NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

DATE: July 13, 2017

SUBJECT: Agenda for Board Meeting of the Authority July 13, 2017

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

June 13, 2017

Delaware River Port Authority

One Port Center, Camden

MINUTES OF THE MEETING

Members of the Authority present: Chairman Thomas Scrivo; Peter Simon representing State Treasurer Ford M. Scudder; Jeffrey Stoller representing Acting Commissioner Aaron Fichtner of the Department of Labor and Workforce Development; Dan Kennedy representing Commissioner Bob Martin of the Department of Environmental Protection; Public Members Larry Downes, Philip Alagia, Massiel Medina Ferrara, and Fred B. Dumont.

Present via conference call: Patrick Mullen representing Commissioner Richard Badolato of the Department of Banking and Insurance; Public Members Charles Sarlo, David Huber, William J. Albanese, Sr., Second Alternate Public Member; Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Absent: Public Members: William Layton, and Patrick Delle Cava, First Alternate Public Member.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the May 11, 2017 meeting minutes. A motion was made to approve the minutes by Mr. Downes, and seconded by Mr. Stoller and was approved by the 13 voting members present.

The next item of business was the approval of the May 11, 2017 executive session meeting minutes. A motion was made to approve the minutes by Mr. Alagia, and seconded by Mr. Stoller and was approved by the 13 voting members present.

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

FOR INFORMATION ONLY: Chairman Scrivo welcomed Mayor Dana Redd who thanked the board for its collaboration and significant efforts to improve the City of Camden over the years.

INCENTIVE PROGRAMS

ITEM: Incentives Delegation Changes: BEIP, GROW

REQUEST: To approve expanding the June 2013 BEIP and December 2015 GROW delegations as follows:

1) Expand the BEIP delegation for administrative changes and terminating agreements.

2) Expand the GROW delegation to allow staff to make administrative changes.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Economic Redevelopment and Growth (ERG) Program

ITEM: CHP Land, LLC APPL.#44079

REQUEST: To approve the application of CHP Land, LLC for a Project located in Camden, Camden County for reimbursement of certain taxes. The recommendation is to award 40% of actual eligible costs, not to exceed $18,352,709 based on the budget submitted.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Mr. Alagia recused himself because the applicant has a business relationship with the County of Essex.

ITEM: CHP Land, LLC (RIF Loan) APPL.#44080

REQUEST: To approve application of CHP Land, Inc. for a Real Estate Impact Fund Loan in the amount of $3,000.000. Concurrent with this request, CHP is seeking approval of an ERG in the amount of $18.3 million (P44079).

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Mr. Alagia recused himself because the applicant has a business relationship with the County of Essex.

ITEM: Cultural Center Redevelopment Associates Urban Renewal, LLC APPL.#42918

REQUEST: To approve the application of Cultural Center Redevelopment Associates Urban Renewal, LLC for a Project located in New Brunswick, Middlesex County for the issuance of tax credits. The recommendation is to award 30% of actual eligible costs, not to exceed $40,000,000 in tax credits based on the budget submitted.

MOTION TO APPROVE: Mr. Simon **SECOND:** Mr. Kennedy **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

Mr. Stoller recused himself because you used to work with the applicant years ago.

Grow New Jersey Assistance Program

ITEM: Adoreme, Inc. APPL.#44220

REQUEST: To approve the application of Adoreme, Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Secaucus Town, NJ. Project location of Secaucus, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated total award is $3,320,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Damascus Bakery OPCO, LLC APPL.#44069

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Downes **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

Mr. Imperatore recused himself because family members are involved in the business.

ITEM: Damascus Bakery OPCO, LLC APPL.#44069

REQUEST: To approve the application of Damascus Bakery OPCO, LLC for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Newark City, NJ and Clifton City, NJ. Project location of Newark, Essex County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Large Number of New/Retained F/T Jobs, Targeted Industry (Manufacturing). Project location of Clifton, Passaic County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, Targeted Industry (Manufacturing), Mega Ind. Project w/ Cap. Ind. In Excess of Min. The estimated total award is $18,648,000 for a 10-year term.

