appeal, I have read your appeal letter, your application and file and have spoken with relevant Office of Recovery staff. This letter follows our telephone correspondence on December 21, 2015.

The New Jersey Department of Community Affairs Community Development Block Grant Disaster Recovery Action Plan ("Action Plan") states in section 4.3.1 that the Program is specifically open to small businesses, however, "businesses served may be limited based on additional criteria." These additional criteria can be found in the resolution ("Board Resolution") approved by the EDA's Board at its April 30, 2013 meeting, as well as the Stronger NJ Business Grant Application Overview ("Overview").

In terms of eligibility, the Program establishes that home-based businesses are generally ineligible because the NJ Department of Community Affairs ("DCA") provides housing disaster recovery programs. However, businesses may be deemed eligible if they have a "separate entrance for commercial customers" and are zoned for home-based business occupation and use. Such is stated in the aforementioned Board Resolution and in the Overview as factors that can be used to overcome home-based business ineligibility. These administrative standards were imposed in order to ensure that aid under this program was directed toward businesses which could be easily distinguished from residences by visible, objective criteria.

In the original declination letter, you were informed that Mapeople is ineligible for a grant under the Program because it did not qualify under the home-based business criteria – specifically, that it is a home-based business without a separate entrance for commercial customers. In your appeal letter dated October 29, 2015, you stated that the reason for declination must have been due to an oversight as your home has three different entryways. While you did, in fact, submit pictures showing a side-door to your home with a sign on the door for Mapeople LLC, the pictures you submitted also show that the entryway and stairs leading downwards are occupied by several pairs of shoes and lead to a laundry area in your home. Furthermore, you stated that due to the nature of your business, your clientele does not visit your home office. Thus, the side-door cannot be a separate entrance for commercial customers as required by the Program, because the doorway would lead customers through resident-occupied parts of the home. To find differently in this case would effectively nullify the clear guidance set out by the Board Resolution, Overview and HUD.

Furthermore, home owners that were ineligible under this Program were referred to the DCA. In your decline letter, the EDA stated “assistance may be provided through the NJ Department of Community Affairs (DCA) housing disaster recovery programs.” While you did not qualify for funding under this Program, you may have qualified for DCA recovery funds.

Based on my review as Hearing Officer, I find that Mapeople, LLC does not meet the required home-based business eligibility requirements under the Stronger NJ Business Grant Program.

For the reasons above, I will be recommending that the appeal be denied by the EDA Board at its meeting on February 9, 2016.

If you have any comments or exceptions to this report, please contact me in advance of the above meeting. My contact information is below.

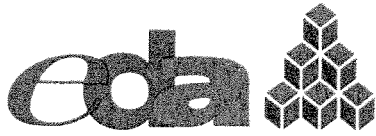
After the EDA Board concludes its review and renders its decision, which is subject to a ten (10) day veto period by the Governor, we will notify you of that final action.

Very truly yours,



Dina Khmelnitsky, Hearing Officer
609-858-6918
dkhmelnitsky@njeda.com

c: Melissa Orsen, Chief Executive Officer
Tim Lizura, President/Chief Operating Officer



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

October 2, 2015

In Reference to:
Stronger NJ Business Grant (SG) #53650

Certified and U.S. Postal Mail
Benjamin Ofunwa
Mapeople LLC
307 Pemberton Ave
Plainfield, NJ 07060

RE: Stronger NJ Business Grant Application

Dear Mr. Ofunwa:

Thank you very much for applying for a Stronger NJ Business Grant. We sincerely appreciate the time your business invested in applying to the program. The New Jersey Economic Development Authority (EDA) has completed a review of your grant (SG) #53650 request. Based on the federal guidelines we must adhere to, we regret that we are unable to provide your organization with a grant for the following reason(s):

- ***Business is home-based without a separate entrance for commercial customers.***

Home-based businesses are ineligible for the Stronger NJ Business Grants Program. However, assistance may be provided through the NJ Department of Community Affairs (DCA) housing disaster recovery programs. Please call 1-855-SandyHM for additional information on these programs.

You may appeal this decision by submitting a written explanation addressing the reason for declination within **30 days** of the date of this letter to the following address:

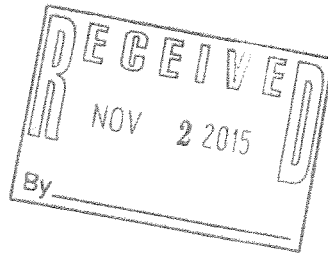
NJ Economic Development Authority
Attn: Office of Recovery
PO Box 990
Trenton, NJ 08625-0990

In addition to this program, the EDA has provided funds to local economic development organizations supporting loans to Sandy-impacted small businesses. We would like to make you aware of this additional relief that may be available to you. Please see the enclosed sheet containing profiles and contact information for these organizations and others that might be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy J. Lizura', written over a horizontal line.

