



## **MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Melissa Orsen  
Chief Executive Officer

**DATE:** May 11, 2017

**SUBJECT:** Agenda for Board Meeting of the Authority May 11, 2017

### **Notice of Public Meeting**

### **Roll Call**

### **Approval of Previous Month's Minutes**

### **Chief Executive Officer's Monthly Report to the Board**

### **Bond Projects**

### **Incentive Programs**

### **Loans/Grants/Guarantees**

### **Office of Recovery**

### **Board Memorandums**

### **Public Comment**

### **Adjournment**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**April 13, 2017**

**MINUTES OF THE MEETING**

Members of the Authority present: Chairman Thomas Scrivo; Commissioner Richard Badolato of the Department of Banking and Insurance; James Kelly representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Asst. Commissioner Dan Kennedy of the Department of Environmental Protection; Public Members: Larry Downes, David Huber, Fred B. Dumont, Patrick Delle Cava, First Alternate Public Member; and Harold Imperatore, Third Alternate Public Member.

Present via conference call: Rodney Sadler, Non-Voting Member.

Absent: Public Members: Charles Sarlo, Philip Alagia, Massiel Medina Ferrara, and William J. Albanese, Sr., Second Alternate Public Member.

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Deputy Attorney General Gabriel Chacon; Thomas Huth, Governor's Authorities' Unit; and staff.

Mr. Scrivo called the meeting to order at 10:00 a.m.

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

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

**MINUTES OF AUTHORITY MEETING**

The next item of business was the approval of the March 24, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Stoller, and seconded by Mr. Downes and was approved by the 10 voting members present.

Chairman Scrivo recused himself because he was not a member of the board at the previous meeting.

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

**AUTHORITY MATTERS**

**ITEM:** Capital City Redevelopment Corporation

**REQUEST:** To approve the extension of an MOU between the EDA and Capital City Redevelopment Corporation (CCRC) as an inter-department governmental agreement confirming the mutual understanding and intention between the agencies with respect to the provision of the Authority's support services to CCRC.

**MOTION TO APPROVE:** Comm. Badolato **SECOND:** Mr. Delle Cava **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

**ITEM:** Memorandum of Understanding between the Authority and the Office of the Secretary of Higher Education

**REQUEST:** To approve an MOU between the Authority and the Office of the Secretary of Higher Education (OSHE) to support the successful development, implementation and ongoing maintenance of a Statewide Research Asset Database.

**MOTION TO APPROVE:** Mr. Imperatore **SECOND:** Mr. Stoller **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

**INCENTIVE PROGRAMS**

**Economic Redevelopment and Growth (ERG) Program**

**ITEM:** ACB Ownership, LLC

APPL.#42120

**REQUEST:** To approve the application of ACB Ownership, LLC for a Project located in Atlantic City, Atlantic County for reimbursement of certain taxes. The recommendation is to award 27.8% of actual eligible costs, not to exceed \$38,400,000 based on the budget submitted.

**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Comm. Badolato **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

Mr. Layton recused himself due to a previous business relationship.

**Public Infrastructure Project Tax Credit Program (PIP)**

**ITEM:** PH Urban Renewal, LLC

APPL.#43333

**REQUEST:** To approve the application of PH Urban Renewal, LLC for a project located in Jersey City, Hudson County for the issuance of tax credits. The recommendation is to give an award, not to exceed \$5,000,000.

**MOTION TO APPROVE:** Mr. Layton **SECOND:** Mr. Delle Cava **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**Grow New Jersey Assistance Program**

**ITEM:** Biogenesis, Inc.

APPL.#444089

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

**MOTION TO APPROVE:** Commissioner Badolato **SECOND:** Mr. Huber **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

**ITEM:** Biogenesis, Inc.

APPL.#444089

**REQUEST:** To approve the application of Biogenesis, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Paterson City, NJ. Project location of Paterson, Passaic County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Target Industry (Manufacturing), GSGZ Ind. Project w/ Cap. Inv. In Excess of Min. The estimated total award is \$9,360,000 for a 10-year term.

**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Mr. Imperatore **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

**ITEM:** Turtle & Hughes, Inc.

APPL.#44128

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

**MOTION TO APPROVE:** Mr. Imperatore **SECOND:** Mr. Dumont **AYES:** 10

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**

Mr. Huber recused himself due to a longstanding business relationship with the applicant company's CFO.

**ITEM:** Turtle & Hughes, Inc.

APPL.#44128

**REQUEST:** To approve the application of Turtle & Hughes, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Piscataway Township, NJ. Project location of Piscataway Township, Middlesex County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, On site Solar Generation of ½ of Projects Electric needs. The estimated total award is \$6,468,750 for a 10-year term.

**MOTION TO APPROVE:** Mr. Delle Cava **SECOND:** Mr. Dumont **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**

**ITEM:** United States Cold Storage, Inc. APPL.#44081  
**REQUEST:** To approve the finding of a material factor in the decision to make a capital investment and locate in municipality for GROW New Jersey Assistance program project.  
**MOTION TO APPROVE:** Mr. Layton **SECOND:** Mr. Huber **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

**ITEM:** United States Cold Storage, Inc. APPL.#44081  
**REQUEST:** To approve the application of United States Cold Storage, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as a Garden State Growth Zone Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. . The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Jobs with Salary in Excess of County/GSGZ Average, Target Industry (Logistics), 2007 Revit. Index greater than 465 in Camden County. The estimated total award is \$9,790,000 for a 10-year term.  
**MOTION TO APPROVE:** Mr. Stoller **SECOND:** Mr. Huber **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

## **BOND PROJECTS**

### **Amended Bond Resolutions**

**ITEM:** Partial Redemption & Payment of NJEDA/State Lease Revenue Refunding Bonds, 2004 Series A (State Office Buildings Projects) APPL.#15682  
**REQUEST:** To authorize an Authorized Authority Representative to direct the Trustee to redeem a portion of the Authority's 2004 Series A Bonds, to take any and all actions necessary to sell the Camden State Office Building to the State, and to approve the use of professionals and authorize Authority staff to take all necessary actions incidental to the transactions.  
**MOTION TO APPROVE:** Mr. Huber **SECOND:** Mr. Delle Cava **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 11**

**Combination Preliminary and Bond Resolutions**

**ITEM:** NSA 18<sup>th</sup> Avenue, LLC APPL.#44147  
**LOCATION:** Newark, Essex County  
**PROCEEDS FOR:** Construction, Renovation and debt-refinancing  
**FINANCING:** \$26,500,000 Tax exempt bond  
**MOTION TO APPROVE:** Mr. Delle Cava **SECOND:** Mr. Downes **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 12  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**Preliminary Bond Resolutions**

**ITEM:** Friends of Teaneck Community Charter School APPL.#44146  
**LOCATION:** Teaneck, Bergen County  
**PROCEEDS FOR:** Refinancing, Construction, Equipment and machinery  
**FINANCING:** \$13,537,685 total costs  
**MOTION TO APPROVE:** Comm. Badolato **SECOND:** Mr. Imperatore **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 13  
**PUBLIC HEARING:** Yes  
**PUBLIC COMMENT:** None

**LOANS/GRANTS/GUARANTEES**

**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:** Asst. Comm. Kennedy **SECOND:** Mr. Imperatore **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT:** 14

**PROJECT:** MBDF, LLC APPL.#43753  
**LOCATION:** Newark City, Essex County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$748,184

**PROJECT:** Saint Michael the Archangel APPL.#42991  
**LOCATION:** Lyndhurst Township, Bergen County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$259,225

**PROJECT:** St. Thomas of Aquin Parish APPL.#43047  
**LOCATION:** Ogdensburg Borough, Sussex County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$100,802

**PROJECT:** Eliot Zigmund APPL.#43652  
**LOCATION:** Teaneck Township, Bergen County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$135,545

**PROJECT:** Hipolito Beato and Leonor Beato APPL.#43715  
**LOCATION:** Perth Amboy City, Middlesex County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$111,864

**PROJECT:** Katheryn Septak APPL.#43515  
**LOCATION:** Jamesburg Borough, Middlesex County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$113,243

**PROJECT:** Nakida Williams APPL.#43266  
**LOCATION:** Winslow Township, Camden County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$105,515

**PROJECT:** Vincent R. Martino and Rose Martino APPL.#42658  
**LOCATION:** Woodbridge Township, Middlesex County  
**PROCEEDS FOR:** Upgrade, Closure, Remediation  
**FINANCING:** \$140,452

**EDISON INNOVATION FUND**

**ITEM:** NJ CoVest Fund – Early Stage Technology Company Investment Program  
**REQUEST:** To approve a \$3 million investment program – NJ CoVest Fund - for early stage technology and life sciences companies  
**MOTION TO APPROVE:** Mr. Huber **SECOND:** Mr. Imperatore **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 15**

**OFFICE OF RECOVERY**

**Office of Recovery Modifications**

**ITEM:** Yank Marine Services, LLC

APPL.#39754

**REQUEST:** To increase the \$2,072,250 construction loan under the Stronger NJ Business Loan program approved on February 26,2015 to \$2,572,250.

**MOTION TO APPROVE:** Mr. Huber **SECOND:** Mr. Stoller **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 16**

**REAL ESTATE**

**ITEM:** Identification of City of Trenton Downtown Redevelopment Sites

**REQUEST:** To approve an MOU comprised of public and private partners to prepare a report of redevelopment sites within the City's downtown which may serve as future public or private commercial redevelopment opportunities for public or private entities.

**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Commissioner Badolato **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 17**

**BOARD MEMORANDUMS**

**FOR INFORMATION ONLY:** Petroleum Underground Storage Tank Program – Delegated Authority Approvals

**FOR INFORMATION ONLY:** Hazardous Discharge Site Remediation Fund - Delegated Authority First Quarter 2017 Approvals

**FOR INFORMATION ONLY:** Projects approved under Delegated Authority

**Direct Loan Program:** ACMY, LLC (P44061)

**NJ Main Street Program:** San Antonio Broker Services (P44110 & P44111)

**Premier Lender Program:** 800 Coopertown Rd. LLC (P44082)

**Small Business Fund Program:** JA Properties, LLC (P44064)

**PUBLIC COMMENT**

There were no public comments.



**EXECUTIVE SESSION**

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

**MOTION TO APPROVE:** Comm. Badolato **SECOND:** Mr. Imperatore **AYES:** 11  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 18**

The Board returned to Public Session.

**OFFICE OF RECOVERY**

**Stronger NJ Business Grants**

**ITEM:** Surf City Marina

APPL.#55079


**REQUEST:** To suspend the applicant during the OSHA legal proceeding and Richmond County (NY) District Attorney's investigation of which applicant's counsel informed the Authority.

**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Mr. Downes **AYES:** 11

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 19**

There being no further business, on a motion by Mr. Delle Cava, and seconded by Mr. Imperatore, the meeting was adjourned at 10:55 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.

  
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Erin Gold, Director, Marketing & Public Affairs  
Assistant Secretary



## MEMORANDUM

**TO:** Members of the Authority  
**FROM:** Melissa J. Orsen  
Chief Executive Officer  
**DATE:** May 11, 2017  
**RE:** Monthly Report to the Board

### IMPACT OF EDA PROGRAMS SHOWCASED IN APRIL

April was punctuated with events highlighting the EDA's ability to support businesses of all sizes. A groundbreaking was held in Atlantic City at the future Island Campus of Stockton University, which will also be the headquarters of South Jersey Gas. The project, which is supported by both the Economic Redevelopment and Growth and Grow New Jersey programs, represents private investment of more than \$204 million, and holds the promise of more than 570 construction jobs and 160 new, permanent jobs.

Later in April, EDA staff visited co-working space Indiegrove, which is thriving in Jersey City with support from an EDA direct loan. Founder Zahra Amanpour used the funding to nearly double Indiegrove's space, expanding from 6,000 square feet to 10,268 square feet. Founded in 2013, Indiegrove has grown rapidly and currently boasts 250 members, of which approximately 35 percent are within the technology industry.

### EDA PROGRAMS DRIVE GROWTH OF TECH AND LIVE SCIENCES START-UPS

EDA programs continued to make a difference for early-stage companies in April, as the seventh New Jersey Founders & Funders event was held at the EDA's Commercialization Center for Innovative Technologies (CCIT). The event provided 28 emerging technology and biotechnology companies with access to angel and venture capital investors in 10-minute, one-on-one "speed dating" sessions to discuss strategy, business models and funding opportunities. Including the latest participants, more than 225 businesses have met with over 70 investors during New Jersey Founders & Funders events, leading to 1,240 subsequent meetings.

Funding for early-stage companies was the focus of another event at CCIT last month, as the EDA hosted a panel discussion entitled "Going Public – Biotech Leaders on Their Path to Funding." The panel gave biotech companies the opportunity to hear from industry leaders who have taken their businesses through the process of going public. Panelists included senior executives from EDA-supported companies Advaxis, CytoSorbents, and Celator Pharmaceuticals, who spoke about their unique experiences taking their companies public.

Finally, on May 1, the application period opened for one of the State's most popular programs for early-stage companies, the Technology Business Tax Certificate Transfer (NOL) Program. Administered by the EDA and the New Jersey Department of the Treasury's Division of Taxation, the NOL program allows eligible technology and biotechnology companies to sell unused New Jersey net operating losses and research and development tax credits to unrelated profitable corporations. Since the program's

inception in 1999, more than 500 companies have been approved for awards totaling over \$905 million. Last year, 40 companies were approved to sell \$35 million in benefits. The deadline for applications is June 30, 2017.

