



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
Chief Executive Officer
DATE: February 11, 2020
SUBJECT: Agenda for Board Meeting of the Authority February 11, 2020

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

CEO's Report to the Board

Authority Matters

Office of Economic Transformation

Incentives

Bond Projects

Loans/Grants/Guarantees

Board Memorandums

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

January 16, 2020

MINUTES OF THE MEETING

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

Absent: Public Member Massiel Medina Ferrara.

Also present: Timothy Sullivan, Chief Executive Officer of the Authority; Assistant Attorney General Gabriel Chacon; Stephanie Brown, Governor's Authorities' Unit; and staff.

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the December 10, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Ms. Rosenblatt, and was approved by the 8 voting members present.

Ms. Bauer, Ms. Glover, Ms. Hicks, Ms. Marley, and Mr. Shimko abstained from voting because they were not board members at the time.

The next item of business was the approval of the December 10, 2019 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Ms. Rosenblatt, and was approved by the 8 voting members present.

Ms. Bauer, Ms. Glover, Ms. Hicks, Ms. Marley, and Mr. Shimko abstained from voting because they were not board members at the time.

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

AUTHORITY MATTERS

ITEM: Establishment of NJ Brownfields Assistance Center at NJIT

REQUEST: To approve a MOU between NJEDA and NJIT to establish Brownfields Assistance Center, provide \$200,000 in funding, and resources required for establishment of the center.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Launch of Pilot Grant Program to support Federal i6 Challenge Program

REQUEST: To approve \$300,000 in funding from the Economic Recovery Fund (ERF) to create and implement the NJ i6 Challenge Support Program.

MOTION TO APPROVE: Comm. Caride **SECOND:** Mrs. Marley **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

OFFICE OF ECONOMIC TRANSFORMATION

ITEM: Venture Fund Program Policy Updates

REQUEST: To approve policy updates to the Venture Fund Program to support the Venture Fund Program investments.

MOTION TO APPROVE: Commissioner Angelo **SECOND:** Mr. Dumont **AYES: 13**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

ITEM: Activate Ventures II Annex Fund Investment

REQUEST: To approve commitment of 8% aggregate fund commitments, maximum \$800,000 to support growth of technology companies located in New Jersey.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

BOND PROJECTS

ITEM: 2019 Carryforward Request

REQUEST: Consent to carryforward any unused portion of the State's 2019 Private Activity Bond allocation with the U.S. Department of Treasury.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

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

MOTION TO APPROVE: Ms. Rosenblatt **SECOND:** Mr. Alagia **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: Bassam Abouhayla APPL.#00187937
LOCATION: Franklin Township, Somerset County
PROCEEDS FOR: Remedial Investigation
FINANCING: \$111,300 Loan

Petroleum Underground Storage Tank (PUST)

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

MOTION TO APPROVE: Ms. Bauer **SECOND:** Ms. Marley **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

PROJECT: Francine C. Cramer APPL.#00188071
LOCATION: Absecon City, Atlantic County
PROCEEDS FOR: Upgrade, Closure, Remedial Action
FINANCING: \$145,490.56 grant

PROJECT: Rutha Lucas APPL.#00188075
LOCATION: Matawan Borough, Monmouth County
PROCEEDS FOR: Upgrade, Closure, Remedial Action
FINANCING: \$134,376.54 grant

REAL ESTATE

ITEM: NJ Bioscience Center Lease Agreement

REQUEST: Approval to execute lease with Apicore for lease space at NJ Bioscience Center and associated documents required

MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Bauer **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Credit Underwriting Projects Approved Under Delegated Authority

Direct Loan:

PROJECT: Hampton-Clarke, Inc. (PROD-00188053)
LOCATION: Fairfield Borough, Essex County
PROCEEDS FOR: Purchase of equipment
FINANCING: \$137,225 NJEDA Direct Loan

Premier Lender Program:

PROJECT: Noel 130 LLC (PROD-00188124)
LOCATION: Carlstadt Borough, Bergen County
PROCEEDS FOR: Purchase the project property
FINANCING: \$6,000,000 JPMorgan Chase Bank with a \$1,200,000 NJEDA participation

PUBLIC COMMENT

Mr. Lekendrick Shaw, Elected School Board Trustee/Consultant, Jersey City addressed the board regarding the redevelopment/economic development by DEVCO in the City of New Brunswick.

Mr. Charlie Kratovil, New Brunswick Today, addressed the board regarding the implementation of a past project approved under the Urban Transit Hub program, in the City of New Brunswick .

EXECUTIVE SESSION

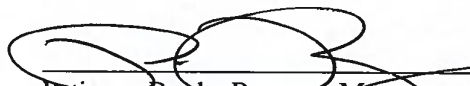
The next item was to adjourn the public session of the meeting and enter into Executive Session to receive attorney-client advice regarding ongoing legal inquiries.

MOTION TO APPROVE: Mr. Quinn **SECOND:** Mr. Dumont **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

The Board returned to Public Session.

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

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


Patience Purdy, Program Manager
Marketing & Stakeholder Outreach
Assistant Secretary



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
DATE: February 11, 2020
RE: Monthly Report to the Board

ADVANCING GOVERNOR PHIL MURPHY'S CLEAN ENERGY GOALS

On January 27, 2020 Governor Phil Murphy unveiled the state's Energy Master Plan, which outlines key strategies to reach the Administration's goal of 100 percent clean energy by 2050. The Energy Master Plan is the first of a series of steps to ensure that New Jersey generates, uses, and manages its energy supply in a way that is consistent with economic, climate, and societal demands.

Governor Murphy also signed Executive Order No. 100, directing the Department of Environmental Protection (DEP) to make sweeping regulatory reforms, branded as Protecting Against Climate Threats (PACT), to reduce emissions and adapt to climate change. This action makes New Jersey the first state in the nation to pursue such a comprehensive and aggressive suite of climate change regulations.

Throughout January, the NJEDA worked with its state partners to support the Governor's clean energy goals. The Authority collaborated with the NJ Jersey Board of Public Utilities (NJBPU) and New Jersey's Clean Energy Program™ (NJCEP) to issue a Request for Information (RFI) seeking input on programs and initiatives to improve New Jersey's cleantech ecosystem. The NJEDA also issued a request for qualifications/proposals (RFQ/P) to support an Offshore Wind (OSW) Technical Assistance Program that will help New Jersey companies develop the skills and competencies they need to participate in New Jersey's burgeoning OSW industry.

NEW JERSEY'S GOLDEN SEEDS CHAPTER DEBUTS AT MONTCLAIR STATE UNIVERSITY

First Lady Tammy Snyder Murphy and representatives from the NJEDA and Golden Seeds gathered at Montclair State University last week to celebrate the launch of the New Jersey chapter of Golden Seeds with angel investors and other members of the Garden State's innovation ecosystem. Founded in 2005, Golden Seeds is a nation-wide angel investor network dedicated to investing in female-led startup companies. The organization has more than 300 members that include accredited investors from a diverse range of locations, sectors, and backgrounds.

The New Jersey chapter of the organization joins seven established Golden Seeds chapters in Arizona, Atlanta, Boston, Dallas, Houston, New York City, and Silicon Valley. The kickoff event took place at Montclair State University because of the University's focus on female entrepreneurs, including its support of Women Entrepreneurship Week in October.

On February 27, Golden Seeds will host its first New Jersey information session and office hours at The Co-Co, a collaborative workspace in Summit. The event will give entrepreneurs the chance to meet one-on-one with experienced angel investors to gain invaluable feedback and learn about Golden Seeds' investing process. Due to overwhelming interest, this first event is at capacity and Golden Seeds is now accepting registrants for its March 25 session. Interested entrepreneurs will find registration information on the NJEDA website

POPULAR FILM TAX CREDIT PROGRAM EXPANDED

Due to a surge in film and television production in New Jersey following the launch of the Film and Digital Media Tax Credit Program, the program was becoming oversubscribed. In January, Governor Murphy approved Assembly Bill 5580, which increased the annual cap on incentives for film and television productions from \$75 million a year to \$100 million a year, and extends the program so that it expires in 2028. The digital media tax breaks remain capped at \$10 million a year. Film and television production generates significant economic activity and jobs for local industries like food service, construction and security services.

NJEDA REACHES OUT TO COMPANIES FOLLOWING TASK FORCE REPORT

The NJEDA's Portfolio Management and Compliance team has reached out to additional companies based on information included in a report issued by the Governor's Task Force on EDA Incentives in January. Letters have been sent to Elwyn, Amerinox Processing, Inc., and Rainforest Distribution requesting additional information or clarification of information included in their incentive applications. Additionally, letters have been sent to 15 companies which worked with the same Grow NJ incentives consultant seeking documentation regarding certain representations included in their respective applications. Finally, we have notified the Philadelphia 76ers that their award was improperly calculated to include EDA issuance fees totaling approximately \$400K and that their award will be reduced accordingly.

Staff review of responses to inquiries previously sent to nine companies is still underway.

NJEDA RAMPS UP AWARENESS OF SMALL BUSINESS RESOURCES

The NJEDA's Small Business Services team has been hosting Small Business Resources Workshops throughout the State to raise awareness of resources available to New Jersey businesses. These workshops are being offered in partnership with state agencies and private-sector partners, including the US Small Business Administration, UCEDC, Greater Newark Enterprise Corporation, The NJ Business Action Center, NJ Department of Treasury, NJ Board of Public Utilities, and the Latin American Economic Development Association. Upcoming workshops include Atlantic City on February 20, and Cherry Hill on May 5. Please see the NJEDA website for details.

We are also working with our partners at the county and municipal levels to finalize plans for the NJEDA's upcoming road shows, which are designed to raise awareness of NJEDA resources for business of all sizes across all sectors. As we have said from the beginning of Governor Murphy's administration, corporate tax incentives should be just one tool in the toolkit, in service of a broader strategy. Under Gov. Murphy's leadership, the NJEDA and our partners throughout the administration have developed a robust suite of new tools and programs to invest in people, encourage innovation, and revitalize local communities. We'll be launching a schedule of 21 sessions – one in each New Jersey county -- on March 11.

To raise awareness of a successful New Jersey small businesses that benefitted from NJEDA support, representatives from the NJEDA and ConnectOne Bank joined Clifton Mayor James Anzaldi for a tour of Shawnee Trucking, a logistics company that recently took advantage of the NJEDA's Premier Lender Program to purchase a six-acre property in Clifton that now serves as the company's national headquarters. The minority-owned company today employs more than 125 people in New Jersey and plans to hire additional workers in the next two years. The visit also highlighted small businesses' role in New Jersey's growing transportation and logistics sector.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

NJEDA representatives participated as speakers, attendees, sponsors, or exhibitors at 29 events in January, including five speaking roles. This included the NJ Bankers 2020 Economic Leadership Forum, the Invest Newark Business Certification Expo, NJ State Veterans Access to Capital, and the NJ Angel Forum Breakfast Meeting.

A handwritten signature in black ink, appearing to be 'T. A.', written above a horizontal line.

AUTHORITY MATTERS



MEMORANDUM

Outside Special Legal Counsel

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 11, 2020

RE: Special Counsel: Executive Order 52 (Murphy 2019) and Attorney General Investigation – Amendment to Retention Agreement

Summary

The Members are asked to approve additional contract funding of \$500,000 (for a revised fee cap of \$2,400,000) due to ongoing need for representation related to the subject legal matters. The additional funding will be at the blended hourly rate for all attorney positions of \$450/hour outlined in the original retention letter executed between the Authority and Friedman, Kaplan, Seiler, and Adelman, LLP (“Friedman Kaplan”) on February 21, 2019.

Background

On January 24, 2019, Governor Murphy signed Executive Order 52 which established a Task Force on EDA’s Tax Incentives (the “Task Force”). The mission of the Task Force is to conduct an in-depth examination of the deficiencies in the design, implementation, and oversight of Grow NJ and ERG, including those identified in the 2019 State Comptroller’s performance audit, to inform consideration regarding the planning, development and execution of any future iterations of these or similar tax incentive programs. The Task Force holds public hearings and asks individuals to testify who can provide insight into the design, implementation, and oversight of these programs. The Task Force will report its findings to the Governor and the Legislature, as appropriate.

The Attorney General announced a separate investigation of these programs.

Based on the foregoing, EDA staff in consultation with an ad hoc committee of Board members determined it was in the best interest of the Authority to retain special counsel for the Board and the staff.

On January 31, 2019, the Authority issued a Solicitation of Proposals (“Solicitation”) for Emergent, Specialized Legal Services. The purpose of the Solicitation was to obtain proposals from certain well-qualified, non-conflicted law firms that were identified by a committee of the Board to represent both the EDA Board and staff. The Solicitation resulted in an award of a one

(1) year contract with three (3), one (1) year extension options at an initial retention of \$250,000 approved under delegated authority to Friedman Kaplan. This amount was increased by:

- \$400,000 with board approval on May 14, 2019, revising the fee cap to \$650,000
- \$400,000 with board approval on June 11, 2019, revising the fee cap to \$1,050,000
- \$850,000 with board approval on August 13, 2019, revising the fee cap to \$1,900,000

Work began in February of 2019 and is ongoing. Friedman Kaplan has provided continual advice and counsel with respect to matters bearing upon the investigations. Services include assistance, counseling, and guidance to the EDA Board and staff, as applicable, with respect to the production of documents, subpoenas, public hearing testimony, overall strategy, regulatory and fiduciary obligations, and potential litigation. If legal action is taken against the Authority related to the investigations, Friedman Kaplan may be requested to prepare, commence, and manage litigation on behalf of the Authority. Preparation may include significant pre-filing evaluative and investigative work. Litigation will include: drafting pleadings, motions, briefs and all other papers to be filed in court; conducting and responding to discovery; attending all pre-trial, trial and post-trial court appearances; conducting settlement negotiations and handling appeals. Special Counsel will also be expected to handle all issues arising in the litigation, including all issues that must be raised in compliance with the entire controversy doctrine. Special Counsel must regularly communicate with EDA Board Members and staff, as applicable.

Through December 31, 2019, the Authority has paid approximately \$1,718,000 under the retention agreement. January and February 2020 billing is estimated to be approximately \$180,000.

Recommendation

In summary, approval is requested for ongoing additional contract funding of \$500,000 (for a revised fee cap of \$2,400,000) at the same blended hourly rate for all attorney positions of \$450/hour under the same terms and conditions outlined in the original retention letter of February 21, 2019. It should be noted that these fees are being paid from the Authority's net assets and will not detract from existing EDA programs or burden the taxpayers of the state. Additionally, some of the costs are expected to be reimbursed or paid directly through the Authority's insurance coverage.



Tim Sullivan
Chief Executive Officer

Prepared by: Fred Cole

OFFICE OF ECONOMIC TRANSFORMATION



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 11, 2020
RE: NJ Accelerate

OVERVIEW

The members of the Board are requested to approve a \$2,500,000 pilot program called NJ Accelerate.

The program will be structured as a two-step process: first, accelerator operators will be pre-qualified (Approved Accelerators) and second, financial assistance will be provided to NJ business that complete a program at an Approved Accelerator. The goal of the program is to encourage greater participation by New Jersey's entrepreneurs in accelerator programs that provide specialized expertise, mentorship and technical assistance, thereby, increasing the success of those companies. Additionally, the NJEDA hopes to attract more accelerator activities in New Jersey.