Timothy J. Lizura
President & Chief Operating Officer



In Reference to:

Stronger NJ Business Grant (SG) #53650

1029/15

Mr. Timothy J. Lizura
NJ Economic Development Authority
Attn: Office of Recovery
P. O. Box 990
Trenton NJ, 08625-0990
RE: Stronger NJ Business Grant Appeal:

Dear Mr. Lizura,

Thank you very much for letting me know the reason why my application was not granted again this time. The denial reason which states that the Business is home-based without a separate entrance for commercial customers could be an over sight from the hearing officer. I am sure she saw three entrances at the property. One for the business if and when be.

The nature of my business does not require the flow of commercial customers. Most of my clients are from overseas "Nigeria". I refurbish used American, Industrial, Commercial, and Agricultural equipments but not limited to cars and trucks. This I do on consultation bases. Once I am called to find any of the above mentioned, I would do so.

I sincerely hope and pray that you and the other board members would consider my lose and set back these years and make the right decision.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin Ofunwa".

Benjamin Ofunwa

Mapeople LLC
307 Pemberton Ave
Plainfield, NJ 07060

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: February 9, 2016

SUBJECT: Business Employment Incentive Program (“BEIP”)
Policy and Staff Delegations

Request:

- I. Create a delegation to allow staff to shorten the term of BEIP agreements for recipients wishing to forego unpaid and future awards provided (i) the new term includes a period of non-payment equal to 1.5 times the term of grant payment and (ii) the recipients are in compliance under their original agreements and have valid tax clearance; and
- II. Authorize staff (Level 3: SVP or Managing Director with Director/Staff) to approve these matters and execute any required documentation.

Matters requiring legal review or that have multiple/complex restructures to end their grants will continue to be presented to the members for approval. Delegated approvals by staff will be reported to the members quarterly.

Background:

BEIP was enacted in 1996 as the State’s first major business attraction program to incent companies to create jobs in New Jersey.

I. Current recapture policy

Under the current recapture policy, companies that move out of New Jersey during their contract term are subject to full recapture of paid grant funds and forfeiture of future awards. Companies that continue to operate in New Jersey, but for business reasons are unable to fulfill their promised job numbers can proportionally settle their grants, receiving credit for the years in compliance against defaulted/unfulfilled years of the grant. No recapture is assessed to companies that are insolvent or file bankruptcy.

Over the last 20 years, 44 companies have been recaptured in full, 11 have settled grants through sliding scale repayment, 8 of which have been done during the past two years as a requirement to obtain new incentives and 4 have closed operations and were not recaptured.

With the passage of the newer incentives, companies receiving job incentives like BEIP and its companion program, BRRAG, were legislatively required to repay their prior awards or exclude jobs from being incented under the new grant/tax credit.

Several companies applying for new incentives ended their BEIPs using the sliding scale methodology. In addition, in certain instances, because payments from the State were due but had not yet been paid, the Board agreed to shorten the payment period of the grant to the last year of actual payment, which had the effect of shortening the overall term of the contract (1.5 times payment period equals commitment duration) in exchange for the applicant forfeiting any current or future payments due.

Over the past year, and more regularly since the re-introduction and passage of the BEIP Conversion to Tax Credit Bill, BEIP grantees have expressed interest in this option. As the EDA works through the 6 month 'opt in to conversion' period provided in the legislation, it is expected demand for this option to increase. Offering this solution is a favorable business approach to companies who for a variety of reasons do not want to convert to tax credits and it additionally helps the state reduce its overall liability under the program.

Based on the foregoing, the members are asked to approve the delegation policy.

I. New Staff Delegation: Level 3: SVP or Managing Director with Director and Staff

Beginning in July 2003, the members' approval has been sought to delegate signing authority to staff on a certain financing and incentive transactions to create efficiencies for our customers and to provide fluidity to our business.

Included in those delegations were administrative changes to BEIP including initially adding entities, amending locations and the like, and in some instances approving more complex changes like internal mergers.

Full recapture and sliding scale recapture have been administered by staff as routine operating procedures to end grants under policies adopted by the Board and to exercise EDA's remedies under the default provisions of the applicants' BEIP contracts.