MOTION TO APPROVE: Mr. Simon **SECOND:** Ms. Ferrara **AYES:** 12

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Mr. Imperatore recused himself because family members are involved in the business.

ITEM: LifeCell Corporation APPL.#44222
REQUEST: To approve the finding of jobs at risk.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: LifeCell Corporation APPL.#44222
REQUEST: To approve the application of LifeCell Corporation for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Branchburg Twp., NJ. Project location of Branchburg Township, Somerset County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Large Number of New/Retained F/T Jobs, Targeted Industry (Life Sciences). The estimated total award is $14,872,500 for a 10-year term.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: S&F Supplies Inc. APPL.#44130
REQUEST: To approve the application of S&F Supplies Inc. for a Grow New Jersey Assistance Program Grant to encourage the applicant to make a capital investment and locate in Bloomfield Township, NJ. Project location of Bloomfield Township, Essex County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Transit Oriented Development, Capital Investment in Excess of Minimum (non-Mega), Targeted Industry (Manufacturing). The estimated total award is $2,346,750 for a 10-year term.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

BOND PROJECTS

Amended Bond Resolutions

ITEM: The Kintock Group of New Jersey, Inc. and The Kintock Group APPL.#42759
LOCATION: Various
PROCEEDS FOR: Acquisition of existing building
FINANCING: $16,755,000 Tax-Exempt Bond. Part of a $20,205,000 Bond with P43349 and $2,000,000 Taxable Bond. Part of a $20,205,000 Bond with P43349.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 11
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Young Men's Christian Association of Hunterdon County APPL.#37558

REQUEST: Consent to (i) amend the Bond's interest rate from 1 month LIBOR plus 2,50% to 69.75% of (1 month LIBOR plus 2%). (ii) modify call date, (iii) amend and restate collateral documents to allow for a new hedge agreement, and (iv) modify various definitions in Bond Agreement.
MOTION TO APPROVE: Mr. Simon **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 12
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Combination Preliminary and Bond Resolutions

ITEM: Goose Pond Investors LLC APPL.#44234

LOCATION: Wayne Township, Passaic County

PROCEEDS FOR: Acquisition and Renovation of existing Building

FINANCING: $8,000,000 Tax exempt bond
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 13
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Preliminary Bond Resolutions

ITEM: County Basie Theatre, Inc. APPL.#44209

LOCATION: Red Bank, Monmouth County

PROCEEDS FOR: Reimbursement of Renovation Costs

FINANCING: $1,742,524 total costs
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 14
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Public Hearing Only

ITEM: ACMY, LLC APPL.#43675

LOCATION: Piscataway, Middlesex County

PROCEEDS FOR: Acquisition and renovation of existing building, Working Capital

FINANCING: $11,228,200 total costs
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: County Basie Theatre, Inc. APPL.#44208
LOCATION: Red Bank, Monmouth County
PROCEEDS FOR: Refunding
FINANCING: $6,468,451 total costs
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

ITEM: NJEDA Revolving Loan Fund Plan
REQUEST: To approve the EDA Revolving Loan Fund Plan as required by the U.S Economic Development Administration.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

Petroleum Underground Storage Tank (PUST)

ITEM: Summary of NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Downes **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

PROJECT: James Thoma APPL.#44183
LOCATION: East Rutherford Borough, Bergen County
PROCEEDS FOR: Remediation
FINANCING: $116,002

PROJECT: Jim's Auto Service APPL.#42399
LOCATION: Lower Township, Cape May County
PROCEEDS FOR: Remediation
FINANCING: $24,966

PROJECT: St. Anthony's Church APPL.#44127
LOCATION: Newark City, Essex County
PROCEEDS FOR: Remediation
FINANCING: $127,454