Through the NJ Accelerate program the NJEDA will:

- Promote Approved Accelerator program opportunities to the NJ innovation ecosystem
- Provide direct matching sponsorship support to the Approved Accelerators for programs and events held within the State
- Provide direct loans and rent support to eligible NJ businesses upon successful Approved Accelerator program graduation
- Support the Governor's goal of making NJ the most diverse innovation ecosystem in the country

BACKGROUND

An accelerator is a fixed-term, cohort-based "boot camp" for start-ups offering educational and mentorship programs for start-up founders, exposing them to a wide variety of mentors, including former entrepreneurs, venture capitalists (VCs), angel investors, and corporate executives. The program often culminates in a public pitch event, or "demo day," during which the graduating cohort of start-up companies pitch their businesses to a large group of potential investors.¹

Accelerators also often support early-stage startup companies by providing investment capital and office space. Often accelerators are sponsored by an entity such as a corporation or non-profit. These entities use the accelerator program to stay close to emerging technology trends, support innovation in areas of focus, and establish a pipeline for potential investments and/or acquisitions. In addition, accelerator programs

¹ Hochberg, Y. V. (2016). Accelerating Entrepreneurs and Ecosystems: The Seed Accelerator Model. *Innovation Policy and the Economy*, 16(1), 25-51. Retrieved 12 4, 2019, from <https://journals.uchicago.edu/doi/abs/10.1086/684985>

are sometimes targeted to specific demographic or affinity groups, such as those traditionally underrepresented in the start-up community such as: female entrepreneurs and founders of color.

According to the Brookings Institute, there were approximately 170 US-based accelerators as of 2015; this number is a conservative estimate, considering that in 2016, the investor platform, Gust, reported there were over 10,000 self-identifying accelerators globally. Examples of notable accelerators include Y-Combinator, DreamIt Ventures, and New Jersey-based Newark Venture Partners. In practice, accelerator programs are a combination of traditionally distinct services or functions that were each individually costly for an entrepreneur to find and obtain and may include support topics like “how to develop your sales pipeline” or “how to successfully sell your value proposition and/or market your product”.

PROGRAM PURPOSE AND POLICY ALIGNMENT

Governor Murphy’s Economic Development Strategic Plan, “The State of Innovation: Building a Stronger and Fairer New Jersey Economy” includes, as one of its key goals, creating the most diverse innovation ecosystem in the nation and doubling venture capital investment in New Jersey by 2025.

It is well documented that entrepreneurship creates jobs and contributes to the development of innovation economies. However, as indicated in the Governor’s plan, New Jersey’s business environment has, historically, proven challenging for entrepreneurs and small businesses to navigate, resulting in entrepreneurial output that is below the level necessary to reestablish New Jersey as the State of Innovation. According to analysis of 2018 data from the Bureau of Labor Statistics conducted by the Ewing Marion Kauffman Foundation, just 0.29% of New Jersey’s population started a business compared to a national average of 0.32%. On the upside, this same analysis shows that New Jersey start-ups produce more jobs in the first year than the national average (5.38 vs. 5.2). By supporting entrepreneurs during the early stages of developing new businesses, there is a clear opportunity for the Authority to help unlock the economic potential of entrepreneurship in New Jersey and further build up New Jersey’s Innovation Ecosystem.

Early-stage entrepreneurs face many obstacles to success, ranging from lack of business expertise to lack of funding. Traditionally female entrepreneurs and founders of color are, generally, underrepresented in the start-up community. As research has shown, there currently exists a trillion dollar inefficiency in the marketplace which results in a “funding gap” for women and multicultural entrepreneurs. Despite the trillion-dollar opportunity that female and multicultural entrepreneurs represent, investors have largely upheld the status quo, despite the data suggesting that they should be prioritizing these entrepreneurs.² Recognizing this, along with the density of multicultural entrepreneurs and start-ups that reside in the NJ tri-state region, this program seeks to address this funding imbalance by supporting accelerator programs that incentivize funding in high growth potential start-ups led by women and founders of color with a 5% bonus, and managers focused on D&I investing in entrepreneurs who are certified as Women or Minority owned business in NJ, aligning with a similar bonus in the Angel Investor Tax Credit.

Strong entrepreneurial ecosystems, such as New York and Boston, are ripe with opportunities for entrepreneurs to access knowledge, resources, and people that enable them to effectively navigate these challenges and set their businesses up for growth. The NJ Accelerate program recognizes the strengths of accelerators in nurturing the next generation of entrepreneurs. Through this program, the NJEDA wants

² Beyond the VC Funding Gap/Morgan Stanley/www.morganstanley.com/ideas/venture-capital-funding-gap

to liaise and build relationships with these industry leaders around the country giving them a lens into the NJ Innovation Economy. Additionally, we want to assure our entrepreneurs have access to these best in class programs and return home to NJ with the tools and support to grow their businesses in the Garden State. NJ Accelerate can also serve as an attraction tool for Approved Accelerator graduate companies who seek a landing spot for the new business endeavor.

PROPOSED PROGRAM DESIGN, STRUCTURE & IMPACT

Building on recent NJEDA programs such as NJ Ignite to reach NJ entrepreneurs through the ecosystems participants that provide key support to entrepreneurs, NJ Accelerate will seek to collaborate with accelerators that are approved using a set of clear qualification criteria (see below). The object of this collaboration is to encourage the increased participation of New Jersey entrepreneurs in high quality accelerator programs, and thereby, increase the chances of successfully growing more young, innovative companies in the State.

Additionally, the program is designed to encourage more engagement by high-quality accelerators in New Jersey to generate more opportunities for young companies. Such Approved Accelerator programs will have submitted qualification materials to the NJEDA with a commitment to open their program participation to NJ entrepreneurs, and agree to an annual review for NJ Accelerate program participation.

The NJEDA will welcome all accelerators that meet the program criteria and evaluate them during the pilot on a first-come, first-served basis. As a benefit to the Approved Accelerators for their participation in the program, the Authority will disseminate information about, and facilitate introductions for Approved Accelerator Programs to NJ entrepreneurs.

Additionally, to encourage further engagement in New Jersey by the Approved Accelerators, NJEDA will offer cost-sharing sponsorship to each Approved Accelerator to host Programmatic Events in the State. Examples of Programmatic Events may include but are not limited to: The Accelerator's Demo Day; cohort road show; an in-person class; accelerator sourcing event or pitching competition; dedicated networking event or conference. This funding will be available at an amount of up to \$25,000 per Programmatic Event, per Approved Accelerator in the form of a 1:1 matching sponsorship. Each Approved Accelerator will be capped at \$100,000 in total sponsorship during this pilot program with consideration for a monetary Programmatic Event sponsorship bonus of 5% (up to an additional \$5,000 beyond the matched funding outlay) for Approved Accelerators that demonstrate meaningful written policies and practices for attracting and promoting companies owned by women and minority persons, as defined by the NJ Department of the Treasury for purposes of the MBE/WBE certification. The policies and practices will be reviewed by the New Jersey Office of Diversity & Inclusion or designated Diversity & Inclusion Officer within NJEDA. Approved Accelerator Event Sponsorship will be subject to review in advance of event. NJEDA reserves the right not to disburse funding for events that occur outside of NJEDA ethical requirements and policies.

To be considered as part of the NJ Accelerate Program, the accelerator entity must meet the minimum following criteria:

- The Accelerator is best-in-class as demonstrated by:

- A well-codified thorough and rigorous screening process by the Accelerator for all applicants to the Accelerator
 - A structured curriculum that is focused on supporting the growth of startups and at a minimum includes business strategy around product sales & marketing
 - High prior participant satisfaction, as verifiable through reference calls and testimonials
 - Access to at least 50 actively engaged subject matter experts/mentors across industries or functional capabilities to provide specific programmatic training for each company (e.g. Technology, Sales, Strategy, Financing, Accounting, Marketing, Fundraising, etc.)³
 - Program engagement of the broader startup ecosystem of mentors, advisors or investors from outside the Accelerator and hosts a demo day viewable to outside participants
 - A minimum of 20 mentoring hours to the selected participant companies
 - A proven and documented or certified track record of success in prior graduates, demonstrated by at least 35% (which is the prevailing market median and will be adjusted annually by NJEDA staff according to available updated data) of graduates to receive follow-on funding from non-related parties (non-related defined as anyone not in participating company managements), seeing strategic acquisition, significant (50%+) revenue growth in the last year or achieve an exit⁴
 - The existence of a platform to facilitate community engagement and networking for current and past program participants (i.e. an active alumni network)
 - If a corporate accelerator, the active participation of staff at all levels of the organization, including Senior management at the Corporation
- The Accelerator must include an in-person aspect and not be entirely virtual, which allows for engagement and personal mentoring of the selected companies; the permanent or temporary physical space used by the Accelerator must be in the US, equipped to host events, and be available for an NJEDA site visit if requested
 - The Accelerator will provide financial investment in some form to at least one participant company per program cohort, including direct investment or customer sales relationship (in-kind arrangements are insufficient)
 - Accelerators must have graduated a minimum of two cohorts prior to NJ Accelerate approval
 - The Accelerator Program supports innovation and has a consideration for, or focus on, at least one of the eight focus sectors in Governor Murphy's economic development plan with a preference for all accelerator programs that have a focus on supporting the following underserved groups: female entrepreneurs and founders of color.
 - The Accelerator Program is open to applicants (i.e., start-up companies and entrepreneurs) from

³ GAN accelerators have a median of 50 mentors per location. (Riley, Patrick. "What Accelerators Look Like in 2019." GAN, www.gan.co/blog/accelerators-look-like-2019)

⁴ 35% of the start-ups at the 10 most active accelerators receive over \$750,000 in follow-on funding. To make NJ Accelerate more widely accessible, the \$750,000 floor was relaxed. This number is subject to annual review. (Kaji, Samir. "Are Startup Accelerators Worth It? Here's How Helpful They Are in Getting Funding." CBIInsights, www.cbinsights.com/research/top-accelerators-follow-on-funding-rates)

NJ (as defined below)

The NJEDA will agree to promote the NJ Accelerate program, available through Approved Accelerator programs, within the State's innovation ecosystem (i.e. through referrals, inclusion on the NJ Accelerate web page, reference on social media and from time to time, features in news releases), and provide NJ based Programmatic Event sponsorship to the Approved Accelerators, as outlined above.

For a start-up or entrepreneurial venture to qualify as a NJ company, at least 50% of the company's employees must work in the state of NJ within a period of up to 6 months from the time of graduation from an Approved Accelerator program, amongst other eligibility requirements noted (see exhibit A for full details).

For any eligible NJ Company that graduates from an Approved Accelerator cohort, that company may submit an application within a period of up to 6 months following graduation (or, with specific respect to the rent award portion of NJ Accelerate, the latter date of departure from the Approved Accelerator physical space), NJEDA will make the following programmatic support available:

- Eligibility for approval of a 1:1 matching loan funding up to \$250,000
 - * The funding will come in the form of a 10 year convertible note (see exhibit A for full details) and will be in the same amount of investment dollars funded into the startup by the Approved Accelerator
 - * A fast track to funding consideration as the qualified company will not be required to be reviewed by the NJEDA's Technology Advisory Board (TAB), as the Approved Accelerator will have served as an industry expert evaluation and matching funds, but awardees will be subject to an underwriting and NJEDA board review and approval
- Automatic eligibility to receive rent support up to the highest level of NJEDA grant support of a 6 month grant at the participating NJ Ignite collaborative work spaces for the benefit of the company, post-accelerator graduation, not to exceed \$25,000 (in addition to any direct support from the NJ Ignite host site). If the Approved Accelerator offers a specified physical space accommodation for companies beyond cohort graduation date, the consideration for the rent award may be captured by the company beyond the 6-month application period, and will commence upon the latter exit or departure date from the Approved Accelerator.

The eligible NJ company may select to take advantage of both levels of program support - rent support and direct funding - or at their option- may select to utilize only one of the program features.

- Eligibility for extra funding and rent support for women or minority owned businesses, as certified by the NJ Department of the Treasury, that graduate from an Approved Accelerator or for Approved Accelerators with a diversity and inclusion focus as per the following:
 - * The NJ state certified woman or minority owned business is eligible for a 5% bonus to the otherwise 1:1 matching funds (which may result in a maximum convertible note of

\$262,500 with the consideration for the 5% bonus; the 5% bonus is offered on top of the 1:1 match funding)

* The NJ state certified woman or minority owned business is eligible for a bonus month of rent sponsorship (which may result in a maximum award of 7 months)

An Approved Accelerator may have multiple graduates per cohort which participates in the NJ Accelerate program as outlined herein.

See exhibit A for full support proposed terms and details.

ESTIMATED BUDGET AND IMPACT

With a \$2,500,000 pilot program budget, it is anticipated that 10-15 companies will be supported in the pilot program with the support and engagement of at least five Approved Accelerators. It is anticipated that each Approved Accelerator will average two to three eligible NJ Accelerator companies during the pilot program.

The average NJ Accelerate direct funding to any one company is expected to range from \$100,000 to \$262,500. The maximum funding provided to any single company by the NJEDA through NJ Accelerate will reach up to \$287,500 (\$250k loan + \$25K rent grant, with the additional consideration for W/MBE qualifying funding of up to \$12,500 and 1 month of rent). In addition, up to \$105,000 is reserved for sponsorship of Programmatic Events in New Jersey for each Approved Accelerator (which includes consideration for an additional 5% funding bonus beyond the matched funding outlay for qualifying Approved Accelerators with a D&I focus).

The purpose of the company support under the program is to anchor a NJ entrepreneur in the State who has received an investment of time and resources from a reputable industry Approved Accelerator partner. The NJEDA staff has seen too many instances where a startup participates in an out of state accelerator program and chooses to relocate out of state given access to capital and resources. This program is focused on curbing that attrition and providing wrap around support to a well vetted startup. In addition, the program will encourage the attention and engagement of reputable Accelerator Partners who will more likely engage and participate in the New Jersey Innovation Ecosystem.

Delegated authority

Beginning in July 2003 the Members of the Authority have been asked to delegate signing authority to staff on certain financing and incentive transactions, to create efficiencies for our customers and provide fluidity to our business. As the approvals anticipated in the NJ Accelerate program are anticipated to be routine in nature with very limited Authority exposure, and a shortened response time is critical to the success of the startup business, staff is requesting delegation from the Board to allow staff to approve accelerators, qualifying company rent subsidy and Approved Accelerator event sponsorship [Level 4: Director of TLS and recommending officer] when all program criteria outlined herein are satisfactorily met. This request is similar to other EDA programs of similar scope and size. All applications that staff recommends for declination, whether of entities seeking to participate in the program as Approved Accelerators or of funding and/or rent subsidy, will be presented to the Board. If the program expands

beyond the pilot stage, these delegation levels are to be revisited by the Board. All direct loan funding to accelerator graduates will require board review and approval.


VALUE FOR NJEDA AND THE STATE

It is expected that this program will deliver the following benefits to NJEDA and the State of New Jersey:

- Grow New Jersey's Innovation Economy & Ecosystem;
- Drive the formation and growth of the most promising new ventures by equipping entrepreneurs, with industry specific knowledge, tools, and skills;
- Expand New Jersey's pipeline of commercial stage businesses, including those that would benefit from NJEDA products;
- Increase visibility of NJ's Innovation Economy to accelerators around the country;
- Deepen NJ's relationship with the entities that have created and sponsor Accelerator Programs;
- Generate awareness of New Jersey's resources for entrepreneurs, including NJEDA products, to encourage entrepreneurs to do business in New Jersey;
- Build New Jersey's brand as the State of Innovation among both Corporations and local entrepreneurs.
- Help New Jersey achieve Governor Murphy's goal of becoming the most diverse innovation state in the country

CONCLUSION

Authority staff believes that the pilot NJ Accelerate program will support the most promising commercial stage New Jersey businesses and build upon the support provided by Accelerator programs to anchor the businesses in NJ for the long term contributing to the development of New Jersey's Innovation Ecosystem and encourage engagement with out of state Accelerators for increased activity in New Jersey.