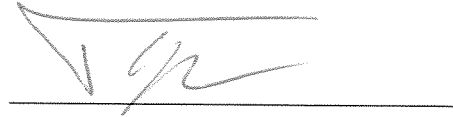
As this is a new policy and is not specifically stated as a default provision under the BEIP contracts to applicants, any action taken to shorten the term of a BEIP if the members agreed to advance the policy action would require Board approval for each transaction.

Because most, if not all, of the anticipated requests would follow the prescriptive methodology stated above, would be in compliance with the contract terms, tax compliant and would pay consideration in the form of forfeiture of unpaid awards in exchange for EDA approving the shortening of the contract, the members are asked to delegate approval of these transactions to staff (Level 3: SVP or Managing Director with Director with Staff).

As with all delegated actions, these will be reported to the members quarterly. Any actions requiring legal review or having multiple or complex actions required will be presented to the Board for approval.

Recommendation:

Consent to the policy and staff delegations recommended herein.

A handwritten signature in black ink, appearing to be "L. Coane", is written over a horizontal line. The signature is stylized and cursive.

Prepared by: Lisa Coane



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: February 9, 2016

SUBJECT: Projects Approved Under Delegated Authority - **For Informational Purposes Only**

The following projects were approved under Delegated Authority in January 2016:

Premier Lender Program:

- 1) PSC Floturn Properties LLC (P41336), located in Union Township, Union County, is a real estate holding company formed to purchase the project property. The operating company, Flow-turn, Inc. is a global manufacturer of powered conveyor belt curves/turns and spiral inclines and declines used in belted curve conveyors. Fulton Bank approved a \$1,500,000 loan contingent upon a \$400,000 (26.67%) Authority participation. Proceeds will be used to refinance an existing commercial mortgage. The Company currently has eighteen employees and plans to create six additional jobs over the next two years.

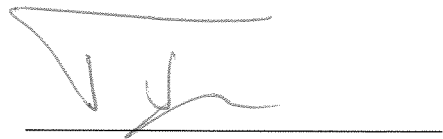
Small Business Fund Program:

- 1) Bradco Management LLC (P42004) located in Wayne Township, Passaic County, is a real estate holding company formed to purchase a commercial property in Wayne, NJ. The operating company, Chiropractic Works !!!, LLC DBA Oakland Spine & Rehabilitation Center, is a "state of the art" rehabilitation center, specializing in physical therapy, non-surgical herniated disk treatment, chiropractic care and acupuncture. The center has one location in Oakland, NJ and the other in Wayne, NJ. Atlantic Stewardship Bank approved a \$1,672,784 bank loan with a \$500,000 (29.89%) Authority participation. Proceeds will be used to purchase the project property. The Company currently has 32 employees and plans to create twelve new positions within the next two years.

Stronger NJ Business Loan Program:

- 1) A.C. Stern Drive, LLC (P41358), located in Brigantine City, Atlantic County, was established in 2002 as a boat service and repair company. The Company was approved for a \$120,000 working capital loan to reimburse working capital expenses incurred in its 2014 fiscal year.

- 2) Balderas Brothers, Inc. DBA Tavolo Pronto (P41759 & P41760), located in Fair Haven Borough, Monmouth county, was founded in 2010 as an Italian bistro, bakery and market. The Company offers daily specials, made-to-order take-home meals and provides services to the local school district where they serve the after school lunch program. The Company was approved for a \$290,000 working capital loan and a \$50,000 forgivable working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.
- 3) Casey Loundy LLC (P38560 & P40005), located in Dover Township, Ocean County, was founded in 1985 as a real estate rental company that owns two NJ rental locations: one in Lavallette, NJ and the other in Seaside Heights, NJ. The Company was approved for a \$57,203 working capital loan and a \$50,000 forgivable working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.
- 4) Christopher's Foreign Car Parts (P41476 & P41477), located in Ocean City, Cape May County, was founded in 1975 to specialize in selling quality auto parts for Jaguar/Rover and Ford/Lincoln automobiles to mechanics and car owners worldwide. The Company was previously known as Christopher's NAPA Auto Care LLC and operated as a full service Jaguar repair service center. The Company was approved for a \$50,000 working capital loan and a \$50,000 forgivable loan to reimburse 2014 working capital expenses such as inventory.
- 5) Del-Cas, Inc. DBA Bob's Bay Marina (P41656) is located in Barnegat Township, Ocean County and was founded in 1983 as a full service marina. The Company takes pride in its wide variety of services such as used boat sales, an on-duty repair mechanic, and fishing supplies. The Company was approved for a \$200,000 working capital loan to be used to fund working capital expenses incurred during the 2014 fiscal year.
- 6) Homes of Distinction Real Estate, LLC (P41716), located in Sea Bright Borough, Monmouth County, was founded in 2007 as a real estate company employing multiple realtors to assist homeowners and investors in selling and purchasing real estate. Initially, the Company was a Century 21 Realty franchise, but as of 2015, operates independently. The Company was approved for a \$257,442 working capital loan to reimburse working capital expenses incurred after Superstorm Sandy.