PROJECT: Patricia Cooper APPL.#43357
LOCATION: Atlantic City, Atlantic County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $177,502

PROJECT: Nancy Fittin APPL.#42763
LOCATION: Wall Township, Monmouth County
PROCEEDS FOR: Upgrade, Closure, Remediation
FINANCING: $192,225

Hazardous Discharge Site Remediation Fund Program

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Kennedy **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17

PROJECT: Camden Redevelopment Agency (Camden Laboratories) APPL.#44158
LOCATION: Camden City, Camden County
PROCEEDS FOR: Remedial Investigation
FINANCING: $1,358,600

PROJECT: Township of Aberdeen (former South River Metals prod) APPL.#44185
LOCATION: Aberdeen Township, Monmouth County
PROCEEDS FOR: Remedial Investigation
FINANCING: $193,611

PROJECT: Sebring Company (Greentree Shopping Center) APPL.#44159
LOCATION: Washington Township, Gloucester County
PROCEEDS FOR: Remedial Action
FINANCING: $14,296

PROJECT: Sebring Company (Greentree Shopping Center) APPL.#44160
LOCATION: Washington Township, Gloucester County
PROCEEDS FOR: Remedial Action
FINANCING: $14,296

OFFICE OF RECOVERY

Energy Resilience Bank

ITEM: RWJ Barnabas - Jersey City Medical Center CHP Project Funding Recommendation

REQUEST: To (1) deem the project eligible for ERB Funding, (2) approve moving the project to the ERB program review and approval process, (3) reserve $8,526,758 of ERB Funds, (4) authorize the execution of ERB funding

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 18

Stronger NJ Loan Program

ITEM: Extension of Project Completion Deadline for the Stronger NJ Business Loan Program

REQUEST: To approve an extension of the completion deadline for eligible applicants under the SBL to September 2018, with a staff delegation for an additional six-month extension if necessary.

MOTION TO APPROVE: Mr. Simon **SECOND:** Ms. Ferrara **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 19

Strong NJ Business Laon Modification

ITEM: The Dutchman's Brau Haus APPL.#40729

REQUEST: To approve the request to increase the $2,046,402 construction loan under the Stronger NJ Business Loan program approved on February 9, 2016 to $3,592,578.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 20

REAL ESTATE

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with American Properties at Monmouth, LLC for Howard Commons in Eatontown

REQUEST: To consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with American Properties at Monmouth, LLC for the redevelopment of Howard Commons in Eatontown section of the former Fort.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 21

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with Kenneth Schwartz for Barracks Parcel in Eatontown

REQUEST: To consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Kenneth Schwartz for the sale and redevelopment of the Barracks parcel, including approx.. 4.4. acres and Buildings 1102 through 1107 in the Eatontown section of the former Fort.
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Dumont **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

ITEM: Real Estate Impact Fund (Private Component) – Repayment Policy Clarification

REQUEST: To approve a repayment policy clarification to the private component of the RIF detailing the process by which staff calculates the percentage of the project's net cash flow used to repay the Fund loan.
MOTION TO APPROVE: Mr. Stoller **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

ITEM: New Health and Agriculture Building in Trenton

REQUEST: To approve: Additional Funding, Amending the Predevelopment Services Budget, Amend the HDR A/E Contract, and enter into the First Amendment to the MOU with the NJ Department of Treasury, Division of Property Management and Construction.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Simon **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

ITEM: New Taxation Building in Trenton

REQUEST: To approve: Additional Funding, Amending the Predevelopment Services Budget, Amend the Ballinger A/E Contract, and enter into the First Amendment to the MOU with the NJ Department of Treasury, Division of Property Management and Construction.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Ms. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects approved under Delegated Authority

> **Premier Lender Program:** 960 Holdings LLC (P44085), Power Photo Corp. and 40 Montgomery St. Hillside, LLC (44133)
>
> **Stronger NJ Business Loan Program:** Reina Tire Services Inc. (43346)

PUBLIC COMMENT

Ms. Iana Dikidjieva, Member, Stakeholders Allied for the Core of Trenton reiterated the groups opposition to the State Office Building projects, specifically, that privately owned alternate locations were not considered and that the public was not able to comment on that process in advance.