Tim Sullivan
Chief Executive Officer

Prepared by: Kathleen Coviello
Tim Rollender
Meera Kumar

**Exhibit A
NJ Accelerate
Proposed Program Specifications**

Funding Source	Funding for NJ Accelerate Companies using eligible Authority funds from the Economic Recovery Fund (ERF). NJ Accelerate Accelerator Event sponsorship to be funded from general NJEDA Funds.
Program Expiration	Program to operate on a pilot basis – funds will be committed within an estimated 24 months from acceptance of the first application or until such time that the funds are depleted.
Program Purpose	To partner with Approved Accelerators on advancing highly qualified entrepreneurial companies in NJ and building NJ’s Innovation Economy
Accelerator Eligibility Requirements	<p>To be accepted as an Approved Accelerator Partner, the Accelerator must sign a verification form and provide supporting diligence materials that certifies (citing specific, verifiable details as appropriate) that they meet the following requirements:</p> <ul style="list-style-type: none"> • The Accelerator is best in class as demonstrated by: <ul style="list-style-type: none"> ○ A well-codified thorough and rigorous screening process for all applicants ○ A structured curriculum that is focused on supporting the growth of startups and at a minimum includes business strategy around product sales & marketing ○ High prior participant satisfaction, as verifiable through reference calls and testimonials ○ Access to at least 50 actively engaged subject matter experts/mentors across industries or functional capabilities to provide specific programmatic training for each company (e.g. Technology, Sales, Strategy, Financing, Accounting, Marketing, Fundraising, etc.) ○ Program engagement of the broader startup Ecosystem of mentors, advisors or investors from outside the Accelerator and hosting a demo day viewable to outside participants ○ A minimum of 20 mentoring hours to the selected participants ○ A proven and documented or certified track record of success in prior graduates, demonstrated by at least 35% (to be reviewed and adjusted annually by NJEDA staff according to the prevailing market median data available) of graduates to receive follow-on funding

**Exhibit A
NJ Accelerate
Proposed Program Specifications**

	<p>from non-related parties (non-related defined as anyone not in participating company managements), seeing strategic acquisition, significant (50%+) revenue growth in the last year or achieve an exit</p> <ul style="list-style-type: none"> ○ The existence of a platform to facilitate community engagement and networking for current and past program participants (i.e. an active alumni network) ○ If a corporate accelerator, the active participation of staff at all levels of the organization, including Senior management and at the Corporation <ul style="list-style-type: none"> ● The accelerator must include an in-person aspect and not be entirely virtual, which allows for engagement and personal mentoring of the selected companies; The physical space must be available in the US for a NJEDA site visit if desired and be equipped to host events ● The accelerator will provide financial investment in some form to at least one participant company per program, including direct investment or customer sales relationship (in-kind arrangements are insufficient) ● The Accelerator Program is open to applicants from NJ ● The Accelerator Program supports innovation and has a consideration for, or focus on, at least one of the eight focus sectors in Governor Murphy’s economic development plan with a preference and bonus for all accelerator programs that have a focus on supporting underserved groups including: female entrepreneurs and founders of color <ul style="list-style-type: none"> ○ This preference translates into a monetary sponsorship bonus for Approved Accelerators with a diversity focus and their NJ-graduate companies that are certified by the state of NJ as a women or minority-owned business ● Accelerators must have graduated a minimum of two cohorts prior to application
<p>Eligibility Requirements for NJ Companies</p>	<p>NJ companies must meet the following criteria within six months of graduation (or the latter date of departure out of the physical space offered, with respect only to the rent award of NJ Accelerate) from the Approved Accelerator to qualify for the post-graduation support.</p> <ul style="list-style-type: none"> ● Registered to conduct business in NJ ● More than 50% of the employees in the company work in NJ or pay NJ taxes ● The Company is in one of the eight NJ targeted sectors as

**Exhibit A
NJ Accelerate
Proposed Program Specifications**

	<p>listed in Governor Murphy's Economic Development Plan, The State of Innovation</p> <p>The company must support its verification with the following documents:</p> <ul style="list-style-type: none"> • Registration certificate to conduct business in NJ • 2-page executive summary • NJWR30, or NJ Registered PEO letter • Letter from Approved Accelerator confirming successful accelerator program graduation.
<p>Funding Component #1 – Matching Funding for NJ Startup</p>	
<p>Investment Amount</p>	<p>Up to \$250,000 with a 1:1 match of the equity investment made by the Approved Accelerator Partner</p> <p>This investment amount can increase by 5% (up to a maximum of an extra \$12,500 beyond the matched funding outlay) for a business that is a NJ state certified woman or minority owned at the time of matching investment</p>
<p>Investment Instrument and Terms</p>	<p>Convertible Promissory Note (the "Note") with 3% interest and 10-year maturity. No payments for first seven-years. Interest during this period will accrue and be capitalized annually. Beginning month 85, principal plus interest payments will begin for the remaining three-year term to fully amortize the note and capitalized interest.</p> <p>The Authority will receive Warrants with 10-year maturity worth 50% of the Convertible Note Principal utilizing the NJEDA's standard warrant form and will match the pricing on the Approved Accelerator Partner's Investment. In the event the NJEDA is matching a convertible note, penny warrants will be taken.</p>
<p>Funding Disbursement</p>	<p>Full amount of the Note will be disbursed upon execution of closing documents and upon successful completion of Approved Accelerator cohort program.</p>
<p>Conversion/Repayment</p>	<p>Note may convert to equity, without a discount, upon the closing of an equity financing greater than \$1,000,000 from any investor within the Note's 10-year maturity at the sole discretion of the EDA, in accordance with the EDA's current Edison Innovation Fund conversion guidelines, which will include, but not be limited to a review of company performance, transaction terms and funding round. All outstanding principal and accrued interest will convert at the same pricing terms and into the identical equity security issued</p>

**Exhibit A
NJ Accelerate
Proposed Program Specifications**

	<p>at such as the concurrent financing round.</p> <p>Note requires repayment of all outstanding principal and accrued interest at the beginning of year 8 / month 84 and repaying on 36-month amortization until end of 10-year / 120-month term if the EDA has not elected to convert prior to the start of year 8 / month 84.</p> <p>Note can be repaid in its entirety at any time without penalty but the warrant will not be refunded and will remain in place until end of warrant term.</p> <p>Note requires repayment of all outstanding principal and accrued interest upon an event of default prior to Note conversion, all unpaid principal and accrued interest thereon will be immediately due and payable.</p> <p>Failure to make schedule payment will be treated as an event of default.</p>
Funding timeline	The company must have successfully graduated from an approved Accelerator Program within six months prior to application
Component #2 – Grant subsidy to NJ Approved CoWorking space for rent	
Location	The site must be an approved NJ Ignite Participant Host site
Amount	<p>As an eligible NJ Accelerate company, through this program the EDA shall provide a grant for up to the maximum 6 month NJ Ignite program payment terms at the standard site rental rates all other NJ Ignite standard terms are applicable as detailed herein</p> <p>The maximum rent support increases to 7 months for a NJ certified woman or minority owned business</p>
Eligibility Requirements for Tenants Companies partnering with the Collaborative Workspaces	<p>The collaborative workspace should ensure the tenant company signs a verification form that certifies (citing specific, verifiable details as appropriate) the company meets the following requirements:</p> <p>See above for NJ Accelerate Program Company program eligibility</p> <p>The company must support its verification form with the following documents:</p> <ul style="list-style-type: none"> • Satisfactory signed lease or membership agreement with an approved collaborative workspace facility (which participates in NJ

**Exhibit A
NJ Accelerate
Proposed Program Specifications**

	<p>Ignite) for a period of time no less than the total occupancy required by the grant</p> <ul style="list-style-type: none"> • The lease must be for the facility in NJ, not a universal membership <p><i>The tenant must agree to allow the Authority to conduct site visits and/or audit the tenant to confirm any stamen made in the tenant's certification.</i></p>
Funding Disbursement	<p>Beginning from date of graduation or the latter date of departure from the Approved Accelerator physical space (if the Approved Accelerator offers a specified physical space for graduates beyond cohort graduation), the full amount of the grant will be disbursed after the collaborative workspace has met its months of commitment in the space and the tenant company has remained for the additional months, from either 6-month EDA funded amount as per NJ Ignite requirements - all disbursement will be made directly to the collaborative workspace for the benefit of the rent expense of the tenant company.</p>
Component #3 – Matching Funding for Programmatic Events held in NJ	
Investment Amount	<p>NJEDA will fund up to \$25,000 in the form of a 1:1 matching sponsorship per Approved Accelerator, per Programmatic Event hosted in New Jersey</p> <p>Each Approved Accelerator will be capped at \$100,000 in sponsorship during this pilot program</p> <p>If an Approved Accelerator has a focus on diversity and inclusion and meets the qualification parameters set by the State Office of Diversity & Inclusion or Designated D&I Officer within NJEDA, NJEDA will sponsor an additional 5% bonus beyond the matched funding outlay, for a maximum of \$26,250 per event or \$105,000 total over the lifecycle of the pilot program</p>
Funding Disbursement	<p>Full amount of the grant will be disbursed after the Programmatic Event has been approved and supporting satisfactory cost detail has been provided after the Approved Accelerator has paid for the costs they will be reimbursed on each event on a requested basis.</p>
Eligibility Requirements for Event Sponsorship	<p>Approved Accelerators Event Sponsorship approval will be subject to review in advance of event. NJEDA reserves the right not to disburse funding for events that occur outside of NJEDA ethical guidelines</p>

INCENTIVE PROGRAMS

**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
MODIFICATION**



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: February 11, 2020

SUBJECT: Symrise, Inc.
GROW NJ Modification–P41647

Request:

As a result of the reduction in eligible capital investment from \$73,910,484 to \$44,908,805 and the reduction in the square footage from 234,128 sf to 146,300 sf at the Branchburg site of the qualified business facility, approval is requested from the Members to affirm that the project has not materially changed to allow staff to complete its certification of project completion. Additionally, as staff is still reviewing the certification documentation including the certification of capital investment, staff requests delegated authority to approve a further 10% reduction from the eligible capital investment of \$44,908,805 (\$4,490,880), if the program minimum is satisfied at each site of the qualified business facility.

All other terms and conditions of the Grow NJ award will be consistent with the current approval.

Background:

Symrise, Inc. (“Symrise”) develops and produces fragrances and flavoring agents, serving the perfume, cosmetics and food industries, as well as manufacturers of household products. They also provide bifunctional and bioactive ingredients and substances to the health and personal care sector.

On March 11, 2016, Symrise was approved for a ten (10) year, \$10,254,300 Grow NJ award to incent the creation of 60 new full-time jobs and retention of 464 full-time jobs at risk of leaving the State. Capital Investment in the qualified business facility (“QBF”), an expansion of an existing 234,128 sf manufacturing, warehousing and office space to accommodate new additional warehousing space in Branchburg and existing 190,225 sf warehousing, logistical, distribution, laboratories and office space in Teterboro, NJ. Because the two sites are not proximate and have different tax credit calculation factors, eligibility criteria and tax credit calculations were performed separately. The total estimated capital investment for the multi-location QBF was \$73,910,484; which exceeded the minimum required at Branchburg in the amount of \$4,682,560 and the minimum required at Teterboro in the amount of \$7,609,000.

Symrise was approved for one six-month extension to certify project completion pursuant to Delegated Authority and on September 11, 2019, Symrise requested certification of its project completion. The company's CPA certified capital investment of \$37,139,606 in Branchburg, which exceeded the minimum requirement of \$4,682,560 and \$7,579,554 in Teterboro, which did *not* meet the minimum requirement of \$7,609,000. The company certified it retained 117 full-time jobs as anticipated and created 10 of the expected 60 new full-time jobs in Branchburg, which exceeded the minimum requirements of 25 and 10, respectively. The company certified it retained 347 full-time jobs in Teterboro as anticipated, which exceeded the minimum requirement of 25.

Staff advised the company's CFO Peter Steinhoff that the minimum required capital investment for Teterboro was not met and that the portion of the award related to Teterboro award was forfeited. Initially, Mr. Steinhoff advised that the AUP demonstrated their total capital investment in Teterboro. However, after this conversation, Mr. Steinhoff, Consultant Joshua Hole, and CPA Adam Lipkin explained that both the CPA and the company understood that capital investment was evaluated in aggregate, not by individual site (which is addressed in the incentive agreement) and that program minimum requirements were met. Mr. Steinhoff advised that additional capital investment was made that was more than the amount certified by the CPA which had been engaged to verify costs expended through June 2019. Subsequently, the company submitted additional costs expended through August 2019 and the CPA submitted an amendment to the original AUP along with 100% of the cost detail totaling \$7,796,199, which as presented exceeds the minimum requirement of \$7,609,000. Staff is currently reviewing 100% of the cost detail.

The company further informed staff that the size of the QBF at the Branchburg location has reduced from 234,128 sf to 146,300 sf, which drove the reduction of the capital investment. Staff conducted a site visit and met with Mr. Steinhoff and toured both the Branchburg and Teterboro locations. Mr. Steinhoff advised that the company had anticipated an extension to its Branchburg building for new production facilities for the flavor and fragrance divisions, which involved three phases to build out. The company advised that two of the three phases were completed which included the infrastructure and build out for the flavor division, new spray dryer and the infrastructure for the fragrance extension. Phase 3, the build out for the fragrance division will commence once the appropriate funding is allocated, which will not be part of the approved QBF.

Based on the aggregate capital investment of \$44,908,805 and the aggregate 474 full-time jobs, the amount of the Grow NJ award remains unchanged at \$10,254,300 (\$2,554,370/Branchburg and \$7,699,930/Teterboro). The QBF is in a priority area subject to a 90% annual withholding limit not to exceed \$4 million. Because the company decided prior to approval to select the total annual award based on the 90% withholding limit, the annual award is limited to \$255,437. Therefore, the reduction in headcount and capital investment in Branchburg did not reduce the approved Grow NJ award.

Pursuant to the Incentive agreement, since the capital investment was reduced more than 25% from what was approved, the net benefit to the State over 20 years was recalculated using the current net benefit model, and the project continues to meet the program requirements. Although the net benefit to the State over 20 years (net of award) was reduced from \$136,370,677 v \$88,698,312, the project continues to satisfy program requirements of being 110% of the award.

Staff determined that the Grow NJ award has not materially changed since the company expended \$44,908,805 in capital investment at the approved QBFs, the company continues its planned operations, the company retained and created jobs at the QBF, and the project continues to satisfy 110% net benefit to the State.

Summary of Project Changes

	<u>At Approval</u>	<u>At Certification</u>
<u>Branchburg:</u>		
Proposed/Actual Jobs	60 (New) 117 (Retained)	10 (New) 117 (Retained)
Eligibility Min. New Jobs	10	10
Eligibility Min. Retained Jobs	25	25
Eligibility Min. Cap-Ex	\$4,992,860	\$4,992,860
Anticipated Cap-Ex	\$66,210,484	\$37,139,606
Base Amount:	\$3,000	\$3,000
Bonus Increases:		
Cap-Ex in Excess of Min	\$3,000	\$3,000
Large # of FT Jobs	\$ 750	\$ 750
Targeted Industry (Mfr)	\$ 500	\$ 500
Total Amount per Incented Employee	\$7,250	\$7,250
Annual Award:		
New:	60 x \$7,250 = \$435,000	10 x \$7,250 = \$ 72,500
Retained:	117 x \$3,625 = \$424,125	117 x \$3,625 = \$424,125
Total:	\$859,125	\$496,625
Total Award:	\$8,591,250	\$4,966,250
Estimated 90%		
Withholdings – Annual Limit	\$ 255,437*	\$ 255,437*
Capped Total Award	\$2,554,370*	\$2,554,370*
<i>*the applicant has selected the total annual award based on the estimated 90% withholding limit rather than the statutorily calculated award</i>		

Teterboro:

Proposed/Actual Jobs	0 (New) 347 (Retained)	0 (New) 347 (Retained)
Eligibility Min. New Jobs	10	10
Eligibility Min. Retained Jobs	25	25

Eligibility Min. Cap-Ex	\$7,609,000	\$7,609,000
Anticipated Cap-Ex	\$7,700,000	\$7,796,199
Base Amount:	\$3,000	\$3,000
Bonus Increases:		
Transit Oriented Development	\$2,000	\$2,000
Targeted Industry (Mfr)	\$ 500	\$ 500
Large # of FT Jobs	\$ 750	\$ 750
Jobs w/ Salary Excess County Med.	\$ 250	\$ 250
Total Amount per Incented Employee	\$6,500	\$6,500
Annual Award:		
New:	0 x \$6,500 = 0	0 x \$6,500 = 0
Retained:	347 x \$2,219 = \$769,993	347 x \$2,219 = \$769,993
Total:	\$769,993	\$769,993
Total Award:	\$7,699,930	\$7,699,930
Estimated 90% Withholdings – Annual Limit		
	\$1,194,643	\$1,194,643
Gross Benefit to the State (Over 20 Years, Prior to Award):		
	\$ 146,624,977	\$98,952,612
Net Benefit to the State (Over 20 Years, Net of Award):		
	\$ 136,370,677	\$88,698,312

Recommendation:

As a result of the reduction in eligible capital investment from \$73,910,484 to \$44,908,805 and the reduction in the square footage from 234,128 sf to 146,300 sf at the Branchburg site of the qualified business facility, approval is requested from the Members to affirm that the project has not materially changed to allow staff to complete its certification of project completion. Additionally, as staff is still reviewing the certification documentation including the certification of capital investment, staff requests delegated authority to approve a further 10% reduction from the eligible capital investment of \$44,908,805 (\$4,490,880), if the program minimum is satisfied at each site of the qualified business facility.