#### **EDA-SUPPORTED PROJECT WINS PRESTIGIOUS ARCHITECTURE AWARD**

The Newark Housing Authority's Training Recreation Education Center (TREC) was recently named as one of 79 U.S. winners of the American Architecture Awards. Considered to be among the most prestigious in the architecture field, the awards are sponsored by the Chicago Athenaeum Museum of Architecture and Design. Located on Ludlow Street in Newark, the 24,000-square-foot center offers job training resources, health and wellness classes, and space for exercise and recreational activities. The Center was funded with a \$5 million grant from the U.S. Department of Housing and Urban Development, as well as support through the Development and Public Improvement (D&I) component of the EDA's Neighborhood and Community Revitalization (NCR) Program, which was supported through New Jersey's Community Development Block Grant-Disaster Recovery allocation.

The NCR D&I program supported 19 projects with a total of \$48 million in funding; 16 projects have begun construction or are complete. Other NCR D&I projects include Lafayette Park in Cape May City, Berry Lane Park in Jersey City, the Boardwalk redevelopment project in Atlantic City, and Lakeview Field in Little Ferry.

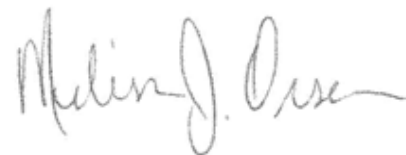
#### **CLOSED PROJECTS**

Through April 2017, EDA closed on more than \$111 million in traditional lending assistance to support 54 projects, leveraging \$136 million in capital investment and the creation of an estimated 278 new permanent jobs and 412 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements pending certification with 15 projects for \$405.6 million, leveraging \$400 million in capital investment, the creation of 1,778 new jobs, 1,856 construction jobs and the retention of 2,554 jobs at risk of leaving New Jersey.

#### **EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH**

EDA representatives participated as speakers, attendees, or exhibitors at 28 events in April. These included the NJ Bankers Women in Banking Conference in Somerset, the New Jersey Citizen Action Education Fund Small Business Luncheon and Forum in Trenton, and the South Jersey Business Expo in Cherry Hill.



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**BOND PROJECTS**

**BOND RESOLUTIONS**



## MEMORANDUM

**TO:** Members of the Authority

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

**SUBJECT:** NJEDA/State Lease Revenue Bonds (State House Project) 2017 Series and State Lease Revenue Refunding Bonds (State House Project) 2017 Series

**DATE:** May 11, 2017

### **SUMMARY OF PROPOSED FINANCING**

The Authority is being asked to approve the issuance of one or more series of State Lease Revenue Bonds (State House Project) 2017 Series (the "2017 New Money Bonds") for the purpose of financing the cost of improvements to the State House (as defined herein), and for paying costs of issuance of, and capitalized interest on, the 2017 Bonds, up to the maximum aggregate principal amount not exceeding \$300,000,000.

The 2017 Bonds shall be issued for the purposes of (i) paying costs of the historic rehabilitation, renovation and improvement of the Executive Branch Facility (also commonly known as the "Executive State House"), including, but not limited to the design, planning, construction, reconstruction, relocation, installation, removal, establishment, repair or rehabilitation thereof; (ii) paying costs of the renovation and improvement to the Legislative Branch Facility (also commonly known as the "Legislative State House"); (iii) refunding all or a portion of bonds of the New Jersey Building Authority ("NJBA") that financed or refinanced projects at the State House Complex (as hereinafter defined); and (iv) paying the costs of issuance of the 2017 Bonds. As such, the 2017 Bonds shall be used to: (a) to improve real estate for office purposes and provide gainful employment opportunities; (b) to aid, assist, and encourage the economic development or redevelopment of the City of Trenton and surrounding areas; (c) to accelerate acquisition and installation of energy saving improvements that will reduce the consumption in an office building of non-renewable sources of energy; and (d) to finance cultural and historic preservation, rehabilitation, and improvement of the State House (as hereinafter defined). The Executive Branch Facility consists of any building, office, facility or component within the State Capitol Complex (as defined in N.J.S.A. 52:31-36) that predominately houses or exclusively serves the Office of the Governor or any agency or employee of the executive branch. The Legislative Branch Facility consists of any building, office, facility or component within the State Capitol Complex that predominately houses or exclusively serves the New Jersey State Legislature (the "State Legislature") or any agency or employee of the legislative branch. For purposes of this board memorandum, the Executive Branch Facility and the Legislative Branch Facility are collectively referred to herein as the "State House."

The Authority is also being asked to approve the issuance of State Lease Revenue Refunding Bonds (State House Project) 2017 Series (the "2017 Refunding Bonds" and, together with the 2017 New Money Bonds, the "2017 Bonds") in a maximum aggregate principal amount not exceeding \$75,000,000.

## **BACKGROUND**

The Executive State House is the second oldest statehouse in continuous operation in the United States. It was developed over 18 distinct building campaigns from 1792 to 1958 and currently houses the Office of the Governor, the Office of the Chief Counsel to the Governor, the Office of the Secretary of State/Lieutenant Governor and the Office of the State Treasurer, along with other Executive Branch staff members and New Jersey State Police personnel. The Legislative State House currently houses the State Senate and the General Assembly. The Legislative State House dates back to approximately 1871 when an extension was constructed to house the chambers for the Legislature, surrounded by a gallery, offices and caucus rooms. After the fire of March 21, 1885, subsequent building campaigns resulted in the Legislative State House as it is seen today. Proceeds of the 2017 New Money Bonds will be used to pay for the exterior and interior renovation and restoration in order to preserve the historic nature of the Executive State House while remedying structural and life, health and safety issues throughout the Executive State House, to cure code and Americans with Disabilities Act violations and to make renovations and improvements to the Legislative State House in order to substantially improve and upgrade HVAC, communications, fire safety and security infrastructure, while also integrating such infrastructure into the corresponding infrastructure at the Executive State House so that such infrastructure in the Legislative State House and the Executive State House work as one integrated, comprehensive system.

The renovation, restoration, and improvement of the Executive State House will ensure its continued use for office purposes by State officers and employees and will generate numerous construction jobs. Moreover, the work will assist with the economic redevelopment of the City of Trenton by renovating and restoring what the City of Trenton's 2008 Downtown Capital District Master Plan describes as a "key attraction" that anchors the surrounding Capital District Neighborhood. Additionally, by installing a modern pipe system to provide HVAC to the entire building and by replacing antiquated electrical and lighting systems, the work will create energy saving improvements and reduce energy consumption.

The site and the existing facilities known as the State House and the State House Annex, together with related facilities (the "State House Complex") have been leased by the State to NJBA pursuant to a Ground Lease between NJBA and the State dated as of April 1, 1989, as amended. NJBA and the State have also entered into a Lease and Agreement dated as of November 15, 1981, as amended (the "NJBA Lease") pursuant to which NJBA has leased the State House Complex to the State. Pursuant to the NJBA Lease, the State has the option to purchase the State House and cause the State House to be removed from the NJBA Lease for a purchase price equal to one dollar (\$1.00) plus an amount sufficient to provide for the payment in full of the NJBA bonds outstanding, the proceeds of which financed or refinanced the State House (the "Obligations to be Refunded"). The State intends to exercise such option. The proceeds of the 2017 Refunding Bonds will be applied to refund such Obligations to be Refunded.

## **APPROVAL REQUEST**

The Members are requested to approve the adoption of the State Lease Revenue Bond Resolution (State House Project) (the "Bond Resolution") authorizing the issuance of one or more series of the 2017 New Money Bonds and one or more series of the 2017 Refunding Bonds as described above.

The State Capitol Joint Management Commission ("JMC") will lease the State House to the Authority pursuant to a Lease between the JMC, as Lessor, and the Authority, as Lessee (the "Lease"). The Authority will sublease the State House to the JMC pursuant to an Agreement and Sublease between the Authority, as Sublessor, and the JMC, as Sublessee (the "Sublease"). The 2017 Bonds

will be payable from Rent to be paid, subject to appropriation, by the JMC pursuant to the Sublease. The Lease and Sublease, in substantially the forms presented to this meeting, were approved by the JMC at its meeting on April 25, 2017.

The 2017 Bonds will be issued as multi-modal bonds and will be issued initially in a variable interest rate mode. While in the initial variable interest rate mode, the 2017 Bonds will be subject to mandatory tender for purchase on a date approximately eighteen (18) months following the date of issuance of the 2017 Bonds (the "Mandatory Tender Date"). The 2017 Bonds in the initial variable interest rate mode will also be subject to tender for purchase at the election of the Authority at any time prior to the Mandatory Tender Date, and to optional redemption at any time, in each case at a purchase price or redemption price, as applicable, equal to the principal amount thereof plus accrued interest to the purchase date or redemption date, as applicable. The Authority will have the option to convert the interest rate on the 2017 Bonds to a fixed interest rate at any time. In connection with such conversion to a fixed interest rate, the 2017 Bonds will be called for mandatory tender for purchase and will be remarketed as fixed interest rate bonds.

Upon initial issuance, the 2017 Bonds will be sold to RBC Capital Markets, LLC (in such capacity, the "Underwriter"), who was selected through Treasury's competitive RFP process, in a limited offering, pursuant to a Bond Purchase Contract (the "Bond Purchase Contract") between the Authority and the Underwriter. As set forth in the Bond Purchase Contract, the Underwriter intends to sell the 2017 Bonds to RBC Municipal Products, LLC, an affiliate of the Underwriter (the "Initial Purchaser"). The Initial Purchaser contemplates a deposit of the 2017 Bonds into a common law trust established by the Initial Purchaser under the laws of the State of New York, a statutory trust established by the Initial Purchaser or an Affiliate of the Initial Purchaser under the Delaware statutory trust statute or any other type of trust, which, in any case, has an interest in all or any of the Series 2017 Bonds (the "Trust") and Royal Bank of Canada, its successors and assigns, will be the initial credit protection provider for the Trust (the "Credit Protection Provider"). The sale of the 2017 Bonds by the Underwriter to the Initial Purchaser shall be subject to the terms and provisions stated in Annex A to the Series Certificate. The State will not be providing its public disclosure (commonly referred to as "Appendix I") regarding financial and other information relating to the State in connection with the initial issuance and sale of the 2017 Bonds to the Underwriter or with respect to the Underwriter's sale of the 2017 Bonds to the Initial Purchaser. Attached as Schedules 1 and 2 are brief descriptions of the terms and conditions of the Bond Purchase Contract and Annex A to the Series Certificate.

It is anticipated that on or prior to the Mandatory Tender Date, the 2017 Bonds will be converted to a fixed rate of interest for the remaining term of the 2017 Bonds and remarketed in a public offering by RBC Capital Markets, LLC (in such capacity, the "Remarketing Agent"). Appendix I will be provided by the State in connection with the remarketing of the 2017 Bonds.

Upon initial issuance and thereafter for so long as the 2017 Bonds shall bear interest at a variable interest rate, the 2017 Bonds shall be subject to the following parameters, all as determined by an Authorized Authority Representative (as defined in the Bond Resolution), in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel: (i) the final maturity of any of the 2017 Bonds will not exceed thirty (30) years; (ii) the maximum interest rate borne by the bonds while in a variable interest mode shall not exceed twelve percent (12%) per annum; and (iii) the initial interest rate borne by the bonds upon original issuance shall not exceed five percent (5.00%) per annum.

While in the initial variable interest rate mode, the 2017 Bonds shall be subject to the following



additional parameters, all as determined by an Authorized Authority Representative, in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel: (i) the interest rate on the 2017 Bonds shall be convertible to a fixed rate of interest at any time at the election of the Authority, subject to the conditions to such conversion as shall be determined by an Authorized Authority Representative, in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel; (ii) the 2017 Bonds shall be subject to mandatory tender for purchase at any time at the election of the Authority at a purchase price not exceeding the principal amount of the 2017 Bonds plus accrued interest to the date of purchase; (iii) the 2017 Bonds shall be subject to optional redemption at any time at a redemption price not exceeding the principal amount of the 2017 Bonds plus accrued interest to the date of redemption; and (iv) the Mandatory Tender Date shall not be earlier than eighteen (18) months following the date of initial issuance of the 2017 Bonds.

Upon conversion to a fixed rate of interest to maturity, the 2017 Bonds shall be subject to the following parameters, all as determined by an Authorized Authority Representative, in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel: (i) the true interest cost for such fixed rate bonds issued as tax-exempt bonds will not exceed 7.00%, and the true interest cost for such fixed rate bonds issued as federally taxable bonds will not exceed 9.00% per annum; and (ii) the Redemption Price for any Series of the 2017 Bonds shall not exceed one hundred three percent (103%) of the principal amount of such 2017 Bonds to be redeemed, provided that the Redemption Price of any 2017 Bond subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed one hundred three percent (103%) of the principal amount of such 2017 Bonds to be redeemed if so determined by such Authorized Authority Representative. There will be no change to the aggregate principal amount or maturity date of the 2017 Bonds of each Series in connection with the conversion and remarketing thereof.