Mr. Dumont stated that he was very much in support of the State Office Buildings project and looked forward to it's completion.

EXECUTIVE SESSION

The next item was to adjourn the public session of the meeting and enter into Executive Session to discuss matters which involve anticipated litigation that would affect EDA's debt collection and the purchase of real property where disclosure could adversely affect EDA. The minutes will be made public when the need for confidentiality no longer exists.

MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Stoller **AYES: 13**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

The Board returned to Public Session.

The next item was to approve a confidential matter pertaining to anticipated litigation that would affect EDA's debt collection.

MOTION TO APPROVE: Mr. Simon **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

The next item was to approve a confidential matter pertaining to the purchase of real property where disclosure could adversely affect EDA.

MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28

There being no further business, on a motion by Mr. Simon, and seconded by Ms. Ferrara, the meeting was adjourned at 11:13am.

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

Erin Gold, Director, Marketing & Public Affairs
Assistant Secretary

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: July 13, 2017

RE: Monthly Report to the Board

EDA JOINS NEW JERSEY DELEGATION TO SHOWCASE STATE'S DYNAMIC BIOTECH ECOSYSTEM

Representatives from the EDA were among more than two dozen members of a New Jersey delegation promoting the State's vast life sciences ecosystem at the BIO International Convention last month in San Diego. The event gave New Jersey's biotechnology industry leaders a chance to show companies the benefits of operating in the State, including our ideal location, renowned research institutions, and highly educated workforce.

The Garden State's delegation included representatives from Choose New Jersey, BioNJ, the HealthCare Institute of New Jersey, the New Jersey Business Action Center, as well as top-ranked academic medical centers and research universities. Throughout the convention, delegates touted the many EDA programs available to New Jersey life sciences companies, including the Technology Business Tax Certificate Transfer (NOL) Program, the Angel Investor Tax Credit Program, the Edison Innovation Fund, and the recently-announced NJ CoVest Fund, which is expected to begin accepting applications shortly.

Also highlighted were EDA's commercial real estate resources designed to support emerging and established companies, including the Commercialization Center for Innovative Technologies (CCIT) and the Technology Centre of New Jersey. Among the companies presenting their innovations on the global stage throughout the event were EDA-supported companies such as Advaxis, ContraVir Pharmaceuticals, and Enteris BioPharma.

Earlier in the month, biotech industry leaders participated in a panel at CCIT to share tips on launching and funding university spinoffs. The panelists represented companies that are either current CCIT tenants or graduates.

SMALL BUSINESSES FIND SUCCESS WITH EDA SUPPORT

EDA's array of resources for small businesses was showcased last month during visits to two companies. EDA staff visited a new Pennsauken location of Edison Solutions, which provides printing services, and manufactures temporary cardboard displays, in-store décor and signage for globally recognized companies. The approval of Grow New Jersey (Grow NJ) tax credits helped to encourage the company to expand in Pennsauken rather than relocating to an existing company location in Georgia. A combination of EDA loans and bonds also helped the company, which will maintain its Hudson County headquarters, purchase its new facility and further its expansion in Pennsauken, where it expects to create 95 new jobs.

EDA staff also traveled to Union County to tour South Avenue Arts, a 3,000-square-foot, cooperative, community art space in Garwood. South Avenue Arts, which opened in September 2016, includes two semi-private studios and a large shared co-working studio to rent, art classes for all ages, summer camp for kids, and a gallery selling local art, jewelry and gifts. Founder Sharon Reed, an oil painter turned entrepreneur, participated in Entrepreneurship 101, a six-week workshop for small business startups available through a partnership between the EDA and UCEDC, a nonprofit economic development corporation. Reed credits the program with helping her turn her vision into a viable business. Reed is one of more than 2,000 entrepreneurs UCEDC trained or mentored last year.