All other terms and conditions of the Grow NJ award will be consistent with the current approval.



Prepared by: Tyshon Lee

**GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)
DECLINATION**



TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

SUBJECT: Integrated Medication Management LLC
P45543/PROD-00185352 Grow NJ Program

DATE: February 11, 2020

Request:

Members of the Authority are requested to decline the Grow NJ application from Integrated Medication Management LLC ("IMM" or the "Company"), as EDA Staff cannot recommend that the applicant demonstrated that the Grow NJ Award will be a material factor to locate the business in NJ.

Background:

On January 31, 2019, IMM submitted a Grow New Jersey application in connection with its evaluation of sites to operate its growing business of storing, preparing and dispensing prescription medications under the supervision of a licensed pharmacist to homebound patients. IMM's application represented an option to lease 19,800 sq. ft. of office space, of which 9,000 sq. ft. was "immediately available" (at the time of application) in Pennsauken, NJ or lease 19,400 sq. ft. of office space, of which 9,000 sq. ft. was "immediately available" (at that time of application) in Southampton, PA. The new proposed location will not be a retail drug store or open to the public. The Company expects to complete renovations and purchase machinery and equipment for a total capital investment of \$616,020 at the NJ location. The Company also expects to create 134 jobs.

IMM dba Bayada Medication Management was formed in March 2016 to provide pre-packaged medications for individuals in home healthcare settings. The Company was formed through the partnership and investment by BAYADA Home Health Care, Inc. ("Bayada") of Moorestown, New Jersey an international provider of home health care services and IRx Investments, LLC dba Integrity Pharmacy, LLC ("Integrity") of Springfield, Missouri, a comprehensive medication management company designed for patients with multiple disease who are taking multiple medications. Bayada and Integrity have an approximate 63.49% and 31.75% ownership interest in IMM respectively. Of note, on April 12, 2016, the Members of the EDA Board approved a \$18,441,120 Grow NJ award to Bayada in connection with the consolidation of several Bayada offices into one location in Pennsauken, NJ.

IMM combines an in-home clinical visit with pharmacy services to improve the medication adherence of its patients. Healthcare professionals then monitor and dispense the pre-packaged medications for delivery directly to the patients. The company began distribution of pre-packed medications in November

of 2017 with 500 patients. By April of 2018 the client base reached 1,000. By January of 2019 there were 1,800 patients set up on the IMM System. IMM is currently located at Moorestown, NJ where it subleases 5,600 sq. ft. from Bayada with 26 contract employees.

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

- A. A full economic analysis of all locations under consideration including such components as, but not limited to the costs effectiveness of remaining in this State versus relocation under alternative plans out of State (e.g. Real Estate listings, Tax or other State/Local financial incentives offered to the applicant and Cost Benefit Analysis, which may include cost per square foot, real estate tax, tax incentives, training incentives, labor costs, etc.)

A completed Cost Benefit Analysis form ("CBA"), which is provided by the Authority. The CBA includes one-time upfront costs (such as building acquisition cost, building construction, building renovation, purchase of furniture, fixtures and equipment, company moving costs, etc.) and ongoing costs (such as annual rental costs, annual real estate costs, utilities, building maintenance, annual payroll) for both the in-State and out-of-State alternative. The applicant must also provide a copy of all documentation to support the costs delineated on the CBA, including copies of construction or renovations budgets prepared by a third party; equipment purchase quotes; moving company's quote etc.;

- B. All lease agreements, ownership documents or substantially similar documentation for the business' in-State location(s);
- C. All lease agreements, ownership document, or substantially similar documentation for the potential out-of-state location alternatives, to the extent such alternatives exist;
- D. A specific statement on the role the grant will play in the company's decision-making process to relocate in New Jersey; and
- E. An executed CEO certification that states that the CEO reviewed the application and that the information submitted and representations contained therein are accurate, and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur.

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

The CBA provided by the applicant shows the one-time upfront costs of NJ option totaling \$293,972 and the PA option totaling \$214,772. Ongoing costs in NJ totaled \$6,687,454 compared to \$6,622,058 in PA. The difference in costs confirmed that the NJ is the more expensive option on a net present value over 10

years and 15 years. Documentation for the leases of the respective spaces were unexecuted letters of intent from the Company's broker to the landlords.

The Company submitted and represented in the Grow NJ application dated January 31, 2019 and to EDA staff in subsequent due diligence by EDA Staff the following to support the "provision of a material factor" in the location decision:

- **Why is the grant a material factor in the project?** "IMM has identified a building located in Southampton, PA which meets the Company's requirements for a new facility: with 9,000 well laid out square feet available today and up to 19,800 square feet available in the future. Costs for this building that are either comparable to Pennsauken or slightly less, and the site also is accessible via many major roads which is important both for the recruitment of employees as well as the delivery of the medications. IMM is convinced that this location will be a good fit for their business. As a result, the Grow NJ Incentive is a material factor in IMM's relocation decision."
- **What are the advantages of the NJ Project location vs. the alternate location?** "The location in Pennsauken is a good option for IMM. The building provides enough space for the Company's immediate space needs, and offers additional space for the growth to 120 employees. For the 26 retained employees that are not part of this application, the Pennsauken location is closer to the existing location in Moorestown."
- **What diligence has the company performed in regard to Alternate Location?** "IMM toured several properties in Philadelphia and the northern suburbs of Philadelphia as an option for their new company location. Once final properties in New Jersey and Pennsylvania were decided, IMM's real estate broker, Jones Lang LaSalle, sought proposals for each property. Discussions with each landlord are ongoing and no decisions are made at this time. IMM's incentive consultant, BlueCap Economic Advisors, has assessed the incentives available in each location. The Grow NJ incentive would be a material factor in the company choosing the New Jersey location over Pennsylvania."

EDA Staff reviewed the application and attachments as well as the CBA and all supporting documentation and concludes that IMM has not demonstrated that the award will be a material factor in the Company's decision to relocate within New Jersey due to its close and intertwined relationship with Bayada and how that relationship may affect the nature of IMM's business and its location decisions (i.e. the material factor test). EDA Staff's conclusion resulted from the following facts and observations:

1. IMM described itself as a joint venture comprised of Bayada having a 63.49% ownership interest, Integrity having a 31.75% ownership interest, and the remainder with the President and the Chief Financial Officer of IMM. The board of directors is also comprised of three members designated from Bayada, one member designated from Integrity and one manager being the Company's then serving Chief Executive Officer. This structure was confirmed by the EDA Staff's review of the Limited Liability Company Agreement of IMM. The majority ownership interest by Bayada together with the board of directors' composition suggests that Bayada would have influence on location decision of IMM. These facts indicate that it would be beneficial for IMM to be located proximate to Bayada's incented headquarters in NJ.

2. IMM does business as Bayada Medication Management, and on its website, Bayada portrays Bayada Medication Management as another service provided by Bayada (at <https://www.bayada.com/medmanagement/> or <https://www.bayadapharmacy.com/>, (last confirmed on November 26, 2019). IMM has also entered into a management services agreement with Bayada in which Bayada administers support services, technology (all emails for IMM are @bayada.com) benefits, and payroll of the employees of IMM. The agreement also states that employees of IMM will be employees of Bayada and will be selected, hired, paid, supervised and discharged by Bayada at its sole discretion. Similar to #1 above, the use of Bayada as the business name of the company together with Bayada having control over the hiring and discharge of employees, shows the close relationship between IMM and Bayada, the influence Bayada may have over certain operations of IMM, and the benefit to being located proximate to Bayada's incensed headquarters in NJ.
3. IMM also stated in a phone conversation during the application due diligence process that approximately 80% of its business comes from the clients of Bayada. While IMM describes its business as the fulfillment of patients' individualized pharmacy packages, which can be accomplished from a distant location, Bayada's website describes IMM's services as including an in-home consultation by "a BAYADA Medication Management Nurse". This also demonstrates the close relationship between IMM and Bayada.
4. A March 28, 2019 legal memo from Bayada's attorney explaining the relationship between the not-for-profit Bayada and the for-profit IMM, describes the control Bayada has over IMM and the close relationship between the two entities. "Bayada will have exclusive control over the design and operation of the medication management program for [IMM] and [Bayada's] registered nurses making clinical visits to these homebound patients will be the chief vehicle for the distribution of the pre-sorted packages of medication provided by [IMM]." Additionally, "[t]he provision of these pharmacy services and medication management services [of IMM] in the homes of these patients [of Bayada] is 'substantially related' to the Section 501(c)3 exempt charitable mission of Bayada"
5. IMM states that its legal structure is a joint venture, which is a separate entity from Bayada. IMM states that it intends to form several joint partnerships with similar health agencies for its medication management. The joint venture with Bayada as a New Jersey pharmacy doing business as Bayada Medication Management is the first such venture by the principals. IMM has also represented to EDA staff that it intends to bring on additional investors and therefore subsequently diminish Bayada's ownership interest, influence, business concentration and control within the next year. However, given the information provided in the application and subsequent correspondences with EDA staff, this dilution of relationship and business activity between IMM and Bayada cannot be guaranteed in any specific timeframe.
6. In the past, as allowed under the Grow statute under certain limited circumstances, EDA has awarded a second Grow to a company that was already in the Grow program, when that company was able to demonstrate that the move of , for instance, a division of the company, was clearly a separate business decision and the division's location alternatives were compelling. However, as

stated in the Program regulations, the EDA may, in its sole discretion, consider two applications as one single project based on various factors, including, but not limited to, the location of the qualified business facilities, the types of jobs proposed, and the business's financing and operational plans. Here, not only are the factors favoring consideration of IMM's application as a separate project from Bayada missing, but instead factors exist to consider IMM's proposed project as interrelated to Bayada's incented project. The integrated nature of IMM with Bayada at both a corporate and operational level, the similarity of its clientele, and the location of its clientele, demonstrates that it has compelling reasons to locate in New Jersey, thus making the incentive not a material factor in its decision making.

During staff's due diligence, the Company was given the opportunity to review the above facts to identify any inaccuracies. The Company did not respond. As is the general practice, the Company was informed that staff would not recommend approval of the Company's Grow NJ application and asked the Company if it would prefer to withdraw its application. The Company stated it will not withdraw and initially replied "We [the Company] are good with this going to the Board to be denied". By email dated December 11, 2019, the Company's CEO confirmed it will not withdraw its application.

Recommendation:

Based on the above, the Board is requested to decline the Grow NJ application submitted by Integrated Medication Management LLC.



Prepared by: Teresa Wells

NJ FILM AND DIGITAL MEDIA TAX CREDIT PROGRAM



MEMORANDUM

To: Members of the Authority

From: Tim Sullivan
Chief Executive Officer

Date: February 11, 2020

Subject: Proposed Film & Digital Media Tax Credit Policy– Reality Shows

Summary:

The Members are requested to approve the proposed policy for the administration of the New Jersey Film & Digital Media Tax Credit Program for films that are reality shows, pursuant to P.L. 2017, c. 56.

Background:

The “Garden State Film and Digital Media Jobs Act,” P.L. 2018, c. 56, enacted July 3, 2018, provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. The goal of the program is to incentivize film and digital media content production in New Jersey.

Under the statute and as further outlined in the program rules at N.J.A.C. 19:31-21, the New Jersey Film Tax Credit Program provides a tax credit of 30 percent of qualified film production expenses if 60 percent of the film’s total production expenses, exclusive of post-production costs, are incurred for services and goods purchased through vendors in New Jersey, or the qualified film production expenses in New Jersey of the taxpayer exceed \$1 million per production. The film tax credit may be increased to 35% for qualified film production expenses incurred for services performed and tangible personal property purchased through statutorily defined counties. A 2% bonus tax credit is also available for projects that include, as part of their application, a diversity plan outlining specific goals, which may include advertising and recruitment actions, for hiring minority persons and women, and the diversity plan is approved by the Authority and the Director of the Division of Taxation.

Under the statute and as further outlined in the program rules, the content of the film project must meet the statutory definition of a “film” to be eligible for a tax credit. The statute defines a film as: a feature film, a television series, or a television show of 22 minutes or more in length, intended for a national audience, or a television series or a television show of 22 minutes or more in length intended for a national or regional audience, including, but not limited to, a game show, award show, or other gala event filmed and produced at a nonprofit arts and cultural venue receiving State funding.

The statute excludes the following content from the definition of a “film”: a production featuring news, current events, weather, and market reports or public programming, talk show, or sports event, a production that solicits funds, a production containing obscene material as defined under N.J.S.2C:34-2 and N.J.S.2C:34-3, or a production primarily for private, industrial, corporate, or institutional purposes. An award show or other gala event that is not filmed and produced at a nonprofit arts and cultural venue receiving State funding is also not considered a “film” under the statute.

The statute also references “reality shows,” stating that reality shows are not considered a “film” unless the production company of the reality show owns, leases, or otherwise occupies a production facility of no less than 20,000 square feet of real property for a minimum term of twenty-four (24) months, and invests no less than \$3,000,000 in such a facility within a New Jersey Urban Enterprise Zone (UEZ).

As indicated in the memo in November 2018 that accompanied the proposed special adopted new rules that were approved by the Members, the Authority utilizes the expertise of the New Jersey Motion Picture and Television Commission (Commission) for assistance in determining if the content of the film project meets the statutory definition of a “film.”

To date, the Members have approved film tax credits for 15 projects representing an estimated award amount of more than \$51 million. These approvals have not included a film project whose content would be considered a “reality show” based on the evaluation of the Commission provided to Authority staff. Because applications are under review for reality shows, staff proposes the following policy for implementing and administrating the statutory provisions specifically related to reality shows; specifically, the occupancy and investment requirements that statute imposes on these projects.

Reality Show Policy

The term “reality show” is not currently defined in statute or program rules. Therefore, staff is recommending that for purposes of this policy a dictionary definition be the basis for how a project’s content is evaluated relative to the reality show provision of the legislation. Specifically, multiple dictionary sources are consistent in defining reality shows, or reality

television, as content that is centered around the filming of people in real-life (predominantly unscripted or soft scripted) situations. The Authority will consult with the Commission when evaluating applications to determine whether they meet this definition.

Given that the New Jersey Film Tax Credit Program is capped annually, and given that statute indicates that a reality show must meet certain occupancy and investment criteria to be determined eligible for a tax credit, staff will undertake additional due diligence at the application review stage so that any reality shows that are being recommended for the approval of tax credits have presented information to staff to indicate that the occupancy and investment commitments are credible and the requirements can reasonably be met.

For the occupancy requirement, staff is recommending that the applicant provide, at a minimum, an executed letter of interest, signed and dated by both the current facility owner or owner's representatives, and the applicant or applicant's representatives (who is presumed to be the facility owner, occupant or lessee at some point following the approval of the tax credit). The letter of interest should include an agreed upon occupancy term of no less than 24 months for a facility that is no less than 20,000 square feet, and falls within a UEZ, consistent with the occupancy requirements in statute.

