



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Timothy Sullivan  
Chief Executive Officer  
**DATE:** May 14, 2019  
**SUBJECT:** Agenda for Board Meeting of the Authority May 14, 2019

**Notice of Public Meeting**

**Roll Call**

**Approval of Previous Month's Minutes**

**CEO's Report to the Board**

**Authority Matters**

**Office of Economic Transformation**

**Incentive Programs**

**Bond Projects**

**Loans/Grants/Guarantees**

**Board Memorandums**

**Executive Session**

**Public Comment**

**Adjournment**

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

**April 9, 2019**

**MINUTES OF THE MEETING**

Members of the Authority present: Chairman Larry Downes; Catherine Brennan representing State Treasurer Elizabeth Muoio; Dan Ryan representing Commissioner Catherine McCabe of the Department of Environmental Protection; Richard Mumford representing Commissioner Marlene Caride of the Department of Banking and Insurance; Paul Yuen representing Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Public Members Charles Sarlo, Vice Chairman; Philip Alagia, Fred Dumont, and Louis Goetting.

Members present via conference call: Public Members Thomas Scrivo, William Layton, and John Lutz, Third Alternate Public Member.

Absent: Public Member Massiel Medina Ferrara.

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

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

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

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

**MINUTES OF AUTHORITY MEETING**

Chairman Downes acknowledged the recent passing of Board Member Rodney Sadler, who fought to improve the City of Camden. Mr. Sadler was the Executive Director of Save Our Waterfront. He also served on the State Economic Recovery Board for Camden and the Economic Development Authority for over 16 years.

Mr. Lutz joined the meeting via conference call.

The next item of business was the approval of the March 19, 2019 meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Alagia, and was approved by the 10 voting members present.

The next item of business was the approval of the March 19, 2019 executive session meeting minutes. A motion was made to approve the minutes by Mr. Dumont, and seconded by Mr. Alagia, and was approved by the 10 voting members present.

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

Ms. Brennan entered the meeting at this time.

**BOARD PRESENTATION**

Christina Fuentes, Director, Small Business Services, EDA gave a presentation on the many services the division provides to the small business community.

Mr. Scrivo joined the meeting via conference call.

Mr. Layton joined the meeting via conference call.

**PUBLIC COMMENT**

Several members of the Better Choices for New Jersey addressed the board.

The statement from Better Choices for New Jersey is attached.

**AUTHORITY MATTERS**

**ITEM:** Proposed New Rules - Brownfields Loan Program

**REQUEST:** Approve proposed program rules and authorize staff to submit the proposed program rules for promulgation, creation of the Brownfields Loan Program, utilization of up to \$15,000,000 in Authority funds to capitalize the program.

**MOTION TO APPROVE:** Mr. Ryan      **SECOND:** Mr. Yuen      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 1**

**ITEM:** Film Tax Credit Program – Order of Applicant Consideration

**REQUEST:** Confirm, in accordance with N.J.A.C. 19:31-21.7(a), the order of consideration in which the Members will consider film and television production applications for tax credits.

**MOTION TO APPROVE:** Ms. Brennan      **SECOND:** Mr. Dumont      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 2**

**ITEM:** MOU – Advanced Manufacturing Student Outreach Pilot

**REQUEST:** Approve an MOU between the Authority and Ocean County Vocational Technical School District to support funding of the Advanced Manufacturing Student Outreach Pilot

**MOTION TO APPROVE:** Mr. Dumont      **SECOND:** Mr. Yuen      **AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 3**

**INCENTIVE PROGRAMS**

**Grow New Jersey Assistance Program**

**ITEM:** Genmab US, Inc. APPL.#45531  
**REQUEST:** To approve the finding of jobs at risk  
**MOTION TO APPROVE:** Mr. Ryan **SECOND:** Mr. Yuen **AYES: 12**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 4**

**ITEM:** Genmab US, Inc. APPL.#45531  
**REQUEST:** To approve the application of Genmab US, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Plainsboro, NJ. Project location of Plainsboro Twp., Middlesex County qualifies as a Garden State Create 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 Jobs with Salary in excess of County Average and Targeted Industry of Life Sciences. The estimated annual award is \$1,281,000 for a 10-year term.  
**MOTION TO APPROVE:** Mr. Dumont **SECOND:** Ms. Brennan **AYES: 12**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 5**

**BOND PROJECTS**

**Bond Resolutions**

**ITEM:** NJEDA Municipal Rehabilitation Refunding Bonds, 2019 Series  
**REQUEST:** Approve the issuance of its Municipal Rehabilitation Refunding Bonds, 2019 Series A and its Municipal Rehabilitation Refunding Bonds, 2019 Series B.  
**MOTION TO APPROVE:** Ms. Brennan **SECOND:** Mr. Goetting **AYES: 11**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 6**

Mr. Lutz recused himself because Barclays Capital Inc. is a client of his firm.

**ITEM:** NJEDA School Facilities Construction Refunding Bonds, 2019 Series  
**REQUEST:** Approve the issuance of one or more series of School Facilities Construction Refunding Bonds, 2019 Series.  
**MOTION TO APPROVE:** Ms. Brennan **SECOND:** Mr. Goetting **AYES: 12**  
**RESOLUTION ATTACHED AND MARKED EXHIBIT: 7**

**ITEM:** NJEDA School Facilities Construction Refunding Bonds 2019 Series GGG and 2019 Series HHH

**REQUEST:** Approve the issuance of its School Facilities Construction Refunding Bonds, 2019 Series GGG and its School Facilities Construction Refunding Bonds, 2019 Series HHH.

**MOTION TO APPROVE:** Ms. Brennan **SECOND:** Mr. Yuen **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 8**

Mr. Lutz recused himself because Barclays Capital Inc. is a client of his firm

**Public Hearing Only**

**PROJECT:** Beloved Community Charter School, Inc.

APPL.# 45586

**LOCATION:** Jersey City, Hudson County

**PROCEEDS FOR:** Building acquisition, Refinancing, Renovation

**FINANCING:** \$39,525,000 Tax-exempt Bond; \$75,000 taxable Bond

Mr. Alagia left the meeting at this time.

**Preliminary Bond Resolutions**

**PROJECT:** Premio Foods

APPL.# 45591

**LOCATION:** Hawthorne Borough, Passaic County

**PROCEEDS FOR:** Equipment and Machinery

**FINANCING:** \$10,000,000 Total Costs

**MOTION TO APPROVE:** Ms. Brennan **SECOND:** Mr. Ryan **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 9**

**LOANS/GRANTS/GUARANTEES**

**Hazardous Discharge Site Remediation Fund**

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

**MOTION TO APPROVE:** Mr. Ryan **SECOND:** Mr. Yuen **AYES: 11**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 10**

**PROJECT:** New Jersey Performing Arts Center Corporation

APPL.#45329

**LOCATION:** Newark City, Essex County

**PROCEEDS FOR:** Remedial Investigation

**FINANCING:** \$201,517



**Premier Lender Program:**

**PROJECT:** 50 Somerset Place LLC APPL.#45592  
**LOCATION:** Clifton City, Passaic County  
**PROCEEDS FOR:** Purchase of property  
**FINANCING:** \$11,520,000 ConnectOne Bank loan with \$2,000,000 EDA participation

**PROJECT:** 124 Market ST LLC APPL.#45470  
**LOCATION:** Newark City, Essex County  
**PROCEEDS FOR:** Purchase of property  
**FINANCING:** \$1,250,000 M & T Bank loan with \$625,000 EDA participation

**PROJECT:** Dade Realty LLC APPL.#45502  
**LOCATION:** Plainfield City, Union County  
**PROCEEDS FOR:** Purchase of property  
**FINANCING:** \$1,850,000 Lakeland Bank loan with \$823,000 EDA participation

**PROJECT:** IJA Holdings, LLC APPL.#45556  
**LOCATION:** Trenton City, Mercer County  
**PROCEEDS FOR:** Purchase of property  
**FINANCING:** \$2,500,000 M & T Bank loan with \$1,250,000 EDA participation

**Stronger NJ Business Loan Program:**

**PROJECT:** Assisted Living Inc. APPL.#39941, #42395  
**LOCATION:** Hopewell Twp., Mercer County  
**PROCEEDS FOR:** Construction  
**FINANCING:** \$1,437,795 loan and \$50,000 forgivable loan

**Small Business Fund Program - Modifications:**

**PROJECT:** KC Car Wash Inc. APPL.# 45466  
**LOCATION:** Belleville Twp., Essex County  
**FINANCING CHANGE:** Provident Bank approved a loan increase from \$790,000 to \$900,000 and the Authority increased its participation from \$395,000 to \$450,000, reflecting our 50% share of the loan.

**FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund - Delegated Authority First Quarter 2019 Approvals**

**FOR INFORMATION ONLY: Petroleum Underground Storage Tank Program - Delegated Authority First Quarter 2019 Approvals**

**FOR INFORMATION ONLY: Real Estate Division Leases and Right of Entry Licenses - Delegated Authority First Quarter 2019 Approvals**

**PUBLIC COMMENT**

There was no public comment.

**EXECUTIVE SESSION**

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

**MOTION TO APPROVE: Mr. Dumont                      SECOND: Mr. Ryan AYES: 12**

**RESOLUTION ATTACHED AND MARKED EXHIBIT: 12**

The Board returned to Public Session.

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Ryan, the meeting was adjourned at 12:05pm.

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, Chief of Staff  
Assistant Secretary





April 9th, 2019

To Chairman Downes and Members of the New Jersey Economic Development Authority Board of Directors:

Given growing allegations that the NJ Economic Development Authority (EDA) rushed through billions in corporate subsidies to profitable and politically connected corporations without adequate oversight or accountability, and may even have turned a blind eye to fraudulent tax incentive applications, we the undersigned demand your resignation.

The state of New Jersey has awarded a staggering \$11 billion in tax incentives to corporations through EDA programs. But a January audit by Comptroller Philip James Degnan found that the EDA suffered from "inadequate monitoring, insufficient oversight, and non-existent policies and procedures," including poor practices including self-reporting, insufficient monitoring, incongruous evaluation measures for approvals, and failure to comply with state laws and procedures. In short, the EDA lacked the basic internal controls to make sure companies were delivering on their promises to create jobs.

This month, WNYC reported on serious allegations that Gov. Christie's Business Action Center pressured staff to approve tax incentives without due diligence. According to a whistleblower lawsuit cited in the report, the EDA approved at least one grant application where a company detailed non-existent locations that the company would move to if it was not awarded the grant. The same lawsuit maintained that the EDA manipulated the "net benefits test" that determines whether a tax incentive is in fact beneficial to the state.

Just last week, Gov. Phil Murphy's special task force identified yet more allegations of corruption, political cronyism, and abuse. Gulsen Kama testified that her company worked with a consultant to misrepresent its plans to move jobs out of the state in order to secure a "Grow New Jersey" grant from the EDA. The EDA approved the grant, even though it knew that the same company had failed to comply with an earlier grant awarded under the Business Incentive Employment Program.

According to the task force, there are more whistleblowers who have yet to come forward, and more allegations of corruption and graft that have yet to surface. It is clear that companies have been playing New Jersey taxpayers for fools, lying about their plans to leave the state in order to extort untold amounts in corporate subsidies from the EDA. Worse, there are credible allegations that the EDA knew it and even helped companies cook the books.

For years, politicians and political appointees promised New Jersey taxpayers that giving billions to big corporations in exchange for empty promises to create jobs would pay for itself. But nearly a decade later, poverty is on the rise while the state's wealthiest get even wealthier. Meanwhile, New

Jersey faces a fiscal crisis and a structural deficit that prevents it from making needed investments in education and transit, or meeting its obligations and regaining the faith of credit agencies.

Every dollar in tax breaks awarded to companies is a dollar that can't be spent meeting our collective needs. There is a role for reasonable, targeted, and fiscally responsible tax incentive programs that include adequate labor standards in New Jersey's economic development strategy. But at a minimum, taxpayers must have faith that companies are holding up their end of the bargain and delivering the jobs they promised. The EDA has broken that faith repeatedly under your watch.

We urge you to resign from your positions on the EDA Board of Directors so that the Authority can begin to regain the trust of taxpayers across the state.

Resign now.

Signed,

*Action Together Bergen*  
*Action Together New Jersey*  
*American Workforce Association*  
*Amalgamated Transit Union NJ State Council*  
*Badass Teachers Association - New Jersey*  
*Clean Water Action*  
*Collingswood Progressive Democrats for County Committee*  
*CWA New Jersey*  
*CWA Local 1032*  
*Cooper River Indivisible*  
*David Pringle Associates LLC*  
*Environment New Jersey*  
*Glen Rock After the March*  
*Good Government Coalition of New Jersey*  
*Greater New Jersey Pride at Work*  
*HPAE*  
*Hudson County Central Labor Council*  
*IFPTE Local 194*  
*Indivisible Cranbury*  
*Indivisible Monroe*  
*Indivisible NJ-5*  
*JOLT USA*  
*Latino Action Network*  
*Laundry, Distribution and Food Service Joint Board, Workers United, SEIU*  
*Make the Road New Jersey*  
*New Jersey Education Association*  
*New Jersey Policy Perspective*  
*New Jersey Tenants Organization*  
*New Jersey Working Families*

*NJ 11th for Change*  
*NJ Communities United*  
*NJ State Industrial Union Council*  
*NJ Work Environment Council*  
*NJ-08 for Progress*  
*NJ7 Forward*  
*NJDSC Progressive Caucus*  
*NJPP*  
*Occupy Bergen County*  
*Our Revolution Bergen County*  
*Our Revolution Essex County NJ*  
*Our Revolution Trenton Metro*  
*Our Revolution Union County*  
*OurSociety.org*  
*Progressive Democrats of America NJ*  
*People for Progress*  
*Rutgers Newark College Democrats*  
*Rutgers University Progressives*  
*SEIU Local 32BJ*  
*South Jersey DSA*  
*South Jersey Women for Progressive Change*  
*STAND Central NJ*  
*Sunrise Jersey Shore*  
*Westfield 20/20*  
*Wind of the Spirit Immigrant Resource Center*  
*Wolf-PAC*  
*Women For Progress*



## MEMORANDUM

**TO:** Members of the Authority  
**FROM:** Tim Sullivan  
**DATE:** May 14, 2019  
**RE:** Monthly Report to the Board

### REBUILDING NEW JERSEY'S LEADERSHIP IN INNOVATION

In April, the NJEDA advanced several initiatives in support of Governor Phil Murphy's vision for restoring New Jersey's position as a leader in innovation. Three woman-led collaborative workspaces—[Indiegrove](#), [Princeton Innovation Center Biolabs](#) (PICb), and [CoWork Street](#)— are the latest additions to what is now a group of 15 collaborative workspaces that are approved to offer rent support to startups through NJ Ignite. NJ Ignite provides up to nine months of rent-support grants to technology and life sciences startup businesses moving to collaborative workspaces. While the startups benefit from the rent support, NJ Ignite also serves as a powerful tool for incubators, accelerators, and coworking spaces to attract new businesses, while encouraging the creation of new collaborative workspaces throughout the state.