FMERA SELLS RUSSEL HALL, CONTINUES BUILDING TECHONOLOGY HUB

Late in June, with progress toward the goal of creating a technology hub on Fort Monmouth already underway, the Fort Monmouth Economic Revitalization Authority (FMERA) sold the Russel Hall parcel to private cloud computing company TetherView. The company, which moved to the Fort from Staten Island, NY, had been subleasing the 42,300-square-foot Russel Hall building since January 2016. TetherView has already brought 30 jobs to the Fort and expects to create an additional 40 full-time jobs at its new location. The closing on the Russel Hall property marks the fourth parcel sold in 2017, with more expected in coming months.

TetherView announced in January that it had entered into a joint venture with co-working organization vi Collaboration Hub to cultivate talent and community involvement. Vi Collaboration Hub, which is already established at Bell Works in Holmdel, plans to expand its operation into Oceanport by leasing 5,000 square feet within Russel Hall. This partnership will bring additional jobs and opportunities for local entrepreneurs to the Fort.

CLOSED PROJECTS

Through June 2017, EDA closed on more than $171 million in traditional lending assistance to support 89 projects, leveraging $209 million in capital investment and the creation of an estimated 367 new permanent jobs and 621 construction jobs.

In addition to the assistance provided through traditional lending programs, EDA also executed agreements, pending certification, with 26 projects for $987.9 million, leveraging $3.7 billion in capital investment, the expected creation of 19,556 new jobs and 17,012 construction jobs and the retention of 3,800 jobs at risk of leaving New Jersey.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees, or exhibitors at 35 events in June. These included Newark Venture Partners in Newark, a ribbon cutting at the new Cooper's Poynt Waterfront Park in Camden, and the HINJ Research Roundtable in New Brunswick.

AUTHORITY MATTERS

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: July 13, 2017

RE: 2016 Comprehensive Annual Report

Request

The Members of the Board are requested to approve the Authority's comprehensive annual report for 2016, as required under Executive Order No. 37 (2006).

Background

Each year since inception, the Authority designs and distributes our Annual Report of accomplishments and activities to support economic development in New Jersey. Beginning in 2006, in order to meet the requirements of Executive Order No. 37 (2006), our Annual Report is combined with our audited financial statements and serves as our comprehensive annual report.

The audited financial statements for the year ending December 31, 2016 were prepared pursuant to Generally Accepted Accounting Principles for a government entity. I am also pleased to inform the Board that the independent accounting firm of Ernst & Young has issued an unmodified opinion with regard to the 2016 financial statements.

Certification accompanying the financial statements has been executed by the President and Chief Operating Officer and the Controller that the EDA has followed its standards, procedures and internal controls.

On March 16, 2017, per its Charter, as well as section 9 of Executive Order 122 (2004), the Audit Committee reviewed the 2016 audited financial statements, as well as the narrative portion of the Annual Report on May 8, 2017, and considered the relevancy, accuracy and completeness of the information presented. Also pursuant to Executive Order 122 (2004), the independent auditor met with the Audit Committee, where it was reported that the financial audit resulted in no negative findings or internal control deficiencies.

Subsequent to the meetings and review, the Committee recommended that the comprehensive Annual Report be presented to the Board for approval.

Under Executive Order No. 37 (2006), the Authority is required to obtain approval of a comprehensive annual report from its Board of Directors. Upon approval, this report will be submitted to the Authorities' Unit, posted to the EDA website, and transmitted electronically to members of the Legislature.

Recommendation:

Authority staff has prepared the comprehensive annual report for 2016 as required under Executive Order No. 37 (2006) and recommends Members' approval in order to submit the report to the Governor's Authorities' Unit, post to the Authority's website, and transmit to the Legislature.