At application, the applicant who is a reality show production company will be required to detail to the Authority the proposed investments to be made to satisfy the \$3,000,000 investment requirement. For this investment requirement, while the statute does not define what type of investment is or is not permissible in a UEZ facility, the definition of a "film" in the program rules allows the reality show production company to include the investment of its landlord after July 1, 2018, which is consistent with how the Authority looks at investments made by a landlord under other incentive programs, including the Economic Redevelopment and Growth (ERG) program and Grow New Jersey. Staff recommends applying the same standards used under Grow New Jersey to determine capital investment to also determine whether an investment made by a reality show production company should be allowed against the \$3,000,000 requirement.

As required by the statute and program rules for all film tax credit projects, once approved by the Members, the project will be required to go through a certification process that includes having a tax credit verification report prepared by a New Jersey licensed independent CPA according to the Agreed Upon Procedures provided by the Authority. The policies described below detail the additional information staff will review at certification relative to the statutory requirements for these types of projects.

For the occupancy requirement, in addition to requiring a copy of a deed, executed lease, or other binding agreement for the occupancy of the facility, staff will require that the production company demonstrate that they have actually owned, leased or occupied the facility for at least 24-months upon seeking certification and issuance of the tax credit for which they were approved. For example, a company that signs a 24-month lease but defaults on the lease after 12

months will not have met the statutory requirements. The Agreed Upon Procedures will be revised to state that the CPA will be responsible for certifying to the Authority that the production company had the requisite ownership, lease, or occupancy for at least 24 months.

For the investment requirement, any investments made by the production company will need to be verified by the CPA based on the same agreed upon procedures that are used to verify total and/or qualified film production expenses. While the same procedures are being used to verify reality show investments and qualified and/or total film production expenses, an allowable reality show investment may not necessarily be considered a qualified film production expense under the program. For example, under the program rules, an investment made by the landlord after July 1, 2018, is permitted as an allowable reality show investment but is not included as a qualified film production expense.

Similar to how the Authority manages certifications of commercial projects under the Economic Redevelopment and Growth (ERG) Program and based on the requirement that the CPA certify as to the actual 24-month ownership, lease, or occupancy, the verification of the of the capital investment and facility control will be a one-time process. That is, for the reality show production, upon the completion of the production, occupancy term, investment, and CPA tax credit verification report, the Authority will certify that all requirements were met prior to authorizing the Division of Taxation to issue a tax credit certificate. Following this authorization, there will be no need for ongoing monitoring of these projects since the statutory requirements for issuance of a tax credit will have been met.

Finally, given that the reality show provision was designed to encourage establishment of long-term facilities for film production operation in New Jersey, it is realistic to envision a scenario in which a reality show production submits multiple applications for tax credits for content that is being produced at the same production facility – this may be in the form of separate projects by the same production company, or separate seasons of a singular, ongoing film or television production. The Legislature required a significant investment in a physical facility for a reality show to merit a tax credit with the intent for the facility to be used long term (at least 24 months), and the Legislature established \$3 million as the necessary amount of investment. Once the production company establishes this presence and invests this amount, the legislative purpose of incenting the establishment of a film production facility is met. In this scenario, provided that the Authority can verify that the reality show production met the investment requirement on its initial application, the Authority will consider this requirement met for any subsequent applications by the reality show production company. The applicant will still be required to satisfy an additional 24-month occupancy term.

Recommendation:

The Members of the Board are requested to approve the proposed policy guidelines for the administration of the New Jersey Film & Digital Media Tax Credit Program for certain films that are reality shows, pursuant to P.L. 2017, c. 56.



A handwritten signature in blue ink, appearing to be 'T.M.', is positioned above a horizontal line.

Prepared by: Pat Rose



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 11, 2020

SUBJECT: Film Tax Credit Program

The following project under the Film Tax Credit Program has been reviewed by EDA staff and recommended for approval. The film is described on the attached project summary:

Film Tax Credit Program Awards:

PROD-00187682	Half Moon Pictures LLC	\$6,060,631
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Total Film Tax Credit Awards – February 11, 2020	\$6,060,631
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A handwritten signature in blue ink, appearing to read "T. Sullivan", is positioned above a horizontal line.

Prepared by: David Lawyer

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - FILM TAX CREDIT PROGRAM**

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

APPLICANT: Half Moon Pictures LLC PROD-00187682

APPLICANT BACKGROUND:

Half Moon Pictures LLC produces Live PD which is an American television program on the A&E Network. It follows police officers in the course of their nighttime patrols live, broadcasting select encounters with the public. The show is hosted by ABC’s Dan Abrams, in-studio host with analysis provided by Tom Morris Jr. and Sgt. Sean "Sticks" Larkin guide viewers through the night, giving insight to what audiences see in real time (via a mix of dash cams, fixed rig and handheld cameras), bouncing minute-by-minute between the featured police departments and offering an inside look at each live incident.

The program premiered on October 28, 2016, the second season concluded on August 25, 2018, with the third season premiering on September 21, 2018. In September 2018, A&E announced the series had been renewed for an additional 150 episodes, to run through 2019.

TV FILM REVIEW

This film content has been reviewed and recommended for approval under the Act by the New Jersey Motion Picture and Television Commission as a television series that falls under the category of reality television. As required by Statue for reality television, Half Moon Pictures LLC will lease a 20,000 sq. ft. studio in an Urban Enterprise Zone (Jersey City, Hudson County) for 24 months and make a minimum capital investment in said facility in excess of \$3 million. Staff has received an executed letter of intent to lease 20,000 sq. ft. at the Parlay Studios located at in Jersey City, Hudson County.

The Commission has determined that the film shall include, at no cost to the State, marketing materials promoting the State, including the placement of a logo in the end credits of the film.

ELIGIBILITY AND GRANT CALCULATION:

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

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

A. Total Film Production Expenses after July 1, 2018	\$40,170,588
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B. Total Post Production Expenses	\$ 5,472,702
C. Services performed and goods purchased through vendors authorized to do business in New Jersey. (excluding any post-production expenses)	\$21,864,080
Percentage Calculation = C/(A-B)	63%
Criterion Met	Yes

2. Qualified Film Production Expenses: During a single privilege period, the film must have more than \$1 million in qualified film production expenses. "Qualified film production expenses" are expenses incurred in New Jersey after July 1, 2018 for the production of a film, including pre-production costs and post-production costs. "Qualified film production expenses" shall include, but shall not limited to: wages and salaries of individuals employed in the production of a film on which the New Jersey Gross Income Tax has been paid or is due; and, the costs for tangible personal property used and services performed in New Jersey, directly and exclusively in the production of the film, such as expenditures for film production facilities, props, makeup, wardrobe, film processing, camera, sound recording, set construction, lighting, shooting, editing, and meals. Payments made to a loan out company or to an independent contractor shall not be a "qualified film production expenses" unless the payments are made in connection with a trade, profession, or occupation carried on in this State or for the rendition of personal services performed in this State and the taxpayer has made the withholding required by N.J.A.C. 19:31-21.3(c). "Qualified film production expenses" shall not include: expenses incurred in marketing or advertising a film; and payment in excess of \$500,000 to a highly compensated individual for costs for a story, script, or scenario used in the production of a film and for wages or salaries or other compensation for writers, directors, including music directors, producers, and performers, other than background actors with no scripted lines. The following qualified film production expenses are projected by the applicant to be incurred in New Jersey:

Total Qualified Film Production Expenses incurred in NJ in two privilege periods, of which at least \$1 million is incurred in a single privilege period after July 1, 2018.	\$20,202,106
Criterion Met	Yes

AWARD CALCULATION

Base Award Criteria	Calculation	Result
30% of Qualified Film Production Expenses	\$20,202,106 x 30% =	\$6,060,631
Bonus Criteria Met		
Submission of Diversity Plan deemed satisfactory by EDA and NJ Taxation. 2% of Qualified Film Production Expenses	\$0 x 2% =	\$0
5% of Qualified Film Production Expenses incurred for services performed and tangible personal property purchased through vendors whose primary place of business is located in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer or Salem County.	\$0 x 5% =	\$0
Total Award		\$6,060,631

APPLICATION RECEIVED DATE:	6/11/2019 (Application #20)
DATE APPLICATION DEEMED COMPLETE:	6/11/2019
PRINCIPAL PHOTOGRAPHY COMMENCEMENT:	9/20/2019
PRINCIPAL NJ PHOTOGRAPHY LOCATION:	Jersey City
ESTIMATED DATE OF PROJECT COMPLETION:	6/13/2020
APPLICANT'S FISCAL YEAR END:	12/31/2019
TAX CREDIT VINTAGE YEAR(S):	2020
TAX FILING TYPE:	Corporate Business Tax
ANTICIPATED CERTIFICATION DATE:	9/30/2020

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

The Garden State Film and Digital Media Jobs Act originally provided a total of \$75 million in tax credits for State Fiscal Year 2019 and increased to \$100 million as amended by law on 1/21/2020. The program amendment also allows \$50 million of unused allocation to carry over to the subsequent State Fiscal Year. As a result, \$150 million of film tax credits are available for State Fiscal Year 2020. After today's approvals, \$92.7 million remains in the program for State Fiscal Year 2020 which may be available to 18 additional applications in the pipeline totaling \$63.4 million.

APPROVAL REQUEST:

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

APPROVAL OFFICER: T. Wells



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 11, 2020

RE: New Jersey Film & Digital Media Tax Credit Consultant

Summary

The Members are requested to approve entering into contracts with Jacqueline G. Phipps LLC and Echelon Productions, Inc., to support the Authority in reviewing film and digital media production expenses that are submitted as part of applications for the New Jersey Film and Digital Media Tax Credit Program. Jacqueline Phipps LLC is recommended to be awarded the primary contract, and Echelon Productions is recommended to be awarded the secondary contract.

Both contract awards will be structured as a one (1) year timeframe with two (2), two (2) year extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions.

Both contracts are a Task Order Request (TOR) contract, based on the number of applications for which review is needed, at the all-inclusive hourly rate as bid in each proposal, with no minimum dollar amount or quantity of work guaranteed.

Background

The “Garden State Film and Digital Media Jobs Act,” P.L. 2018, c. 56, enacted July 3, 2018, provides a credit against the corporation business tax and the gross income tax for certain expenses incurred for the production of certain films and digital media content in New Jersey. The goal of the program is to incentivize production companies to film and create digital media content in New Jersey. The tax credit is based upon a percentage of qualified production expenses incurred by the production company in New Jersey, and can range anywhere from 30 – 37 percent of qualified expenses on the film program, and 20 – 27 percent of production expenses on the digital program, with the specific percentage based on several factors.

Both the Film Tax Credit and Digital Media Tax Credit are capped annually overall, but no cap on a per project basis. Pursuant to P.L. 2019, c.506, enacted January 21, 2020, the total amount of film tax credits available under the program is \$100 million per state fiscal year, beginning with State Fiscal Year (“SFY”) 2019 and ending with SFY2023, for a total available pool of \$500 million, with the ability to carry over a portion of tax credits that are unused in a given State Fiscal Year to the subsequent State Fiscal Year. The total amount of digital media tax credits available under the program is \$10 million per fiscal year, beginning with SFY2019 and ending with SFY2023, for a total available pool of \$50 million.

As part of the application, the applicant provides staff a schedule of proposed total and qualified film or digital media production expenses, as well as proposed expenses to be incurred in the eight targeted counties for which a bonus tax credit is available, pursuant to the law.

Given that the expenses being reported by the applicant on application stage are often projected and have yet to actually be incurred, there is limited information beyond budgetary line items and amounts that can be provided by the applicant to the Authority at the application stage. Because staff is charged with calculating and recommending a tax credit amount based upon a percentage of these proposed expenses, due diligence is needed at the application stage to ensure that the expenses are credible by industry standards and can reasonably be incurred by the applicant. This is particularly important under a program with a fixed annual cap such as the Film and Digital Media Tax Credit Programs.

Given the limited knowledge of Authority staff as it relates to film and television production expenses, the Authority has identified the need for the services of an experienced production manager to serve as a consultant and assist with this review of proposed qualified production expenses, using the industry-specific knowledge base that comes with being an experienced production manager. To date, the Authority has been utilizing the services of Echelon Productions, Inc., on a temporary basis, that was procured through a waiver of advertising, to serve as a bridge until the Authority could complete a publicly advertised procurement and enter into contracts with consultants who can perform the reviews for the Authority prospectively.

RFQ/P for New Jersey Film & Digital Tax Credit Consultant

A publicly advertised Request for Qualifications/Proposals (RFQ/P) #2019-RFQ/P-092 for New Jersey Film & Digital Tax Credit Auditor was issued on November 19, 2019, by the Authority soliciting a production manager, or someone with demonstrated experience working with motion picture, television and digital media production companies, with special emphasis on experience setting, managing and/or working with film or digital media production budgets, to perform a cost reasonableness analysis of New Jersey Film and Digital Media Tax Credit Program applications to verify that the expenses detailed in the application are reasonable by industry standards.

The RFQ/P was duly advertised in three (3) newspapers for two (2) days on November 21st and 22nd, 2019, posted on the Authority's website, and on the NJ State Business Portal under Commodity Codes: 915-69 Motion Picture Production and Distribution Services; 915-78 Television Commercial Production; 915-82 Video Production; and 918-04 Accounting/

Auditing/Budget Consulting. Additionally, four (4) companies/associations/trade groups specializing in film/digital production budget review were identified by the requesting department and notified of the RFQ/P posting.

An Optional Pre-Proposal Conference was held for this solicitation on Tuesday, December 3, 2019 at 2:00pm. Proposers had the option of either attending in-person or calling in. One (1) vendor attended in person and two (2) other vendors called in. The Questions & Answers period closed on Tuesday, December 10, 2019, at 12:00 PM (EST). Questions were received, and responses were posted to the Authority's website as Addendum 1 on December 10, 2019.

In response to this solicitation, two (2) proposals were received by the stated deadline of January 7, 2020 on or before 2:00 pm. Both proposals were found to be responsive.

An evaluation committee (“the Committee”) comprised of the Director of Marketing & Product Development, Managing Director Underwriting, and Sr. Business Development Officer reviewed and preliminarily scored the two (2) responsive proposals.

As part of its review and evaluation of the proposals, the Evaluation Committee considered the pre-established evaluation criteria, published in the RFQ/P, which included the qualifications and experience of the proposers’ management, supervisory, and key personnel.

The RFQ/P did not reveal the Award Criteria/Weighting Percentages in the posted RFQ/P. Prior to the bid opening date and time, the Evaluation Criteria & Weighting Percentages was timestamped and included in the RFQ/P file.

The Evaluation Criteria/Weighting Percentages for Sections 1 and 2 are as follows:

- Qualifications and Experience of Firm and Key Personnel– 50%
- Fee Proposal Costs– 50%

Both proposers demonstrated the necessary experience to undertake the necessary review of the Film and Digital Media Tax Credit applications. Based on a scoring of “1” through “5” with “1” representing “Poor” and “5” representing “Excellent”; Jacqueline G. Phipps LLC received an overall total score of 4.67, and Echelon Productions received an overall score of 3.67. The Evaluation Committee Summary matrix form is attached.

Based on a thorough review of proposals, price and other factors considered, the Committee recommends the selection of Jacqueline G. Phipps LLC for the primary contract award, and Echelon Productions, Inc for the secondary contract award. Jacqueline G. Phipps LLC, the primary consultant, bid an all-inclusive hourly rate of \$124.93/hour. Echelon Productions, the secondary consultant, bid an all-inclusive hourly rate of \$500/hour.

As indicated in the RFQ/P, the secondary consultant will only be utilized in the event that the primary consultant cannot perform the work in the timeline required, or has a conflict of interest with an applicant firm. If either of those situations occur, the secondary consultant will be sent the application and expense schedules to perform the review, at the secondary consultant’s all-inclusive hourly rate, provided the secondary consultant does not have a conflict.