Applications are now open for one of the NJEDA's most impactful programs, the State's 2019 [Technology Business Tax Certificate Transfer Program](#), better known as the Net Operating Loss (NOL) Program. This program allows unprofitable technology and life sciences companies to sell net operating losses and/or unused research and development (R&D) tax credits in exchange for growth capital. As one of the only sources of non-dilutive funding available to businesses that have not yet reached profitability, the program has been very successful with more than 530 companies approved for more than \$1 billion in awards since 1999. Last year alone, 49 companies were approved to share \$60 million through the program. Applications are being accepted online through June 30, 2019 at <http://www.njeda.com/nol>.

Last week, the NJEDA hosted its semi-annual [New Jersey Founders & Funders](#) at [1776](#), a coworking space in the Cherry Hill Mall that was one of the first spaces approved to provide rent support under NJ Ignite. Now in its sixth year, New Jersey Founders & Funders connects early-stage technology and life sciences companies with potential investors in 10-minute, one-on-one "speed dating" sessions to discuss strategy, business models, and funding opportunities. More than two-dozen entrepreneurs met with investors from throughout the Mid-Atlantic region, bringing the total number of emerging companies that have participated in these events to nearly 300.

In April the EDA also began accepting applications through the New Jersey Digital Media Tax Credit Program. Created as part of the "Garden State Film and Digital Media Jobs Act," the Digital Media Tax Credit Program provides tax credits equal to a percentage of a project's qualified digital media production expenses, at least 50 percent of which must be for wages and salaries of full-time employees in New Jersey.

The Office of Economic Transformation continues to roll-out sector-specific programs and resources, the most recent being the New Jersey Offshore Wind Supply Chain Registry that was announced by Governor Murphy in April. The registry is a free online portal where investors exploring offshore wind-related projects can find Jersey-based companies to partner with or purchase from. The registry was announced at the Business Network for Offshore Wind's International Partnering Forum (IPF).

### **MAKING GOVERNMENT EASIER TO DO BUSINESS WITH**

To support Governor Murphy's strategic priority to make government work better for small businesses, the New Jersey Department of the Treasury and the NJEDA hosted an opportunity forum in April to help small, women, minority, and veteran-owned (SMWVBE) subcontracting companies explore opportunities to work on the new state office building projects underway in Trenton. More than 80 business owners attended the event, which followed a similar event held last October. Representatives from Turner and Torcon—the developers overseeing the construction projects—detailed available subcontractor jobs, while representatives from Treasury, the NJ Business Action Center, the Department of Labor, the African American Chamber of Commerce of New Jersey, the Veterans Chamber of Commerce, and the Office of Diversity and Inclusion provided information on steps subcontractors must take to qualify for these jobs and bid on projects. More than half of professional service providers and subcontractors on the project to date are SMWVBEs. For more information, visit <https://nj.gov/trentonconstructionupdates>.

Visits to two businesses in April showcased financing available to small and mid-sized businesses through the NJEDA's Premier Lender program. NJEDA staff and representatives of Provident Bank visited [Barth's Market](#), a family-owned-and-operated gourmet German specialty food store that used a loan from Provident Bank with an NJEDA participation to expand. I also had the pleasure of visiting Trenton Corrugated Products, a designer and manufacturer of corrugated boxes and containers. The company has grown from a two-person venture into a thriving manufacturing business employing 35 people. The company's founders have retired and recently sold the business to first-time entrepreneurs Ian and Cheryl Bernstein, who used a \$2.5 million loan from M&T Bank with a 50 percent NJEDA participation to purchase the 160,000-square-foot building where the company is housed.

### **SPEAKING ENGAGEMENTS AND EVENT PRESENCE DRIVE INTEREST IN NJEDA RESOURCES**

NJEDA staff participated in more than 55 events in the last month to raise awareness of offerings in support of Governor Murphy's vision for a more inclusive and equitable New Jersey economy. The "stronger and fairer" message was the focus of my remarks at the African American Chamber of Commerce's "The State of Black New Jersey Conference," NAIOP's State & Local Incentives Update Program, and a facilitated conversation with Choose New Jersey CEO Jose Lozano at the Cumberland County Improvement Authority's Annual Bankers and Realtors Program. We tailored the message to targeted sectors at industry-specific events including the IPF Business Network for Offshore Wind Forum, a Smart Manufacturing Seminar, and Philly Startup Leaders Accelerator Pitch Night. We highlighted the Governor's vision for investing in communities at the Regional Planning Association's Annual Assembly, an Opportunity Zone Forum at the University of Pennsylvania, and the Alliance for Action's "Investing in South Jersey," and discussed how New Jersey's Indian business community drives economic activity at a New Jersey Indian Business Association roundtable and a forum hosted by the Punjabi Chamber of Commerce. As always, staff of the NJEDA's Small Business Services unit participated in a packed calendar of events ranging from a Credit Management Seminar hosted by the Latin American Economic Development Association, to a Small Businesses Resources event at Rutgers University, and a Main Street New Jersey kickoff event in Vineland.

## CLOSED PROJECTS

Through April 2019, the NJEDA closed on more than \$37 million in lending and other small to mid-sized business assistance to support 47 projects, leveraging more than \$84 million in capital investment and the creation of 154 new permanent jobs.

In addition to the assistance provided through these programs, the NJEDA also executed agreements pending certification with 12 incentive projects for \$118.3 million, leveraging more than \$151 million in capital investment, the creation of 730 new jobs, 539 construction jobs, and the retention of 2,223 jobs at risk of leaving New Jersey.

A handwritten signature in black ink, appearing to be 'T. A.', is enclosed within a thin black rectangular border. The signature is stylized and cursive.

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**AUTHORITY MATTERS**



## **MEMORANDUM**

### **Outside Special Legal Counsel**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 14, 2019

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

#### **Summary**

The Members are asked to approve additional contract funding of \$400,000 (for a revised fee cap of \$650,000) due to ongoing need for representation related to the subject legal matters. The additional funding will be at the blended hourly rate for all attorney positions of \$450/hour outlined in the original retention letter executed between the Authority and Friedman, Kaplan, Seiler, and Adelman, LLP (“Friedman Kaplan”) on February 21, 2019.

#### **Background**

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

The Attorney General announced a separate investigation of these programs.

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

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

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

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

Through March 31, the Authority has paid approximately \$117,000 under the retention agreement. April billing is estimated to be at least \$100,000.

**Recommendation**

In summary, approval is requested for ongoing additional contract funding of \$400,000 (for a revised fee cap of \$650,000) at the same blended hourly rate for all attorney positions of \$450/hour under the same terms and conditions outlined in the original retention letter of February 21, 2019. It should be noted that these fees are being paid from the Authority's net assets and will not detract from existing EDA programs or burden the taxpayers of the state.



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Tim Sullivan  
Chief Executive Officer

Prepared by: Fred Cole





**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan  
Chief Executive Officer  
**DATE:** May 14, 2019  
**RE:** Innovation Challenge Program

**Summary**

The Members are requested to approve revisions to the Innovation Challenge Program specifications to delegate to staff the authority to grant a three-month extension, upon request, to the deadline for municipalities and counties that have been awarded grants under the Innovation Challenge Program to complete their economic development plans and submit their final deliverables.

**Background**

In October 2018, the Members approved the creation of the Innovation Challenge Program – a program providing grants of up to \$100,000 each to municipal or county governments for economic development plans to catalyze planning and key investments to position their city and region to augment their innovation ecosystem. The October approval represents the second time the Authority has made funding available to municipal or counties to undertake this kind of planning – the first time was done as a Request for Qualifications/Proposals issued in July 2018 to New Jersey municipal and county governments for the award of planning contracts of up to \$100,000 each.

In March 2019, the Members approved the award of Innovation Challenge Program grants of \$100,000 each to the City of Newark, City of Paterson, City of Plainfield, Cape May County, and the City of Hoboken.

**Summary**

The Innovation Challenge Program as approved by the Members in October 2018 states that applications must include plans for deliverables that can be fully completed (with copies provided to EDA for public consumption) six calendar months after the execution of funding

agreement between EDA and the recipient.

While all applications did provide this required information and the general expectation is that final deliverables will be provided within six months, staff is requesting delegation to approve a three-month extension to this deadline, upon written request from municipalities/counties, which the Authority staff may grant if delays occur which are out of the control of the municipality or county and the governmental entity is proceeding diligently. Prospective applicants were informed that this three-month extension would be a possibility in the RFQ/P that was issued in July. Authorizing this extension under delegated authority will ensure prompt response by the Authority in the limited instances described in this memorandum.

This option is important to the program's success because the Authority is dealing with municipal and county governments, which often require formal action to enter into partnerships with higher education institutions or strategic partners, as well as to execute grant agreements with the Authority. In addition, the plans that localities are undertaking and that are being funded through the Innovation Challenge Program are separate and distinct in nature, and therefore have challenges that are unique from one another. For these reasons, it is not unusual that delays can occur which are out of the control of the municipality or county. For these reasons, the three-month extension option provides the Authority the flexibility to extend the deadline when circumstances are warranted to ensure that the deadline for final deliverables can be met by all program participants.

**Recommendation**

Approval is requested to allow staff the authority to grant a three-month extension, upon written request, to the deadline for municipalities and counties that have been awarded grants under the Innovation Challenge Program to complete their economic development plans and submit their final deliverables.



Tim Sullivan  
Chief Executive Officer

Prepared by: Pat Rose

Attachments  
Exhibit A – Revised Innovation Challenge Program Specifications

**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

<b>Total Funding Amount</b>	Up to \$500,000
<b>Administrating Agency</b>	EDA
<b>Program Purpose &amp; Overview</b>	<p>Governor Murphy has made reclaiming New Jersey’s historical position as the capital of American Innovation and Invention a centerpiece of his Stronger and Fairer economic development agenda. In recent decades, New Jersey, and most importantly its cities, has lagged its competitors for developing the kind of innovation-centric real estate, talent and capital strategies that have led to outsized job creation in a range of fields that are poised to dominate the 21st century economy.</p> <p>Governor Murphy’s March announcement of a vision for an innovation economy included, as an example, among others, a large-scale Innovation Hub in New Brunswick. To expand the reach of the innovation economy, more work is needed to facilitate major investments in all of New Jersey’s urban centers, with a focus on creating partnerships between the public sector, institutions of higher education, innovative real estate developers, and entrepreneurial private sector leaders.</p> <p>New Jersey and its cities have limited access to incubators and other supportive real estate components which foster the growth and development of start-up ecosystems. New Jersey’s cities also need support to develop infrastructure strategies to support innovation (i.e., mobility, walkability, bike-ability, TOD, fiber/broadband, water infrastructure).</p> <p>To address these gaps, the Authority will create the Innovation Challenge Program - a program to award grants of up to \$100,000 each to communities for economic development plans to catalyze planning and key investments to position their city and region to augment their innovation ecosystem. Grant awards will be based on applications that achieve a minimum score based on the evaluation criteria set forth in the attached product specifications.</p>
<b>Eligible Applicants</b>	<ul style="list-style-type: none"> <li>• Applicant must meet one of the following definitions:             <ul style="list-style-type: none"> <li>○ <b>New Jersey municipal government</b> (a proposal submitted by a single municipality) – must represent total population of 25,000 or more.</li> <li>○ <b>New Jersey county government</b> (a proposal submitted by a single county)</li> <li>○ <b>Municipal partnership</b> (two to four New Jersey municipalities partnering on a proposal) – must represent total population of 25,000 or more.</li> </ul> </li> </ul>

**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

	<ul style="list-style-type: none"> <li>○ <b>Regional partnership</b> (a New Jersey county partnering with another New Jersey county or a New Jersey municipality from a different county on a single proposal; or five or more New Jersey municipalities partnering on a single proposal) – must represent total population of 100,000 or more.</li> <li>● Must demonstrate ability to provide a 20 percent match of the grant amount to be reinvested back into the planning project. The 20 percent match can be in the form of a financial contribution or a contribution of in-kind resources defined as non-monetary resources that will add value to or help advance the planning project.</li> <li>● Proposals must include a higher education partnership, defined as a partnership with a public or private institution of higher education, to leverage external expertise to best achieve the goals of the Innovation Challenge. While all proposals are required to have a higher education partnership, preference will be given to proposals that include additional strategic partners. Partnerships must be formalized by a signed agreement, which can be conditional to a successful contract award.</li> <li>● The nine municipalities/counties that were awarded planning contracts through RFQ/P 081 – Innovation Planning Challenge are not eligible to apply for the Innovation Challenge Program in a lead role but may be included as a partner in applications where they play a non-lead role.</li> <li>● A municipality or a county may only submit one application each in a lead role but can be included as a partner in additional applications where they play a non-lead role. A proposal on behalf of a county does not preclude a municipality within that county from submitting their own proposal.</li> </ul>
<b>Award Amount</b>	Up to \$100,000 per eligible applicant.
<b>Eligible Projects</b>	<p>Rolling application with applications reviewed based on a publicly-available scoring grid. Each successful entity must meet a minimum score of 50. Grants will be awarded on a first come, first basis based on date of receipt of completed application, but no later than 60 days from the release of the application, or until the total funding pool is exhausted (whichever is sooner).</p> <p>Applications must include plans for specific deliverables, which must be completed six months after closing of funding agreement between EDA</p>

**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

	<p>and recipient. If necessary and upon request of the grantee, the EDA may, at its discretion, grant a three-month extension to the deadline for final deliverables.</p> <p>Planning proposals may focus on any number of potential project types, including the following:</p> <p><b>Real Estate Development Projects</b> Planning for feasibility and development of projects that have commercial or mixed uses, including retail, office, hospitality, community, and industrial. Examples of projects may involve the construction or rehabilitation of commercial and mixed-use buildings for multi-tenant business development within an innovation economy industry, entities that provide necessary services to the innovation economy, industry specialized laboratory or research and development space to be used by a technology business. Projects may be stand-alone or distinct parts of a larger development.</p> <p><b>Infrastructure Projects</b> Planning for the development of infrastructure improvements or strategies that, when completed, will increase the innovation capacity of the municipality in which they are located. These projects can involve, but are not limited to, mobility, walkability, bike-ability, transit-oriented development, fiber-broadband capacity, and utility infrastructure.</p> <p><b>Workforce, Entrepreneurship Development or Training</b> Planning for programs or resources that would enhance the region's economic stability and prosperity by providing access to training or resources to produce more and better-prepared workers and expand entrepreneurship to support the innovation economy.</p> <p><b>Other</b> Any plan not specifically detailed above that addresses one or more of the Innovation Challenge goals. We welcome new approaches to expanding an innovation economy that do not fall into the categories above.</p>
<p><b>Scoring Criteria</b></p>	<p>Applications will be evaluated on a first come, first served basis based on date of receipt of completed application, but no later than 60 days from the release of the application, or until the total funding pool is exhausted (whichever is sooner).</p> <p><b>Highest Score Possibility: 100 points</b> <b>Minimum Score Requirement: 50 points</b></p> <p>Criteria #1 will be measured along the below scale:</p>