The Members are requested to approve certain actions and the delegation of actions to an Authorized Authority Representative in consultation with the State Treasurer, Office of Public Finance, Attorney General's Office and Bond Counsel, which actions are more fully set forth in the Bond Resolution, which is incorporated herein by reference, and will be memorialized in one or more Series Certificates, and may include, without limitation:

- To approve the forms of the Lease, the Sublease, the Escrow Deposit Agreement with respect to the Obligations to be Refunded (the "Escrow Deposit Agreement") and the Continuing Disclosure Agreement relating to the 2017 Bonds (the "Continuing Disclosure Agreement");
- To determine whether the 2017 Bonds shall be issued in one or more Series or sub-Series or consolidated with any other Series of the 2017 Bonds into a single Series of Bonds for purposes of issuance and sale;
- To determine whether each Series of the 2017 Bonds shall be issued as tax-exempt or federally taxable obligations;
- To determine the date of initial issuance, sale and delivery, the respective principal amounts, dated dates, interest payment dates, interest rate modes, conversion provisions, optional and mandatory tender provisions, maturity dates, Redemption Prices and other redemption provisions and Authorized Denominations (not exceeding the aggregate principal amount of each maturity) of the 2017 Bonds or each Series thereof in accordance with the parameters set forth above;

- Upon initial issuance of the 2017 Bonds as variable rate bonds, to determine the method of computing the interest rate or rates and the maximum interest rate of the 2017 Bonds of each Series while in the variable rate mode in accordance with the parameters set forth above;
- To negotiate, execute, deliver and perform the Bond Purchase Contract;
- To execute, deliver and perform the Series Certificate or Series Certificates, including Annex A to the Series Certificate;
- Subsequent to the initial issuance and delivery of the 2017 Bonds, to determine the conversion date of the 2017 Bonds, to convert the 2017 Bonds of each Series to a fixed rate of interest to maturity, to determine such fixed rate of interest to maturity, to call such 2017 Bonds for optional or mandatory tender as provided in the Series Certificate and in conjunction with the Remarketing Agent, to remarket the 2017 Bonds in a public offering in accordance with the parameters set forth above;
- To select and appoint any additional co-remarketing and placement agents for the conversion and remarketing of the 2017 Bonds upon recommendation of the State Treasurer, utilizing Treasury's RFP process in accordance with Executive Order No. 26 and Executive Order No. 37;
- To purchase one or more municipal bond insurance policies with respect to any or all of the maturities of the 2017 Bonds, either upon initial issuance of the 2017 Bonds or upon the conversion and remarketing of the 2017 Bonds, if determined that municipal bond insurance is necessary, available or desirable in order to achieve the economic objectives of the financing;
- To solicit bids and to enter into or purchase Defeasance Securities (as defined in NJBA's State Building Revenue Bond Resolution adopted by the NJBA on December 4, 1985, as amended and supplemented (the "NJBA Bond Resolution")) with proceeds of any 2017 Refunding Bonds issued to refund the Obligations to be Refunded, in the event that U.S. Treasury Obligations, State and Local Government Series ("SLGS") are not available or such Authorized Authority Representative determines that it is advantageous to the Authority to invest any such proceeds in Defeasance Securities;
- To execute, deliver and perform the Series Certificate or Series Certificates with respect to the 2017 Bonds upon conversion and remarketing;
- To negotiate, execute, deliver and perform the Remarketing and Placement Agreements; and
- To execute one or more final Remarketing Memoranda of the Authority, dated the date of remarketing of the 2017 Bonds, substantially in the form of the Preliminary Remarketing Memorandum presented to the Members.

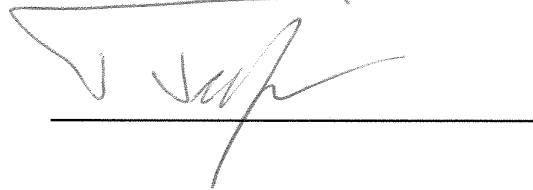
Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State

agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be waived.

Professionals for the 2017 Bonds were selected in compliance with Executive Order No. 26. Chiesa, Shahinian & Giantomasi P.C. was selected as Bond Counsel through a competitive RFP process performed by the Attorney General's Office on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFP process, RBC Capital Markets, LLC was selected as Underwriter in connection with the initial issuance and delivery of the 2017 Bonds in a variable rate mode and as Remarketing and Placement Agent in connection with the conversion and remarketing of the 2017 Bonds. The acceptance of the proposal of RBC Capital Markets, LLC includes the participation of its affiliates, RBC Municipal Products, LLC, as Initial Purchaser, the Trust to be created by the Initial Purchaser or an affiliate, and Royal Bank of Canada as Credit Protection Provider for the Trust. Through Treasury's competitive RFP process, U.S. Bank National Association was selected as Trustee, Paying Agent, Registrar, Dissemination Agent, Tender Agent and Calculation Agent. Also through Treasury's competitive RFP process, Acacia Financial was selected to serve as bidding agent. As required by the NJBA Bond Resolution, the Trustee for the Obligations to be Refunded will be the Escrow Agent.

**RECOMMENDATION**

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Bond Resolution authorizing the issuance the 2017 New Money Bonds and the 2017 Refunding Bonds as described above, as well as other matters in connection with the initial issuance and sale thereof and in connection with the subsequent conversion and remarketing thereof and otherwise described above; (ii) approve several actions and delegation of actions to Authorized Authority Representatives as may be necessary or advisable in order to issue the 2017 Bonds and thereafter to convert and remarket the 2017 Bonds; (iii) approve the forms of the Lease, the Sublease, the Bond Purchase Contract, the Series Certificate, including Annex A thereto, the Remarketing and Placement Agreement, the Preliminary Remarketing Memorandum, the Escrow Deposit Agreement and the Continuing Disclosure Agreement, provided that an Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel and the Attorney General's Office, to make such changes, insertions and deletions to and omissions from such forms as may be necessary or appropriate; (iv) authorize the use of the aforementioned professionals; and (v) authorize Authority staff to take all necessary actions incidental to the initial issuance and subsequent conversion and remarketing of the 2017 Bonds subject to final review and approval of all terms and documentation by Bond Counsel and the Attorney General's Office.

A handwritten signature in black ink, appearing to be 'V. Wells', is written over a solid horizontal line.

Prepared by: Teresa Wells

## Schedule 1

## Summary of Terms and Conditions of the Bond Purchase Contract

<b>Underwriter</b>	RBC Capital Markets, LLC.
<b>Purchase Price of 2017 Bonds</b>	Aggregate Principal Amount of the 2017 Bonds.
<b>Limited Offering</b>	Upon initial issuance, the 2017 Bonds will not be publicly offered. The Underwriter will sell the 2017 Bonds to RBC Municipal Products, LLC, an affiliate of the Underwriter (the "Initial Purchaser"). It is anticipated that the Initial Purchaser will deposit the 2017 Bonds into a common law trust established by the Initial Purchaser under the laws of the State of New York, a statutory trust established by the Initial Purchaser or an affiliate of the Initial Purchaser under the Delaware statutory trust statute or any other type of trust, which, in any case, has an interest in all or any Series of 2017 Bonds (the "Trust"). Royal Bank of Canada, its successors and assigns, will be the initial credit protection provider for the Trust.
<b>No Official Statement</b>	No official statement or other offering document will be prepared in connection with the initial issuance of the 2017 Bonds. The 2017 Bonds will be disclosed in the State's financial reports.
<b>Legend on 2017 Bonds</b>	<p>The 2017 Bonds in the variable interest rate mode will bear a legend to the following effect:</p> <p>THE BONDS MAY ONLY BE SOLD TO PURCHASERS THAT MEET THE DEFINITION OF QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144 OF THE SECURITIES ACT OF 1933, AS AMENDED, OR ACCREDITED INVESTORS AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR TO A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS AND IN ACCORDANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES LAWS. THERE IS NO PUBLIC MARKET FOR THE BONDS, THERE IS NO PUBLIC RATING ON THE BONDS, THERE IS NO OFFICIAL STATEMENT OR OTHER DISCLOSURE RELATING TO THE BONDS, AND PURCHASE OF THE BONDS SHOULD BE CONSIDERED ONLY BY INVESTORS WHO: (A) CAN BEAR THE ECONOMIC RISK OF SUCH INVESTMENT; (B) HAVE SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERITS OF SUCH INVESTMENT; AND (C) HAVE UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL INFORMATION THAT THEY DEEM NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE BONDS. EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE ITS SUITABILITY TO INVEST IN THE BONDS.</p> <p>IN ACCEPTING THE BONDS, THE HOLDER ACKNOWLEDGES THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER OR ACCREDITED INVESTOR AS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, OR A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS, (B) THE STATE OF NEW JERSEY (THE "STATE") HAS NOT PROVIDED ANY DISCLOSURE REGARDING THE STATE IN CONNECTION WITH THIS BOND AND SHALL HAVE NO LIABILITY IF THIS BOND IS NOT SOLD TO A QUALIFIED INSTITUTIONAL BUYER OR ACCREDITED INVESTOR OR A TRUST OR OTHER CUSTODIAL ARRANGEMENT, THE OWNERS OF ANY BENEFICIAL INTEREST IN WHICH ARE LIMITED TO QUALIFIED INSTITUTIONAL BUYERS AND ACCREDITED INVESTORS, (C) IT HAS KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERITS OF INVESTING IN THIS BOND, (D) IT CAN BEAR THE ECONOMIC RISK OF INVESTING IN THIS BOND AND (E) IT HAS UNDERTAKEN THE OBTAINING OF ANY AND ALL INFORMATION IT DEEMS NECESSARY PRIOR TO PURCHASING THIS BOND.</p>
<b>Issuance and Delivery of 2017 Bonds</b>	One day following the execution and delivery of the Bond Purchase Contract, subject to the execution and delivery of documents, certificates and opinions and other closing conditions.
<b>Expenses</b>	To be paid from the proceeds of the 2017 Bonds.

**Schedule 2**

**Summary of Annex A to Series Certificate**

<p>Background: Annex A contains additional provisions that will apply to the 2017 Bonds while they bear interest at the initial variable interest rates. From and after the date upon which the 2017 Bonds are converted to fixed interest rates and remarketed, Annex A will be of no further force and effect.</p>							
<p>Security</p>	<p>The Authority's obligation to pay principal and interest on the 2017 Bonds is a Bond Payment Obligation under the Resolution. The additional costs and charges that may be imposed under Annex A are Credit Facility Payment Obligations under the Resolution. All of the payment obligations under Annex A are Aggregate Obligations under the Resolution payable from Basic Rent under the Sublease.</p>						
<p>Anticipated Method of Determining Interest Rates on 2017 Bonds in Variable Interest Rate Mode</p>	<p>Tax Exempt Bonds: Securities Industry and Financial Markets Association (SIFMA) Municipal Swap index plus 95 basis points, adjusted weekly.                      Federally Taxable Bonds: One Month London Interbank Offered Rate (LIBOR) quoted by the ICE Benchmark Administration Limited (or any successor as approved by the Bondholder Representative (as defined in Annex A)) plus 180 basis points, adjusted weekly, in each case subject to adjustment as provided described below.</p>						
<p>Event of Non-Appropriation</p>	<p>An Event of Non-Appropriation is not an Event of Default under Annex A.</p>						
<p>Mandatory Redemption</p>	<p>The 2017 Bonds are subject to mandatory tender for purchase on a date approximately eighteen (18) months after the date of issuance of the 2017 Bonds (the "Mandatory Tender Date"). The 2017 Bonds may also be called for mandatory tender for purchase or redemption at the option of the Authority at any time prior to the Mandatory Tender Date. In the event the Bondholders have not received the payment of the purchase price of the 2017 Bonds on or prior to the Mandatory Tender Date, the 2017 Bonds shall be subject to mandatory redemption on such date and shall bear interest at the rate of 12% (the "Default Rate") until paid.</p>						
<p>Step Up in Interest Rates due to Rating Downgrades on any State appropriation indebtedness of the Authority</p>	<p>The Taxable Bonds Applicable Spread, which is used to calculate the variable interest rate on the Taxable Bonds (initially 180 basis points), will be increased upon any downgrade of any State appropriation indebtedness of the Authority ("Authority's Appropriation Debt"). The Authority's Appropriation Debt is currently rated Baa1 by Moody's, BBB+ by S&amp;P and A3 by Fitch. The Taxable Bonds Applicable Spread will be increased upon any downgrade of any Authority's Appropriation Debt to the rating of "Baa2" (or its equivalent) by Moody's, "BBB" (or its equivalent) by S&amp;P or "BBB" (or its equivalent) by Fitch, and shall then be equal to the number of basis points associated with the applicable rating category set forth below:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Baa2/BBB/BBB</td> <td>2.05%</td> </tr> <tr> <td>Baa3/BBB-/BBB-</td> <td>2.30%</td> </tr> <tr> <td>Ba1/BB+/BB+</td> <td>2.55%</td> </tr> </table> <p>Similarly, the Tax-Exempt Bonds Applicable Spread, which is used to calculate the variable interest rate on the Tax-Exempt Bonds (initially 95 basis points), will be increased upon any downgrade of any Authority's Appropriation Debt to the rating of "Baa2" (or its equivalent) by Moody's, "BBB" (or its equivalent) by S&amp;P or "BBB" (or its equivalent) by Fitch, and shall then be equal to the number of basis</p>	Baa2/BBB/BBB	2.05%	Baa3/BBB-/BBB-	2.30%	Ba1/BB+/BB+	2.55%
Baa2/BBB/BBB	2.05%						
Baa3/BBB-/BBB-	2.30%						
Ba1/BB+/BB+	2.55%						