Prepared by: Erin Gold

New Jersey Economic Development Authority
2016 Annual Report




New Jersey Economic Development Authority

Contents

Message from Chairman Thomas P. Scrivo

As the new Chairman of the Board of the New Jersey Economic Development Authority, I am pleased to be joining the Authority following a productive and impactful year. With its myriad programs helping to inject an estimated $1.9 billion of total public/private investment in the State's economy and supporting the creation of more than 15,000 new permanent and temporary jobs, the Authority effectively carried out its mission to stimulate community investment and expand employment opportunities in 2016.

Over the last four decades, the Authority has played a critical role in growing New Jersey's economy and serving as a catalyst for job creation and urban revitalization. It has been a driving force in the State's efforts to stimulate business growth through implementation of several important initiatives that have helped better position New Jersey to compete in an increasingly global marketplace.

The Authority's success has been propelled by its professional and dedicated staff, a committed and engaged Board, productive partnerships with public, private and community organizations, and a unique ability to quickly adapt and respond to marketplace needs. The case studies included in the pages that follow help to illustrate the Authority's impact and reach. From small technology start-ups and family-owned enterprises to large-scale projects that are helping to transform our cities, the Authority has continued to leverage its resources to maximize results.

Looking ahead, the Authority is strongly positioned to sustain its high level of financing and development support. I look forward to working with the Authority and my esteemed fellow Board members to ensure 2017 is marked by a continued commitment to catalyzing job creation and business growth across New Jersey.

Thomas P. Scrivo
EDA Board Chairman

Message from CEO Melissa Orsen and President & COO Timothy Lizura

The 2016 Annual Report illustrates the results of the Authority's commitment to accelerate business development and expansion in New Jersey. Our strong record of achievement has been made possible by a talented, dedicated and professional staff devoted to customer service excellence, an active and enthusiastic Board, a business philosophy that allows for quick adaptability to changing marketplace needs, and strategic partnerships with organizations across the State.

Left to Right: Fred Cole (Senior Vice President), Maureen Hassett (Senior Vice President), Lori Matheus (Senior Vice President), Melissa Orsen (Chief Executive Officer), Timothy Lizura (President & Chief Operating Officer)

In total, the Authority finalized more than $573.3 million in financing assistance through its lending programs in 2016, leveraging over $967 million in total public/private investment and the creation of an estimated 1,438 new permanent jobs and 4,932 construction jobs. In addition, 55 tax incentive projects executed agreements in 2016 and are pending certification. These projects, supported with up to $715.5 million in tax credits or reimbursements, involve nearly $959 million of anticipated private investment, the expected creation of 6,814 new permanent jobs and more than 2,579 construction jobs, and the retention of 8,345 jobs "at risk" of leaving the State.

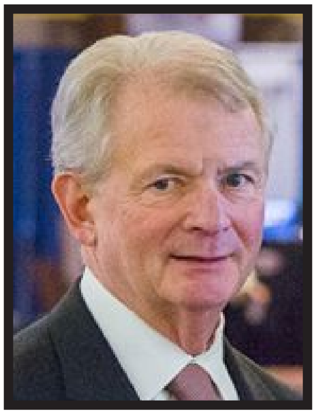
> 2017 presents an abundance of new opportunities to help create quality jobs and vibrant communities, and we remain committed to leading an organization that will deliver solutions to successfully achieve these results.

While annual performance statistics provide a measure of the Authority's progress, they cannot accurately describe how this assistance has made a difference in the lives of New Jerseyans - the business owner who is planning for the future, the worker who needs to earn a decent wage to support his or her family, the supplier who will sell the needed inventory or materials, and the local official whose community gets a new revenue source to pay for critical services. This year's report offers a more in-depth glance into the impact of the Authority's assistance, illustrating how the results of our efforts help improve the quality of people's lives, the vitality of communities, and the economic health and future of New Jersey.