**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

	<p><i>0 points – Absence of ability to meet the criteria. 1 – 7 points – Minimal ability to meet the criteria. 8-11 points – Satisfactory ability to meet the criteria. 12-17 – points – Exceptional ability to meet the criteria. 18-20 points - Unique ability to meet the criteria.</i></p> <p>Criteria #1 - Evidence of the proposal to demonstrate the plan’s ability to achieve one or more goals of the Innovation Challenge, as outlined in the Scope of Work</p> <p>Criteria #2-8 will be measured along the below scale:</p> <p><i>0 points - Absence of ability to meet the criteria. - 1 – 3 points – Minimal ability to meet the criteria. 4 – 6 points – Satisfactory ability to meet the criteria. 7 – 9 points – Exceptional ability to meet the criteria. 10 points - Unique ability to meet the criteria.</i></p> <p>Criteria #2 - Strength of established partnership (higher-ed and other strategic, if applicable) within the Proposal:</p> <p>Factors to be considered include:</p> <ul style="list-style-type: none"><li>• Reputation, capacity, and proposed level of commitment from the partnering entity.</li><li>• Longevity of partnerships beyond initial project planning stages.</li><li>• Cultivation of multiple partnerships, where practical and beneficial.</li></ul> <p>Criteria #3 - Commitment of additional funding from higher education partners, strategic partners, or other outside sources.</p> <p>Factors to be considered include:</p> <ul style="list-style-type: none"><li>• Ability to identify specific sources of additional funding committed to the project, including amounts and any conditions that may be attached to those commitments.</li></ul> <p>Criteria #4 - Presence and strength of a defined collaborative stakeholder engagement process and strategy.</p> <p>Factors to be considered include:</p>
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**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

	<ul style="list-style-type: none"><li>• Identification of stakeholders critical to the success of the project</li><li>• Identified roles stakeholders have in helping to achieve objectives</li><li>• Stakeholder engagement plan to define the type of relationship and engagement with individual stakeholders</li><li>• Communications channels / engagement techniques with stakeholders</li></ul> <p>Criteria #5 - Evidence of the proposal to demonstrate the plan's ability to grow number of small businesses/attract employers within the municipality/region.</p> <p>Factors to be considered in scoring include:</p> <ul style="list-style-type: none"><li>• Ability to identify unique local barriers to the attraction of businesses and employers; and</li><li>• Formulate locality-specific potential solutions to address those barriers.</li><li>• Consideration of pre-existing factors related to locality access (public transportation, parking, traffic, walkability, bike-ability) and means by which to improve and/or build upon those factors.</li></ul> <p>Criteria #6 - Emphasis on planning for solutions based on the use of new and emerging technologies.</p> <p>Technologies to be considered include but are not limited to:</p> <ul style="list-style-type: none"><li>• Clean energy;</li><li>• Smart transportation and/or parking;</li><li>• Data collection and predictive analytics;</li><li>• Smart infrastructure (such as sensors for potholes or sewage); Mobile applications.</li></ul> <p>Criteria #7 - Evidence of the proposal to demonstrate the potential for new jobs within or in support of an innovation industry including but not limited to:</p> <ul style="list-style-type: none"><li>• emerging technology and life sciences,</li><li>• digital media</li><li>• clean technology/green energy</li><li>• fin-tech, cyber-security</li><li>• AI/AR, transportation-tech</li></ul>
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**Exhibit A - Innovation Challenge Planning Grant  
Proposed Specifications  
Revised – April 2019**

	<p>Criteria #8 - Evidence of ability to execute a planning project</p> <p>Factors to be considered include:</p> <ul style="list-style-type: none"> <li>• Outreach and communication to community, stakeholders, etc.</li> <li>• Development of measurable, achievable milestones</li> <li>• Experience in successful completion of planning projects similar in size and scope to the proposed project</li> <li>• Thoughtfulness of plan and potential for impact</li> <li>• Experience, capacity, and skills of planning team and/or consultants</li> </ul> <p>Point scale for Criteria #9 will be administered as follows:</p> <ul style="list-style-type: none"> <li>• <i>10 points for Top 1-5 rank</i></li> <li>• <i>8 points for 6-10 Rank</i></li> <li>• <i>6 Points for 11-15 Rank</i></li> <li>• <i>4 Points for 16-25 Rank</i></li> <li>• <i>2 Points for 25-50 Rank.</i></li> </ul> <p>Criteria #9 - Ranking of lead municipality within the top 50 2017 Municipal Revitalization Index, or municipal or regional partnership that includes a municipality to be directly impacted by the planning project that is ranked in the top 50 2017 Municipal Revitalization Index.</p> <p><i>In the case of multiple municipalities on a single proposal, a proposal will receive the requisite number of points based on the ranking of the municipalities within the proposal, on a cumulative basis, but not to exceed a total of 10 for the category. For example, if a proposal includes three municipalities ranked between 25-50 on the MRI Index, the proposal will receive a score of "6" for the criterion. If the proposal includes two municipalities ranked in the top 1-5 on the MRI Index, the proposal will receive a score of "10" for the criterion. If a county is involved in a proposal in a lead role or as a partner, the proposal receives points based on all municipalities located within that county.</i></p>
<p><b>Application Process and Board Approval</b></p>	<ul style="list-style-type: none"> <li>• Scoring Committee to review applications based on publicly released scoring criteria.</li> <li>• Applications that achieve a minimum score of 50 will be recommended for approval by EDA Board.</li> </ul>





**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 14, 2019

**RE:** New Jersey-Israel Innovation Partnership Initiative

**Request**

The Members are asked to approve the first phase of the New Jersey-Israel Innovation Partnership Initiative (Initiative), pursuant to the attached Memorandum of Understanding (MOU) approved by the Board on October 11, 2018 and signed between the NJEDA and the Israel Innovation Authority (IIA).

Overall, this Initiative will promote partnerships between New Jersey and Israeli companies on joint research and development (R&D) projects. The Initiative's first phase will focus on identifying New Jersey-based companies with existing R&D budgets that are interested in sourcing partnerships with Israeli companies. If the New Jersey-based company establishes a successful R&D project with an eligible Israeli company through the Initiative, the IIA will offer grants to eligible Israeli companies covering up to 50% of the Israeli company's share of the joint R&D project budget.

The first phase of the Initiative does not entail NJEDA financial support for any company involved in this Initiative. Instead, the NJEDA will invest staff time to select qualified New Jersey companies to participate in the Initiative, act as a first point of contact for Israeli companies looking to partner with New Jersey-companies, manage the inter-governmental relationship with the IIA, and ensure the New Jersey-based companies are compliant with all eligibility requirements (*see below for more details*).

By participating in this program, a New Jersey company gains both access to new international partners and the ability to leverage their existing R&D budget with funds from an Israeli company and the IIA.

This Initiative may be expanded in the future to include partnership sourcing and direct NJEDA funding support for New Jersey-based R&D activities, specifically for start-up and small-and-medium sized companies. Such expansions of the program would integrate learnings for this first phase and be brought for the Board's consideration before implementation.

## **Background**

The NJEDA, in alignment with Governor Murphy's Economic Development Plan, recognizes the importance of developing initiatives with international partners aimed at supporting the growth of New Jersey's most innovative sectors and enhancing the State's global competitiveness.

To support these efforts, the NJEDA helped organize the Governor's economic mission to Israel in October 2018. Israel is the world leader for R&D expenditure relative to its GDP and for number of start-ups per capita. The country hosts R&D centers of over 350 multinational corporations. During the mission, the NJEDA entered an MOU with the IIA, the Israeli government agency charged with supporting the development of the Israeli innovation ecosystem.

The MOU, which was approved by the Board on October 11, 2018, aims at: (i) Intensifying cooperation on innovation; (ii) Facilitating the identification of specific projects and partnerships between entities from Israel and New Jersey; (iii) Coordinating suitable resources and programs to support the projects; and (iv) Establishing a framework to provide financial support to jointly approved projects.

To implement the MOU, the NJEDA is launching the New Jersey-Israel Innovation Partnership Initiative, promoting R&D collaborations between New Jersey and Israeli companies.

The goals of the Initiative from NJEDA's perspectives are multifold:

- Increase the level of R&D in New Jersey;
- Support the growth of New Jersey businesses by exposing them to new markets and commercial opportunities;
- Provide New Jersey companies access to best-in-class technology;
- Encourage high-growth Israeli SMEs to locate their U.S. operations in New Jersey.

The Initiative will pursue the above goals in the following eight priority sectors identified by the Governor's economic plan:

- |                            |  |
|----------------------------|--|
| 1. Life sciences           | 5. Advanced Manufacturing              |
| 2. Information & High Tech | 6. Advanced Transportation & Logistics |
| 3. Clean Energy            | 7. Finance and Insurance               |
| 4. Offshore wind           | 8. Food & Beverage (non-retail)        |

The NJEDA intends to replicate the Initiative with other countries which represent potential sources of foreign direct investment to New Jersey in the above sectors by signing MOUs with relevant foreign entities, subject to Board approval. Furthermore, if successful, the Initiative with the IIA is meant to be a first step in the development of more comprehensive programs with the IIA and possibly with other foreign entities.

### **Summary of the Initiative structure**

The first phase of activities under the Initiative will be executed in three stages:

- 1) **NJEDA identifies New Jersey companies:** the NJEDA staff, through the issuance of a Request for Expressions of Interests (RFEI), will select qualified New Jersey companies interested in partnering with Israeli companies to develop and implement joint R&D projects. See below for the proposed RFEI criteria and selection process;
- 2) **IIA and New Jersey companies identify Israeli partners:** The NJEDA will share the RFEI responses of qualified New Jersey companies with IIA. Based on this information, the IIA will issue a Call for Proposals (CFP) aimed at selecting Israeli companies interested in partnering with the qualified New Jersey companies identified through the RFEI. The NJEDA will allow IIA to note that NJEDA is a sponsoring entity of the Initiative in the CFP. The IIA will screen and select eligible proposals submitted by Israeli companies pursuant to the CFP together with the relevant qualified New Jersey companies. The IIA will determine which joint projects are eligible for financial support by the IIA. The NJEDA will not participate in the screening and selection of the projects which are eligible for IIA support but may work to confirm factual details about the New Jersey-based company/project on behalf of IIA.
- 3) **New Jersey and Israeli companies conduct joint R&D projects:** The selected Israeli companies will implement joint R&D projects with the qualified New Jersey companies, which will be regulated by bilateral cooperation agreements addressing commitments and obligations, including intellectual property rights (IPR) and ownership of new IP produced during the joint project, as per the IIA's rules. Neither the IIA nor the NJEDA will be parties to this agreement; the companies will be solely responsible for preparing any such agreements.

### **Criteria for selecting a qualified New Jersey company through an RFEI**

In order to be a qualified respondent, New Jersey companies must meet the following eligibility criteria:

- a. The company has an R&D presence and/or a manufacturing facility in New Jersey;
- b. The company has a projected financial commitment of at least \$250,000 per proposed project in the priority sectors of the Governor's Economic Plan (each company may propose one or more projects); this amount has been determined according to the preferences of the IIA;
- c. The company's State tax standing is current and free of liens, as evidenced by a current Tax Clearance Certificate;
- d. The company is not currently in default on any NJEDA financial assistance (loans, awards, etc.) and does not have outstanding labor or environmental investigations or concerns as confirmed by the Department of Labor and Workforce Development and the Department of Environmental Protection;
- e. The company will be reviewed under the NJEDA's debarment rules;

- f. The company agrees to sign a compliance and indemnification agreement with NJEDA if it is selected by IIA to complete a project through this Initiative.

### **Initiative implementation details**

Staff will review all the responses to the RFEI and select the companies that meet the above criteria. Staff will provide the list of qualified companies to the IIA. IIA will issue the subsequent CFP with the list of qualified projects, provided that the combined financial commitment of the New Jersey companies is at least \$1,000,000, as per IIA's minimum financial requirement to issue a CFP.

As per the IIA's rules, the projects promoted under this Initiative need to result in the development of a new or significantly improved product, process or service with significant technological innovation and with an industrial application intended for commercialization. The projects should lead to market-ready products, processes or services, and should have a reasonable potential to generate adequate revenues and profits in the foreseeable future. Commercialization expenses are not eligible for IIA's funding. Universities or other research institutions are allowed to take part in the joint projects as subcontractors.

Generally, according to the IIA's rules, the New Jersey company and the Israeli company are expected to contribute to the joint project budget in equal measure, and in any case each company's contribution cannot be lower than one third of the total joint budget; such contribution may consist of financial and non-financial resources. The IIA provides grants up to 50% of the Israeli company's share of R&D project-related expenses.

In all events, to participate in the program, the NJEDA will require that the New Jersey company expend the majority (i.e., greater than 50%) of its share of the project budget in New Jersey, and that the majority of R&D activities occur either in New Jersey or in Israel.

As a condition for submitting a response to the RFEI, the NJEDA will require qualified companies that complete a project under this Initiative to provide a report at the completion of the project demonstrating that the New Jersey company spent the majority of its share of the project budget in New Jersey and that the majority of the R&D activities occurred either in New Jersey or in Israel. Should the New Jersey company not fulfill the requirements, it will be disqualified from participating in future NJEDA RFEIs and other related programs under the MOU or future MOUs signed with other foreign entities for a period of two years.

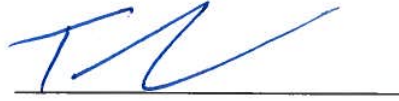
Since one of the goals of the Initiative is to attract innovative startups to the State, the RFEI will also highlight the opportunity for New Jersey companies to host their Israeli partners at their New Jersey facilities, to help facilitate their first landing in the State.

Furthermore, Israeli companies could also apply to NJEDA programs and may be able to benefit from the NJ Ignite Program, which supports rent of early stage technology and life sciences companies in New Jersey collaborative workspaces, by locating at eligible host sites.

### **Recommendation:**

The Members are requested to authorize the implementation of the first phase of the aforementioned New Jersey-Israel Innovation Partnership Initiative, the issuance of the RFEI,

the selection by staff of qualified New Jersey companies utilizing the prescribed criteria, and the ability for IIA to represent NJEDA as a sponsoring entity of the Initiative. The terms of the RFEI will be consistent with this memorandum and subject to review by the Office of the Attorney General.