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

Prepared by: D. Lawyer
DL/gvr

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura, President and Chief Operating Officer

DATE: February 9, 2016

SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for 4th Quarter 2015
For Informational Purposes Only

Angel Investor Tax Credit Program – 2015 Review

On January 31, 2013, the New Jersey Angel Investor Tax Credit Act was signed into law with Regulations approved by the Members of the Board in June 2013. The New Jersey Angel Investor Tax Credit Program (ATC) establishes credits against corporate business tax or New Jersey gross income tax in the amount of 10% of a qualified investment made into New Jersey emerging technology businesses.


In 2015 the EDA approved two hundred and thirteen ATC applications, representing the investment of more than \$50 million of private capital, for a total tax credit amount of \$5,113,827 under the \$25 million program allocation. Investments were made into twenty-eight New Jersey emerging technology and life sciences companies, as can be seen in more detail below. The average investment amount was more than \$240,000.

Sector	Investment amount	Applications	% of total investments	% of total applications
Technology	\$ 23,682,117	142	46%	67%
Clean Technology	\$ 14,134,221	37	28%	17%
Life Sciences	\$ 13,245,171	34	26%	16%

Since the program inception in 2013, the EDA approved four hundred and twenty-two applications for investments totaling to more than \$125 million injected into thirty-eight New Jersey high tech businesses.

In addition to angel investors approved under the ATC program, applicants included venture capital funds, angel funds, partnerships, trusts, corporations and investment LLC's. A little more than fifty percent of ATC applicants are from New Jersey, while the remainder come from throughout the United States and abroad.

Attached please find a list of all ATC applications that were approved under delegated authority during the fourth quarter of 2015 along with a list of 2015 annual declinations.