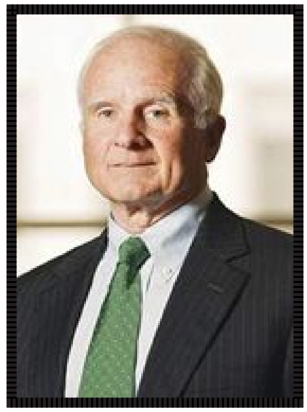
Melissa J. Orsen
CEO

Timothy Lizura
President & COO

IN MEMORIAM

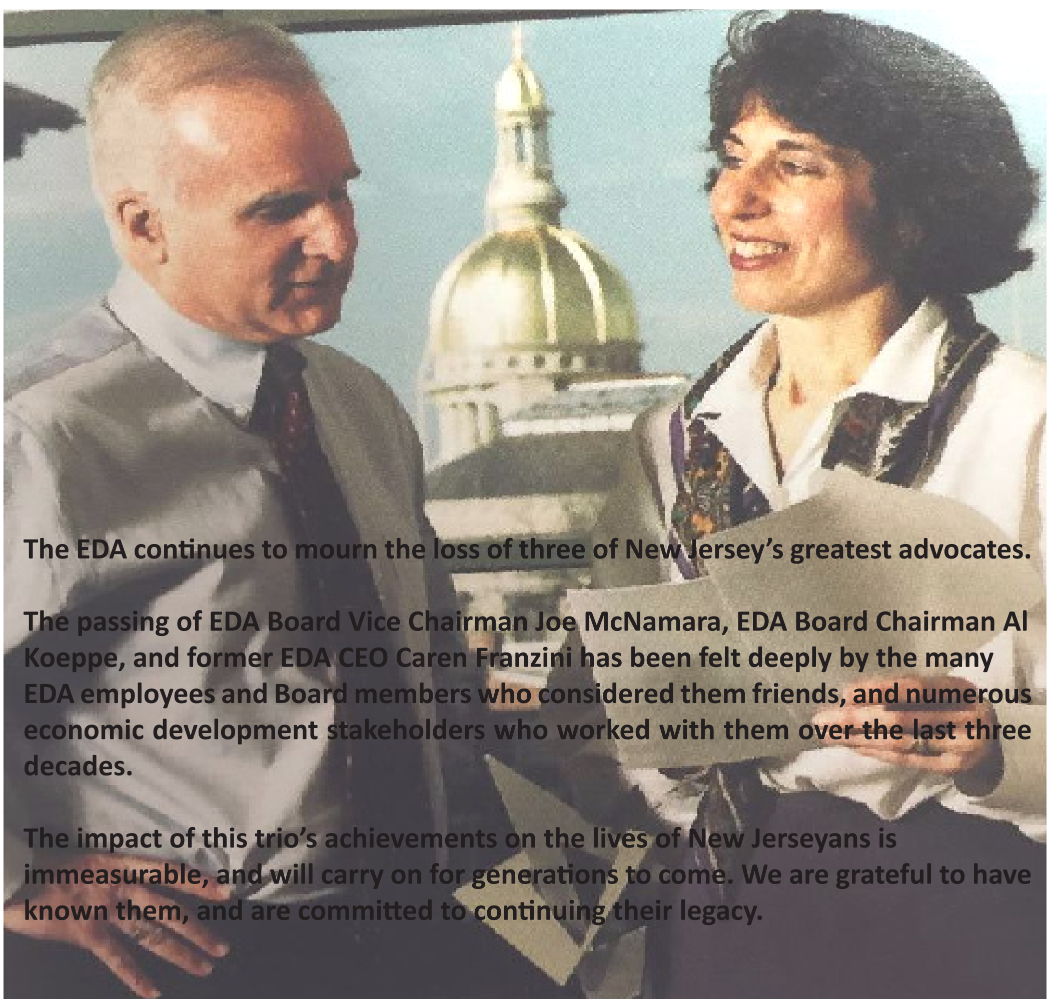


Joseph A. McNamara
Sept 26, 1945 - July 1, 2016
EDA Vice Chairman



Alfred C. Koeppe
Nov 14, 1946 - Dec 6, 2016
EDA Chairman

Caren Franzini
Feb 17, 1959 - Jan 25, 2017
Former EDA CEO



The EDA continues to mourn the loss of three of New Jersey's greatest advocates.