Tim Sullivan  
Chief Executive Officer

**Attachments:**

*Memorandum of Understanding between the National Technological Innovation Authority, the State of Israel, and the New Jersey Economic Development Authority, an instrumentality of the State of New Jersey, on cooperation in technological innovation, industrial research and development*

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE NATIONAL TECHNOLOGICAL INNOVATION  
AUTHORITY, THE STATE OF ISRAEL**

**AND**

**THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY,  
AN INSTRUMENTALITY OF THE STATE OF NEW JERSEY**

**ON COOPERATION IN TECHNOLOGICAL INNOVATION,  
INDUSTRIAL RESEARCH AND DEVELOPMENT**

The National Technological Innovation Authority, The State of Israel (hereinafter referred to as the "**Innovation Authority**") and The New Jersey Economic Development Authority (hereinafter referred to as "**NJEDA**") and, hereinafter referred to as the "**Parties**";

**DESIRING** to develop and strengthen economic, technological and commercial cooperation between the State of Israel and the State of New Jersey;

**RECOGNIZING** that the challenges of stimulating innovation and economic growth are of mutual concern to both Parties.

**CONSIDERING** the mutual interest in making progress in the field of technological innovation, industrial research and development and the resulting advantages for both states.

**DESIRING** to enhance the State of Israel and the State of New Jersey capacities and competitiveness through cooperation in technological innovation, industrial research or development (hereinafter referred to as "**Innovation**") and to develop and strengthen economic and commercial cooperation between the states;

**RESOLVING** to undertake a sustained effort to promote and support cooperation in Innovation between businesses, corporations or other entities (hereinafter referred to as "**Entity**" or "**Entities**") from the State of Israel and from the State of New Jersey;

Have reached the following understanding:

#### **Article I – Objectives and Scope**

1. The Parties determine that the objectives of this Memorandum of Understanding (hereinafter referred to as "MOU") are:
  - (a) To promote, directly and indirectly, activities of their respective relevant sectors to intensify mutual cooperation in Innovation;
  - (b) To facilitate the identification of specific projects, partnerships or collaborations between Entities from the State of Israel and from the State of New Jersey that could lead to cooperation in Innovation;

- (c) To coordinate and focus suitable resources and programs to support, directly and indirectly, cooperation in Innovation according to each Party's mandate and availability of funds.
  - (d) To give expression to the initiative by establishing a framework for financial support under which the Parties will support jointly approved Projects, as hereinafter defined, between Entities from the State of Israel and from the State of New Jersey leading to commercialization in the global market.
2. The implementation of this MOU and any activity hereunder will be in accordance with the respective applicable laws, regulations, rules, procedures, mechanisms programs or benefit plans applicable in each state or of the Parties or governing the operation of the Parties, as applicable.

## **Article II –Projects**

1. The Parties within their competence and in accordance with their applicable internal laws, regulations, procedures, mechanisms programs, benefit plans and availability of funds will facilitate, support and encourage cooperation in projects in Innovation undertaken by Entities from the State of Israel and from the State of New Jersey, for joint industrial research or development of innovative products or processes based on new innovative technologies to be commercialized in the global market (hereinafter referred to as the "Project" or the "Projects").
2. Each applicant or partner to a Project will be subject to the provisions of the applicable internal laws, regulations, rules, procedures, mechanisms, programs, benefit plans and instruments of support and financing of Innovation provided by its own state or of the Parties, as applicable, including the level of support and the terms and conditions under which that support may be provided, and if applicable, the obligation to pay royalties.
3. The facilitation and stimulation of the cooperation in the framework of this MOU including cooperation Projects may comprise, inter alia, the following forms and methods:
-



- (a) Organization of meetings for Entities from the State of Israel and from the State of New Jersey to provide opportunities for joint cooperation between the Entities;
- (b) Performance of other activities to promote possibilities for cooperation between Entities from the State of Israel and the State of New Jersey.

### **Article III – Cooperation Authorities**

The Parties will be in charge of the implementation of this MOU and each Party will bear its own costs and expenditures that it might incur in the course of carrying out activities pursuant to this MOU. The activities of each Party carried out pursuant to this MOU or to implement it, are contingent upon the availability of funds and other resources for such purpose and subject to and in accordance with the Parties' requirements, budget and applicable laws, regulations, rules, mechanisms, procedures, programs or benefit plans that govern the operation of each of them.

### **Article IV - Final Provisions**

1. This MOU will be in effect upon signature by the duly authorized representatives of the Parties.
  2. This MOU will remain effective until either Party terminates it. Either Party may terminate this MOU by sending a written notification to the other Party. The MOU will cease to be effective six months after the date of such notification.
  3. This MOU may be amended, in writing, by mutual agreement of the Parties. Any such amendment will be effective in accordance with the procedure set forth in paragraph 1 of this Article.
  4. The amendment or termination of this MOU will not affect the validity of arrangements and contracts already concluded.
  5. This MOU will not affect the present and future rights or obligations of the Parties arising from international agreements and treaties.
-

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this MOU.

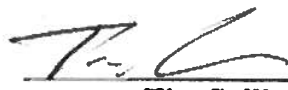
Done in duplicate at Jerusalem on the 21 day of October 2018, corresponding to the 12 day of Heshvan 5779 in the Hebrew calendar, each in the English language, all texts being equally authentic.

**For the National Technological  
Innovation Authority**

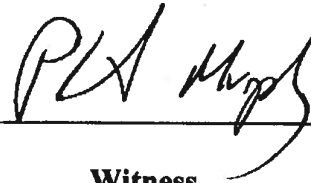


**Dr. Amiram Appelbaum  
Head of the National  
Technological Innovation  
Authority**

**For the New Jersey Economic  
Development Authority**



**Tim Sullivan  
Chief Executive Officer  
New Jersey Economic Development  
Authority**



**Witness  
Philip D. Murphy  
Governor  
State of New Jersey**

**OFFICE OF ECONOMIC TRANSFORMATION**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 14, 2019

**RE:** Memorandum of Understanding (MOU) – Advanced Manufacturing Resource Guide Pilot

**Request**

The Members are requested to approve a Memorandum of Understanding (MOU) between the Authority and the New Jersey Manufacturing Extension Program (NJMEP) for the Authority to partner with NJMEP to add further informational depth and allow for greater ease of use of NJMEP’s Educational Resource Directory. NJMEP is a not-for-profit organization, selected and funded by the National Institute of Standards and Technology (NIST) in the U.S. Department of Commerce, for the express purpose of improving the profitability and competitiveness of New Jersey’s manufacturers. NJMEP and NJEDA were awarded an additional grant from NIST to create the New Jersey Manufacturing Policy Academy (“Policy Academy”), which is a group of government and industry leaders tasked with identifying best practices to support the New Jersey manufacturing sector.

NJMEP’s Educational Resource Directory is a document recently released by NJMEP that contains information integral to manufacturing professionals, such as NJMEP resources, contacts for community college and vocational school manufacturing-related programs, relevant programs and points of contact within State agencies, etc. The maximum funding commitment from the Authority to NJMEP for this pilot will be \$15,000, which the Authority determined to be the appropriate funding necessary to add value to the guide through:

1. Offsetting the costs of an NJMEP intern or equivalent party to regularly input additional information for the duration of the pilot as specified by sections 2(b)-(c) in the attached MOU
2. Offsetting the costs to contract, hire, or utilize internal technical talent to make modifications that increase the usability and searchability of the resource guide as specified by section 1(e) in the attached MOU
3. Using industry surveys or a roundtable meeting to gauge the efficacy of improvements to the guide as specified by section 1(i) in the attached MOU

## **Background**

Advanced manufacturing is a high-wage, high-value industry that has exhibited recent growth in New Jersey and is a focus sector within Governor Murphy's new economic development strategy. Its distinctive characteristics are a systems-based approach to maximizing efficiency and precision in manufacturing processes, and using technology such as sensors, automation, and wireless communication. The advanced manufacturing sector produces over \$31 billion of yearly direct and indirect economic output in New Jersey and employs over 160,000 New Jerseyans, whose wages average nearly 20% higher than similar workers outside of New Jersey.

The modest rebound within New Jersey's manufacturing sector (and its increasing transition from conventional- to advanced-manufacturing) since the recession has been met with some headwinds that hinder additional growth opportunities. New Jersey manufacturers face numerous workforce challenges, including an aging workforce nearing retirement, a shortage of new, younger workers entering the sector, and a skills gap between that many workers face that leave them unable to complete the tasks necessary to succeed in this modern, technically-demanding field. One of the factors that industry stakeholders have identified through the Policy Academy as a major workforce challenge inhibiting sector growth in the State is a general lack of awareness of the existing resources and support for providing access to adequate training, credentialing, and upskilling opportunities for existing and prospective employees.

Existing resources in NJ could help mitigate these issues. Many of New Jersey's community colleges and vocational-technical schools offer courses, certifications, and degree programs that can upskill existing manufacturing employees and appropriately train new entrants to the workforce to help close this skills gap. Additionally, NJMEP offers training courses and apprenticeship programs to train manufacturing employees in the evolving skillset necessary for advanced manufacturing. Finally, state government agencies such as the Department of Labor and Business Action Center provide helpful workforce development services to manufacturers. Despite the existence of these programs, many manufacturers lack an awareness of these programs, their potential benefits, and key points of contact to acquire further information.

**Advanced Manufacturing Resource Guide Pilot** To address these issues, the NJEDA has helped facilitate a "resource guide working group" within the Policy Academy. With a large amount of stakeholder input, the working group has developed a pilot project to help add further informational depth and allow for even greater ease of use of NJMEP's educational resource guide to improve the manufacturing ecosystem in New Jersey by connecting manufacturing firms and employees with key resources to help workers attain the requisite training and credentialing to succeed in this modern and technically demanding field.


The pilot seeks to help improve the State's manufacturing ecosystem by adding value to the existing resource guide by:

1. **Advertising and increasing the dissemination** of the resource guide through a coordinated social media campaign by the communication staff of the working group's member organizations

2. **Adding informational depth and ease of user access** to the existing resource guide, to be achieved through:
  - a. **Funding** for an NJMEP intern or equivalent party to research and add new information to the guide on a regular basis throughout the duration of the pilot (9-12 months)
  - b. **Increasing** the usability and searchability of the document by contracting, hiring, or utilizing internal technical talent to create a mobile-enabled, searchable website to house the guide
  - c. **Developing** an internal “roadmap” of different types of new information that can be added on a regular basis
  - d. **Creating** a clearly-delineated process for updating the guide and ensuring information is accurate and current
3. **Gauging the efficacy** of the pilot by soliciting stakeholder feedback through:
  - a. Convening an **industry roundtable** meeting bringing together a cross-section of users to provide feedback
  - b. Disseminating a **survey** to users that downloaded the guide

### **Recommendation**

The Members’ approval is requested to approve a Memorandum of Understanding, attached as Exhibit A, between the Authority and the New Jersey Manufacturing Extension Program for the Authority to partner with NJMEP to add further informational depth and allow for greater ease of use of NJMEP’s Manufacturing Educational Resource Guide, and to fund up to \$15,000 of pilot costs as specified above. This will help close the skills gap within New Jersey’s advanced manufacturing industry, a focus sector in Governor Murphy’s Statewide Economic Development Plan, and help the State further develop a workforce with the requisite skills necessary to ensure a resilient and sustainable advanced manufacturing industry in New Jersey.



Prepared by: Eric Solomon

Attachments:

Exhibit A – Proposed Memorandum of Understanding



**Memorandum of Understanding**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”), made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2019 (the “Effective Date”), is between the New Jersey Economic Development Authority (NJEDA) and New Jersey Manufacturing Extension Program, Inc (NJMEP).

WHEREAS, the EDA, established pursuant to N.J.S.A. 34:1B-1 et seq., is an independent State authority, in but not of Treasury, that serves as the State’s principal agency for driving economic growth and is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy; and

WHEREAS, the EDA has launched the Office of Economic Transformation to focus on the growth-oriented sectors identified in the Governor’s Strategic Plan for Economic Development; and

WHEREAS, Advanced Manufacturing was identified as one of those growth-oriented sectors; and

WHEREAS, NJMEP is a not-for-profit organization, selected and funded by the National Institute of Standards (NIST) in the U.S. Department of Commerce, for the express purpose of improving the profitability and competitiveness of New Jersey’s manufacturers; and

WHEREAS, in July of 2018, NIST circulated a request for proposals (RFP) to all States soliciting bids to participate in its “Policy Academy on Strengthening Your State’s Manufacturers”, which required each responding state to actively engage the leadership of their Manufacturing Extension Partnership Program (MEP) Center; NIST required joint proposals by State economic development agencies and the State MEP Center in order to be eligible to respond; and

WHEREAS, in July 2018, the NJEDA and NJMEP, were awarded a grant from NIST to create the New Jersey Manufacturing Policy Academy (“Policy Academy”), which is a group of government and industry leaders tasked with identifying best practices to support the New Jersey manufacturing sector, and the RFP required planning and implementation of Policy Academy initiatives; and

WHEREAS, the Policy Academy has met numerous times over the past 9 months, and has determined that, among other issues, a document that contains useful information, especially regarding career and technical education resources and important points of contact, is integral in providing support to New Jersey’s manufacturing industry; and

WHEREAS, NJMEP recently published an Educational Resource Directory (“Resource Guide”), a PDF document available for download on its website that contains information useful to manufacturing professionals, including, but not limited to, NJMEP resources, contacts for



community college and vocational school manufacturing programs, and state government points of contact; and,

WHEREAS, the Resource Guide is a “living” document, with NJMEP updating information as changes are brought to their attention; and

WHEREAS, a working group within the NJMEP (“Resource Guide Working Group”) has proposed to add further informational depth and allow for even greater ease of use of the by New Jersey manufacturers through the activities described in this Agreement (“Resource Guide Pilot”); and

WHEREAS, it will further the goals of the Policy Academy and the NJEDA to implement the Resource Guide Pilot; and

NOW, THEREFORE, the Parties, in order to effectively and efficiently carry out their respective statutory and organizational mandates, agree to the following:

- 1) NJMEP will undertake the following activities:
  - a. Provide to NJEDA a budget estimating costs NJMEP anticipates it will incur for the Resource Guide Pilot prior to undertaking any activities. NJMEP will not undertake any pilot activity without prior written consent from the NJEDA;
  - b. Host the Resource Guide on its website and allow NJEDA to cross-host or link to it. If the Resource Guide is hosted on NJMEP’s website, NJMEP will allow any member of the public access to the Resource Guide without charge, provided that NJMEP may require registration information;
  - c. Designate a project lead that will dedicate time to manage the Resource Guide Pilot;
  - d. Share Resource Guide usage information and data with the NJEDA;
  - e. Work with the NJEDA to determine a plan to increase the usability and searchability and contract, hire, or utilize internal technology talent to make agreed upon improvements;
  - f. As a member of the Resource Guide Working Group, coordinate with NJEDA to establish an internal “roadmap” of different types of new information that can be added on a regular basis;
  - g. Allow for cross branding of the Resource Guide with the NJEDA;
  - h. Participate in joint marketing efforts with the NJEDA to promote the Resource Guide;
  - i. As a member of the Resource Guide Working Group, help gauge the efficacy of the above improvements and the resource guide overall by soliciting industry feedback such as:

- An industry roundtable meeting bringing together a cross-section of users to provide feedback;
  - The distribution of survey(s) to users that downloaded the guide and provide such information to the NJEDA.
- j. The parties acknowledge that the Resource Guide is a joint effort with each party absorbing costs and providing effort toward their common goal of providing and disseminating information. Edits and future usage of the Resource Guide beyond the initial engagement described herein will be mutually agreed to by both parties.
- 2) The NJEDA will undertake the following activities:
- a. Reimburse NJMEP up to \$15,000 for NJMEP's Resource Guide Pilot costs provided the invoices received by NJEDA from NJMEP reconcile to the agreed upon scope of services approved by the NJEDA in advance of the pilot and/or any invoices.
  - b. As a member of the Resource Guide Working Group, coordinate with NJMEP to establish an internal "roadmap" of different types of new information that can be added on a regular basis;
  - c. As a member of the Resource Guide Working Group, coordinate with NJMEP to establish a clearly-delineated process for updating the Resource Guide and ensuring information is accurate and current;
  - d. As a member of the Resource Guide Working Group, advertise and help increase the dissemination of the Resource Guide through a coordinated social media campaign by the communication staff of the Resource Guide Working Group's agencies;
  - e. Seek internal government support for the Resource Guide;
  - f. Evaluate opportunities after the completion of the Resource Guide Pilot for sustainability of the Resource Guide with NJMEP.
- 3) The Parties agree that the information provided in the Resource Guide cannot be sold or distributed to any other entity without the joint and express-written permission of NJMEP and NJEDA, and both parties agree that no member of the public will be charged for access to the Resource Guide once a distribution method has been established and agreed upon.
- 4) The Parties further agree that the Resource Guide, or access to the website hosting the Resource Guide, will require acceptance of conditions of use, a statement of privacy policy to the extent registration information is obtained, a statement on the dissemination by any other person of the information contained in the Resource Guide, and a disclaimer of endorsement, liability, and warranty. The Parties will mutually agree to the language of the conditions of use, privacy policy, statement on dissemination, and disclaimer.

- 5) This MOU Agreement shall not take effect unless executed by the authorized representatives of NJEDA and NJMEP. This MOU becomes effective immediately upon execution and shall remain in effect for two (2) years, unless terminated sooner pursuant to section 7) below. This MOU may subsequently be extended for one (1) year upon mutual written consent of the Parties.
- 6) The Parties are entering into this MOU for the sole purpose of evidencing the mutual understanding and intention of the Parties with respect to the Resource Guide Pilot. It may be amended, modified, and supplemented at any time by mutual consent and in writing signed by the undersigned or their designees.
- 7) This MOU may also be terminated by NJEDA staff or NJMEP upon 60 days prior written notice to the other. Upon any termination of this Agreement by either Party, with or without cause, NJEDA will only reimburse any costs have already been incurred.
- 8) There are no third-party beneficiaries of this MOU.
- 9) All notices, demands, or communications to any party to this MOU shall be send to the addresses set forth below or as may be otherwise modified in writing:

NJEDA: 36 West State Street  
PO Box 990  
Trenton, NJ 08625

NJMEP: 2 Ridgedale Ave  
#305  
Cedar Knolls, NJ 07927

IN WITNESS HEREOF, NJEDA and NJMEP have executed this MOU on the dates below:

For NJMEP:

Name: John Kennedy

Signature: \_\_\_\_\_

Title: Chief Executive Officer

**Date:** \_\_\_\_\_

**For NJEDA:**

**Name:** Tim Sullivan

**Signature:** \_\_\_\_\_

**Title:** Chief Executive Officer

**Date:** \_\_\_\_\_





**MEMORANDUM**

**To:** Members of the Authority  
**From:** Tim Sullivan  
**Date:** May 14, 2019  
**Subject:** NJ Ignite – Program Clarifications

**Request:**

Establish guidelines to define a Collaborative Workspace in determining eligibility for the NJ Ignite program and for receipt of program benefits on behalf of prospective tenants.

**Background:**

On July 25, 2018, the members of the Board approved a \$500,000 pilot grant program called the Incubator and Collaborative Workspace Rent Initiative (ICWRI), subsequently renamed as NJ Ignite on September 13, 2018, to develop the State's entrepreneurial eco-system. The program is designed to provide real estate partnership grants that support the rent for early-stage technology or life science companies to work in a New Jersey incubator or collaborative workspace facility. Per the program's approved July 25, 2018 Board Memorandum, the maximum lifetime grant amount that can be provided to a collaborative workspace for use toward the rent of the same company under this program is \$15,000. The maximum amount of EDA grants that a collaborative workspace can match during the pilot is \$150,000.

For a collaborative workspace to participate in the NJ Ignite program and be eligible to receive an award benefit, the collaborative workspace is required to meet the following requirements:

- Located in New Jersey
- A minimum of 5 unique paying tenants over the last 2 years, reduced to at least 3 signed prospective tenants if the collaborative workspace formed less than 90 days prior
- Incurs a cost of operating the facility
- Offers at least one variety of work space
- Hosts at least 8 innovation ecosystem building events a year
- Charges the same or comparable rent to NJ Ignite participating and non-participating tenants
- Acceptance of all required documentation by Staff
- Agrees to provide free rent to tenants as defined by the program

The program also allows for additional benefit to be provided by the NJEDA if certain “bonus” requirements are met by the facility. The amount of additional benefit is one month of rent support for each “bonus” requirement. These “bonus” requirements are as follows:

- Less than 90 days old from application date and not an expansion of an existing facility
- Located in a designated Opportunity Zone census tract
- Affiliated with a hospital system or a New Jersey university

### **Single Physical Location vs. Multiple Physical Locations**

In accordance with the current requirements of the NJ Ignite program, staff approves collaborative workspaces as eligible for the NJ Ignite program based, in part, on a single physical location of the workspace determined by the facility’s street address, as the program’s requirements dictate eligibility be site specific. However, with knowledge gained via program implementation, staff recognizes multiple physical locations operating as a single collaborative workspace and together constituting one eligible collaborative workspace would align with the spirit and goals of the NJ Ignite program.

### **Proposed Modification:**

Staff proposes a modification that would allow staff to approve applications where multiple physical locations are submitted collectively as one collaborative workspace eligible for the NJ Ignite program when the following conditions are met:

- One business entity has operational control over all physical locations to be considered as one collaborative workspace and manages these locations as one business unit verified by staff via company documentation including, but not limited to, CEO certification and/or the entity’s formation documents;
- All physical locations to be collectively considered as one eligible collaborative workspace are within a reasonable distance from each other, i.e. within the same municipality or corporate campus, as determined by staff; and
- All program eligibility and bonus requirements are met in the aggregate by the physical locations collectively considered as one eligible collaborative workspace.
- NJ Ignite tenants have access to all common areas within the collaborative workspace that is made up of multiple physical locations.

Of note, if an applicant meets the eligibility requirements for multiple physical locations forming one eligible collaborative workspace, there will be an impact on both the requirement to host community events and the program cap per approved facility.

### **Technology and Life Science Definition**

Throughout the implementation of the program, applicants have asked what type of companies meet the requirements of a technology or life sciences company. To clarify the program, the definition of “Technology or Life Sciences Company” should be defined so potential applicants can see if they qualify for the program. Similarly, defining “early stage” would further clarify the program.

**Proposed Clarification:**

Staff proposes that the definition of “Technology or Life Sciences Company” should borrow from the definition of “Eligible Technology” in the Angel Investor Tax Credit Program. This definition is stated in N.J.A.C. 19:31-19.2, where “Eligible Technology” includes, “advanced computing, advanced materials, biotechnology, carbon footprint reduction technology, electronic device technology, information technology, life sciences, medical device technology, mobile communications technology, or renewable energy technology.” All of these terms are further defined in the Angel Investor Tax Credit Program Regulations at N.J.A.C. 19:31-19.2.

Therefore, for the NJ Ignite program, Staff proposes the following definition for “Technology or Life Sciences Company”:

“Technology or Life Sciences Company” means a company that is doing business, employing or owning capital or property, or maintaining an office in this State, and whose primary business is an “eligible technology” as defined in N.J.A.C. 19:31-19.2.

Further, Staff proposes specific for NJ Ignite that “Early Stage” mean companies less than three years old and less than \$1Million in trailing twelve-month revenues.

**Establishing the age of a collaborative workspace**

After speaking with collaborative workspace applicants, it became unclear how to determine if a facility was less than 90 days old from the application. Each facility categorized their official start date differently. For instance, some facilities classified this date as to when they opened their doors, had their first tenant lease signing, or when they signed their lease with their landlord. As a result, it is necessary to clearly define what dates a collaborative workspace can use to qualify as a new facility.

**Current requirement:**

Collaborative Workspace Eligibility Requirements	<ul style="list-style-type: none"> <li>• Qualifications for a “New” facility                             <ul style="list-style-type: none"> <li>○ Must be less than 90 days old from application date</li> <li>○ Cannot be an expansion of an existing facility (i.e., adding additional square feet in the current building)</li> </ul> </li> </ul>
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**Proposed Clarification:**

Any of the following four documents can be used to establish the age of the facility, NJ Tax Clearance, NJ Business Registration, Certificate of Occupancy or Lease with the landlord.



<p>Collaborative Workspace Eligibility Requirements</p>	<ul style="list-style-type: none"> <li>• Qualifications for a “New” facility                             <ul style="list-style-type: none"> <li>○ Must be less than 90 days old from application date                                     <ul style="list-style-type: none"> <li>▪ Following documents can be used to determine the age of the facility   <ol style="list-style-type: none"> <li>1. NJ Business Registration</li> <li>2. NJ Tax Clearance</li> <li>3. Certificate of Occupancy</li> <li>4. Lease with landlord</li> </ol> <p>The latest date as provided by one of the four documents above can be used in calculating the time in business for program eligibility</p> </li> </ul> </li> <li>○ Cannot be an expansion of an existing facility (i.e., adding additional square feet in the current building)</li> </ul> </li> </ul>
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**Grant application submission date**

After consulting with collaborative facility managers, the requirement to have a signed lease submitted 30+/- days from application submission date was not clearly defined. Many facilities work a 5-day work week and expecting the collaborative workspace to turn around lease agreements in 30 days would burden the facility. Instead, it is proposed that the 30 +/- days should be changed to 30 +/- business days to accommodate the work schedule of the facilities and provide clarity.

**Current requirement:**

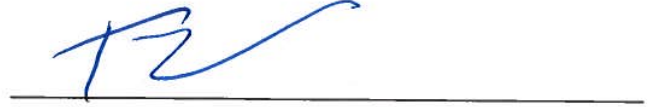
<p>Application and Approval Process</p>	<ul style="list-style-type: none"> <li>• The collaborative workspace will apply for a grant to the EDA once it has partnered with a tenant company (e.g., signed lease or a lease contingent on grant funding to start within 30 days +/- from grant application submission date)</li> </ul>
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**Proposed Modification:**

<p>Application and Approval Process</p>	<ul style="list-style-type: none"> <li>• The collaborative workspace will apply for a grant to the EDA once it has partnered with a tenant company (e.g., signed lease or a lease contingent on grant funding to start within 30 business days +/- from grant application submission date)</li> </ul>
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**Recommendation**

The Members are requested to approve the program changes and clarifications as outlined herein.

A handwritten signature in blue ink, consisting of stylized initials and a flourish, is positioned above a solid horizontal black line.

Prepared by: Clark Smith  
Rachel McCauley

## **INCENTIVE PROGRAMS**

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



**MEMORANDUM**

To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: May 14, 2019

SUBJECT: Adare Pharmaceuticals, Inc.– GROW NJ Modification–P41048

**Request:**

Consent to a modified project with an overall reduction in the incented new full-time jobs from 40 to 20.

As a result of this requested change, the approved award will decrease by 50% from \$1,900,000 to \$950,000. All other terms and conditions of the Grow NJ award will be consistent with the current approval.

The members are asked to approve this action because it exceeds the criteria for staff delegation to approve these matters.

**Background:**

Adare Pharmaceuticals, Inc. (“Adare”) is a start-up pharmaceutical technology company that formulates, develops and manufactures pharmaceutical products (for its own sale and on behalf of partners on a contract manufacturing basis).

On June 9, 2015, Adare was approved for a ten (10) year, \$1,900,000 Grow NJ award to incent the creation of 40 new full-time jobs as part of a relocation into an existing facility located at 1200 Lenox Drive, Lawrenceville, NJ, a Priority Area subject to the 90% withholding limit. In addition, there were 6 full-time jobs not at risk of leaving the State that would be maintained, but these jobs were not recognized in the original grant award calculation because they fell below the minimum number required for retained jobs but must be maintained prior to incenting new jobs. Capital investment to complete the project was estimated to be \$1,120,540.

In 2019, Adare requested certification of its project completion and demonstrated that it had made \$1,104,538 in capital investments, which exceeded the minimum requirement of \$463,960 for the Grow NJ award. The company reported it maintained the existing 6 full-time jobs as expected but created only 20 new full-time incented jobs of the 40 that were expected at time of approval, for a total of 26 jobs at the QBF.

On April 24, 2019, staff confirmed during a teleconference with the company's CEO that the reduction in the headcount was the result of turnover and position realignment at the QBF, as well as the hiring of a few remote employees. The project remains the same as initially proposed as office space for the company's general administration. The company plans to increase the number of jobs at the project site over the next 24 to 36-month period, but the award will not be increased.

Staff recalculated the grant based on the actual \$1,104,538 of capital investment, 6 maintained jobs, and 20 new jobs, which decreased the award amount from \$1,900,000 to \$950,000. Over the 20 years, the net benefit to the State is \$8,371,430, and therefore meets program requirements. However, because the reduction in jobs exceeded 25%, the modification is being presented to the Members for consideration. Although there are 50% less full-time jobs than what had been anticipated under the current approval of this Grow NJ award, the QBF was completed as anticipated. In summary, Adare employs 26 full-time jobs, of which 20 are incented jobs, and expended \$1,104,538 in capital investment to complete the project.