	<p>points associated with the applicable rating category set forth below:</p> <table border="0"> <tr> <td>Baa2/BBB/BBB</td> <td>1.20%</td> </tr> <tr> <td>Baa3/BBB-/BBB-</td> <td>1.45%</td> </tr> <tr> <td>Ba1/BB+/BB+</td> <td>1.70%</td> </tr> </table>	Baa2/BBB/BBB	1.20%	Baa3/BBB-/BBB-	1.45%	Ba1/BB+/BB+	1.70%
Baa2/BBB/BBB	1.20%						
Baa3/BBB-/BBB-	1.45%						
Ba1/BB+/BB+	1.70%						
Step Up in Interest Rate on Tax-Exempt Bonds Upon a Determination of Taxability	<p>If interest on the Tax-Exempt Bonds becomes includable in gross income for federal income tax purposes (or if the IRS issues a notice of proposed adverse determination to such effect), the Authority will pay to each Bondholder (i) an amount equal to the difference between (A) the amount of interest that would have been paid on the Tax-Exempt Bonds if the Tax-Exempt Bonds had borne interest at the Event of Taxability Rate, beginning on the date interest on the Tax-Exempt Bonds becomes includable in gross income (or the date of the notice of proposed adverse determination) (the "Taxable Period"), and (B) the amount of interest actually paid to each Bondholder during the Taxable Period, plus (ii) any interest, penalties or charges owed by each Bondholder as a result of such Determination of Taxability. The "Event of Taxability Rate" is ICE LIBOR plus the Tax-Exempt Applicable Spread multiplied by 1.54, or if the Default Rate is then in effect, the Default Rate, provided that the Event of Taxability Rate shall not exceed 12%.</p>						
Increases in Costs	<p>If a Change in Law (as defined in Annex A) occurs which imposes additional costs upon the Bondholder or the Credit Protection Provider (as defined in Annex A), such as increased capital reserve requirements, tax law changes, etc., upon request of the Bondholder Representative, the Authority is obligated to pay such additional costs capped at a maximum amount of 0.05% of the outstanding aggregate principal amount of the Bonds. Such amounts may not be collected for charges imposed more than nine (9) months before notice of such charge is provided to the Authority.</p>						
Events of Default	<p>See Section 6.01 of the attached Annex A for the Events of Default under Annex A. Upon the occurrence of an Event of Default under Annex A, the 2017 Bonds will bear interest at the Default Rate.</p>						
No Official Statement	<p>No official statement will be prepared in connection with the initial issuance and sale of the 2017 Bonds. The 2017 Bonds will be disclosed in the State's financial statements.</p>						

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

**APPLICANT:** Friends of Teaneck Community Charter School

P44146

**PROJECT USER(S):** Teaneck Community Charter School \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 563 Chestnut Avenue

Teaneck Township (N)

Bergen County

**GOVERNOR'S INITIATIVES:**

( ) Urban ( ) Edison (X) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Friends of Teaneck Community Charter School, founded in 1996, is a not-for-profit entity which owns facilities which it leases to the related operating company, Teaneck Community Charter School. Teaneck Community Charter School, established in 1998, is a not-for-profit kindergarten through 8th grade charter school with current enrollment of the maximum authorized 306 students. Per the New Jersey Department of Education, the school's maximum enrollment has increased to 320 students for the 2016-17 school year, 322 students for the 2017-18 school year, and 324 students for the 2018-19 school year. Classes are multi-grade, with four classes at each grade level. The school is located in a two story building, which was renovated in 2009 and encompasses approximately 35,500 SF including a 4,200 SF multi-purpose room and kitchen. The property also includes a parking lot and fenced-in playground and basketball courts. The school's lead person is Mr. Ralph Gallo.

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

**APPROVAL REQUEST:**

Authority assistance will enable the applicant to refinance the outstanding balance a 2007 bond issuance by the Bergen County Improvement Authority, fund the construction of a gymnasium and vacant space for a Creative Arts Suite, fund a debt service reserve and pay closing costs.

**FINANCING SUMMARY:**

**BOND PURCHASER:** Gates Capital Corporation (underwriter)

**AMOUNT OF BOND:** \$12,700,000 Tax-Exempt Bond

\$300,000 Taxable Bond

**TERMS OF BOND:** 35 year term; Fixed interest rate not to exceed 6.5%.

35 years; Fixed interest rate not to exceed 8.5%

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Refinancing	\$9,000,000
Construction of new building or addition	\$2,223,500
Debt service reserve fund	\$820,000
Finance fees	\$300,000
Construction Contingency	\$250,000
Purchase of equipment & machinery	\$232,500
Soft Costs	\$200,500
Furniture & Fixtures	\$185,500
Interest during construction	\$160,000
Engineering & architectural fees	\$140,685
Renovation of existing equipment & machi	\$10,000
Legal fees	\$10,000
Accounting fees	\$5,000

**APPLICANT:** Friends of Teaneck Community Charter School

P44146

Page 2

TOTAL COSTS

\$13,537,685

**JOBS:** At Application 43 Within 2 years 2 Maintained 0 Construction 17

**PUBLIC HEARING:** 05/11/17 (Published 04/27/17) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,  
**DEVELOPMENT OFFICER:** K. Durand **APPROVAL OFFICER:** D. Poane



## **INCENTIVE PROGRAMS**

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



**MEMORANDUM**

To: Members of the Authority

From: Timothy Lizura  
President and Chief Operating Officer

Date: May 11, 2017

RE: **Raymour & Flanigan Properties, LLC or Nominee**  
Economic Redevelopment and Growth Grant Program  
P #43966

**Request**

Consent to the designation of the ERG recipient as Vineland Delsea Drive, LLC (“VDD”), consistent with the approval structure contemplated by the applicant as approved by the Members of the Authority on March 24, 2017.

**Background:**

On 3/24/17, the Members of the Authority approved the application of Raymour & Flanigan Properties, LLC or Nominee (the “Applicant” or “RF”) for a site located at 3850 South Delsea Drive, Vineland, Cumberland County, NJ (block 230, lot 2 and block 7007, lot 10), (the “Project”), for the reimbursement of eligible taxes generated by the project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$13,039,000, 100% of which are eligible costs under the ERG program. Standard commercial ERG reimbursement is 20% of eligible cost. This Project qualifies for a bonus of 10% (to 30%) as it is a substantial rehabilitation (as 69% of the Project’s square footage is being renovated and 57% of the project costs are related to the existing building). The Applicant is eligible for an ERG award of 30% of actual eligible costs which equates to \$3,911,700. The recommendation is to award 30% of actual eligible costs, not to exceed \$3,911,700.

RF is owned in identical fashion by the principals of Raymours Furniture Company, Inc. d/b/a Raymour & Flanigan Furniture Mattresses (“Raymour”) which consists of three members of the Goldberg family. The Applicant is a holding entity used to acquire property for Raymour projects having either a Raymour retail and/or warehouse facility as the sole tenant or as one of several tenants. Formation of the Nominee entity is typically done in conjunction with property acquisition.

Founded in 1947, Raymour is a privately-owned retail furniture and mattress company that currently operates 99 full-line showrooms, 9 clearance centers, and 13 outlets in seven Northeastern states, as well as a robust e-commerce portal. Raymour's corporate headquarters are in Liverpool, NY and aggregate employment is over 5,300 with approximately 55% of the staff work in the showroom locations. Per the industry publication *Furniture Today*, Raymour is the nation's fourth largest conventional furniture and mattress retailer, and ninth largest retailer of furniture and mattresses overall. For each of the past three calendar years. Raymour's gross sales have exceeded \$1.1 Billion. The Company, now in its second generation of ownership and management by the Goldberg family, continues to prove itself as the premier furniture and mattress retailer in the Northeast United States, serving a wide range of customers by offering an unparalleled shopping experience with competitive prices and dependable home delivery.

At the time of board approval, the project was approved with the ERG recipient as the Applicant or Nominee. The expectation was that Raymour & Flanigan Properties, LLC would create a new single purpose entity (the Nominee) to be the owner of the property which is consistent with how development projects are handled by RF and Raymour. The attached confidential memorandum provides specific details of the ownership of the Applicant and the recently formed nominee, VDD.

While the ownership of the Applicant and VDD are different, the Goldberg family remains the controlling interest in both entities and this ownership is consistent with the entities structured by the Raymour and RF for their development projects. Additionally, the requested change in ownership of the ERG recipient does not provide any increase with respect to the return to the developer (IRR) of the project nor provide any advantage in terms of the ERG incentive reimbursement. There is no change to the economics or the capital structure of the project, specifically the debt and equity being contributed. The involvement and utilization of resources by Raymour and RF in the project is not diminishing from the original approval.

VDD is prepared to close on one of the two project property parcels on 5/4/17 at a cost of \$2.85 million. VDD seeks EDA approval at this juncture to preserve the acquisition cost as an eligible cost along with having this new entity reflected in the approval letter which is pending. The Authority did not rely on the financial evaluation of the individual owners of RF and Raymour at the time of the original approval or now with the modification as the resources and capacity of the entities involved remains satisfactory and sufficient to complete the project.

**Recommendation:**

Consent to the designation of the ERG recipient as Vineland Delsea Drive, LLC as the ultimate owner of the project site. The developer and the principals responsible for the project are consistent with those approved by the members in March 2017.



Timothy Lizura  
President and Chief Operating Officer

**Prepared by: Michael A. Conte**

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

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

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

**APPLICANT:** AeroFarms Camden, LLC P42323

**PROJECT LOCATION:** 1535 Broadway Camden City Camden County

**GOVERNOR’S INITIATIVES:**

(X) NJ Urban Fund ( ) Edison Innovation Fund ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

AeroFarms Camden, LLC is a subsidiary and operating entity of Just Greens, LLC, an aeroponic grower of leafy greens. Aeroponics is a cutting-edge type of hydroponic technology that grows plants in a mist. The aeroponic mist efficiently provides roots with the nutrients, hydration, and oxygen needed to grow. Compared to soil-based methods, aeroponics consumes significantly less water due to the aeroponic system's direct application of nutrients to the roots. This method coupled with the use of LED lighting, instead of sunlight, allows the company to grow leafy greens indoors on a year-round basis without the use of soil or pesticides. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

The applicant’s parent was approved for a Grow NJ award in the amount of \$6,555,000.

**MATERIAL FACTOR/NET BENEFIT:**

The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of AeroFarms Camden, LLC has indicated that the grant of tax credits is a material factor in the company's decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by David Rosenberg, the CEO of AeroFarms Camden, LLC, which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If AeroFarms Camden, LLC chooses the Camden option, the company would establish an aeroponic growing facility in Camden. The alternative is to construct a similar facility in Stevenson, AL.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing an aeroponic growing facility to the city. It is estimated that the project would have a net benefit to the State of \$551 over the 35 year period required by the Statute.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

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

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

As a Warehouse - New Construction Project for an other business in Camden County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

<b>Eligibility</b>	<b>Minimum Requirement</b>	<b>Proposed by Applicant</b>
Capital Investment	\$3,110,800	\$34,346,893
New Jobs	27	56
Retained Jobs	38	0

The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

New Jobs or Retained Jobs New to Camden	Capital Investment	Maximum Annual Tax Credit	Limit on Total Tax Credit
≥35	\$5,000,000	\$2,000,000	\$20,000,000
≥70	\$10,000,000	\$3,000,000	\$30,000,000
≥100	\$15,000,000	\$4,000,000	\$40,000,000
≥150	\$20,000,000	\$5,000,000	\$50,000,000
≥250	\$30,000,000	\$35,000,000	\$350,000,000

Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

<u>GRANT CALCULATION</u>	
<b>CAPITAL INVESTMENT:</b>	\$ 34,346,983
<b>JOBS BASED TAX CREDIT LIMIT:</b>	\$ 20,000,000
<b>GROSS BENEFIT TO THE STATE OVER 35 YEARS:</b>	\$ 11,147,911
<b>THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):</b>	<b>\$ 11,147,360</b>

PROJECT IS: (X) Expansion ( ) Relocation  
 ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 34,346,983  
 EXPECTED PROJECT COMPLETION: December 7, 2018  
 SIZE OF PROJECT LOCATION: 77,770 sq. ft.  
 NEW BUILDING OR EXISTING LOCATION? New  
 INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial  
 CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS: 56  
 RETAINED FULL-TIME JOBS: 0  
 STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016): 0  
 CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A  
 MEDIAN WAGES: \$ 27,290

NET BENEFIT MODEL: 2012  
 GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD): \$ 11,147,911  
 TOTAL AMOUNT OF AWARD: \$ 11,147,360  
 NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD): \$ 551  
 ESTIMATED AWARD PER NEW/RETAINED JOB: \$ 199,060

ELIGIBILITY PERIOD: 10 years



**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twenty-four months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Due to the Net Benefit to the State exceeding the minimum Net Benefit required for a Grow NJ award by 10% or less, the Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, payroll or electricity taxes from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire amount of the capital investment, then the amount of the award will be reduced accordingly.

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage AeroFarms Camden, LLC to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** C. Fuentes

**APPROVAL OFFICER:** D. Poane

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

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

**APPLICANT:** Barclays Services Corporation P44090

**PROJECT LOCATION:** 115 South Jefferson Road Hanover Township Morris County  
aka 170 Cedar Knolls Road Building 400

**GOVERNOR’S INITIATIVES:**

NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**

Barclays Services Corporation, a subsidiary of Barclays PLC, established in 1993, is a service company for Barclays PLC’s investment banking business. The company employs infrastructure staff in the US and provides back-office support services to Barclays PLC and many other affiliated companies worldwide. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

Barclays PLC, the parent company, is a transatlantic consumer, corporate and investment bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in the UK and the US.