Prepared by:
Kathleen Coviello
David Ackerman

Investor	Technology Company	Investment Amount	Tax Credit Amount
David W. Marx	CircleBlack	\$ 250,000	\$ 25,000
David W. Marx	CircleBlack	\$ 100,000	\$ 10,000
Kenneth and Susan Gruskin	CircleBlack	\$ 100,000	\$ 10,000
Michael J. Castellano	CircleBlack	\$ 250,000	\$ 25,000
Nancy I. & Martin E. Beaulieu	CircleBlack	\$ 250,000	\$ 25,000
Nancy I. & Martin E. Beaulieu	CircleBlack	\$ 100,000	\$ 10,000
Pinehill Investments, LLC	CircleBlack	\$ 250,000	\$ 25,000
Sandra Michel	CircleBlack	\$ 100,000	\$ 10,000
Alan Merson	D3UC LLC	\$ 25,000	\$ 2,500
Erin and James Misgen	D3UC LLC	\$ 25,000	\$ 2,500
FatCube Limited	D3UC LLC	\$ 49,925	\$ 4,992
Marc A. Salvato	D3UC LLC	\$ 25,000	\$ 2,500
Marie Muller-Noonan	D3UC LLC	\$ 25,000	\$ 2,500
Prashant Patel	D3UC LLC	\$ 25,000	\$ 2,500
Steven Merson	D3UC LLC	\$ 50,000	\$ 5,000
Ted Calandra Sr.	D3UC LLC	\$ 50,000	\$ 5,000
William T. Guthrie	D3UC LLC	\$ 25,000	\$ 2,500
Babst Family Trust	Edge Therapeutics, Inc.	\$ 50,220	\$ 5,022
BioBrit, LLC	Edge Therapeutics, Inc.	\$ 499,996	\$ 50,000
Brian Leuthner	Edge Therapeutics, Inc.	\$ 16,996	\$ 1,700
George Kalil	Edge Therapeutics, Inc.	\$ 50,220	\$ 5,022
Harry Kargman	Edge Therapeutics, Inc.	\$ 50,000	\$ 5,000
James J. Loughlin	Edge Therapeutics, Inc.	\$ 77,999	\$ 7,800
James J. Loughlin	Edge Therapeutics, Inc.	\$ 77,005	\$ 7,701
Joel Yanowitz	Edge Therapeutics, Inc.	\$ 25,110	\$ 2,511
Paul D. Ehrman	Edge Therapeutics, Inc.	\$ 20,925	\$ 2,093
Robert Grinberg	Edge Therapeutics, Inc.	\$ 100,000	\$ 10,000
Robert J. Spiegel	Edge Therapeutics, Inc.	\$ 150,000	\$ 15,000
Roger D. Bozarth	Edge Therapeutics, Inc.	\$ 45,105	\$ 4,511
Roger D. Bozarth	Edge Therapeutics, Inc.	\$ 25,000	\$ 2,500
ETS Investors LLC	Energy Technology Savings	\$ 1,056,729	\$ 105,672
Acme Operating Company, LLC	Eos Energy Storage	\$ 300,000	\$ 30,000
Alina LLC	Eos Energy Storage	\$ 500,000	\$ 50,000
AltEnergy Storage, LLC	Eos Energy Storage	\$ 2,500,000	\$ 250,000
AME Cloud Ventures, LLC	Eos Energy Storage	\$ 500,000	\$ 50,000
Andrew James Kelleher	Eos Energy Storage	\$ 1,000,000	\$ 100,000
David Schiff	Eos Energy Storage	\$ 100,000	\$ 10,000
David Schiff	Eos Energy Storage	\$ 75,000	\$ 7,500
Fisher EOS LLC	Eos Energy Storage	\$ 500,000	\$ 50,000
Glenn Oztemel	Eos Energy Storage	\$ 350,000	\$ 35,000
Global Equity Partners, LLC	Eos Energy Storage	\$ 100,000	\$ 10,000
Hawthorne II Investment LP	Eos Energy Storage	\$ 250,000	\$ 25,000
Jerry Labowitz	Eos Energy Storage	\$ 300,000	\$ 30,000
Sarathi Roy	Eos Energy Storage	\$ 125,000	\$ 12,500
Timothy G. LaLonde	Eos Energy Storage	\$ 175,000	\$ 17,500
Timothy G. LaLonde	Eos Energy Storage	\$ 50,000	\$ 5,000
David R. Quackenbush	Innovaci Incorporated	\$ 40,000	\$ 4,000
David R. Quackenbush	Innovaci Incorporated	\$ 20,000	\$ 2,000
J Henry Scott	Innovaci Incorporated	\$ 100,000	\$ 10,000
Neil Desena	Innovaci Incorporated	\$ 50,000	\$ 5,000
River Capital Associates, LLC	Innovaci Incorporated	\$ 50,000	\$ 5,000
River Capital Associates, LLC	Innovaci Incorporated	\$ 100,000	\$ 10,000
Alexandria Rascals, LLC	Inspirit Group, LLC	\$ 1,000,000	\$ 100,000
C. Parkhill Mays III	Inspirit Group, LLC	\$ 100,000	\$ 10,000
David B. Pearl	Inspirit Group, LLC	\$ 100,000	\$ 10,000
Fortuna 303, LLC	Inspirit Group, LLC	\$ 100,000	\$ 10,000