Process, Budget and Payment

Pursuant to the Film and Digital Media Tax Credit program rules approved by the Members and subsequently published in the New Jersey Register (N.J.A.C. 19:31-21), there is a section of the rules (N.J.A.C 19:31-21.5) that pertains to direct costs of any analysis by a third-party retained by the Authority. Specifically, that the full amount of direct costs of any analysis by a third-party retained by the Authority shall be paid by the applicant. Therefore, the cost of this review performed by the consultant will be the responsibility of the applicant for all applications submitted following the effective date of the rules (January 6, 2020).

Prior to any actual review being performed, the Authority will contact the consultant on a “first in, first out” basis, based upon when the Authority determines an application is complete and ready for review. Prior to any application being shared, the Authority will provide to the consultant a TOR, which includes a Conflict of Interest (COI)/Confidentiality form for review and signature, certifying that no COI exists between the consultant and the applicant firm.

Should no conflict of interest exist, the application and expense schedules will be provided to the consultant for the purposes of estimating pricing based upon the number of hours required at the all-inclusive hourly rate. The consultant will submit this estimate to the Authority, which the Authority will, in turn, share with the applicant for review and approval to proceed. Should the applicant approve the cost associated with the review, the Authority will issue the consultant a Notice to Proceed with the review.

Upon completion of the cost reasonableness analysis, the consultant will communicate back to the Authority with the findings of the analysis. In situations where the consultant finds all costs to be reasonable, the consultant will certify that a cost reasonableness review was performed and that reported expenses were found to be reasonable compared to industry market prices. In situations where costs are found to not be reasonable, the consultant will identify which specific costs were found unreasonable and why they are considered unreasonable. Based on that feedback, the Authority will present these findings to the applicant and request more information from the Applicant to support the expense, which will be forwarded to the consultant for further review. If the consultant still finds the expense unreasonable, the consultant may be asked by the Authority to estimate an expense amount that would be considered reasonable, or to participate in a group discussion with the Authority and the Applicant to further discuss the expense in question.

Recommendation

The Members’ approval is requested to enter into a primary contract with Jacqueline G. Phipps LLC and a secondary contract with Echelon Productions, Inc., to support the Authority in reviewing film and digital media production expenses that are submitted as part of applications for the New Jersey Film and Digital Media Tax Credit Program.

Both contracts are structured as a one (1) year timeframe with two (2), two (2) year extension options to be exercised at the sole discretion of the Authority, at the same terms and conditions.

Both contracts are a Task Order Request (TOR) contract, based on the number of applications for which review is needed, at the all-inclusive hourly rate bid identified in each proposal, with no minimum dollar amount or quantity of work guaranteed.



Tim Sullivan
Chief Executive Officer

Prepared by: Pat Rose

Attachments

Exhibit A – New Jersey Film & Digital Media Tax Credit Consultant Evaluation Score Summary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY						
EVALUATION SCORE SUMMARY						
RFQ/P / BID #:		2019-RFQ/P-092 (1/7/20)			Bidder's with the lowest all-inclusive hourly rate will receive a (5), Bidder's with the highest all-inclusive hourly rate will receive a score of (1). Bidder's in-between will receive a score of (3). If there are only (2) bidders, the highest all-inclusive hourly rate will receive a score of (3).	
RFQ/P TITLE:		NJ FILM & DIGITAL TAX CREDIT				
REQUESTOR:		Pat Rose - Director of Marketing & Product Dev.				
DEPARTMENT:		Strategic Initiatives & Operations				
ITEM #	EVALUATION CRITERIA	% WEIGHT	JACQUELINE G PHIPPS LLC		ECHELON PRODUCTIONS	
			TOTAL SCORE	WEIGHTED SCORE	TOTAL SCORE	WEIGHTED SCORE
1	Qualifications & Experience of Firm & Key Personnel: The Proposer's documented experience in successfully completing contracts of a similar size and scope in relation to the work required by this RFQ/P, based, in part, on the Proposer's submitted qualifications and references. The Proposer's demonstration that the Proposer understands the requirements of the Scope of Work through the qualifications and experience of the Proposers management, supervisory, and key personnel assigned to the contract.	50.0%	13.00	6.50	13.00	6.50
2	Pricing: Competitiveness of Fee Schedule. Bidder's will be ranked and weighted based on the lowest All-Inclusive Hourly Rate	50.0%	15.00	7.50	9.00	4.50
TOTAL WEIGHTED SCORE		100.0%		14.00		11.00
TOTAL WEIGHTED SCORE DIVIDED BY (3) COMMITTEE MEMBERS				4.67		3.67
PRIMARY & SECONDARY AWARD				PRIMARY		SECONDARY
ON A SCALE OF 1-5, EVALUATE AND SCORE THE ABOVE PROPOSAL AS FOLLOWS: 1 - POOR 2 - FAIR 3 - GOOD 4 - VERY GOOD 5 - EXCELLENT						

BOND PROJECTS

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Stand-Alone Bond

APPLICANT: United Parcel Service, Inc.

PROD-00174333

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 159 Brewster Road Newark City Essex County

APPLICANT BACKGROUND:

United Parcel Service, Inc. ("UPS"), established in 1907, is a global package delivery company and provider of global supply chain management solutions. The Company delivers packages each business day for 1.6 million shipping customers to 8.4 million receivers in over 220 countries and territories.

The project qualifies for Authority assistance as it is an Exempt Facility (Airport) under Section 142 (a)(1) of the Internal Revenue Code of 1986 as amended and therefore the \$20,000,000 capital expenditure limitation under Section 144 of the Code is not applicable. The project is also exempt from the volume cap limitations under Section 146(g) of the Code.

OTHER NJEDA SERVICES:

A previous request by the Applicant for a Business Retention and Relocation Grant in the amount of \$1,111,500 closed on 8/26/2010.

A previous request by United Parcel Service General Services Co., a subsidiary of United Parcel Service, Inc. for a Grow New Jersey Award in the amount of \$40,000,000 closed on 12/30/2014.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to develop approximately 18 acres of vacant land by constructing a 38,930 square foot sorting facility, construct a container transfer caster deck and ramp space to support six jet aircraft and 30 trailers, lease and renovate three bays of an adjacent building and acquire and install new equipment and machinery. Proceeds of the bond will also pay the cost of issuance.

Upon review by the Department of Labor and Workforce Development (LWD), LWD identified certain outstanding matters. UPS sent payments and is waiting for further information from LWD for payment of the final matter. As LWD has not yet processed the payment and upon agreement by LWD, the distribution of the Preliminary Official Statement is conditioned on receipt by the Authority of LWD's notice that the matters have been satisfied.

FINANCING SUMMARY:

BOND PURCHASER: Morgan Stanley & Co. LLC (Public Offering)

AMOUNT OF BOND: Not to Exceed \$105,900,000 Tax-Exempt

TERMS OF BOND: 23 years; Fixed or variable interest not to exceed 5%.

ENHANCEMENT: N/A

PRODUCT COSTS:

Acquisition of Land	\$95,000.00	Soft Costs	\$9,840,000.00
Renovation of Existing Building	\$20,800,000.00	Technology & Networking	\$150,000.00
Construction of New Building or Addition	\$49,000,000.00		
Acquisition of Equipment & Machinery	\$24,800,000.00		
Construction of Roads, Utilities, Etc.	\$700,000.00		
Engineering & Architectural Fees	\$515,000.00		

TOTAL COSTS: \$105,900,000.00

JOBS:

NJ Full Time Jobs at Application	Expected New Full Time Eligible Jobs at Project Site	Full Time Maintained Jobs at Project Site	Estimated Construction Jobs
450	24	0	428

PUBLIC HEARING: 2/11/2020

DEVELOPMENT OFFICER: Monika Athwal

BOND COUNSEL: McCarter & English

UNDERWRITER OFFICER: Steven Novak

LOANS/GRANTS/GUARANTEES

PREMIER LENDER PROGRAM (PLP)



MEMORANDUM

TO: Members of the Authority
FROM: Timothy Sullivan
Chief Executive Officer
DATE: February 11, 2020
SUBJECT: Cross River Bank

Request:

The Members are asked to approve the addition of Cross River Bank as a Premier Lender.

Background:

Cross River Bank (“the Bank”) was founded on June 23, 2008 and is a New Jersey State Charter Bank with the executive office located at 400 Kelby Street, 14th Floor, Fort Lee, New Jersey 07024. In July 2015, the holding company, CRB Group, Inc. (“CRB Group”), became the sole stockholder of the Bank. The Bank is privately owned. The regulatory oversight is the FDIC and the New Jersey Department of Banking and Insurance and they are subject to the regulations of the Federal Reserve Bank of New York. The Company is a Bank Holding Company whose primary business is the ownership and operation of the Bank.

The Bank is a New Jersey State Chartered Federal Deposit Insurance Corporation (“FDIC”) commercial bank specializing in commercial real estate, commercial and industrial, and consumer lending, as well as offering an array of products to depositors. The Bank also develops strategic partnerships with financial technology companies to build fully compliant and integrated solutions for the marketplace lending and payment processing arenas and derives significant non-interest income from these activities. The Bank originates significant amounts of consumer loans through marketplace lending partners. The Bank retains a portion of these loans, generating additional interest income, and sells the remaining portion of the loans to third parties. Consumer loans are both secured and unsecured loans to individual borrowers which include personal loans, point of sale purchases, student loans, medical debt consolidation, home improvement, and credit card refinancing. The Bank also generates fee income for payment processing as well as Automated Clearing House transactions.

The Members of the EDA Board approved an application of a GROW award to Cross River Bank in the amount of \$10.9 million at EDA’s October 9, 2018 board meeting.

Other companies include CRB RET, Inc. (the “REIT”), a Delaware corporation was formed in 2013 at the same time CRB Investment Company, Inc. (“CRBI”) was formed. On December 11, 2015, CRB Securities, LLC (“CRB Securities”) a wholly-owned subsidiary of the Bank was incorporated in the state of New Jersey and is regulated by the Securities and Exchange Commission. On October 31, 2018, Binyan Av LLC (“Binyan Av”) a wholly owned subsidiary of CRB Group was incorporated in the state of New Jersey. The purpose of Binyan Av is to purchase, manage, finance fixed assets and real property and to purchase and hold title to a building in Fort Lee, NJ.

Executive Management Team

Gilles Gade, *President and Chief Executive Officer*

- Founding Chairman, CEO since 2008
- Master of Science in International Management from MBA Institute IMIIP (Group IPESUP) in Paris
- Almost 30 years in financial services and technology

Shimon Eisikowicz, *Executive Vice President, Chief Lending Officer*

- 20 years of experience in retail banking, credit and lending
- Instrumental in building Cross River Bank’s Commercial Real Estate Lending and Small Business Administration Loan teams

Adam Goller, *Executive Vice President, General Manager of Strategic Partnerships*

- Responsible for the Bank’s Marketplace Lending Program and for the management of Bank’s credit administration and loan servicing departments
- MBA from Touro College
- Joined bank in 2008

Eli Hazan, *Director of SBA and Business Loans.*

- Handles all SBA and C& I loans.

Jeffrey Birnberg, *Lead Underwriter for Business Lending*

- 30+ years of banking experience in credit, lending and SBA loans

Cross River Bank provided their full credit policy manual for review and was consistent with the Authority’s policies and procedures expectations. The policy manual addressed loan approval authorities, collateral, portfolio management, problem loan management, and risk rating guidelines. The structure and risk profile of the underwriting samples provided were reasonable and representative of what the Authority would consider in loan participation and/or guarantee or issuance of tax-exempt bonds. The underwriting samples contained an analysis of the income statement, balance sheet, loan terms and conditions, collateral evaluation, covenant/policy compliance review, industry analysis, business description, management discussion and guarantor analysis.

Finally, as part of our due diligence, EDA staff satisfactorily completed a review of publicly available bank performance reports published on the FDIC’s website.

Recommendation

Approval of Cross River Bank as a Premier Lender is recommended.



Timothy Sullivan
Chief Executive Officer

Prepared by: Matt Boyle, Senior Real Estate Underwriter

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



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 11, 2020
SUBJECT: PUST and HDSRF Program Funding Status
(For Informational Purposes Only)

Below is the funding availability as of the fourth quarter ending on December 31, 2019:

PUST:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$14.3 million available to support an estimated \$31.1 million pipeline of projects, of which approximately \$3.2 million are under review at EDA.

HDSRF:

As of December 31st, remaining cash and unfunded appropriations net of commitments was \$31.7 million available to support an estimated \$23.5 million pipeline of projects, of which approximately \$1.9 million are under review at EDA.

A handwritten signature in blue ink, appearing to be "FC", is written above a horizontal line.

Prepared by: Kathy Junghans



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 11, 2020
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grant:

Prod 188154	Borough of National Park	\$447,292.81
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Total HDSRF Funding – February 2020	\$447,292.81
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A handwritten signature in blue ink, appearing to be "TS", is written over a horizontal line.

Tim Sullivan

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Hazardous Discharge Site Remediation - Municipal

APPLICANT: Borough of National Park

PROD-00188154

PROJECT USER(S): Same as applicant

PROJECT LOCATION: Robert Hawthorne Sanitary Gloucester Township Camden County

APPLICANT BACKGROUND:

Between July 2018 and September 2019, The Borough of National Park (Robert Hawthorne Sanitary Landfill) received an initial grant to perform Remedial Action in the amount of \$286,257 under P44798, and supplemental grants in the amount of \$264,516 under 45450 and \$900,000 under P45638. The project site, identified as Block 111, Lots 1,2&3 is a former landfill which has potential environmental areas of concern (AOCs). The Borough of National Park owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site for a solar field.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% (149,097.60) of funds is being provided by the designated developer for the project.

OTHER NJEDA SERVICES: P17808: \$266,537, P32343: \$104,946, P40734: \$63,931, P44798: \$286,257, P45450: \$264,516, P45638: \$900,000

APPROVAL REQUEST:

The Borough of National Park is requesting aggregate supplemental grant funding to perform additional RA activities required by NJDEP in the amount of \$447,292.81 at the project site. Total grant funding including this approval is \$1,898,065.81.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$447,292.81

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$447,292.81
EDA Administrative Cost	\$500.00

TOTAL COSTS: \$447,792.81

DATE: 2/4/2020



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 11, 2020

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

The following residential and not-for-profit projects have been approved by the Department of Environmental Protection to perform closure/upgrade and site remediation activities. The scope of work is described on the attached project summaries:

PUST Residential Grants:

Prod 187802	Estate of Ann Farrel	\$102,808.30
Prod 187953	Casey Karcz	\$108,255.00
Prod 188191	John Reilly	<u>\$ 40,092.32</u>
		<u>\$251,155.62</u>

PUST Not-for-Profit Grant:

Prod 187948	Missionary Franciscan Sisters	\$101,374.54
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Total UST Funding – February 2020	\$352,530.16
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 Tim Sullivan

Prepared by: Kathy Junghans

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**Underground Storage Tank - Residential****APPLICANT:** Estate of Ann Farrel

PROD-00187802

PROJECT USER(S): Same as applicant**PROJECT LOCATION:** 4 Barbara Place Somerdale Borough Camden County**APPLICANT BACKGROUND:**

Estate of Ann Farrel is the owner of the single family dwelling at the time of the decedent's passing and is seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$102,808.30 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$10,280.83 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:** \$102,808.30**TERMS OF GRANT:** No Interest; No Repayment**PROJECT COSTS:**

UST Project: Upgrade,Closure,Remediation	\$102,808.30
UST Project: NJDEP Costs	\$10,280.83
EDA Administrative Cost	\$250.00

TOTAL COSTS: \$113,339.13
DATE: 1/24/2020

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Underground Storage Tank - Residential

APPLICANT: Casey Karcz

PROD-00187953

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 118 Rowland Avenue Clifton City Passaic County

APPLICANT BACKGROUND:

Casey Karcz is a homeowner seeking to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank will be decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$108,255 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$10,825.50 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: \$108,255.00

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

UST Project: Upgrade, Closure, Remediation	\$108,255.00
UST Project: NJDEP Costs	\$10,825.50
EDA Administrative Cost	\$250.00

TOTAL COSTS: \$119,330.50

DATE: 1/28/2020

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Underground Storage Tank - Residential

APPLICANT: John Reilly

PROD-00188191

PROJECT USER(S): Same as applicant

PROJECT LOCATION: 32 Sanders Road Edison Township Middlesex County

APPLICANT BACKGROUND:

Between February 2018 and August 2019, John Reilly received an initial grant in the amount of \$9,610 under P44489 and supplemental grants in the amount of \$98,577 under P45038 and \$98,924 under P45597 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and 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.