**MATERIAL FACTOR/NET BENEFIT:**

Barclays Services Corporation is seeking to relocate 900 of its investment banking back-office support staff from the company’s current location in New York City. The company is considering purchasing a 111,622 Sq. Ft. facility in Hanover, NJ. The alternate location is a 101,401 Sq. Ft. leased facility in Hamilton, OH. As part of one operational and financing plan, the company's project involves acquisition of a campus in Hanover Township in which the Qualified Business Facility will sit and the creation of 900 new positions; the company's plan also allows for future employment growth opportunities within the campus.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Barclays Services Corporation has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Jai Westwood, the CEO of Barclays Services Corporation that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$509 million over the 20 year period required by the Statute.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

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

<b>Eligibility</b>	<b>Minimum Requirement</b>	<b>Proposed by Applicant</b>
Capital Investment	\$4,464,880	\$19,413,570
New Jobs	25	900
Retained Jobs	35	0

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

<b>Base Grant</b>	<b>Requirement</b>	<b>Proposed by Applicant</b>
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Hanover Township is a designated Priority Area
<b>Increase(s) Criteria</b>		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant’s	The proposed median salary of \$139,000 exceeds the County

	median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	median salary by 85.91% resulting in an increase of \$500 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 900 Full-Time Jobs at the project location resulting in an increase of \$1,250.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

<b>PROJECT TYPE</b>	<b>GRANT CALCULATION</b>
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
<b>All other projects</b>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> <li>- ½ of the Grant Calculation for New Full-Time Jobs (<math>1/2 * \\$5,250 = \\$2,625</math>) or</li> <li>- <b>The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs</b> (<math>\\$19,413,570 / 10 / (900 + 0) = \\$2,157</math>)</li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment</p>

	than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.
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**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**

Priority Area	\$ 3,000
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**INCREASES PER EMPLOYEE:**

Jobs with Salary in Excess of County Average:	\$ 500
Large Number of New/Retained F/T Jobs:	\$1,250
Targeted Industry (Finance):	\$ 500

<b>INCREASE PER EMPLOYEE:</b>	<b><u>\$ 2,250</u></b>
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**PER EMPLOYEE LIMIT:**

Priority Area	\$10,500
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<b>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</b>	<b>\$ 5,250</b>
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**AWARD:**

New Jobs:	900 Jobs X \$5,250 X 100% =	\$4,725,000
Retained Jobs:	0 Jobs X \$2,157 X 100% =	<u>\$ 0</u>
<b>Total:</b>		<b>\$4,725,000</b>

**ANNUAL LIMITS:**

Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$5,858,057)
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<b>TOTAL ANNUAL AWARD</b>	<b><u>\$4,000,000*</u></b>
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\* Capped at the annual limit for a Priority Area.

**PROJECT IS:**  Expansion                       Relocation  
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 19,413,570  
**EXPECTED PROJECT COMPLETION:** December 31, 2017  
**SIZE OF PROJECT LOCATION:** 111,622 sq. ft.  
**NEW BUILDING OR EXISTING LOCATION?** Existing  
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial  
**CONSTRUCTION:**  Yes                       No

**NEW FULL-TIME JOBS:** 900  
**RETAINED FULL-TIME JOBS:** 0  
**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 239  
**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** N/A  
**MEDIAN WAGES:** \$ 139,000

**NET BENEFIT MODEL:** 2012  
**GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):** \$549,015,039  
**TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT  
 90% OF WITHHOLDINGS)** \$ 40,000,000  
**NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):** \$509,015,039

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease or purchase contract without a valid Grow NJ incentive contingency or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 170 current positions it has at the project site before any employees filling new full-time jobs at the project site will be counted for this Grow NJ award.

\* Note – Because the purchase of the entire campus and use of the site for additional employees is part of the company's same financial and operational plan for the campus, additional employees at the campus are considered part of this project and subject to the \$40,000,000 cap.

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) approve the proposed Grow New Jersey grant to encourage Barclays Services Corporation to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** M. Peters

**APPROVAL OFFICER:** S. Novak

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

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

**APPLICANT:** E Mortgage Management LLC P44088

**PROJECT LOCATION:** 1 Knights Circle Camden City Camden County

**GOVERNOR’S INITIATIVES:**  
 NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**  
 E Mortgage Management LLC (“EMM”), established in 2004 and headquartered in Cherry Hill, NJ, is a privately held national lender engaged in mortgage lending and loan servicing. The company originally operated as a mortgage broker primarily engaged in direct to consumer loan origination. In 2011, EMM entered the mortgage banking arena and began wholesale origination activities. The company has grown to a national lender, licensed to originate mortgages in 38 States, and offers products sponsored by FHA, VA, FNMA, FHLMC, HARP, USDA, individual State programs and portfolio and private investors. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**  
 The proposed project is located in Camden, NJ, a city that ranked 566 out of 566 municipalities in the 2007 New Jersey Municipal Revitalization Index. In recognition of Camden's inability to attract investment, in the New Jersey Economic Opportunity Act, the Legislature declared that Camden and the other Garden State Growth Zones presented significant challenges to development and created incentives unique to Camden and other similarly situated Garden State Growth Zones to overcome these barriers.

The management of E Mortgage Management LLC has indicated that the grant of tax credits is a material factor in the company's decision whether or not to locate the project in Camden. The Authority is in receipt of an executed CEO certification by Gregory Englesbe, the CEO of E Mortgage Management LLC, which states that the Grow New Jersey award is a material factor in the company's decision to make the capital investment and locate the project in Camden. The CEO certification also states that the application has been reviewed and the information submitted and representations contained therein are accurate.

Staff reviewed the project and finds support for management’s assertion that the award of tax credits is a material factor in the company’s decision to locate in Camden. If E Mortgage Management LLC chooses the Camden

option, the company would establish a 25,000 SF office facility in Camden. The alternative is to locate its Cherry Hill operations in a similar existing space in the Navy Yard.

This project represents a significant positive step forward for Camden’s redevelopment efforts, bringing a 25,000 SF office facility to the city. It is estimated that the project would have a net benefit to the State of \$4,705,637 over the 35 year period required by the Statute.

**FINDING OF JOBS AT RISK:**

The applicant has certified that the 86 New Jersey jobs listed in the application are at risk of being located outside the State. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the award of the Grow New Jersey tax credits is a material factor in the applicant’s decision to make a capital investment and locate in Camden.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

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

<b>Eligibility</b>	<b>Minimum Requirement</b>	<b>Proposed by Applicant</b>
Capital Investment	\$2,000,000	\$23,659,194
New Jobs	19	0
Retained Jobs	27	86



The Grow New Jersey Statute and the program’s rules also establish criteria for the Grant Calculation. Projects located in Camden are eligible to receive per employee as a tax credit the total amount of capital investment for the project divided by the number of employees, subject to the following limits, provided that the project represents a net positive benefit to the State:

<b>New Jobs or Retained Jobs New to Camden</b>	<b>Capital Investment</b>	<b>Maximum Annual Tax Credit</b>	<b>Limit on Total Tax Credit</b>
≥35	\$5,000,000	\$2,000,000	\$20,000,000
≥70	<b>\$10,000,000</b>	<b>\$3,000,000</b>	<b>\$30,000,000</b>
≥100	\$15,000,000	\$4,000,000	\$40,000,000
≥150	\$20,000,000	\$5,000,000	\$50,000,000
≥250	\$30,000,000	\$35,000,000	\$350,000,000

Provided the company complies with all other program requirements, a reduction in the number of new or retained full-time jobs indicated in the company’s annual report below the number certified in the initial CPA certification shall proportionately reduce the amount of tax credits the company may apply against liability in the relevant tax period. Also, if the number of new and retained full-time jobs, as indicated by the company’s annual report, is reduced below the required number in the table above, the tax credits that the business may take shall be subject to the annual limit corresponding to the new jobs and retained full-time jobs new to Camden.

<b><u>GRANT CALCULATION</u></b>	
<b>CAPITAL INVESTMENT:</b>	\$ 23,659,194
<b>JOBS BASED TAX CREDIT LIMIT:</b>	\$ 30,000,000
<b>GROSS BENEFIT TO THE STATE OVER 35 YEARS:</b>	\$ 28,364,237
<b>THE APPLICANT IS ELIGIBLE FOR A TAX CREDIT EQUAL TO THE LOWEST OF THE THREE NUMBERS ABOVE (CONVERTED TO AN EVEN DOLLAR AMOUNT PER EMPLOYEE PER YEAR):</b>	
	<b>\$ 23,658,600</b>

**PROJECT IS:** ( ) Expansion (X) Relocation  
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 23,659,194  
**EXPECTED PROJECT COMPLETION:** October 1, 2019  
**SIZE OF PROJECT LOCATION:** 25,000 sq. ft.  
**NEW BUILDING OR EXISTING LOCATION?** New  
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial  
**CONSTRUCTION:** (X) Yes ( ) No

**NEW FULL-TIME JOBS:** 0  
**RETAINED FULL-TIME JOBS:** 86  
**STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):** 165  
**CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:** Cherry Hill  
**MEDIAN WAGES:** \$ 72,000

<b>NET BENEFIT MODEL:</b>	2012
<b>GROSS BENEFIT TO THE STATE (OVER 35 YEARS, PRIOR TO AWARD):</b>	\$ 28,364,237
<b>TOTAL AMOUNT OF AWARD:</b>	\$ 23,658,600
<b>NET BENEFIT TO THE STATE (OVER 35 YEARS, NET OF AWARD):</b>	\$ 4,705,637
<b>ESTIMATED AWARD PER NEW/RETAINED JOB:</b>	\$ 275,100

**ELIGIBILITY PERIOD:** 10 years

**CONDITIONS OF APPROVAL:**

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

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the award of the Grow New Jersey tax credits is a material factor in the applicant's decision to make a capital investment and locate in Camden; 2) approve the proposed Grow New Jersey grant to encourage E Mortgage Management LLC to locate in Camden. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** C. Fuentes

**APPROVAL OFFICER:** D. Poane

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

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

**APPLICANT:** Maestri d’Italia Inc. P44124

**PROJECT LOCATION:** 480 Oberlin Avenue South Lakewood Township Ocean County

**GOVERNOR’S INITIATIVES:**

NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**

Maestri d’Italia Inc., established in January 2014, is an importer and distributor of Italian deli meats. The applicant currently sells bulk and pre-sliced deli meats through retail, wholesale and third party distribution channels to Food Service and Retail customers. In 2015, the company invested in meat slicing and packaging equipment to bring those previously outsourced operations in-house. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**

Maestri d’Italia Inc. plans to expand its operations to include additional processing capacity, and will require a larger space to accommodate the necessary equipment. The applicant is considering the lease of an existing industrial space in either Lakewood, NJ or Winchester, VA, and will relocate all of its operations to the selected facility. In NJ, the applicant would lease a 21,000 SF industrial facility, while in VA it would lease an 18,000 SF industrial facility. The applicant would locate 14 jobs to the selected facility.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Maestri d’Italia Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Athos Maestri, the President and CEO of Maestri d’Italia Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$68,169 over the 20 year period required by the Statute.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$280,000	\$2,560,000
New Jobs	8	14
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Lakewood Township is a designated Distressed Municipality
<b>Increase(s) Criteria</b>		
Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep	480 Oberlin Avenue South is located in a Deep Poverty Pocket.

	Poverty Pocket or Choice Neighborhood	
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$2,560,000 is 814% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
<b>All other projects</b>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> <li>- <b>½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$9,000 = \$4,500)</b> or</li> <li>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (<math>\\$2,560,000 / 10 / (14 + 0) = \\$18,285</math>)</li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

**Grant Calculation**

**BASE GRANT PER EMPLOYEE:**

Distressed Municipality \$ 4,000

**INCREASES PER EMPLOYEE:**

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

**INCREASE PER EMPLOYEE:**

\$ 5,000

**PER EMPLOYEE LIMIT:**

Distressed Municipality \$11,000

**LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:**

\$ 9,000

**AWARD:**

New Jobs: 14 Jobs X \$9,000 X 100% = \$126,000  
 Retained Jobs: 0 Jobs X \$9,000 X 50% = \$ 0

**Total: \$126,000**

**ANNUAL LIMITS:**

Distressed Municipality \$ 8,000,000

**TOTAL ANNUAL AWARD (CALCULATED):**

**\$126,000**

**TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD) BEING 110% OF THE AWARD:**

New Jobs: 14 Jobs X \$4,868 X 100% = \$ 68,152  
 Retained Jobs: 0 Jobs X \$4,868 X 50% = \$ 0

**Total: \$ 68,152**

**TOTAL ANNUAL AWARD:**

**\$ 68,152**

**PROJECT IS:** (X) Expansion ( ) Relocation

**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 2,560,000

**EXPECTED PROJECT COMPLETION:** September 1, 2017

**SIZE OF PROJECT LOCATION:** 21,000 sq. ft.

**NEW BUILDING OR EXISTING LOCATION?** Existing

**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Industrial

**CONSTRUCTION:** (X) Yes ( ) No

<b>NEW FULL-TIME JOBS:</b>	14
<b>RETAINED FULL-TIME JOBS:</b>	0
<b>STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):</b>	0
<b>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</b>	N/A
<b>MEDIAN WAGES:</b>	\$ 20,600
<b>NET BENEFIT MODEL:</b>	2017
<b>GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):</b>	\$ 749,689
<b>TOTAL AMOUNT OF AWARD:</b>	\$ 681,520
<b>NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):</b>	\$ 68,169
<b>ELIGIBILITY PERIOD:</b>	10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within twelve months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. Due to the Net Benefit to the State exceeding the minimum Net Benefit required for a Grow NJ award by 10% or less, the Net Benefit to the State will be recalculated if the CPA certification shows a 10% or more reduction of the number of eligible jobs, capital investment, or payroll from the amounts approved by the Board. If the Net Benefit analysis does not support awarding a tax credit for the entire amount of the capital investment, then the amount of the award will be reduced accordingly.