Fortuna 303, LLC	Inspirit Group, LLC	\$ 30,000	\$ 3,000
Jane Kilcullen	Inspirit Group, LLC	\$ 100,000	\$ 10,000
Jane Kilcullen	Inspirit Group, LLC	\$ 100,000	\$ 10,000
Jane Kilcullen	Inspirit Group, LLC	\$ 30,555	\$ 3,055
John A. Spada	Inspirit Group, LLC	\$ 100,000	\$ 10,000
Kilcullen Family Dynasty Trust	Inspirit Group, LLC	\$ 150,000	\$ 15,000
Kilcullen Family Dynasty Trust	Inspirit Group, LLC	\$ 229,221	\$ 22,922
Neil Ross	Inspirit Group, LLC	\$ 50,000	\$ 5,000
SFP Enterprises, LP	Inspirit Group, LLC	\$ 1,000,000	\$ 100,000
SFP Enterprises, LP	Inspirit Group, LLC	\$ 1,000,000	\$ 100,000
Timothy and Suzanne Bates	Inspirit Group, LLC	\$ 50,000	\$ 5,000
Alvin B. Krongard	Kiswe Mobile	\$ 600,003	\$ 60,000
BEMP 2012, LLC	Kiswe Mobile	\$ 200,007	\$ 20,000
Brauchli Media Enterprises LLC	Kiswe Mobile	\$ 45,000	\$ 4,500
DJAC Enterprises LLC	Kiswe Mobile	\$ 45,000	\$ 4,500
Hyoung Joo Kim	Kiswe Mobile	\$ 20,007	\$ 2,000
James Arthur Lynn	Kiswe Mobile	\$ 300,006	\$ 30,000
Jeong H. Kim Revocable Trust	Kiswe Mobile	\$ 3,400,002	\$ 340,000
KB Investments LLC	Kiswe Mobile	\$ 135,000	\$ 13,500
Michael F. Thibault Revocable Trust	Kiswe Mobile	\$ 100,008	\$ 10,000
Raul Fernandez	Kiswe Mobile	\$ 200,007	\$ 20,000
Samuel A. Nunn, Jr.	Kiswe Mobile	\$ 100,008	\$ 10,000
Scott McCune	Kiswe Mobile	\$ 100,000	\$ 10,000
Terence L. Seese	Kiswe Mobile	\$ 45,000	\$ 4,500
The Roger Mody Revocable Trust	Kiswe Mobile	\$ 250,002	\$ 25,000
Theodore J. Leonsis Revocable Trust	Kiswe Mobile	\$ 70,002	\$ 7,000
Two Trey LLC	Kiswe Mobile	\$ 600,003	\$ 60,000
Wentworth Capital Investments	Kiswe Mobile	\$ 500,004	\$ 50,000
Wim Sweldens	Kiswe Mobile	\$ 300,006	\$ 30,000
Yeon Cheon Oh	Kiswe Mobile	\$ 100,008	\$ 10,000
Zachary E. Leonsis	Kiswe Mobile	\$ 30,006	\$ 3,000
Rasik Gondalia	Leading Pharma	\$ 2,500,000	\$ 250,000
Ronald Gold	Leading Pharma	\$ 2,500,000	\$ 250,000
Douglas C. Cline	Log Storm Security	\$ 600,000	\$ 60,000
Naseem Haffar	LugTrack LLC	\$ 125,000	\$ 12,500
Fred Beans	Midawi Holdings	\$ 250,000	\$ 25,000
John Benis	Midawi Holdings	\$ 50,000	\$ 5,000
Morton Collins	Midawi Holdings	\$ 125,000	\$ 12,500
Morton Collins	Midawi Holdings	\$ 100,000	\$ 10,000
Morton Collins	Midawi Holdings	\$ 50,000	\$ 5,000
Theodore Marcus	Midawi Holdings	\$ 25,000	\$ 2,500
Nelson Ferreira	Noveda Technologies	\$ 226,500	\$ 22,650
Nelson Ferreira	Noveda Technologies	\$ 300,000	\$ 30,000
Daniil Fishteyn	OnTimeWorks LLC	\$ 125,000	\$ 12,500
Rachel Lyubovitzky	OnTimeWorks LLC	\$ 125,000	\$ 12,500
William K. Loss	OnTimeWorks LLC	\$ 500,000	\$ 50,000
Carl Westcott	Princeton Infrared Technologies	\$ 200,000	\$ 20,000
Hough Family Trust	Princeton Infrared Technologies	\$ 100,000	\$ 10,000
John E. Stoddard III	Princeton Infrared Technologies	\$ 100,000	\$ 10,000
Linehan Family Investments, LLC	Princeton Infrared Technologies	\$ 250,000	\$ 25,000
Parrish Family Trust	Princeton Infrared Technologies	\$ 100,000	\$ 10,000
Paul Duchon	Princeton Infrared Technologies	\$ 300,000	\$ 30,000
Stephen W. McHugh	Princeton Infrared Technologies	\$ 100,000	\$ 10,000
William J. Roddy	Princeton Infrared Technologies	\$ 100,000	\$ 10,000
Darren Hammell	Princeton Power Systems	\$ 50,000	\$ 5,000
GHO Ventures LLC	Princeton Power Systems	\$ 1,135,387	\$ 113,538
Kenneth W. McCauley	Princeton Power Systems	\$ 74,550	\$ 7,455