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

OTHER NJEDA SERVICES: P44489: \$9,610, P45038: \$98,577, P45597: \$98,924

APPROVAL REQUEST:

The applicant is requesting additional supplemental grant funding in the amount of \$40,092.32 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$237,593.32, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$247,203.32.

The NJDEP oversight fee of \$4,009.23 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: \$40,092.32

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

UST Project: Remediation	\$40,092.32
UST Project: NJDEP Costs	\$4,009.23
EDA Administrative Cost	\$250.00

TOTAL COSTS: \$44,351.55

DATE: 1/27/2020

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**Underground Storage Tank - Not for Profit****APPLICANT:** Missionary Franciscan Sisters

PROD-00187948

PROJECT USER(S): Same as applicant**PROJECT LOCATION:** 253 Knickerbocker Road Tenafly Borough Bergen County**APPLICANT BACKGROUND:**

Missionary Franciscan Sisters is a 501(c)(3) not-for-profit entity seeking to remove a leaking underground storage tank (UST) which is providing heat to the residence and perform the required remediation. The tank will be decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

Certifications provided by the 501(c)(3) not-for-profit applicant meet the requirements for a conditional hardship grant.

OTHER NJEDA SERVICES:

None

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$101,374.54 to perform the approved scope of work at the project site which serves as residential units.

The NJDEP oversight fee of \$10,137.45 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:**GRANTOR:** Petroleum UST Remediation, Upgrade & Closure Fund**AMOUNT OF GRANT:** \$101,374.54**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST act.**PROJECT COSTS:**

UST Project: Upgrade, Closure, Remediation	\$101,374.54
UST Project: NJDEP Costs	\$10,137.45
EDA Administrative Cost	\$500.00

TOTAL COSTS: \$112,011.99

DATE: 1/28/2020

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 11, 2020
SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

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

Direct Loan Program:

- 1) 485 Oberlin Ave LLC (PROD-00187965), located in Lakewood Township, Ocean County, is a newly formed real estate holding company created to own and manage the project property. The operating companies are DC Cargo Mall Inc. ("DC") and Table Linen LLC ("TL"). DC was formed in 2009 and sells products related to cargo control such as straps, harnesses, rails, towing and hauling kits. Founded in 2009, TL sells and rents various table cloths, chair covers and napkins for caterers, party planners, and consumers. The EDA approved a \$2,000,000 Direct loan and Cross River Bank approved a \$4,075,000 loan. The combined proceeds will be used to purchase the project property. Currently, the Company has 42 employees and plans to create eight new jobs within the next two years.

Premier Lender Program:

- 1) MSMD Properties LLC ("MSMD") (PROD-00188166), located in Cherry Hill Township, Camden County, is a newly formed real estate holding company created to purchase the project property. The operating company, Imagine Audio, LLC (IAudio"), is related to MSMD by common ownership. IAudio, founded in 2004, performs automobile customizations and enhancements that include window tinting, fiberglass molding, sound systems, remote-start, security and navigation systems, cameras and sensors, and blue tooth cell phone technology. The Provident Bank approved a \$1,000,000 loan contingent upon a 50% (\$500,000) Authority participation. Proceeds will be used to purchase the project property. The Company currently has ten employees and plans to create three new jobs over the next two years.

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Prepared by: G. Robins



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 11, 2020

SUBJECT: Incentives Modifications – 4th Quarter 2019
(For Informational Purposes Only)

Since 2001, and most recently in June 2014, the Members have approved delegations to staff for post-closing incentive modifications that are administrative and do not materially change the original approvals of these grants.

Attached is a list of the Incentive Modifications that were approved in the 4th quarter ending December 31, 2019.

A handwritten signature in blue ink, appearing to be "TS", is written above a solid horizontal line.

Prepared by: F. Saturne

**ACTIONS APPROVED UNDER DELEGATED AUTHORITY
FOURTH QUARTER ENDING DECEMBER 31, 2019**

GROW NEW JERSEY ASSISTANCE PROGRAM

Applicant	Modification Action	Approved Award
Bayada Home Health Care, Inc.	Consent to approve a six-month extension of the certification deadline from October 12, 2019 to April 12, 2020.	\$18,441,120
Enroute Computer Solutions, Inc.	Consent to approve a six-month extension of the certification deadline from October 14, 2019 to April 14, 2020.	\$9,315,000
Gourmet Nut Inc	Consent to add an affiliate to the GROW NJ agreement.	\$12,100,000
Greener Cleaner Inc.	Consent to approve a 2 nd six-month extension of the certification deadline from December 14, 2019 to June 14, 2020.	\$4,180,000
Konica Minolta Business Solutions, U.S.A, Inc. (KMBS)	Consent to add an affiliate to the GROW NJ Agreement.	\$29,398,660
Seton Hall- Hackensack Meridian School of Medicine	Consent to add affiliate to the GROW NJ agreement.	\$16,937,000

SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS

Applicant	Extend to date	Location	#/% Employees	Benefit
Siegfried USA, LLC	March 23, 2020	Pennsville, NJ	140/91%	\$145,567



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan, Chief Executive Officer

DATE: February 11, 2020

SUBJECT: Post Closing Credit Delegated Authority Approvals for 4th Quarter 2019
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the fourth quarter of 2019:

Name	EDA Credit Exposure	Action
Pathways to Independence, Inc.	\$ 121,896 DIR	Extend the loan maturity ten years to September 1, 2029, with a five-year rate reset to allow the Borrower time to fully amortize the loan.
1100 State Street, LLC (Arline Construction Services, LLC)	\$ 171,973 BGF Gtee.	Consent to agent PNC Bank's settlement of their \$450K bankruptcy claim for either \$295K at conclusion of the borrower's bankruptcy case, or \$450,000 paid over a five-year repayment (with a balloon payment at maturity). EDA will receive its 50% pro rata share of the payments after collection expenses on the written off BGF guarantee receivable.

Camden Economic Recovery Board Grants (EDA has no credit exposure)	
Camden Redevelopment Agency - Central Waterfront Housing & Temporary Parking	Twelve-month extension of the \$83,577 grant for parking projects to June 30, 2020.
Camden Redevelopment Agency - Neighborhood & Redevelopment Planning Grants I & II	Twelve-month extension of \$379,076 in development planning grants to June 30, 2020.
Camden Redevelopment Agency - Mixed Site Acquisition & Cooper Plaza Acquisition	Twelve-month extension of this \$382,566 million redevelopment grant to June 30, 2020.

Conduit Bonds (EDA has no credit exposure)	
Uncommon CP Properties I, LLC & Uncommon CP Properties II, LLC (Uncommon Schools, Inc.)	Consent to an inter-creditor agreement related to a substitution of lender on the \$77.3 Million Taxable Qualified School Construction Bonds.
Margaret Anna Cusack Care Center, Inc. (Peace Care St. Joseph)	Consent to modify the Debt Service Coverage Ratio on the \$17 million Tax-Exempt and Taxable Stand-Alone Bond.
The Freehold Young Men's Christian Association (YMCA of Western Monmouth County)	Consent to a merger with The Young Men's Christian Association of Red Bank, creating the new entity The Young Men's Christian Association of Greater Monmouth County, on the \$5.3 million Tax-Exempt Stand-Alone Bond.
KIPP Cooper Norcross (KIPP Cooper Norcross Academy)	Consent to an inter-creditor agreement and Memorandum of Indenture to secure the \$15.508 Million Taxable Qualified Zone Academy Bond as contemplated at closing.
NewPoint Behavioral Healthcare, Inc.	Consent to the merger of Cape Counseling Services, NewPoint Behavioral Healthcare and Robin's Nest into the new entity Acenda Integrated Health on the \$1.99 million Tax-Exempt Stand-Alone Bond.
Cape Counseling Services, Inc.	Consent to the merger of Cape Counseling Services, NewPoint Behavioral Healthcare and Robin's Nest into the new entity Acenda Integrated Health on the \$1.3 million Tax-Exempt Stand-Alone Bond.

Loans Written off with Recourse
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As required by generally accepted accounting principles, loans that are nonperforming, offer limited likelihood of future recovery and have been fully reserved are to be written off. Special Loan Management conducts a quarterly portfolio review, and with concurrence from management, recommend loans to be written off with recourse pursuant to delegated authority. EDA retains legal rights against the borrower and/or guarantors and pursue collections of these loans through litigation.

Name	Credit Exposure	Description
Sleepable Sofas LTD of New Jersey	\$ 1,164,887 SBL Loan	The business ceased operations in March 2017, with no payments remitted since December 2018. EDA's 2 nd position lien on business assets did not provide a source of repayment. EDA obtained a judgement against the personal

	guarantor and will seek to enforce the judgement in New York where the guarantor resides.
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Prepared by: Jennifer Bongiorno and Mansi Naik



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: February 11, 2020
SUBJECT: Technology & Life Sciences - Delegated Authority Approvals for Q4 2019

For Informational Purposes Only - Angel Investor Tax Credit Program

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% for 2019 of a qualified investment made into New Jersey emerging technology businesses. Of note in 2020, the ATC credit increases to 20% with a 5% bonus for investing in a certified Women or Minority Business or a company located in an Opportunity Zone or New Market Tax Credit Census Tract

For the full year 2019, the EDA approved 161 Angel Tax Credit applications for investments in 32 unique NJ based Technology and Life Science companies. These approvals represented the investment of more than \$33.1 million of private capital, for a total tax credit amount of \$3.3 million which is significantly below the \$25 million annual program allocation. For calendar year 2019, the Angel Investor Tax Credit program received 251 applications, a 7% increase over the 233 applications received in the 2018 calendar year. The total investment amount for approved applications in calendar year 2019 is lower compared to 2018 (\$33MM vs \$197MM) in part due to the latter year including approvals for two sizable acquisitions, that were significantly above the \$5,000,000 per transaction cap pf Angel Tax Credit.

Angel Tax Credit Program Year 2019

Sector	Investment Amount	Angel Tax Credit	Applications	# of Companies in Each Sector	% of Total Investments	% of Total Applications
Technology	\$17,833,798	\$1,783,381	112	19	54%	70%
Life Sciences	\$15,275,529	\$1,527,552	49	13	46%	30%
Total	\$33,109,327	\$3,310,933	161	32		

While technology company investors submitted more applications compared to life science company investors (70/30), life science companies received a higher investment amount on average, representing almost half of the approved investment total for the entire year. For all 2019 approvals, the average investment amount was approximately \$205,640 and the average tax credit was approximately \$20,560.

Angel Investor Tax Credit Program – Q4 2019 Review

During the fourth quarter of 2019, 122 Angel Tax Credit applications for \$2,195,219 in tax credits were approved. This represented \$21,952,179 in private investments in 21 unique technology and life science companies. The following 9 companies new to the program in Q4:

- **Credibility Capital Inc. - Newark, NJ:** Credibility Capital is a fintech start-up that has developed a proprietary digital lending platform - Loan Origination and Referral Platform (LORP), a Go-based microservices architecture developed in-house, that streamlines and enhances the application and underwriting process and is focused on matching small business borrowers with institutional investors such as Hedge Funds, banks, and family offices. The company moved their offices to Newark in 2019.
- **Fusion Recruiting Labs – Red Bank, NJ:** Fusion Recruiting Labs provides human resource departments and staffing agencies software tools to simplify and humanize the hiring process. The company created a SaaS-based recruitment platform Talenize and job distribution platforms. The Talenize mobile apply solution was designed to easily plug into an employer's existing careers site and is automatically triggered when an applicant accesses a job posting from a mobile device.
- **Lambent Data Inc – Princeton, NJ:** Lambent Data is developing 'OurVisit™', a research-based collaboration software platform and application focused on impacting early childhood development and behavioral health. The software is designed to improve the communication between social service agency heads, social workers, and families with shared communication, goal setting, resources and data analytics to improve child outcomes and agency costs.

- **Princeton Climate Analytics, Inc. - Princeton, NJ:** Princeton Climate Analytics has developed a unique Hydrological Monitoring and Forecasting System that is utilized to monitor and forecast flood and drought conditions around the world. It is employed by country governments (and related agencies), insurance companies and other commercial entities (such as agricultural businesses).
- **Radius8, Inc. – Princeton, NJ:** Radius8, Inc. is a technology-based data analytics company which provides retailers with insights on local in-store and online buying trends. Their cloud-based software, captures local signals around a retail store such as what is trending, weather, social calendars, etc. and finds the intersection of that and what a particular store has on hand or wants to promote.
- **Tallyx, Inc. – Princeton, NJ:** Tallyx is building a software platform for trade and supply chain finance. The Company uses blockchain and artificial intelligence technologies to create an online marketplace to bridge buyers, suppliers and financiers.
- **Trialscope, Inc. – Jersey City, NJ:** TrialScope, Inc. provides software-as-a-service "Saas" to clinical trial sponsors to efficiently track, manage and respond to clinical data requests, consistently comply with evolving legislation and internal policies and maintain control over and insight into dynamic disclosure content, processes and compliance programs.
- **Angel Medical Systems, Inc. – Eatontown, NJ:** Angel Medical is a medical device company that has developed the first ever implantable, patient alerting system for the early detection and prevention of heart attacks.
- **Deliveright Logistics, Inc. – Bayonne, NJ:** Deliveright Logistics, Inc. provides patented technology called Grasshopper, which bridges the gap between the Ecommerce segment of Heavy Goods retailers and companies that specialize in delivering these products. Grasshopper, a cloud-based proprietary platform, provides transparency and increased efficiency in pricing, delivery route optimization, tracking and visibility along the logistics chain.

Angel Tax Credit Q4 2019 Results

Sector	Investment Amount	Angel Tax Credit	Applications	# of Companies in Each Sector	% of Total Investments	% of Total Applications
Technology	\$15,199,178	\$1,519,919	90	13	69%	74%
Life Sciences	\$6,753,001	\$675,300	32	8	31%	26%
Total	\$21,952,179	\$2,195,219	122	21		

Since program inception in 2013 through Year End 2019, the Authority has approved 1,322 applications. These approved applications approximating \$45 million in tax credits represent more than \$549 million invested in 94 New Jersey based technology and life science businesses.

Attached please find a detailed list of all ATC applications that were approved under delegated authority during the fourth quarter of 2019.

For Informational Purposes Only – NJ Ignite Program

NJ Ignite offers grants that support rent of early stage technology and life science companies in New Jersey which are located in collaborative workspaces. Grants vary in amount and the start-up must commit to continue to work from the collaborative space under established agreements. As of December 31, 2019, there are 18 approved collaborative spaces in New Jersey.

NJ Ignite Program – Q4 2019 Review

The following two charts represent approval for both collaborative workspaces and tenants' applications from approved workspaces.

Workspace Approvals

Workspace Name	Workspace Location
EN MASSE 360, LLC	Morristown
Co-Co Collaborative LLC	Summit

Tenant Approvals

Tenant Name	Workspace Name	EDA Grant	Number of Employees
Premissa, Inc	EcoComplex	\$ 11,550.00	1
Invtext Technologies LLC	Office Evolution	\$ 3,400.00	2
Tendo Technologies, Inc	Princeton Innovation Center BioLabs	\$ 15,000.00	3
Sembient Inc	Kearny Point (Original)	\$ 10,500.00	2
SWAYworkplace LLC	Business Energy	\$ 1,000.00	2
Molecular Innovations*	Bioscience Incubator	\$ 15,000.00	3

NJ Ignite 4th Quarter approvals totaled \$56,450.
 *Funds are not drawn from the \$500,000 program pool.