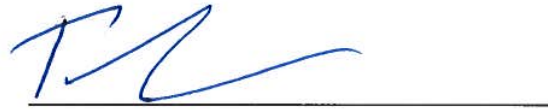
**Summary of Project Changes**

	<b><u>At Approval</u></b>	<b><u>At Certification</u></b>
<b>Proposed Jobs:</b>	40 (New) (6 Maintained)	20 (New) (6 Maintained)
<b>Eligibility Min. New Jobs</b>	10	10
<b>Eligibility Min. Cap-Ex</b>	\$463,960	\$463,960
<b>Proposed Cap-Ex</b>	\$1,120,540	\$1,104,538
<b>Base Amount:</b>	<b>\$3,000</b>	<b>\$3,000</b>
<b>Bonus Increases:</b>		
Jobs w/ Salary in Excess Of County Median	\$1,250	\$1,250
Target Industry (Life Sciences)	\$500	\$500
<b>Total Amount per Incented Employee</b>	<b>\$4,750</b>	<b>\$4,750</b>
<b>Annual Award:</b>		
<b>New:</b>	40 x \$4,750 = \$190,000	20 x \$4,750 = \$95,000
<b>Award Amount:</b>	\$1,900,000	\$950,000
<b>Estimated 90% Withholdings</b>	\$405,720	\$229,320

<b>Gross Benefit to the State (Over 20 Years, Prior to Award):</b>	\$18,945,538	\$9,321,430
<b>Net Benefit to the State (Over 20 Years, Net of Award):</b>	\$17,045,538	\$8,371,430
<b>Statewide Jobs</b>	6	6

**Recommendation:**

Consent to a modified project with an overall reduction in the incented new full-time jobs from 40 to 20. As a result of this requested change, the approved award will decrease by 50% from \$1,900,000 to \$950,000. All other terms and conditions of the Grow NJ award will be consistent with the current approval.



Prepared by: Tyshon Lee



**MEMORANDUM**

To: Members of the Authority

From: Tim Sullivan  
Chief Executive Officer

Date: May 14, 2019

SUBJECT: Bayada Home Health Care, Inc – GROW NJ Modification  
\$18,441,120 Grow NJ – P42313

**Request**

Consent to changing the applicant on the approved Grow NJ award from Bayada Home Health Care, Inc, (“Bayada”) to Bayada Home Health Care, LLC (“Bayada LLC”) due to the conversion of the applicant Bayada post approval to an LLC as a result of an internal corporate change. Bayada Home Health Care, LLC will be further converted to a nonprofit corporation in the coming months, although that conversion will not require another name change.

There is no change in Bayada’s \$18,441,120 Grow NJ award as a result of this change.

The action by the company is not akin to a stock sale, merger, spin off, or divestiture. Although pursuant to the delegations approved by the Board in June of 2017 the proposed change is in some aspects administrative in nature that can be approved under delegation, the restructuring of Bayada is unique in nature and impacts key assumptions in the net benefit test. Therefore, the proposed change is being presented to the Board for consideration.

**Background:**

Bayada Home Health Care, Inc., established in 1975, is a privately held home health care company providing in-home nursing services including short-term nursing, rehabilitative, therapeutic, and assistive care services.

Bayada was approved on April 12, 2016 for a \$18,441,120 Grow to incent the creation of 162 new jobs, and the retention of 357 at-risk jobs to be relocated to a 127,231 sf Qualified Business Facility (“QBF”) in Pennsauken.

After approval, Bayada informed staff that its ownership had determined to convert the applicant from a Pennsylvania corporation to a nonprofit entity. Bayada outlined a series of steps it had planned to undertake, including the conversion of our applicant from a corporation to an LLC, then from a for-profit LLC to a nonprofit corporation. These changes became effective as of December 31, 2018.



Bayada received guidance through the IRS that it could maintain its tax identification number throughout the process. New Jersey has indicated that it would do so as well. These conversions will enable Bayada to retain its existing Medicare and Medicaid provider number. Bayada has satisfied their conditions to maintain approval and is pending receipt of an incentive agreement.

To date, Bayada has spent more than \$29,000,000 in capital investment at the QBF, has hired 108 new employees at the QBF and retains the full 357. The QBF is complete and fully operational.

Recognizing that the Corporation Business Tax and property taxes that were used in the net benefit model at time of approval would no longer apply to Bayada as a non-profit, staff reran the net benefit test with the new model and determined that the project will still provide a net positive benefit to the state (\$86.1MM v \$18.2MM).


There is no change in Bayada's \$18,441,120 Grow NJ award as a result of this change.

**Summary of Project Changes**

	<b><u>Original</u></b>	<b><u>Proposed</u></b>
<b>Total Project Square Footage</b>	127,231 sf	127,231 sf
<b>Jobs</b>	162 (New) 357 (Retained)	162 (New) 357 (Retained)
<b>Minimum Capital Investment</b>	\$3,392,827	\$3,392,827
<b>Estimated Eligible Capital Investment</b>	\$11,502,955	\$11,502,955
<b>Award Amount</b>	\$18,441,120	\$18,441,120
<b>Gross Benefit to the State (Over 20 years, Prior to Award):</b>	\$104,587,247	\$36,654,371
<b>Net Benefit to the State (Over 20 Years, Net of Award):</b>	\$86,146,127	\$18,213,251

**Recommendation**

Consent to changing the applicant on the approved Grow NJ award from Bayada Home Health Care, Inc, ("Bayada") to Bayada Home Health Care, LLC ("Bayada LLC") due to the conversion of the applicant Bayada post approval to an LLC and to the further conversion to a non-profit.



Prepared by: Susan Greitz

## **BOND PROJECTS**

**BOND RESOLUTIONS**

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

**APPLICANT:** Friends of Beloved Community Charter School 2, Inc. P45586  
**PROJECT USER(S):** Beloved Community Charter School, Inc. \* - indicates relation to applicant  
**PROJECT LOCATION:** 508 and 531 Grand Street Jersey City (T/UA) Hudson County

**APPLICANT BACKGROUND:**

Friends of Beloved Community Charter School 2, Inc., established 1995 is a charitable organization that supports diverse initiatives to expand educational opportunity through developing facilities for charter schools. Beloved Community Charter School, Inc., a New Jersey Nonprofit Corporation, established 2012, is a 501(c)(3) not-for-profit organization established for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey. Beloved Community Charter School Inc. serves a population of 1080 students in kindergarten through the eighth grade. The school is approved to offer grade level 9 in the school year 2019-20 and grade level 10 in the school year 2020-21. During this period, it plans to enroll an additional 120 students each year. The School is in good standing with the Department of Education. Michele Link is the School's Chief Academic Officer.

The Applicant is a 501(c)(3) not-for-profit 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 existing debt related to the high school located at 531 Grand Street, complete the fit out of the high school located at 531 Grand Street, acquire the elementary school and middle school facilities located at 508 Grand Street, complete various capital improvements including an addition to the elementary and middle school facilities and fund a debt service reserve fund. Proceeds of the bond will also pay a portion of the interest accruing during the capital improvements and the cost of issuance.

**FINANCING SUMMARY:**

**BOND PURCHASER:** BB&T Capital Markets LLC (Limited Offering Memorandum)

<b>AMOUNT OF BOND:</b> Series A: Estimated \$39,525,000 Tax-Exempt	Series B: Estimated \$75,000 Taxable (Part of total \$39,600,000 with Series A Tax-Exempt Bond)
<b>TERMS OF BOND:</b> 35 years; Fixed interest rate 7.00%. Call Feature: 7 years after issuance at 101% of the face amount of Bonds	35 years; Fixed interest rate 8.00%. Call Feature: 8 years after issuance at 100% of the face amount of Bonds.

**ENHANCEMENT:** N/A

**PROJECT COSTS:**

Acquisition of existing building	\$20,000,000
Refinancing	\$14,400,000
Debt service reserve fund	\$2,650,000
Renovation of existing building	\$1,300,000
Tech Networking FF&E	\$650,000
Underwriter's Fee	\$515,000
Interest during construction	\$250,000
Cost of Issuance	\$250,000

**APPLICANT:** Friends of Beloved Community Charter School 2, Inc.

P45586

Page 2

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Finance fees

\$130,000

TOTAL COSTS

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\$40,145,000

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**JOBS:** At Application 201 Within 2 years 72 Maintained 0 Construction 9

**PUBLIC HEARING:** 04/09/19 (Published 04/02/19) **BOND COUNSEL** Chiesa, Shahinian & Giantomasi,  
**DEVELOPMENT OFFICER:** M. Athwal **APPROVAL OFFICER:** S. Novak

**LOANS/GRANTS/GUARANTEES**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 14, 2019

**SUBJECT:** Proposed Rule Amendments – Petroleum Underground Storage Tank Remediation, Upgrade, and Closure (PUST) Fund

**Request**

The Members are requested to approve proposed amendments (attached) to the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure (PUST) Fund rules; and, to authorize staff to submit the proposed amendments for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).

**Background**

In compliance with a recent decision in the Appellate Division – Estate of Winifred Skorski v. the New Jersey Economic Development Authority, No. A-3314-17T2 (App. Div. March 20, 2019) – the proposed amendments clarify the criteria used by the Authority when analyzing financial hardship for applicants applying for a conditional hardship grant under the PUST Fund after the date of the decision.

The Skorski decision was an appeal by an estate applicant of a denial of an application for a conditional hardship grant based on the Authority’s determination that the estate failed to show that it could not reasonably repay eligible costs of the project if it were granted as a loan because the estate’s liabilities did not exceed its assets. Although EDA has applied this assets and liabilities test to estate applicants for many years and the rules state that EDA will consider the applicant’s financial condition, the court held that the assets and liabilities test contained in the Authority’s informal guidance documents was an improper de facto rule and gave the Authority 90 days to propose an amendment to the rule in the New Jersey Register if it seeks to apply this test to future estate applicants.

The proposed amendments provide a definition for an estate applicant, clarify that the determination of the use and status of a property as a primary residence at which the facility is located will be based on the facts of the time of the application to the Authority, except for estate application which will be based on the facts as of the time of the decedent’s death, and clarify that the applicant’s financial condition will be reviewed as of the date of the application to the



Authority and that the review includes the existing statutory criteria in N.J.S.A. 58:10A-37.5(c)(2) as well as liabilities and any other financial information the Authority deems relevant. The proposed amendments also provide examples of how the EDA determines whether an applicant cannot be expected to repay all or a portion of the eligible project costs if the financial assistance were to be awarded as a loan.

Finally, the proposed amendments, pursuant to the Appellate Division ruling, must be filed with the Office of Administrative Law (OAL) within 90 days of the decision in order to apply the financial hardship criteria to future estate applicants, including any who have submitted an application to the New Jersey Department of Environment Protection but have not yet submitted an application to the Authority for a determination of financial hardship.

**Recommendation**

The Members approve the proposed rule amendments and authorize staff to submit the proposed amendments for promulgation in the New Jersey Register, subject to final review and approval by the Office of the Attorney General and the Office of Administrative Law (OAL).



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Tim Sullivan  
Chief Executive Officer

Prepared By: Jacob Genovay

Attachment

- Proposed Rule Amendments: N.J.A.C. 19:31-11.2 and 11.6

## **DRAFT**

### **OTHER AGENCIES**

#### **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**

##### **Authority Assistance Programs**

##### **Petroleum Underground Storage Tank Remediation, Upgrade, and Closure Fund**

##### **Proposed Amendment: N.J.A.C. 19:31-11.2 and 11.6**

Authorized By: New Jersey Economic Development Authority, Tim Sullivan, Chief Executive Officer.

Authority: N.J.S.A. 34:1B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2019-\_\_\_\_.

Submit written comments by \_\_\_\_\_, 2019, to:

Jacob Genovay, Senior Legislative and Regulatory Officer  
New Jersey Economic Development Authority  
PO Box 990  
Trenton, NJ 08625-0990  
jgenovay@njeda.com

The agency proposal follows:

#### **Summary**

In compliance with the Estate of Winifred Skorski v. the New Jersey Economic Development Authority, No. A-3314-17T2 (App. Div. March 20, 2019), the New Jersey Economic Development Authority (“EDA” or “Authority”) is proposing amendments to the rules implementing the Petroleum Underground Storage Tank Remediation, Upgrade, and Closure (PUST) Fund within 90 days of the decision to clarify the criteria used in consideration of financial hardship pursuant to N.J.A.C. 19:31-11.6(b)2 for all applicants applying to the Authority for a conditional hardship grant under the PUST Fund after the date of the decision.

Specifically, N.J.A.C. 19:31-11.6(b)2i is amended to clarify that the applicant’s financial condition will be reviewed as of the date of the application to the Authority and the review includes the criteria in N.J.S.A. 58:10A-37.5(c)(2) regarding loans and also includes liabilities and any other financial information the Authority deems relevant. The amended provision includes examples.

N.J.A.C. 19:31-11.6(d) is also amended to clarify that the determination of the use and status as a primary residence of the property at which the facility is located will be based on the facts as of the time of application to the Authority, except that for estate applicants, the determination will be based on the facts as of the time of the decedent's death.

N.J.A.C. 19:31-11.2 is also proposed for amendment to incorporate a definition of an estate applicant to the PUST Fund and revise the definition of primary residence to state how the determination of a primary residence will be made with respect to estate applicants.

As the Authority has provided a 60-day comment period in this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

### **Social Impact**

The proposed amendments may have a positive social impact as public notice of the criteria used in the financial hardship test reflects the Authority's current guidance on its evaluation of the applicant's financial hardship to be considered for receipt of a conditional hardship grant or loan under the PUST Fund. The opportunity for environmental remediation provided by PUST Fund will be enhanced by the clarification provided herein.

### **Economic Impact**

The proposed amendments, which notice existing policy of the EDA for the review of financial hardship for a conditional hardship grant under the PUST Fund, are not anticipated to have an economic impact on the State of New Jersey.

### **Federal Standards Statement**

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.

### **Jobs Impact**

The proposed amendments will not impact the number of existing or new jobs in New Jersey.

### **Agriculture Industry Impact**

The proposed amendments will not have any impact on the agriculture industry of the State of New Jersey.

### **Regulatory Flexibility Statement**

The proposed amendments, which notices existing policy of the EDA for the review of financial hardship for a conditional hardship grant under the PUST Fund, will not impact small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq.

**Housing Affordability Impact Analysis**

The proposed amendments will not increase the amount of housing units, particularly multi-family rental housing and for-sale housing, in qualifying projects and redevelopment projects including residential development and mixed-use projects including residential space.

**Smart Growth Development Impact Analysis**

The proposed amendments will not impact the number of housing units or result in any increase or decrease in the average cost of housing in Planning Areas 1 or 2, or in designated centers, under the State Development and Redevelopment Plan.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The proposed amendments will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State.