**APPROVAL REQUEST:**

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

**DEVELOPMENT OFFICER:** J. Kenyon

**APPROVAL OFFICER:** D. Poane

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

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

**APPLICANT:** Professional Disposables International, Inc. P44173

**PROJECT LOCATION:** 400 Chestnut Ridge Road Woodcliff Lake Borough Bergen County

**GOVERNOR’S INITIATIVES:**

NJ Urban Fund       Edison Innovation Fund       Core       Clean Energy

**APPLICANT BACKGROUND:**

Professional Disposables International, Inc., established in 1977, and based in Orangeburg, NY, is a manufacturer of infection prevention products including pre-moistened wipes for skin antisepsis, hand hygiene, and patient and surface care applications. The company also provides contract manufacturing and R&D services which include product and process validation, formula development, microbiological, analytical testing, liquid blending, R&D, product design, and compatibility and stability testing services. The applicant serves customers in the medical, and food service industries. The applicant has demonstrated the financial ability to undertake the project.

**MATERIAL FACTOR/NET BENEFIT:**

The applicant currently leases space for its corporate headquarters and material storage space in Orangeburg, NY across the street from an owned facility in which its manufacturing operations are housed. Additionally, the applicant has located its research and development operations in Montvale, NJ, which has an upcoming lease expiration. The applicant’s lease of its warehouse and corporate headquarters in Orangeburg is set to expire, as well, and, due to an increase projected need for space due to anticipated growth, the applicant is seeking to consolidate its headquarters and research and development operations into a single facility in either Woodcliff Lake, NJ, which it would purchase, or Orangeburg, NY, which it would lease. The applicant would locate the 43 R&D jobs currently in the Montvale facility, and the 85 headquarters positions currently in the Orangeburg facility, and create an additional 180 new positions at the selected project location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Professional Disposables International, Inc. has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Zachary Julius, the CEO of Professional Disposables International, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated



that the project would have a net benefit to the State of \$35.1 million over the 20 year period required by the Statute.

**FINDING OF JOBS AT RISK:**

The applicant has certified that the 43 New Jersey jobs listed in the application are at risk of being located outside the State on or before October 31, 2019 as the project at the alternate location would be completed by that time. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

**ELIGIBILITY AND GRANT CALCULATION:**

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$3,568,000	\$12,659,124
New Jobs	10	265
Retained Jobs	25	43

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Woodcliff Lake is a designated Priority Area
<b>Increase(s) Criteria</b>		
Jobs with Salary in Excess of County/GSGZ Average	An increase of \$250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of \$1,500	The proposed median salary of \$102,125 exceeds the County median salary by 60% resulting in an increase of \$250 per year.
Large Number of New/Retained Full-Time Jobs	An increase of \$500 per job for 251-400 new or retained jobs, \$750 per job for 401-600 new or retained jobs, \$1,000 for 601-800 new or retained jobs, \$1,250 for 801-1,000 new or retained jobs and \$1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 308 Full-Time Jobs at the project location resulting in an increase of \$500.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

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

<b>All other projects</b>	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> <li>- <b>½ of the Grant Calculation for New Full-Time Jobs (1/2 * \$4,250 = \$2,125)</b> or</li> <li>- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (<math>\\$12,659,124 / 10 / (265 + 43) = \\$4,110</math>)</li> </ul> <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>
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<u>Grant Calculation</u>	
<b>BASE GRANT PER EMPLOYEE:</b>	
Priority Area	\$ 3,000
<b>INCREASES PER EMPLOYEE:</b>	
Jobs with Salary in Excess of County Average:	\$ 250
Large Number of New/Retained F/T Jobs:	\$ 500
Targeted Industry (Manufacturing):	\$ 500
<b>INCREASE PER EMPLOYEE:</b>	<u>\$ 1,250</u>
<b>PER EMPLOYEE LIMIT:</b>	
Priority Area	\$10,500
<b>LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:</b>	\$ 4,250
<b>AWARD:</b>	
New Jobs: 265 Jobs X \$4,250 X 100% =	\$ 1,126,250
Retained Jobs: 43 Jobs X \$4,250 X 50% =	<u>\$ 91,375</u>
<b>Total:</b>	<b>\$ 1,217,625</b>
<b>ANNUAL LIMITS:</b>	
Priority Area (Est. 90% Withholding Limit)	\$ 4,000,000/(\$799,029)
<b>TOTAL ANNUAL AWARD</b>	<b><u>\$ 799,029*</u></b>
<p>* The Applicant has selected the total annual award based on the estimated 90% withholding limit rather than the statutorily calculated award.</p>	

**PROJECT IS:** (X) Expansion (X) Relocation  
**ESTIMATED ELIGIBLE CAPITAL INVESTMENT:** \$ 12,659,124  
**EXPECTED PROJECT COMPLETION:** February 16, 2020  
**SIZE OF PROJECT LOCATION:** 89,200 sq. ft.  
**NEW BUILDING OR EXISTING LOCATION?** Existing  
**INDUSTRIAL OR NON-INDUSTRIAL FACILITY?** Non-Industrial  
**CONSTRUCTION:** (X) Yes ( ) No

<b>NEW FULL-TIME JOBS:</b>	265
<b>RETAINED FULL-TIME JOBS:</b>	43
<b>STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER DAY, 2016):</b>	43
<b>CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:</b>	Montvale
<b>MEDIAN WAGES:</b>	\$ 102,125
<b>NET BENEFIT MODEL:</b>	2017
<b>GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):</b>	\$ 43,116,651
<b>TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT</b>	
<b>90% OF WITHHOLDINGS)</b>	\$ 7,990,290
<b>NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):</b>	\$ 35,126,361
<b>ELIGIBILITY PERIOD:</b>	10 years

**CONDITIONS OF APPROVAL:**

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.

**APPROVAL REQUEST:**

The Members of the Authority are asked to: 1) concur with the finding by staff that the jobs in the application are at risk of being located outside New Jersey on or before October 31, 2019; 2) approve the proposed Grow New Jersey grant to encourage Professional Disposables International, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

**DEVELOPMENT OFFICER:** M. Sestrich

**APPROVAL OFFICER:** D. Poane

**LOANS/GRANTS/GUARANTEES**

**PETROLEUM UNDERGROUND STORAGE TANK (PUST)**



**MEMORANDUM**


**TO:** Members of the Authority  
**FROM:** Timothy J. Lizura, President/Chief Operating Officer  
**DATE:** May 11, 2017  
**SUBJECT:** NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

The following commercial and residential grant projects have been approved by the Department of Environmental Protection to perform Site Remediation activities. The scope of work is described on the attached project summaries:

**UST Commercial Grants:**

P44070	Double D Service Company, Inc.	\$ 217,855
P44071	Richard B. Treacy III	\$ 394,870
P44135	Robert So	\$ 183,669
P44008	Scott's Auto	\$ 103,236
P39930	Transworld Transmission LLC	\$ <u>375,141</u>
		\$ 1,274,771

**Total UST Funding – May 2017** **\$ 1,274,771**

  
\_\_\_\_\_  
Timothy Lizura

Prepared by: Reneé M. Krug

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

**APPLICANT:** Double D Service Company, Inc. P44070  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** 2674 Morris Avenue Union Township (T) Union  
**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Between October 1999 and November 2001, Double D Service Company, Inc., received an initial grant in the amount of \$94,256 under P10998 and a supplemental grant in the amount of \$48,705 under P10998s and is seeking to perform groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tanks were decommissioned 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.

**APPROVAL REQUEST:**

The applicant is requesting additional supplemental grant funding in the amount of \$217,855 to perform the approved scope of work at the project site. Because this aggregate supplemental funding including this request is \$266,560, 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 \$360,816.

The NJDEP oversight fee of \$21,786 is the customary 10% of the grant amount. This estimate 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:** \$217,855  
**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

Remediation	\$217,855
NJDEP oversight cost	\$21,786
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$240,141</b>

**APPROVAL OFFICER:** K. Junghans



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

**APPLICANT:** Richard B. Treacy III

P44071

**PROJECT USER(S):** R.B.T. Inc \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 146 Landing Road

Roxbury Township (N)

Morris

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

**APPLICANT BACKGROUND:**

Between September 1998 and February 2013, Richard B. Tracey, owner of R. B. T. Inc., which is a gasoline service station, received an initial grant in the amount of \$142,510 under P10344 and supplemental grants totaling \$357,823 under P10344s, P18967 and P37711 to remove four underground storage tanks (USTs). The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the aggregate supplemental project costs are technically eligible to perform additional soil and groundwater remediation.

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

**APPROVAL REQUEST:**

The applicant is requesting aggregate supplemental grant funding in the amount of \$394,870 to perform the approved scope of work at the project site. Because this aggregate supplemental funding including this request is \$752,693, 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 \$895,203. The project site is located in a suburban planning area and is eligible for \$1 million in grant funding.

The NJDEP oversight fee of \$39,487 is the customary 10% of the grant amount. This estimate 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:** \$394,870

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

**PROJECT COSTS:**

Remediation	\$394,870
NJDEP oversight cost	\$39,487
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$434,857</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Robert So

P44135

**PROJECT USER(S):** Rovick Enterprises \*

\* - indicates relation to applicant

**PROJECT LOCATION:** 279 Route 1 & Oakland Avenue Edison Township (N)

Middlesex

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

**APPLICANT BACKGROUND:**

Between October 1999 and June 2015, Robert So and Vicky So, owners of Rovick Enterprises d/b/a Metro Stop Gas & Service, received an initial grant in the amount of \$168,353 under P11148 and supplemental grants totaling \$196,156 under P11148s, P16130, P20268, P37413, and P40399 to remove and upgrade four existing underground storage tanks (USTs) and to perform excavation and required remediation. Mrs. So is now deceased and Mr. So is the sole owner of the company and project site. 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 test for a conditional hardship grant.

**APPROVAL REQUEST:**

The applicant is requesting an additional supplemental grant in the amount of \$183,669 to perform the approved scope of work at the project site. Because this aggregate supplemental funding including this request is \$379,825, it exceeds the maximum aggregate staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding for this project to date is \$548,178. The project site is located in a Metropolitan planning area and is eligible for up to \$1 million in grant funding.

The NJDEP oversight fee of \$18,367 is the customary 10% of the grant amount. This estimate 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:** \$183,669

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

Remediation	\$183,669
NJDEP oversight cost	\$18,367
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$202,536</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Scott's Auto, LLC

P44008

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 357 North Broad Street Carneys Point Township (T) Salem

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

**APPLICANT BACKGROUND:**

Between August 2006 and January 2012, Scott's Auto, LLC, majority owned by Wayne Scott, received an initial grant in the amount of \$64,083 under P16637 and supplemental grants totaling \$371,529 under P30045 and P36883 to close three underground storage tanks (USTs) and perform the required remediation at the project site. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation activities, soil delineation and groundwater investigation.

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

**APPROVAL REQUEST:**

The applicant is requesting additional supplemental grant funding in the amount of \$103,236 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is \$474,765, 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 \$538,848. The project site is located in a Metropolitan planning area and is eligible for up to \$1 million in grant funding.

The NJDEP oversight fee of \$10,324 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:** \$103,236

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

**PROJECT COSTS:**

Remediation	\$103,236
NJDEP oversight cost	\$10,324
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$114,060</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Transworld Transmission LLC

P39930

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 1778 Springfield Avenue New Providence Borough (N)Union

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

**APPLICANT BACKGROUND:**

In January 2013, Transworld Transmission LLC, an automobile repair shop, received an initial grant in the amount of \$171,951 under P34108 to remove five underground storage tanks (USTs) and perform the required remediation. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional soil and groundwater remediation.

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

**APPROVAL REQUEST:**

The applicant is requesting supplemental grant funding in the amount of \$375,141 to perform the approved scope of work at the project site. Total grant funding including this approval is \$547,092. The project site is located in a Metropolitan planning area and is eligible for up to \$1 million in grant funding.

The NJDEP oversight fee of \$37,514 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:** \$375,141

**TERMS OF GRANT:** No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act

**PROJECT COSTS:**

Remediation	\$375,141
NJDEP oversight cost	\$37,514
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$413,155</b>

**APPROVAL OFFICER:** K. Junghans

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND**




**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy Lizura  
President/Chief Operating Officer  
**DATE:** May 11, 2017  
**SUBJECT:** NJDEP Hazardous Discharge Site Remediation Fund Program

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

<b><u>HDSRF Municipal Grants:</u></b>	
P44098 Township of Maplewood (Fresco Silver)	\$ 748,600
<b>Total HDSRF Funding – May 2017</b>	<b>\$ 748,600</b>

  
\_\_\_\_\_  
Timothy Lizura

Prepared by: Reneé M. Krug

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

**APPLICANT:** Township of Maplewood (Fresco Silver)

P44098

**PROJECT USER(S):** Same as applicant

\* - indicates relation to applicant

**PROJECT LOCATION:** 357 Boyden Avenue                      Maplewood Township (N)    Essex

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

**APPLICANT BACKGROUND:**

Between May 1999 and January 2008, Township of Maplewood received an initial grant in the amount of \$84,500 under P10152 and supplemental grants totaling \$549,508 under P11386, P12910 and P19761 to fund Preliminary Assessment (PA) Site Investigation (SI) and Remedial Investigation (RI) activities. The project site, identified as Block 48.47 and Lot 140.01 (formerly 140A) was formerly used to manufacture machinery for metal finishing. The Township of Maplewood holds a Tax Sale Certificate on the project site and has satisfied proof of site control. It is the Township's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed-use.

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

**APPROVAL REQUEST:**

The Township of Maplewood is requesting additional supplemental grant funding to perform RI required by NJDEP in the amount of \$748,600 at the Former Fresco Silver Company project site. Total grant funding including this approval is \$1,382,608.