Tim Sullivan, CEO

Prepared by:
 Jennifer Toth
 4th Quarter 2019 Delegated ATC Approvals

Investors	Employees in NJ	Company	Investment	Tax Credit
Eric Carrara		Acuitive Technologies, Inc.	\$ 120,000.00	\$ 12,000.00
John Micera Revocable Living Trust		Acuitive Technologies, Inc.	\$ 150,000.00	\$ 15,000.00
Martin Reynolds		Acuitive Technologies, Inc.	\$ 150,000.00	\$ 15,000.00
Wayne Berberian		Acuitive Technologies, Inc.	\$ 250,000.00	\$ 25,000.00
4	NJ: 19 Total: 19	Acuitive Technologies, Inc.	\$ 670,000.00	\$ 67,000.00
Andrew Taylor		Angel Medical Systems, Inc.	\$ 25,000.00	\$ 2,500.00
Jordan Breitner		Angel Medical Systems, Inc.	\$ 25,000.00	\$ 2,500.00
Michael Leit		Angel Medical Systems, Inc.	\$ 50,000.00	\$ 5,000.00
3	NJ: 20 Total: 21	Angel Medical Systems, Inc.	\$ 100,000.00	\$ 10,000.00
Andy Epstein		Backendb.com LLC	\$ 250,000.00	\$ 25,000.00
BackendB Holding Corp		Backendb.com LLC	\$ 1,275,000.00	\$ 127,500.00
David Grusin		Backendb.com LLC	\$ 100,000.00	\$ 10,000.00
Edward Robert Roskind		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Freeman Jeffery Smith		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
James J Casey		Backendb.com LLC	\$ 250,000.00	\$ 25,000.00
Kenneth Paul Schapiro		Backendb.com LLC	\$ 250,000.00	\$ 25,000.00
Mitchell Rubin		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Paul Saydah		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Richard Arnesen		Backendb.com LLC	\$ 50,000.00	\$ 5,000.00
Richard Rosen		Backendb.com LLC	\$ 250,000.00	\$ 25,000.00
Roger W Thomas		Backendb.com LLC	\$ 300,000.00	\$ 30,000.00
Serota, LLC		Backendb.com LLC	\$ 100,000.00	\$ 10,000.00
Stacy and Saeid Arshadi		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Stanley Sheft		Backendb.com LLC	\$ 300,000.00	\$ 30,000.00
Steven Blau		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Steven Bork		Backendb.com LLC	\$ 50,000.00	\$ 5,000.00
Sylvia Seltzer		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Ucciferri Living Trust		Backendb.com LLC	\$ 150,000.00	\$ 15,000.00
Walter R Obermeyer Holdings Inc.		Backendb.com LLC	\$ 25,000.00	\$ 2,500.00
Yvonne J Camacho Revocable Trust		Backendb.com LLC	\$ 50,000.00	\$ 5,000.00
Zubin William Emsley		Backendb.com LLC	\$ 200,000.00	\$ 20,000.00
22	NJ: 6 Total: 7	Backendb.com LLC	\$ 3,775,000.00	\$ 377,500.00
Punita Kumar-Sinha Irrevocable Trust of 2012		Cellix Biosciences Inc	\$ 100,000.00	\$ 10,000.00
Punita Kumar-Sinha Trust of 2001		Cellix Biosciences Inc	\$ 150,000.00	\$ 15,000.00
2	NJ: 1 Total: 1	Cellix Biosciences Inc	\$ 250,000.00	\$ 25,000.00
Bradley L Beach and Kathryn A Beach		COVELLUS LLC	\$ 381,000.00	\$ 38,100.00
Bradley L Beach and Kathryn A Beach		COVELLUS LLC	\$ 50,000.00	\$ 5,000.00
2	NJ: 1 Total: 1	COVELLUS LLC	\$ 431,000.00	\$ 43,100.00
Barry A. Brooks		Credibility Capital Inc.	\$ 75,000.00	\$ 7,500.00
Andrew S Lerner		Credibility Capital Inc.	\$ 25,000.00	\$ 2,500.00
Brett Baris		Credibility Capital Inc.	\$ 75,000.00	\$ 7,500.00
Bruce A. MacFarlane		Credibility Capital Inc.	\$ 50,000.00	\$ 5,000.00
Dennis Carlson		Credibility Capital Inc.	\$ 50,000.00	\$ 5,000.00
Jonathan A Sebiri		Credibility Capital Inc.	\$ 50,000.00	\$ 5,000.00
Martha P Farrell Gift Trust dated 10/24/2008		Credibility Capital Inc.	\$ 20,000.00	\$ 2,000.00
Richard M Davidson Revocable Living Trust		Credibility Capital Inc.	\$ 20,000.00	\$ 2,000.00
Sean Patrick Minnihan		Credibility Capital Inc.	\$ 20,000.00	\$ 2,000.00
Stanley P. Rull		Credibility Capital Inc.	\$ 20,000.00	\$ 2,000.00
Stephen L. Kay		Credibility Capital Inc.	\$ 10,000.00	\$ 1,000.00
11	NJ: 22 Total: 22	Credibility Capital Inc.	\$ 415,000.00	\$ 41,500.00

Investors	Employees in NJ	Company	Investment	Tax Credit
Daniel Lee Markovitz		Deliveright Logistics	\$ 100,000.00	\$ 10,000.00
Douglas Mark Ladden		Deliveright Logistics	\$ 628,658.00	\$ 62,866.00
Cerminaro Group LLC		Deliveright Logistics	\$ 200,000.00	\$ 20,000.00
George Edward Zobitz		Deliveright Logistics	\$ 75,000.00	\$ 7,500.00
John Howard Adelman		Deliveright Logistics	\$ 181,166.00	\$ 18,117.00
Anthony C Bowe		Deliveright Logistics	\$ 174,500.00	\$ 17,450.00
Lynn Alison Brody		Deliveright Logistics	\$ 100,000.00	\$ 10,000.00
Mark Alan Adelman		Deliveright Logistics	\$ 181,167.00	\$ 18,117.00
Michael Robert Wisler 2012 Exempt Trust		Deliveright Logistics	\$ 100,000.00	\$ 10,000.00
Nicole Miranda Wisler 2012 Exempt Trust		Deliveright Logistics	\$ 100,000.00	\$ 10,000.00
Paul Michael Lewis		Deliveright Logistics	\$ 90,583.00	\$ 9,058.00
Robert James Adelman		Deliveright Logistics	\$ 181,166.00	\$ 18,117.00
Robert Todd Goldman		Deliveright Logistics	\$ 100,000.00	\$ 10,000.00
Stuart Daniel Shanler		Deliveright Logistics	\$ 300,000.00	\$ 30,000.00
Vincent DeGaiamo		Deliveright Logistics	\$ 50,000.00	\$ 5,000.00
15	NJ: 33 Total: 44	Deliveright Logistics	\$2,562,240.00	\$256,225.00
John W Rollins Jr		Endomedix, Inc	\$ 35,000.00	\$ 3,500.00
1	NJ: 3 Total: 3	Endomedix, Inc	\$ 35,000.00	\$ 3,500.00
James T Scanlon		Fusion Recruiting Labs	\$ 20,438.00	\$ 2,044.00
1	NJ: 55 Total: 63	Fusion Recruiting Labs	\$ 20,438.00	\$ 2,044.00
Anthony Portannese		Inspirit Group, LLC	\$ 50,000.00	\$ 5,000.00
Kevin M. Kilcullen		Inspirit Group, LLC	\$ 50,000.00	\$ 5,000.00
NIRAJ KUMAR PANT		Inspirit Group, LLC	\$ 15,000.00	\$ 1,500.00
Robert A. and Harriet Druskin		Inspirit Group, LLC	\$ 150,000.00	\$ 15,000.00
4	NJ: 17 Total: 17	Inspirit Group, LLC	\$ 265,000.00	\$ 26,500.00
Joseph Aglione		KidGooRoo LLC	\$ 50,000.00	\$ 5,000.00
Joseph R. Keating Revocable Trust		KidGooRoo LLC	\$ 50,000.00	\$ 5,000.00
Mike Edward Miles		KidGooRoo LLC	\$ 76,500.00	\$ 7,650.00
Patricia Deirdre Coughlin		KidGooRoo LLC	\$ 50,000.00	\$ 5,000.00
4	NJ: 2 Total: 2	KidGooRoo LLC	\$ 226,500.00	\$ 22,650.00
Robert Keith Lem		Lambent Data Inc.	\$ 15,000.00	\$ 1,500.00
1	NJ: 1 Total: 1	Lambent Data Inc.	\$ 15,000.00	\$ 1,500.00
Christopher C Dewey Trust		Myos Rens Technology	\$ 350,000.00	\$ 35,000.00
David Matlin		Myos Rens Technology	\$ 500,001.00	\$ 50,000.10
Joseph Mannello		Myos Rens Technology	\$ 250,000.00	\$ 25,000.00
3	NJ: 13 Total: 13	Myos Rens Technology	\$1,100,001.00	\$110,000.10
BCI XII, LLC		Novitium Pharma, LLC	\$ 1,150,000.00	\$ 115,000.00
1	NJ: 63 Total: 63	Novitium Pharma, LLC	\$1,150,000.00	\$115,000.00
Children's Holdings, LLC.		OpenDoor Securities LLC	\$ 5,000,000.00	\$ 500,000.00
1	NJ: 19 Total: 20	OpenDoor Securities LLC	\$5,000,000.00	\$500,000.00
David McGough		Princeton Climate Analytics, Inc	\$ 800,000.00	\$ 80,000.00
Thomas Gabriel Amato		Princeton Climate Analytics, Inc	\$ 50,000.00	\$ 5,000.00
2	NJ: 6 Total: 6	Princeton Climate Analytics, Inc	\$ 850,000.00	\$ 85,000.00
Ankur Keswani		Radius8, Inc.	\$ 50,000.00	\$ 5,000.00
Benny Soffer		Radius8, Inc.	\$ 100,000.00	\$ 10,000.00
Donald Askin		Radius8, Inc.	\$ 20,000.00	\$ 2,000.00
Drago Shane Dzerve		Radius8, Inc.	\$ 50,000.00	\$ 5,000.00
Essordaro LLC		Radius8, Inc.	\$ 100,000.00	\$ 10,000.00
Harlan Elliott Eplan		Radius8, Inc.	\$ 75,000.00	\$ 7,500.00
Jamus McCormick Driscoll		Radius8, Inc.	\$ 20,000.00	\$ 2,000.00
Jared M Witt		Radius8, Inc.	\$ 50,000.00	\$ 5,000.00
Jeff Stewart		Radius8, Inc.	\$ 25,000.00	\$ 2,500.00
Navjit S Bhasin		Radius8, Inc.	\$ 25,000.00	\$ 2,500.00
Peter W. Gonzalez Jr.		Radius8, Inc.	\$ 25,000.00	\$ 2,500.00
Sam Kliger		Radius8, Inc.	\$ 50,000.00	\$ 5,000.00
Sandeep Beotra		Radius8, Inc.	\$ 25,000.00	\$ 2,500.00
Vincent J. Santo		Radius8, Inc.	\$ 25,000.00	\$ 2,500.00
14	NJ: 9 Total: 11	Radius8, Inc.	\$ 640,000.00	\$ 64,000.00

Investors	Employees in NJ	Company	Investment	Tax Credit
P Jagan Reddy Trust FBO Dillon M Kwatra		SHINKEI THERAPEUTICS LLC	\$ 325,000.00	\$ 32,500.00
P Jagan Reddy Trust FBO Shailen S Kwatra		SHINKEI THERAPEUTICS LLC	\$ 325,000.00	\$ 32,500.00
Wasil Family Ventures		SHINKEI THERAPEUTICS LLC	\$ 100,000.00	\$ 10,000.00
3	NJ: 3 Total: 3	SHINKEI THERAPEUTICS LLC	\$ 750,000.00	\$ 75,000.00
Apogee Pharma, Inc		Sonnet BioTherapeutics, Inc.	\$ 50,000.00	\$ 5,000.00
Ashok G Nigalaye		Sonnet Biotherapeutics, Inc.	\$ 250,000.00	\$ 25,000.00
Ashok G Nigalaye		Sonnet Biotherapeutics, Inc.	\$ 250,000.00	\$ 25,000.00
Divakar Kamath		Sonnet Biotherapeutics, Inc.	\$ 25,000.00	\$ 2,500.00
Harjinder Sachdeva		Sonnet Biotherapeutics, Inc.	\$ 52,000.00	\$ 5,200.00
Manjusha N Tipre		Sonnet Biotherapeutics, Inc.	\$ 50,000.00	\$ 5,000.00
New Horizon Ventures Group Ltd		Sonnet Biotherapeutics, Inc.	\$ 100,000.00	\$ 10,000.00
New Horizon Ventures Group Ltd		Sonnet Biotherapeutics, Inc.	\$ 125,000.00	\$ 12,500.00
Prabhavathi vk Maddula		Sonnet Biotherapeutics, Inc.	\$ 250,000.00	\$ 25,000.00
Puri Family LLC		Sonnet Biotherapeutics, Inc.	\$ 100,000.00	\$ 10,000.00
Ram Potti Sudha R Potti		Sonnet Biotherapeutics, Inc.	\$ 200,000.00	\$ 20,000.00
Ramakrishna v Sannidhi		Sonnet BioTherapeutics, Inc.	\$ 375,000.00	\$ 37,500.00
Surya V. Seshan		Sonnet Biotherapeutics, Inc.	\$ 300,000.00	\$ 30,000.00
Trans Global Technologies, Inc		Sonnet Biotherapeutics, Inc.	\$ 175,000.00	\$ 17,500.00
14	NJ: 5 Total: 5	Sonnet Biotherapeutics, Inc.	\$ 2,302,000.00	\$ 230,200.00
Aditya D Menon		Tallyx Inc	\$ 150,000.00	\$ 15,000.00
Elizabeth Yee Ming Lo		Tallyx Inc	\$ 100,000.00	\$ 10,000.00
Michael Yen-Kan Tseng		Tallyx Inc	\$ 150,000.00	\$ 15,000.00
Yean-whei Tseng		Tallyx Inc	\$ 150,000.00	\$ 15,000.00
4	NJ: 9 Total: 9	Tallyx Inc	\$ 550,000.00	\$ 55,000.00
Jeffrey Kozloff		TrialScope, Inc.	\$ 100,000.00	\$ 10,000.00
Matthew Thomas Patras		TrialScope, Inc.	\$ 20,000.00	\$ 2,000.00
2	NJ: 38 Total: 40	TrialScope, Inc.	\$ 120,000.00	\$ 12,000.00
Adrienne Rachelle Green		XLINK LLC	\$ 75,000.00	\$ 7,500.00
Daniel Isenberg		XLINK LLC	\$ 50,000.00	\$ 5,000.00
Daniel Martin Silvert		XLINK LLC	\$ 100,000.00	\$ 10,000.00
James DuBroff		XLINK LLC	\$ 50,000.00	\$ 5,000.00
David Lai Lee & Jennifer Song Choe		XLINK LLC	\$ 100,000.00	\$ 10,000.00
Matthew Damien Stephens		XLINK LLC	\$ 25,000.00	\$ 2,500.00
Lee Pressler		XLINK LLC	\$ 250,000.00	\$ 25,000.00
Sarah Deborah Chirnomas		XLINK LLC	\$ 75,000.00	\$ 7,500.00
8	NJ: 1 Total: 1	XLINK LLC	\$ 725,000.00	\$ 72,500.00
122	NJ:346 Total:372	8		