**Full text** of proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 11. PETROLEUM UNDERGROUND STORAGE TANK REMEDIATION, UPGRADE, AND CLOSURE FUND

19:31-11.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings unless the context clearly indicates otherwise:

...

**“Estate Applicant” means an eligible owner or operator that applies through an executor or administrator with the authority to incur debt on behalf of the estate. The administration of the estate must not yet be settled.**

...

“Primary Residence” means a homestead actually and continually occupied by an applicant as the applicant’s permanent residence, as distinguished from a vacation home, property owned and rented or offered for rent by the applicant, and other secondary real property holdings. **For an estate applicant, the primary residence shall be determined based on the facts as of the time of the decedent’s death.** An applicant can have only one primary residence for purposes of this subchapter.

...

19:31-11.6 Terms of financial assistance

(a) (No change.)

(b) An applicant, other than a public entity, may apply for and receive a conditional hardship grant based on Authority findings under all of the following three criteria:

1. (No change.)

2. Financial hardship:

i. A finding of financial hardship by the Authority shall be based on a review of the applicant's financial condition **at the time of application to the Authority** and a determination that an applicant cannot reasonably be expected to repay all or a portion of the eligible project costs if the financial assistance were to be awarded as a loan. **Review of the applicant's financial condition shall include the criteria set forth in N.J.S.A. 58:10A-37.5(c)(2) and include liabilities and any other financial information the Authority deems relevant. The following are examples of whether an applicant cannot reasonably be expected to repay all or a portion of eligible project costs if assistance is awarded as a loan:**

**(1) An applicant for eligible project costs for a remediation of a property at which it does business and whose debt service coverage ratio does not exceed 1:1 will be considered to be able to repay at least a portion of the eligible project costs if assistance is awarded as a loan.**

**(2) An applicant for eligible project costs for remediation at a primary residence whose expenses do not exceed 51 percent of its taxable income will be considered able to repay at least a portion of the eligible project costs if assistance is awarded as a loan.**

**(3) An estate applicant for eligible project costs for remediation whose liabilities do not exceed its qualified assets will be considered able to repay eligible project costs if assistance is awarded as a loan.**

ii. (No change.)

3. (No change.)

(c) (No change.)

(d) Conditional hardship grants shall be subject to the lien provisions set forth in the Act. **The determination of the use and status as a primary residence of the property at which the facility is located will be based on the facts as of the time of application to the Authority, except that for estate applicants, the determination will be based on the facts as of the time of the decedent's death.**

(e)-(f) (No change.)

**HAZARDOUS DISCHARGE SITE REMEDIATION FUND**



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** May 14, 2019  
**SUBJECT:** NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant and loan projects have been approved by the Department of Environmental Protection to perform site investigation, remedial investigation and remedial action activities. The scope of work is described on the attached project summaries:

**HDSRF Municipal Grants:**

P45584	Township of Hamilton (Hamilton Sanitary Landfill)	\$213,582
P45638	Borough of National Park (R Hawthorne Sanitary Landfill)	\$900,000
P45396	City of Salem (BDA-Tri County Oil Company)	\$ 87,589
P45512	City of Trenton (Pukala-Fisher Site)	\$383,743
P45548	Borough of Washington (former Vikon Tile)	<u>\$171,376</u>
		<b>\$1,756,290</b>

**HDSRF Commercial Loan:**

P45570	Apollo Development & Land Corp. Inc.	\$345,000
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**Total HDSRF Funding – May 2019** **\$2,101,290**

A blue ink signature of Tim Sullivan, consisting of stylized initials and a surname, is written over a horizontal line.

Tim Sullivan

Prepared by: Kathy Junghans

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

**APPLICANT:** Township of Hamilton (Hamilton Sanitary Landfill) P45584  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** Nineteenth Street Hamilton Township (N) Atlantic  
**GOVERNOR'S INITIATIVES:** ( ) Urban ( ) Edison (X) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Township of Hamilton, identified as Block 994, Lot 57 is a former landfill which has potential environmental areas of concern (AOCs). The Township of Hamilton owns 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 renewable energy.

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

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

**APPROVAL REQUEST:**

Township of Hamilton is requesting grant funding to perform RA in the amount of \$213,582 at the Hamilton Sanitary Landfill project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund  
**AMOUNT OF GRANT:** \$213,582  
**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial Action	\$284,776
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$285,276</b>

**APPROVAL OFFICER:** K. Junghans



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

**APPLICANT:** Borough of National Park (R Hawthorne Sanitary Landfill) P45638  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** R Hawthorne Sanitary Landfill Gloucester Township (T/UA) Camden  
**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

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

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of remedial action for projects involving the redevelopment of contaminated property for recreation and conservation purposes, provided that the use of the property for recreation and conservation purposes is included in the redevelopment plan and is conveyed by a development easement, deed restriction for development or conservation easement for recreation and conservation purposes. The matching 25% (\$300,000) of funds is being provided by the designated developer for the project.

**APPROVAL REQUEST:**

The Borough of National Park is requesting aggregate supplemental grant funding to perform additional RA activities required by NJDEP in the amount of \$900,000 at the project site. Total grant funding including this approval is \$1,450,773.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund  
**AMOUNT OF GRANT:** \$900,000  
**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial Action	\$1,200,000
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$1,200,500</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** City of Salem (BDA-Tri County Oil Company)

P45396

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 1 Front Street

Salem City (T/UA)

Salem

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

**APPLICANT BACKGROUND:**

Between July 2005 and February 2011, City of Salem received a grant in the amount of \$71,213 under P16185 and supplemental grants totaling \$309,099 under P19515, P24162 and P28391 to perform Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) at the project site.

The project site, identified as Block 7, Lot 11 is a former bulk fuel oil supplier which has potential environmental areas of concern (AOCs) including several aboveground storage tanks (ASTs). The project site is located within the Salem Industrial District Brownfield Development Area (BDA). The City of Salem currently holds a Tax Sale Certificate on the project site and has satisfied proof of site control. It is the City's intent upon completion of the environmental investigation activities, to redevelop the project site for commercial development as outlined in the City's Redevelopment Plan.

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

**APPROVAL REQUEST:**

The City of Salem is requesting aggregate supplemental grant funding to perform RI in the amount of \$87,589 at the Tri County Oil project site. Because the aggregate supplemental funding including this request is \$396,688, it exceeds the maximum staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$467,901.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$87,589

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial investigation	\$87,589
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$88,089</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** City of Trenton (Pukala-Fisher Site) P45512  
**PROJECT USER(S):** Same as applicant \* - indicates relation to applicant  
**PROJECT LOCATION:** 121 Poplar Street and 101 Hart Trenton City (T/UA) Mercer  
**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

In October 2007, City of Trenton, received in the amount of \$60,341 under P17641 and a supplemental grant in the amount of \$104,009 under P17548. The project site identified as Blocks 21404 and 1802, Lots 2 and 2 is a former junkyard which has potential environmental areas of concern (AOCs). The City of Trenton currently owns the project site and has satisfied proof of site control. It is the City's intent, upon completion of the environmental investigation activities to redevelop the project site into a park as part of the Assunpink Creek Greenway project site.

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

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

**APPROVAL REQUEST:**

City of Trenton is requesting supplemental grant funding to perform RA in the amount of \$383,743 at the Pukala-Fisher project site. Total grant funding including this approval is \$548,093.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund  
**AMOUNT OF GRANT:** \$383,743  
**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remedial Action	\$511,658
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$512,158</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Borough of Washington (Former Vikon Tile)

P45548

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 125 Taylor Street

Washington Borough (N)

Warren

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

**APPLICANT BACKGROUND:**

In April 2004, Borough of Washington, identified as Block 35, Lot 15 received a grant in the amount of \$122,920 under P14387 and is a former manufacturing facility which has potential environmental areas of concern (AOCs). The Borough of Washington currently holds a tax sale certificate on the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities to redevelop the project site for industrial use.

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

**APPROVAL REQUEST:**

Borough of Washington is requesting grant funding to perform SI in the amount of \$171,376 at the Former Vikon Tile project site.

**FINANCING SUMMARY:**

**GRANTOR:** Hazardous Discharge Site Remediation Fund

**AMOUNT OF GRANT:** \$171,376

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Site investigation	\$171,376
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$171,876</b>

**APPROVAL OFFICER:** K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIAT'N PROG PROGRAM**

**APPLICANT:** Apollo Development & Land Corp., Inc P45570  
**PROJECT USER(S):** Jack Cooper Holdings \* - indicates relation to applicant  
**PROJECT LOCATION:** 294-308 Avenue P Newark City (T/UA) Essex  
**GOVERNOR'S INITIATIVES:** (X) Urban ( ) Edison ( ) Core ( ) Clean Energy

**APPLICANT BACKGROUND:**

Apollo Development & Land Corp. Inc. was founded in 1985. The company is a real estate holding company that owns property on Doremus Avenue, Wilson Avenue and Avenue P in Newark, NJ. The subject property located on Avenue P is currently leased to a company that stores tractors and trailers and other equipment on the premises. Upon remediation, it is anticipated that the borrower will continue to lease to its current tenant.

The project scope is comprised of remedial investigation and action totaling \$404,000. Activities include soil and ground water investigation, soil remediation, engineering control - soil; operation, maintenance and inspection of engineering controls; direct oversight. The cost estimate was provided by JM Sorge, Inc.

NJDEP has reviewed the project and determined \$345,000 of the total costs to be eligible. The applicant has requested a \$345,000 HDSRF loan for the costs deemed to be eligible pertaining to Remedial Investigation and Remedial Action at the project site. The remediation work is expected to be completed in five years from the closing of the loan according to the LSRP.

**APPROVAL REQUEST:**

Approval of a \$345,000 loan under the Hazardous Discharge Site Remediation Fund Program.

**FINANCING SUMMARY:**

**LENDER:** Hazardous Discharge Site Remediation Fund  
**AMOUNT OF LOAN:** \$345,000  
**TERMS OF LOAN:** Fixed for ten years at the Federal Discount Rate set at time of approval or closing, whichever is lower, with a floor of 5.00%. 10 year term with interest only for years one through five, then principal plus interest based on a 10 year amortization for years six through ten. Disbursements subject to NJDEP approval.

**PROJECT COSTS:**

Remedial Action	\$267,500
Remedial investigation	\$77,500
Ineligible Costs	\$59,000
<b>TOTAL COSTS</b>	<b>\$404,000</b>

**APPROVAL OFFICER:** M. Jones

**PETROLEUM UNDERGROUND STORAGE TANK (PUST)**



**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** May 14, 2019  
**SUBJECT:** NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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


**PUST Residential Grants:**

P45563	Estate of Arthur W. Beck Sr.	\$230,106
P45645	Tisha Perez	<u>\$515,967</u>
		<b>\$746,073</b>

**PUST Commercial Grant:**

P45558	Pyramid Oil Company (Main Avenue Pyramid)	\$137,307
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<b>Total UST Funding – May 2019</b>		<b>\$883,380</b>
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\_\_\_\_\_  
Tim Sullivan

Prepared by: Kathy Junghans

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

**APPLICANT:** Estate of Arthur W. Beck, Sr.

P45563

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 842 Springfield Ave.

Irvington Township (T/UA) Essex

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

**APPLICANT BACKGROUND:**

Between December 2006 and November 2011, the Estate of Arthur W. Beck, Sr., the owner of the project site, received an initial grant in the amount of \$40,149 under P17601 and supplemental grants totaling \$85,844 under P20661 and P35169 to close a 250-gallon underground storage tank (UST) and perform soil remediation at the project site. The NJDEP has determined that the supplemental project costs are technically eligible to install monitoring wells, vapor intrusion air survey and indoor air sampling.

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 \$230,106 to perform the approved scope of work at the project site. Total grant funding including this approval is \$356,099. The project site is located in a Metropolitan planning area and is eligible to receive up to \$1 million in grant funding.

The NJDEP oversight fee of \$23,011 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:** \$230,106

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

**PROJECT COSTS:**

Remediation	\$230,106
NJDEP oversight cost	\$23,011
EDA administrative cost	\$500
<b>TOTAL COSTS</b>	<b>\$253,617</b>

**APPROVAL OFFICER:** K. Junghans



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

**APPLICANT:** Tisha Perez

P45645

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 6 Dickson Road

Marlboro Township (N)

Monmouth

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

**APPLICANT BACKGROUND:**

Between July 2010 and January 2013, Tisha Perez received an initial grant in the amount of \$14,357 under P30647 and a supplemental grants totaling \$452,299 under P37333 and P38568 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform extensive required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional groundwater remediation and site restoration.

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 \$515,967 to perform the approved scope of work at the project site. The total funding for this project to date is \$982,623. The project site is located in a Suburban Planning Area and is eligible to receive up to \$1 million in grant monies.

The NJDEP oversight fee of \$51,597 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:** \$515,967

**TERMS OF GRANT:** No Interest; No Repayment

**PROJECT COSTS:**

Remediation	\$515,967
NJDEP oversight cost	\$51,597
EDA administrative cost	\$250
<b>TOTAL COSTS</b>	<b>\$567,814</b>

**APPROVAL OFFICER:** K. Junghans

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

**APPLICANT:** Pyramid Oil Company (Main Avenue Pyramid)

P45558

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

\* - indicates relation to applicant

**PROJECT LOCATION:** 1065 Main Ave.

Clifton City (T/UA)

Passaic

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

**APPLICANT BACKGROUND:**

Between April 2000 and November 2016, Pyramid Oil Co, owned by Victor Cino, received an initial grant in the amount of \$116,312 under P12113 and supplemental grants totaling \$321,021 under P12113s, P14301 and P42591 to perform soil and 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 extensive 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 aggregate supplemental grant funding in the amount of \$137,307 to perform the approved scope of work at the project site. Total grant funding including this approval is \$574,640.

The NJDEP oversight fee of \$13,731 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:** \$137,307

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

**PROJECT COSTS:**

Remediation	\$137,307
NJDEP oversight cost	\$13,731
EDA administrative cost	\$1,000
<b>TOTAL COSTS</b>	<b>\$152,038</b>

**APPROVAL OFFICER:** K. Junghans

**BOARD MEMORANDUM**



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** May 14, 2019

**SUBJECT:** Technology & Life Sciences - Delegated Authority Approvals for Q1 2019  
*For Informational Purposes, Only*

**Angel Investor Tax Credit Program**

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

**Angel Investor Tax Credit Program – Q1 2019 Review**

In the first quarter of 2019 (Q1 2019), EDA approved 13 Angel Tax Credit applications for \$562,000 in tax credits. These credits support \$5,625,000 in private investments in 9 unique technology and life science companies. First quarter 2019 activity saw a decline from the same period of the prior year, primarily due to a reduced carryover of the prior year applications. As compared to the first quarter of 2018, Q1 2019 reported 46% year-over-year decrease in approved applications. The average investment amount in Q1 2019 was \$432,692.31, representing a 53% decrease from Q1 2018. Of note, Q1 2018 included 28 carryover applications from 2017, while Q1 2019 only had 18 carryover applications from 2018. The reductions in carryover primarily results from year-end staff efficiencies. First quarter ATC applicants were all from returning qualified companies.