**FINANCING SUMMARY:**

**GRANTOR:**                      Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$748,600

**TERMS OF GRANT:**    No interest: No repayment

**PROJECT COSTS:**

Remedial investigation	\$748,600
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<u><u>\$749,100</u></u>

**APPROVAL OFFICER:** K. Junghans

**OFFICE OF RECOVERY**



**ENERGY RESILIENCE BANK (ERB)**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy Lizura  
President and Chief Operating Officer

**DATE:** May 11, 2017

**RE:** Energy Resilience Bank – Ocean County Utilities Authority – Southern Water  
Pollution Control Facility Cogeneration Improvements

**Request:**

The Members are requested to: (1) deem the Ocean County Utilities Authority – Southern Water Pollution Control Facility Cogeneration Improvements project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve \$5,080,000 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with the Ocean County Utilities Authority consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

**ERB Program:**

In July 2014, the Members approved the creation of the Energy Resilience Bank, initially capitalized with \$200 million of Community Development Block Grant Disaster Recovery (“CDBGDR”) funds, to address statewide energy resilience needs. In October 2014, the Members approved the ERB Financing Program Guide and launched ERB’s Funding Round 1 for Water and Wastewater Treatment Facilities and in October 2015, the Members approved ERB’s Funding Round for Hospitals and Related Healthcare Facilities.

The intent of the ERB is to finance the installation or upgrading of commercially available and cost effective resilient energy technologies at critical facilities. ERB is focused on effective distributed energy resource (DER) technologies, including combined heat and power and fuel cells, which are designed to start up and function in “island” mode, disconnected and isolated from the grid during a power outage or other event.

Applicants must be eligible entities and must demonstrate that the critical facility was either directly or indirectly impacted by Superstorm Sandy or directly impacted by another qualifying

disaster. Priority, as established through the ERB scoring system, is placed on projects which serve low and moderate income communities. ERB projects must be permanently installed at a critical facility, must be constructed or elevated above FEMA's best available data for base flood elevations, and be operational within two years of the ERB closing.

In conformance with HUD's CDBG-DR funded infrastructure program requirements, all projects undergo a comprehensive risk analysis which incorporates a detailed technical feasibility, criticality and resiliency, and cost benefit/project economics review to determine program and funding eligibility. Each project is assessed on the technical specifications of the project including the technology used, size and scale, criticality, resiliency, environment review, applicant credit, cost and revenue estimates, and overall feasibility. Scoring criteria reflect the comprehensive risk analysis framework as shown in the attached Scoring Chart. Projects are scored on a 100-point system and must meet a minimum eligibility threshold score of 50 points to be considered eligible for ERB project financing.

ERB funding is determined and provided on a per project basis as a combination of grant/forgivable loan and amortizing loan based on the project's unmet need and ownership structure. For public and not-for-profit applicants, ERB will provide 100% of the project's unmet need as:

- 1) a grant/forgivable loan (not to exceed \$25 million) for all eligible resilient costs, as described in the Program Guide;
- 2) a grant/forgivable loan equal to 40% of the remaining eligible project costs; and,
- 3) an amortizing, 2% interest rate loan with a term up to 20 years, for the balance of ERB project funding.

#### **Ocean County Utilities Authority – Southern Water Pollution Control Facility Cogeneration Improvements**

*Applicant:* The Ocean County Utilities Authority, established in 1970, owns and operates three Water Pollution Control facilities (WPCFs) in Ocean County: Northern, Central, and Southern. The Southern Water Pollution Control Facility (SWPCF) is a secondary wastewater treatment facility located in Stafford Township, New Jersey that serves ten municipalities and is permitted to treat 20 million gallons per day (mgd) of domestic and light industrial waste. The OCUA Southern Service Area regional wastewater collection, conveyance, and treatment system includes thirteen (13) lift and pump stations, 42 miles of interceptor and outfall pipelines, all located within Southern Ocean County. The OCUA provides collection and treatment of raw wastewater at the SWPCF for a year-round population of approximately 55,000, which climbs to well over 78,000 during summer. For 2016, the average daily flow was approximately 6 mgd. The Ocean County municipalities served by the SWPCF are Barnegat Light Borough, Beach Haven Borough, Eagleswood Township, Harvey Cedars Borough, Little Egg Harbor Township, Long Beach Township, Stafford Township, Surf City Borough, Ship Bottom Borough and Tuckerton Borough.

*Project Location:* Ocean County Utilities Authority – Southern Water Pollution Control Facility, 150 Cedar Run Dock Road, West Creek, NJ (Stafford Township)

*Project Summary:* Consistent with ERB and HUD CDBG-DR program requirements, OCUA will develop a combined heat and power system at the Authority's SWPCF, a fourteen-acre site. OCUA proposes to install three 200 kW combined heat and power reciprocating engines including a storage unit for storing biogas and a treatment system for removing contaminants from the biogas

prior to delivery to the engines. The project will be constructed above minimum base flood elevations and will be interconnected within the facility with the necessary blackstart and islanding system controls to be able to operate independently from the grid in case of a power outage or other emergency.

National Objective: – Urgent Need – Tie to the Storm - Located in Stafford Township in Ocean County – one of the 9 most impacted counties. During and after Superstorm Sandy, the OCUA system was impacted due to high winds, flooding, loss of commercial grid power, and in some instances, issues regarding the standby power generation system. Due to flooding and power losses, portions of the OCUA system were without electrical service for a period of multiple days following Superstorm Sandy. At the SWPCF, three diesel-powered 1,500 kW emergency generators were placed in service and treatment of incoming wastewater flow continued. The entire system and contributory service area was impacted by storm and flooding damage as well as loss of the electric power grid. As a result of Superstorm Sandy, OCUA sustained extensive system-wide impacts throughout their facilities, spanning electrical, mechanical, HVAC, structural, and architectural elements as demonstrated from their FEMA-Public Assistance project worksheets. The entire region within Ocean County was greatly impacted by Superstorm Sandy with significant flooding and damages/loss of properties. OCUA’s southern service area includes the seasonal communities located on Long Beach Island and the upland adjacent to the west shore of the Barnegat Bay and proper collection and treatment of wastewater is critical to the local economy.

Project Review: Ocean County Utilities Authority – Southern Water Pollution Control Facility Cogeneration Improvements Project is an eligible project at a critical facility which is to be developed within a two-year period by an eligible public-sector applicant, and which meets all ERB program eligibility requirements. EDA reviewed documentation from the applicant to determine there would be no Duplication of Benefits. The New Jersey Board of Public Utilities (BPU) has evaluated the project to determine it meets technical and feasibility requirements as defined in the MOU between the EDA and BPU. Per the Rutgers CEEEP comprehensive cost benefit analysis, the project and reliability benefits yield a result of 1.4, when taking into account the full project costs, which factored in the economic and emission costs of the project. When complete, the project will allow the SWPCF to start up and isolate from the electrical grid and continue operating and providing needed community services and benefits in the event of future storms, disasters, or emergency situations.

Project Scoring: The project received a project score of 90 as outlined below and exceeds the minimum score of 50 required for program eligibility.

Project Funding and ERB Funds: The estimated Total Project Cost is \$ 5,080,000. It is estimated that \$ 1,993,770 are resilient related costs per ERB program guidelines. All preliminary costs and technologies have been reviewed by BPU identifying them as cost reasonable and necessary. Consistent with the ERB’s Financing and Program Guide, the OCUA project will be provided with the following, subject to cost reasonableness analysis and review of final project costs:

ERB Grant:	\$ 3,228,262
ERB Loan Funding:	\$ 1,851,738 (2% interest rate, 20-year term)

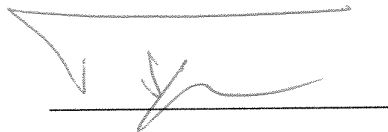
Loan Repayment: The financing will be a general obligation to the Authority with the projected annual cost of \$ 112,412. Through the established feasibility and technical review, the

annual net energy cost savings combined with estimated annual operating and maintenance costs/savings projected from development of the CHP project is approximately \$ 155,000, which is sufficient to repay the project loan within the loan terms. In a September 2016 rating affirmation of outstanding OCUA bonds, Moody's gave OCUA an investment grade Aaa rating.

*ERB Program Fund Balance:* After program administrative costs, the Energy Resilience Bank has a \$170 million CDBG-DR allocation from HUD to reserve for ERB projects. After today's Board action on the OCUA project, there will be \$51,215,305 remaining to reserve for additional projects.

**Recommendation:**

The Members are requested to: (1) deem the Ocean County Utilities Authority – Southern Water Pollution Control Facility Cogeneration Improvements Project preliminarily eligible for Energy Resilience Bank (ERB) funding; (2) approve moving the project forward to the next phase of the ERB program review and approval process; (3) reserve \$5,080,000 of ERB funds for the project; and, (4) authorize the execution of ERB program funding documents with Ocean County Utilities Authority consistent with the terms set forth herein, with the understanding that any material changes to project scope or budget will be brought back to the board for reconsideration.

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

Attached:

- Project Funding and ERB Financing and Scoring Sheet

Prepared by: Russel Like

**OCUA – Southern Water Pollution Control Facility Cogeneration Improvements Project** **May 2017**

<b>Project Funding and ERB Financing</b> <i>(Public Applicant)</i>	
<b>Total Project Costs:</b>	<b>\$ 5,080,000</b>
<b>Project Funding Sources:</b>	<b>\$ 5,080,000</b>
Resilient Costs	\$ 1,993,770
40% Grant on Remaining Costs	\$ 1,234,492
<b>Total ERB Grant Funding:</b>	<b>\$ 3,228,262</b>
<b>ERB Loan Funding:</b> <i>(2%, 20-year term)</i>	<b>\$ 1,851,738</b>

<b>OCUA – Southern Water Pollution Control Facility Cogeneration Improvements Project</b>		<i>May 2017</i>
<b>ERB Scoring Criteria</b>	<b>Weight in Points</b>	<b>PROJECT SCORE</b>
<b>1. Technology Efficiency/Economic Cost Effectiveness</b> <i>a. 20 points for a cost-benefit ratio greater than 1.25</i> <i>b. 10 points for a cost-benefit ratio between 1.0 and 1.25 (including 1.25)</i> <b>Cost-Benefit Ratio less than 1.0 - INELIGIBLE</b>	20	20
<b>2. LMI Area Benefit</b> <i>a. 25 points if HUD LMI Area Benefit is greater than 51%</i> <i>b. 20 points if HUD LMI Area Benefit is between 35% - 50.99%</i> <i>c. 15 points if HUD LMI Area Benefit is between 20% - 34.99%</i>	25	20
<b>3. Most Impacted Communities</b> <i>a. 15 points if facility serves 3 or more municipalities listed</i> <i>b. 10 points if facility serves 1 or 2 municipalities listed</i> <i>c. 0 points if facility serves no municipalities listed</i>	15	15
<b>4. Readiness To Proceed</b> <i>a. 10 points if project completion reasonably expected within 15 months</i> <i>b. 5 points if project completion reasonably expected 15 - 20 months</i> <i>c. 0 points if project completion reasonably expected in 20 – 24 months</i>	10	10
<b>5. Criticality</b> <i>(using Office of Homeland Security &amp; Preparedness State Asset database)</i> <i>a. 20 points if facility type is listed</i> <i>b. 0 points if facility type is NOT listed</i>	20	20
<b>6. Microgrid</b> <i>a. 5 points if more than one free-standing facility interconnection</i> <i>b. 0 points if only a single free-standing facility interconnection</i>	5	0
<b>7. Facility Energy Efficiency</b> <i>a. 5 points if project meets or exceeds the general state program performance requirements of reducing energy consumption or increasing efficiency by 15%</i>	5	5
<i>Minimum Score of 50 Needed</i>	<b>TOTAL PROJECT SCORE:</b>	90

**STRONGER NJ NEIGHBORHOOD & COMMUNITY  
REVITALIZATION PROGRAM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Timothy Lizura  
President and Chief Operating Officer

**DATE:** May 11, 2017

**SUBJECT:** Stronger NJ Neighborhood and Community Revitalization Program

**Request:**

The Members are asked to: (1) approve the transfer of funds from the Stronger NJ Neighborhood and Community Revitalization (“NCR”) Development and Public Improvement (“D&I”) Program to the NCR Streetscape Revitalization Program (“Streetscape”); (2) approve four Streetscape projects to move to the next phase of the approval process; (3) delegate authority to extend the disbursement deadline; and (4) modify the terms of the NCR D&I loans for both Beach Haven and the Borough of Tuckerton, adjusting the forgivable portion from 25% to 100%.

**Background:**

The NCR program currently consists of two subprograms: The Streetscape program and the D&I program. The Streetscape program currently consists of 15 unique construction related projects, plus the four additional projects requesting approval to move forward. Eleven projects are currently underway with three complete and one project beginning in the Summer of 2017. To date, more than \$8 million has been disbursed constituting over 65% of allocated program funding. The D&I Program consists of 19 construction related projects with 5 complete. Eleven projects are currently underway with the remaining 3 projects beginning in 2017. Thus far more than \$26 million has been disbursed constituting over 50% of allocated program funding.

The Board is asked to approve four items related to the NCR Program. As a group, these changes will facilitate more efficient use of the funds allocated to the NCR program by ensuring that funds are available for projects that still require funding, approved applicants have the time required to complete their projects, and that the funds are awarded consistently across the program.

First, the transfer of funds allocated to the D&I program to the Streetscape program is requested to allow for the advancement of four additional Streetscape projects. On August 27, 2013, the Members approved the creation of the NCR Program utilizing \$65 million in CDBG-DR funds.