Marshall J. Cohen Family Trust	Princeton Power Systems	\$	151,296	\$	15,129
William & Anne Lennox Rev Trust	Princeton Power Systems	\$	59,573	\$	5,957
Avtar S. Parhar	SPECTRAMD USA, INC	\$	100,000	\$	10,000
Bikramjit Singh	SPECTRAMD USA, INC	\$	150,000	\$	15,000
Harjit Singh	SPECTRAMD USA, INC	\$	50,000	\$	5,000
Rajiv and Sushma Lakhanpal	SPECTRAMD USA, INC	\$	150,000	\$	15,000
Rajiv Lakhanpal	SPECTRAMD USA, INC	\$	92,500	\$	9,250
Raksha Trivedi	SPECTRAMD USA, INC	\$	75,000	\$	7,500
Reema Puri	SPECTRAMD USA, INC	\$	150,000	\$	15,000
Sandeep Tyagi	SPECTRAMD USA, INC	\$	100,000	\$	10,000
SpectraMD Inc.	SPECTRAMD USA, INC	\$	225,000	\$	22,500
Sushma Lakhanpal	SPECTRAMD USA, INC	\$	92,500	\$	9,250
Varinder Singh	SPECTRAMD USA, INC	\$	100,000	\$	10,000
Christopher Schlank	TAXIS Pharmaceuticals, Inc.	\$	100,000	\$	10,000
Ernest Mario	TAXIS Pharmaceuticals, Inc.	\$	500,000	\$	50,000
Gregory G. Mario	TAXIS Pharmaceuticals, Inc.	\$	50,000	\$	5,000
Mario Family Partners LP	TAXIS Pharmaceuticals, Inc.	\$	500,000	\$	50,000
Gary Gelbfish, M.D.	Turnpoint Medical Devices, Inc.	\$	199,500	\$	19,950
Betsy Dawson Cotton	United Silicon Carbide, Inc.	\$	50,000	\$	5,000
John Christopher Dries	United Silicon Carbide, Inc.	\$	750,000	\$	75,000
John Christopher Dries	United Silicon Carbide, Inc.	\$	200,000	\$	20,000
David J. Leishman	VectraCor, Inc.	\$	150,000	\$	15,000
James E. Pinkin	VectraCor, Inc.	\$	150,000	\$	15,000
Alan Dlugash	WorldWater & Solar Technologies, Inc.	\$	125,000	\$	12,500
Alfred L. Cohen	WorldWater & Solar Technologies, Inc.	\$	500,000	\$	50,000
Bruce Deichl	WorldWater & Solar Technologies, Inc.	\$	125,000	\$	12,500
Ira Kevelson	WorldWater & Solar Technologies, Inc.	\$	75,000	\$	7,500
Christopher Palmer Miller	Zipz, Inc.	\$	100,000	\$	10,000
James Formisano	Zipz, Inc.	\$	99,985	\$	9,998
Jamie R Pollack Irrevocable Trust I	Zipz, Inc.	\$	124,998	\$	12,499
Joseph Monte	Zipz, Inc.	\$	158,334	\$	15,833
Margate Partners I	Zipz, Inc.	\$	52,388	\$	5,238
Mark S Pollack Irrevocable Trust I	Zipz, Inc.	\$	124,998	\$	12,499
Neil Desena	Zipz, Inc.	\$	175,000	\$	17,500
Nicholas Cassino	Zipz, Inc.	\$	50,000	\$	5,000
Nicholas Cassino	Zipz, Inc.	\$	150,000	\$	15,000
Pamela Sculler	Zipz, Inc.	\$	50,000	\$	5,000
Patrick Scire	Zipz, Inc.	\$	185,828	\$	18,582
River Capital Associates, LLC	Zipz, Inc.	\$	300,000	\$	30,000
River Capital Associates, LLC	Zipz, Inc.	\$	261,949	\$	26,194
River Capital Associates, LLC	Zipz, Inc.	\$	150,000	\$	15,000
Salvatore Scire	Zipz, Inc.	\$	52,388	\$	5,238
The Patrick Scire 2001 GST Trust	Zipz, Inc.	\$	200,000	\$	20,000
The Patrick Scire 2001 GST Trust	Zipz, Inc.	\$	104,780	\$	10,478
The Patrick Scire 2001 GST Trust	Zipz, Inc.	\$	100,000	\$	10,000
TRT Holdings LLC	Zipz, Inc.	\$	100,000	\$	10,000
TRT Holdings LLC	Zipz, Inc.	\$	199,998	\$	19,999
TRUST FBO CATHERINE G. KNOPF	Zipz, Inc.	\$	41,666	\$	4,166
TRUST FBO CATHERINE G. KNOPF	Zipz, Inc.	\$	83,313	\$	8,331
TRUST FBO ELIZABETH A. KNOPF	Zipz, Inc.	\$	41,666	\$	4,166
TRUST FBO ELIZABETH A. KNOPF	Zipz, Inc.	\$	83,313	\$	8,331
TRUST FBO EMILY C. KNOPF	Zipz, Inc.	\$	31,250	\$	3,125
TRUST FBO EMILY KNOPF	Zipz, Inc.	\$	62,497	\$	6,249
TRUST FBO JAMES M. KNOPF	Zipz, Inc.	\$	41,666	\$	4,166
TRUST FBO JAMES M. KNOPF	Zipz, Inc.	\$	83,313	\$	8,331
TRUST FBO JENNIFER S. KNOPF	Zipz, Inc.	\$	31,250	\$	3,125
TRUST FBO JENNIFER S. KNOPF	Zipz, Inc.	\$	62,497	\$	6,249