Sector	Investment Amount	Applications	# of Companies in Each Sector	% of total investments	% of total applications
Technology	\$650,000	8	5	11.56%	56%
Life Sciences	\$4,975,000	5	4	88.44%	44%
<b>Total<sup>1</sup></b>	<b>\$5,625,000</b>	<b>13</b>	<b>9</b>		

<sup>1</sup> There were no clean technology ATC applications in Q1 2019

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

A handwritten signature in blue ink, consisting of stylized, overlapping letters, is positioned above a solid horizontal black line.

**Prepared by:**  
Brennan Candito

## Q1 2019

Investor	Employees in NJ Compared to Total Employees	Investment	Proposed Tax Credit
<b>CircleBlack, Inc.</b>	<b>NJ: 16 Total: 19</b>	<b>\$ 150,000.00</b>	<b>\$ 15,000.00</b>
Judith O'Brien & Charles O'Brien		\$ 150,000.00	\$ 15,000.00
<b>Backendb.com LLC</b>	<b>NJ: 2 Total: 2</b>	<b>\$ 150,000.00</b>	<b>\$ 15,000.00</b>
Kenneth Schapiro		\$ 140,000.00	\$ 14,000.00
Kenneth Schapiro Trust		\$ 10,000.00	\$ 1,000.00
<b>BioAegis Therapeutics Inc.</b>	<b>NJ: 6 Total: 7</b>	<b>\$ 200,000.00</b>	<b>\$ 20,000.00</b>
Tolfan Ventures LLC		\$ 200,000.00	\$ 20,000.00
<b>Hope Portal Services, Inc.</b>	<b>NJ: 5 Total: 5</b>	<b>\$ 250,000.00</b>	<b>\$ 25,000.00</b>
Christopher Rooney		\$ 50,000.00	\$ 5,000.00
Kirby S. Family Trust Of 2014		\$ 50,000.00	\$ 5,000.00
Lauren Rosebberg-Moffitt		\$ 75,000.00	\$ 7,500.00
Vincent Tizzio		\$ 75,000.00	\$ 7,500.00
<b>Leap Insurance LLC</b>	<b>NJ: 9 Total: 11</b>	<b>\$ 100,000.00</b>	<b>\$ 10,000.00</b>
Kenneth Sharp		\$ 100,000.00	\$ 10,000.00
<b>SHINKEI THERAPEUTICS LLC</b>	<b>NJ: 3 Total: 3</b>	<b>\$ 1,000,000.00</b>	<b>\$ 100,000.00</b>
Ram Potti Sudha R Potti		\$ 1,000,000.00	\$ 100,000.00
<b>Solaris Pharma Corporation</b>	<b>NJ: 26 Total: 26</b>	<b>\$ 3,000,000.00</b>	<b>\$ 300,000.00</b>
Hampl Family Trust		\$ 3,000,000.00	\$ 300,000.00
<b>Trinity Medical Devices</b>	<b>NJ: 8 Total: 9</b>	<b>\$ 750,000.00</b>	<b>\$ 75,000.00</b>
Triple B 17, LLC		\$ 750,000.00	\$ 75,000.00
<b>Vytalize Health Inc.</b>	<b>NJ: 5 Total: 5</b>	<b>\$ 25,000.00</b>	<b>\$ 2,500.00</b>
Marvin Berenblum		\$ 25,000.00	\$ 2,500.00
<b>Totals</b>	<b>NJ: 80 Total: 87</b>	<b>\$ 5,625,000.00</b>	<b>\$ 562,500.00</b>

## Post-closing actions approved under delegated authority during Q1 2019:

Borrower (Operating Company)	EDA Exposure	Action
KPIP URBAN RENEWAL I, LLC	\$8,745.00	NJ Ignite - The EDA approved the grant requested by KPIP URBAN RENEWAL I, LLC to support the rent for GLW FOOT & ANKLE LLC d/b/a CARBON22.



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan, Chief Executive Officer

**DATE:** May 14, 2019

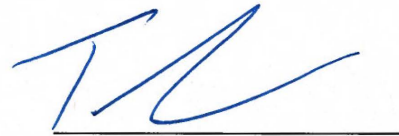
**SUBJECT:** Projects Approved Under Delegated Authority –  
**For Informational Purposes Only**

The following projects were approved under Delegated Authority in April 2019:

**Premier Lender Program:**

- 1) 32 Chestnut Realty LLC (P45568), is a newly formed real estate holding company formed to purchase and own the project property. The operating company, Blue Sky Trading Inc. ("Blue Sky"), was founded in 1995 as a wholesale distribution of high-quality disposable cutlery and party goods such as plates, bowls, cups, aluminum foil, and facial tissues. In 2013 the Blue Sky focused on becoming a one-stop-shop for caterers and party planners by adding decorative products and building new customer relationships while expanding their existing ones. Fulton Bank of NJ approved a \$3,600,000 bank loan contingent upon a 27.8% (\$1,000,000) Authority participation. Proceeds will be used to purchase the project property. Currently, the Company has 53 employees and plans to create eight new positions over the next two years.
- 2) Oshidar Real Estate, LLC (P45567) owns the commercial real estate located in Roselle Park Borough, Union County, which is used by Lifetime Smiles LLC DBA Roselle Park Dental ("Lifetime"). Lifetime was incorporated in 2009 as a full-service dental office for adults and children. Services include implants, crowns, root canals, periodontal therapy and emergency procedures. M & T Bank approved Oshidar Real Estate, LLC for a \$1,575,000 bank loan with a 34.29% (\$540,000) Authority participation to refinance existing debt. Currently, Lifetime has 18 employees.
- 3) Oshidar Real Estate II, LLC (P45674) was recently formed to acquire commercial property located in Montague Township, Sussex County, which is used by Montague Dental Practice. M & T Bank approved Oshidar Real Estate II, LLC for a \$400,000 bank loan with a 20% (\$80,000) Authority participation to finance the purchase of the property. Montague Dental Practice plans to create six new positions over the next two years.

- 4) SWP Real Estate, LLC (“SWP”) (P45593) and East Coast Panelboard, Inc. (“ECPB”) (P45594) are located in Tinton Falls Borough, Monmouth County. SWP is a real estate holding company formed in 2009 to purchase and own the project property. The operating company, ECPB, was established in 1994 as a manufacturer of low and medium voltage switchgear, critical power equipment, utility equipment and enclosure fabrication. Investors Bank approved a \$6,250,000 bank loan contingent upon a 16% (\$1,000,000) Authority participation and \$1,200,000 bank loan contingent upon a 50% (\$600,000) Authority participation. Proceeds will be used to refinance existing debt and an outstanding line of credit. Currently, the Company has 65 employees and plans to create 25 new positions over the next two years.

A handwritten signature in blue ink, consisting of stylized initials, is positioned above a horizontal line.

**Prepared by: G. Robins**





**MEMORANDUM**

**TO:** Members of the Authority  
**FROM:** Tim Sullivan, Chief Executive Officer  
**DATE:** May 14, 2019  
**SUBJECT:** Post Closing Credit Delegated Authority Approvals for 1<sup>st</sup> Quarter 2019  
*For Informational Purposes Only*

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

<b>Name</b>	<b>EDA Credit Exposure</b>	<b>Action</b>
Malusa and Sons, Inc. (Nino's Family Restaurant)	\$ 1,430,010	Modify the principal payment schedule for two Stronger NJ Business loans (P41337/P38779) based on seasonality of business. Interest payments will continue monthly.
Gran Prix Partners, LP (Fairfield Inn and Suites by Marriott, Millville NJ)	\$ 775,119	Extend the loan maturity seven months to allow time to finalize the refinance of senior debt.
The Music Man, LLC	\$ 431,955	Modify the principal payment schedule for this Stronger NJ Business loan based on seasonality of business. Interest payments will continue monthly.
North Main Properties, LLC (SP Sheet Metal Co., and SP Marine Services, LLC)	\$ 203,914	Extend EDA's participation in Spencer Savings Bank's term loan for 10 years, with a five-year call option and rate reset, to allow time to repay the balloon maturity.
Arthur Weiler (Pirates Cove Marina)	\$ 143,058	Modify the principal payment schedule for this Stronger NJ based on seasonality of business. Interest payments will continue monthly.
R.C.J., Inc.	\$ 72,683	Extend the matured HAZ loan 5 years to allow time to remediate and sell the property and repay the balance.

<b>Camden Economic Recovery Board Grants</b> (EDA has no credit exposure)	
Camden Redevelopment Agency - Central Waterfront Housing & Temporary Parking	Extend the grant disbursement period by six months to June

W. Keith Williams II	Three-month extension of required construction completion date for two \$20,000 Business Improvement Incentive Grants from February 28, 2019 to May 30, 2019
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<b>Conduit Bonds (EDA has no credit exposure)</b>	
Seabrook Village, Inc.	Consent to extend the mandatory tender date and changes to the interest rate formula to the \$61.8 million Tax-Exempt Stand-Alone Bond.

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

Name	Credit Exposure	Description
Saddy Family, LLC	\$ 369,169 Stronger NJ Business Loan	Saddy Family, LLC is a real estate holding company that owns three retail properties in Seaside Heights which are leased to related entities. No payments have been received on this loan since March 2018. The loan is secured by a 1st lien on business assets deemed to have no liquidation value.
Graafsma, Frank	\$ 130,825 HAZ Loan	Two loans were made to remediate the former auto repair facility in Hawthorne, NJ. Payment in full was due at maturity on May 1, 2017. Borrower does not have the capacity to repay. Subordinate lien on real estate collateral is not deemed a source of recovery due to environmental concerns.



Prepared by: Jennifer Bongiorno and Heather O'Connell



**MEMORANDUM**

**TO:** Members of the Authority

**FROM:** Tim Sullivan  
Chief Executive Officer

**DATE:** May 14, 2019

**SUBJECT:** Incentives Modifications – 1<sup>st</sup> Quarter 2019  
(For Informational Purposes Only)

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

Attached is a list of the incentive modifications and Salem/UEZ renewal extensions that were approved in the 1<sup>st</sup> quarter ending March 31, 2019.

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

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Prepared by: M. Maurio

**ACTIONS APPROVED UNDER DELEGATED AUTHORITY  
FIRST QUARTER ENDING March 31, 2019**

**BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Award</b>
Celgene Corporation; Anthrogenesis Corporation	Consent to remove Anthrogenesis Corporation (2017) from the grant agreement.	\$6,086,250
Daiichi Sankyo Inc.	Consent to change of project location from Parsippany to Basking Ridge (2017) with no change to award percentage.	\$1,330,304
ImClone Systems LLC P10891/P13670	Consent to amend grantee name from ImClone Systems LLC to ImClone Systems LLC d/b/a ImClone Systems NJ LLC (2014).	\$625,260 \$2,755,200
Torus US Services, Inc. and Torus US Intermediaries, Inc.	Consent to various organizational changes resulting in Enstar (US) Inc. as the surviving entity on the grant agreement and minor changes to project; however, location continues to remain in Jersey City requiring no change in award percentage.	\$3,092,000
Zoetis, Inc and Subsidiaries	Consent to various organizational changes resulting in the surviving entities on the grant agreement to be Zoetis, Inc. doing business as Zoetis of Delaware, Inc., Zoetis LLC, Zoetis Services LLC and Zoetis US LLC and the change in location from Florham Park to Parsippany requiring no change in award percentage.	\$19,250,000

**GROW NEW JERSEY ASSISTANCE PROGRAM**

<b>Applicant</b>	<b>Modification Action</b>	<b>Approved Amount</b>
Adoreme, Inc.	Add affiliate to the Grow NJ Agreement.	\$3,320,000
Ardagh Glass, Inc.	Consent to correct the size of the QBF from 275,000 to 239,046 sf (13% decrease) with no impact to the Grow NJ award.	\$23,400,000
Atlantic City Contact Center	Consent to second six-month extension of the certification deadline from January 9, 2019 to July 9, 2019.	\$32,740,805

Broadridge Financial Solutions, Inc.	Consent to add affiliates to the Grow NJ Agreement and reset the statewide workforce number from 1198 to 1187.	\$23,408,490
Cummins, Inc.	Consent to a second six-month extension of the certification deadline from December 9, 2018 to June 9, 2019.	\$3,195,000
EMR Eastern, LLC	Consent to remove two affiliates from the Grow NJ Agreement.	\$148,589,900
Ferrero USA, Inc.	Consent to first six-month extension of the certification deadline from February 9, 2019 to August 9, 2019.	\$3,420,000
Holtec International	Consent to add affiliate to the Grow NJ Agreement.	\$260,000,000
Lonza America, Inc.	Consent to add affiliates to the Grow NJ Agreement.	\$3,262,500
Mallinckrodt Enterprises LLC	Consent to first six-month extension of the certification deadline from April 12, 2019 to October 12, 2019.	\$20,425,000
Nestle HealthCare Nutrition Inc. and Nestle Nutrition R&D Centers, Inc.	Consent to second six-month extension of the certification deadline from January 9, 2019 to July 9, 2019.	\$14,455,000
P&R Dental Strategies, LLC	Consent to first six-month extension of the certification deadline from May 13, 2019 to November 13, 2019.	\$3,000,000
ProFoot, Inc.	Consent to add PEO, ADP TotalSource MI VII, LLC, as a co-employer to the Grow NJ Agreement.	\$2,750,000
South Jersey Gas Company	Consent to add affiliate to the Grow NJ Agreement.	\$12,655,260
Symrise, Inc.	Consent to first six-month extension of the certification deadline from March 11, 2019 to September 11, 2019.	\$10,254,300
Sysco Guest Supply, LLC	Consent to first six-month extension of the certification deadline from February 9, 2019 to August 9, 2019.	\$2,865,000
Tryko Holdings LLC	Consent to add affiliates to the Grow NJ Agreement and reset the statewide workforce number from 237 to 83.	\$4,101,250
United States Fire Insurance Co.	Consent to first six-month extension of the certification deadline from March 11, 2019 to September 11, 2019.	\$8,000,000
Yellowstone Capital LLC	Consent to second six-month extension of the certification deadline from March 10, 2019 to September 10, 2019.	\$3,375,000

**SALEM/UEZ ENERGY SALES TAX EXEMPTION RENEWALS**

<b>Applicant</b>	<b>Extend to Date</b>	<b>Location</b>	<b>#/% Employees</b>	<b>Benefit</b>
Nipro PharmaPackaging Americas Corp.	January 15, 2019	Millville, NJ	271/76%	\$362,182