At that time \$10 million was allocated to Streetscape projects (the Board increased this allocation to \$12.5 million on November 10, 2014) and \$52.5 million was allocated for D&I with \$4.7 million of that applied to two projects in Seaside Heights and Seaside Park. Since that time, the Members have authorized 18 D&I projects, totaling \$47.77 million, and 15 Streetscape projects, to move to the next phase of the approval process. During that process, one project (Carlstadt) came in under budget due to ineligible costs, and one application was closed (Point Pleasant Packing), resulting in \$4,138,227 in available funds. The D&I program was closed on February 24, 2014 (with a notice posted on EDA's website) and the D&I pipeline has been exhausted; however, there are several Streetscape applications that met the original scoring threshold but were not awarded funds, because while the applications met the scoring threshold, they scored below the awarded applications. Funding these applications would exhaust the pipeline of projects which scored above the 55-point threshold.

Therefore, staff is requesting that the \$4,138,227 be reallocated to the Streetscape program and, second, the Members are asked to approve the following projects moving forward in the approval process:

- 1) Ventnor- \$800,000- Streetscape work in Ventnor's North Beach Business District from Weymouth Avenue to Surrey Avenue on Atlantic Avenue which includes replacing the sidewalk and driveways with decorative brick pavers and installing street lighting, benches, landscaping, and improvement of ADA ramps. Street trees with tree grates will be installed along the curb line.
- 2) Cape May Convention Hall District - \$253,000 -Work includes the addition of an ADA compliant beach ramp, wayfinding signage, benches, and landscaping and will take place at 708-710 Beach Avenue adjacent to the Cape May Convention Hall in the hub of the commercial district on the promenade and beachfront.
- 3) East Orange - \$1,081,320 - The proposed Streetscape Revitalization project will include: new street design work, tree wells to accommodate new trees that will be provided by the City, new trash receptacles, decorative benches, stamped asphalt pavers, concrete landscape curbing, pay stations and new lighting. The project location will be Main Street from N. Arlington Ave. to N. Burnett Street.
- 4) Belleville - \$1,500,000 - The proposed Streetscape project will include the implementation of phase one of the Washington Avenue streetscape revitalization plan, between Overlook and Carmer Avenues, which is a half mile area and will include the addition of bus stop shelters, decorative hardscape features, newspaper boxes, kiosks and benches, and the upgrade the storm sewer infrastructure of Main Street between Overlook Avenue and East Centre Street.

Third, in order to accommodate these additional projects, and also to allow for the delays many of the approved NCR project have experienced, staff also requests that the Board delegate the authority to staff to extend the final disbursement deadline for all NCR projects from June 1, 2017 to September 1, 2018, as required. This deadline is in accordance with new guidance received from the Department of Housing and Urban Development and the NJ Department of Community Affairs.

Finally, the Boroughs of Tuckerton and Beach Haven were both approved by the Board for NCR loans under the D&I program. Tuckerton was approved in Round One recommendations at the June 10, 2014 Board meeting and the City of Beach Haven was approved with the Round Two recommendations on October 14, 2014.

By way of background, Tuckerton's Municipal Building was flooded as a result of Superstorm Sandy. The project consists of purchasing and renovating an unoccupied building to serve as the new Municipal Complex. The Board approved a \$1,498,896 loan, 25% forgiven upon completion, to Tuckerton at the June 10, 2014 Board meeting under the Catalytic Project Type. Since that time, the project has completed environmental review, purchased the property and is in the process of procuring construction services.

Beach Haven's Borough Hall was also damaged by Superstorm Sandy. The Board awarded Beach Haven two loans, both 25% forgivable upon completion, for a total \$5,000,000 under the Catalytic Project Type at the October 14, 2014 Board meeting. These two projects have since been consolidated into one project consisting of the demolition and reconstruction of the Borough Hall, the addition of the Police Department to the structure, and renovations to the Emergency Operations Center. At this time, the environmental review has been conducted and demolition of the Borough Hall is complete. Beach Haven is now commencing the construction phase of the project.

Under the Program Guidelines, loans up to \$10,000,000 were available to projects with projected income streams able to support the debt service. At project completion and issuance of a permanent Certificate of Occupancy and/or Certificate of Acceptance, if applicable, these loans were to be 25% forgiven. At the time of Board approval, the Beach Haven and Tuckerton projects were determined to have projected income streams able to support debt service, and were therefore awarded loans with a 25% forgivable portion.

Staff has come to understand that neither of these projects will have a devoted income stream to support debt service. Further, when looking across the NCR Development and Public Improvements program, only these projects are not 100% forgivable, or structured as a grant. Without the income stream, there is nothing that distinguishes the Tuckerton and Beach Haven projects from the remaining projects awarded grants and 100% forgivable loans.

Per the Program Guidelines, loans for infrastructure up to \$5,000,000 can be 100% forgiven at project completion and upon the issuance of a Certificate of Occupancy and/or Acceptance as applicable, and do not require projects to have associated income streams. Therefore, as it is permissible in accordance with the Program Guidelines, and better correlates with the current circumstances of the projects, staff recommends modifying both Tuckerton and Beach Haven's loans so that they are 100% forgivable at project completion and upon the issuance of a Certificate of Occupancy and/or Acceptance as applicable.

**Recommendation:**

The Members of the Board are asked to approve the following: (1) Transfer unused funds from the Stronger NJ Neighborhood and Community Revitalization Development and Public Improvement Program to the NCR Streetscape Revitalization Program; (2) approve four Streetscape projects to move to the next phase of the approval process; (3) delegate authority to extend the disbursement deadline to September 1, 2018, as required; and (4) modify the terms of the NCR D&I loans for both Beach Haven and the Borough of Tuckerton, adjusting the forgivable portion from 25% to 100%.



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Timothy J. Lizura  
President & Chief Operating Officer

**BOARD MEMORANDUM**



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy J. Lizura, President and COO  
**DATE:** May 11, 2017  
**SUBJECT:** Projects Approved Under Delegated Authority –  
**For Informational Purposes Only**

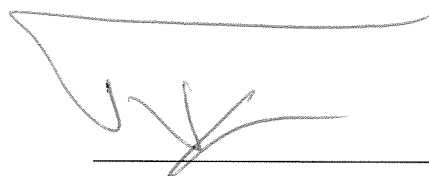
The following projects were approved under Delegated Authority in April 2017:

**Premier Lender Program:**

- 1) Wayside Bus Depot LLC (“Wayside”) (P44136) is located in Tinton Falls, Monmouth County, and Rutgers Bus Depot LLC (“Rutgers”) (P44137) is located in Lakewood Township, Ocean County. Wayside is a newly formed holding company created to purchase the project property in Tinton Falls. Rutgers is a newly formed holding company purchasing the land and building in Lakewood. The operating company at both locations, Jay’s Bus Service, Inc., was founded in 2008 to provide bus transportation for public and private schools, athletic activities, camps and field trips primarily in Ocean and Monmouth Counties. Fulton Bank approved a \$450,000 bank loan with a 31.11% (\$140,000) Authority participation, and a \$2.7 million bank loan contingent upon a 31.85% (\$860,000) Authority participation. Proceeds will be used to purchase commercial land and buildings. The Company currently has 30 employees and plans to create two new jobs over the next two years. SSBCI funds will be utilized for this project.

**Camden ERB:**

- 1) Denise English (P42951) is in Camden City, Camden County and plans to open Giselle’s Restaurant located at 1248 Haddon Avenue, which specializes in Jamaican cuisine. The property is a two story, 2,550 sq. ft. mixed use building with a first-floor restaurant unit and a vacant second floor apartment. The parents previously operated a Jamaican restaurant on the property and have retired and closed the business approximately two and a half years ago, while keeping all the equipment in the property. Ms. English was approved for a \$5,242 Business Improvement Incentive Grant to fund a portion of the costs associated with building/site improvements, namely façade improvements and repair, replacement of the front door, and concrete replacement.



**Prepared by:** G. Robins  
/gvr



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy J. Lizura, President and Chief Operating Officer  
**DATE:** May 11, 2017  
**SUBJECT:** PUST and HDSRF Program Funding Status  
(For Informational Purposes Only)

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

Below is the funding availability as of the first quarter ending on March 31, 2017:

**PUST:**

As of March 31st, remaining cash and unfunded appropriations net of commitments was \$9.9 million available to support an estimated \$23.5 million pipeline of projects, of which approximately \$10.3 million are under review at EDA.

**HDSRF:**

As of March 31st, remaining cash and unfunded appropriations net of commitments was \$13.5 million available to support an estimated \$25.7 million pipeline of projects, of which approximately \$3.5 million are under review at EDA.



Prepared by: Wendy Wisniewski

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**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy Lizura, President and Chief Operating Officer  
**DATE:** May 11, 2017  
**SUBJECT:** Technology & Life Sciences - Delegated Authority Approvals for Q1 2017  
*For Informational Purposes, Only*

**Angel Investor Tax Credit Program – 2017 Q1 Review**

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

In the first quarter of 2017, 38 Angel Tax Credit applications for \$854,625 in tax credits were approved. This represented \$8,546,252 in private investments in 9 unique technology and life science companies.

<b>Sector</b>	<b>Investment amount</b>	<b>Applications</b>	<b>% of total investments</b>	<b>% of total applications</b>
Technology	\$ 1,485,000	8	18%	21%
Clean Technology	\$ 2,663,750	3	31%	8%
Life Sciences	\$ 4,397,502	27	51%	71%

Attached please find a list of all ATC applications that were approved under delegated authority in the first quarter of 2017:

**Prepared by:**  
 Kathleen Coviello  
 Alec Tripodi

<b>Investor</b>	<b>Technology Company</b>	<b>Investment Amount</b>	<b>Tax Credit Amount</b>
Jinan Himile Dynamic Equity Investment Fund Partnership	Admera Health LLC	\$2,000,000	\$200,000
1	Admera Health LLC	\$2,000,000	\$200,000
Donna-Lee Lista	BioAegis Therapeutics Inc.	\$30,000	\$3,000
Donna-Lee Lista	BioAegis Therapeutics Inc.	\$10,000	\$1,000
Greta Klinger	BioAegis Therapeutics Inc.	\$25,000	\$2,500
James E. Maple	BioAegis Therapeutics Inc.	\$50,000	\$5,000
Libby Frada Heller	BioAegis Therapeutics Inc.	\$50,000	\$5,000
Molly M. Ahrensfeld	BioAegis Therapeutics Inc.	\$50,000	\$5,000
Thomas Andrew Collentine	BioAegis Therapeutics Inc.	\$35,000	\$3,500
Thomas F. Ahrensfeld	BioAegis Therapeutics Inc.	\$100,000	\$10,000
Tolfan Ventures, LLC	BioAegis Therapeutics Inc.	\$200,002	\$20,000
9	BioAegis Therapeutics Inc.	\$550,002	\$55,000
World Media Group LLC	Chromis Fiberoptics, Inc.	\$100,000	\$10,000
1	Chromis Fiberoptics, Inc.	\$100,000	\$10,000
Arnaud Bastien	Coriell Life Sciences	\$25,000	\$2,500
Charles Lord	Coriell Life Sciences	\$50,000	\$5,000
David J. Friedman	Coriell Life Sciences	\$200,000	\$20,000
David J. Friedman	Coriell Life Sciences	\$100,000	\$10,000
Douglas J. Titus, Jr.	Coriell Life Sciences	\$50,000	\$5,000
Guy Lanzi	Coriell Life Sciences	\$50,000	\$5,000
James Crowley	Coriell Life Sciences	\$50,000	\$5,000
Peter H. Havens	Coriell Life Sciences	\$100,000	\$10,000
Reginald Blaber	Coriell Life Sciences	\$50,000	\$5,000
Robert G. Williams Revocable Trust	Coriell Life Sciences	\$50,000	\$5,000
Terence Patrick Delaney	Coriell Life Sciences	\$50,000	\$5,000
11	Coriell Life Sciences	\$775,000	\$77,500
ETS-BNE Investment, LLC	Energy Technology Savings Inc.	\$250,000	\$25,000
Martin Gross	Energy Technology Savings Inc.	\$500,000	\$50,000
Miguel C. Ferreira	Energy Technology Savings Inc.	\$250,000	\$25,000



Pamela Liebman	Energy Technology Savings Inc.	\$100,000	\$10,000
4	Energy Technology Savings Inc.	\$1,100,000	\$110,000
AME Cloud Ventures, LLC- Jerry Yang	Eos Energy Storage LLC	\$120,000	\$12,000
AltEnergy Storage, LLC	Eos Energy Storage LLC	\$2,500,000	\$250,000
Joshua B. Cole	Eos Energy Storage LLC	\$43,750	\$4,375
3	Eos Energy Storage LLC	\$2,663,750	\$266,375
Barbara Jean Moore	Futurestay, Inc	\$35,000	\$3,500
1	Futurestay, Inc	\$35,000	\$3,500
AASKI Trust	Inspirit Group, LLC	\$125,000	\$12,500
Bharat Parikh	Inspirit Group, LLC	\$125,000	\$12,500
2	Inspirit Group, LLC	\$250,000	\$25,000
Adec Private Equity Investments LLC	Turnpoint Medical Devices, Inc.	\$500,000	\$50,000
Kathleen A. Cooney	Turnpoint Medical Devices, Inc.	\$202,500	\$20,250
Kevin T. Kenny	Turnpoint Medical Devices, Inc.	\$250,000	\$25,000
Philip P. Crowley	Turnpoint Medical Devices, Inc.	\$30,000	\$3,000
Ryan L. Carlson	Turnpoint Medical Devices, Inc.	\$75,000	\$7,500
Wayne Marvin Goff and Kathryn V. Goff	Turnpoint Medical Devices, Inc.	\$15,000	\$1,500
6	Turnpoint Medical Devices, Inc.	\$1,072,500	\$107,250
<b>38</b>	<b>9</b>	<b>\$8,546,252</b>	<b>\$854,625</b>