TRUST FBO LAURA M. KNOPF	Zipz, Inc.	\$ 62,497	\$ 6,249
TRUST FBO LAURA M. KNOPF	Zipz, Inc.	\$ 31,250	\$ 3,125
TRUST FBO MAX B. KNOPF	Zipz, Inc.	\$ 31,252	\$ 3,125
TRUST FBO MAX B. KNOPF	Zipz, Inc.	\$ 62,497	\$ 6,249
Q4 2015 Total	174 applications approved	\$ 40,982,464	\$ 4,098,225

2015 Declinations

Investor	Application Number	Technology Company	Tax Credit Amount	Reason for Declination
MissionPoint	207368	Just Greens LLC	\$ 200,000	* a
GSR Greens	207374	Just Greens LLC	\$ 500,000	* a
Fahd Riaz	208661	PDS Biotechnology	\$ 5,000	* a
Mark L. Winkler Enterprises LLC	208528	Turnpoint Medical Devices	\$ 72,500	* a
Michael Acker	208529	Turnpoint Medical Devices	\$ 25,000	* a
Mark L. Winkler Enterprises LLC	208539	Turnpoint Medical Devices	\$ 37,500	* a
DND LLC	208540	Turnpoint Medical Devices	\$ 2,500	* a
DND LLC	208541	Turnpoint Medical Devices	\$ 2,500	* a
Robert O'Mara	208628	Turnpoint Medical Devices	\$ 5,000	* a
Mary Claire O'Mara	208629	Turnpoint Medical Devices	\$ 2,500	* a
Menachem Bluming	208641	Turnpoint Medical Devices	\$ 5,000	* a
David Jeffrey Kay	208642	Turnpoint Medical Devices	\$ 10,000	* a
Anthony Albanese	208644	Turnpoint Medical Devices	\$ 2,000	* a
Stewart Cohen	208645	Turnpoint Medical Devices	\$ 2,500	* a
Michael Kennerley	208646	Turnpoint Medical Devices	\$ 2,000	* a
James Gregory Muldoon	208649	Turnpoint Medical Devices	\$ 25,000	* a
Horizon Kinetics LLC	208658	Turnpoint Medical Devices	\$ 25,000	* a
James and Brenda Mulvihill	208667	Turnpoint Medical Devices	\$ 2,500	* a
Adec Private Equity Investments	208670	Turnpoint Medical Devices	\$ 60,000	* a
Meyer and Laura Cohen	208689	Turnpoint Medical Devices	\$ 2,500	* a
Christopher York	208690	Turnpoint Medical Devices	\$ 25,000	* a
Richard Johnson	208698	Turnpoint Medical Devices	\$ 2,500	* a
Richard Johnson	208699	Turnpoint Medical Devices	\$ 3,000	* a
Mark Ely	208788	Turnpoint Medical Devices	\$ 10,000	* a
Stephen Leslie Tobias	208798	Turnpoint Medical Devices	\$ 2,500	* a
James Pinkin	208726	VectraCor, Inc.	\$ 40,000	* b
James Pinkin	208728	VectraCor, Inc.	\$ 15,000	* b, * c
James Pinkin	208729	VectraCor, Inc.	\$ 7,500	* c
Sacajo Investments	208736	VectraCor, Inc.	\$ 15,000	* b, * c
Sacajo Investments	208737	VectraCor, Inc.	\$ 40,000	* b
David Leishman	208821	VectraCor, Inc.	\$ 15,000	* b, * c
David Leishman	208822	VectraCor, Inc.	\$ 40,000	* b

* a	The Company does not meet the definition of a "New Jersey Emerging Technology Business" because on the date of investment the Company did not have at least 75% of its employees filling a position in New Jersey.
* b	The Company does not meet the definition of a "New Jersey Emerging Technology Business" because during the six months following the date of investment, the Company did not have at least 75% of its employees filling a position in New Jersey.
* c	The applicant did not submit a completed application within one year of the date of the qualified investment, as is required under program rules.