The passing of EDA Board Vice Chairman Joe McNamara, EDA Board Chairman Al Koeppe, and former EDA CEO Caren Franzini has been felt deeply by the many EDA employees and Board members who considered them friends, and numerous economic development stakeholders who worked with them over the last three decades.

The impact of this trio's achievements on the lives of New Jerseyans is immeasurable, and will carry on for generations to come. We are grateful to have known them, and are committed to continuing their legacy.

EDA Mission & Strategy

EDA Mission

The New Jersey Economic Development Authority (EDA) is an independent State agency that finances small and mid-sized businesses, administers tax incentives to retain and grow jobs, revitalizes communities through redevelopment initiatives, and supports entrepreneurial development by providing access to training and mentoring programs.

EDA Strategy

The EDA creates public/private partnerships to bridge financing gaps and to increase access to capital by the State's business community with an emphasis on small and mid-size businesses and not-for-profit organizations. It supports entrepreneurial development through access to training and mentoring programs. It undertakes real estate development projects important to the State's economic growth that will create new jobs and business opportunities and support community development and revitalization.

CEO Melissa Orsen and President/COO Tim Lizura visiited with many small businesses and not-for-profit organizations that utilized EDA's financing programs to expand in New Jersey.

2016 EDA Activity
By the Numbers

Traditional Financing

217
Projects Assisted

$573.3 Million
EDA Assistance

$967 Million
Estimated Public/Private Investment

1,438
Estimated Permanent Jobs

4,932
Estimated Construction Jobs

6,554
Retained Jobs Supported

Tax Incentive Programs

55
Projects Assisted

$715.5 Million
EDA Assistance

$959 Million
Estimated Public/Private Investment

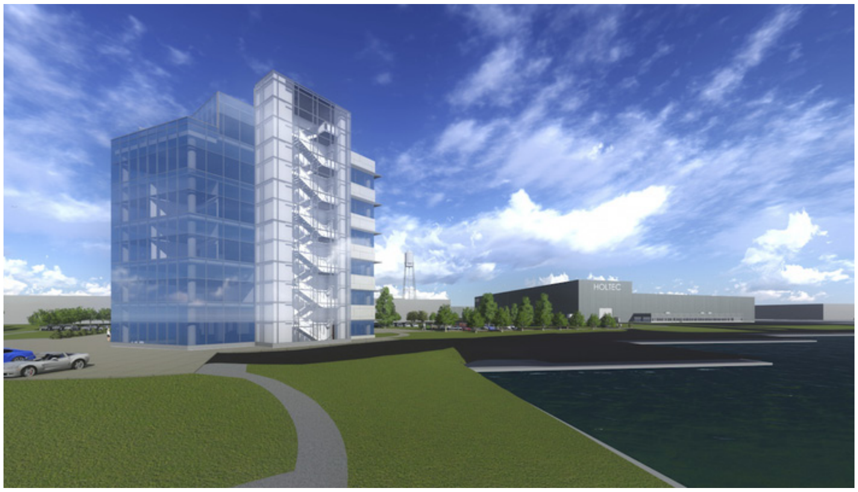
6,814
Estimated Permanent Jobs

2,579
Estimated Construction Jobs

8,345
Retained "At-Risk"Jobs

Incentive Projects

Holtec International



A rendering of Holtec's state-of-the-art manufacturing facility and design center.

Opportunity

Holtec International is a diversified energy technology company, recognized as the foremost technology innovator in the field of carbon-free power generation, specifically commercial nuclear and solar energy. Since 2009, Holtec has been at the forefront in developing a new generation small modular nuclear reactor, the SMR-160. As a result, the company sought to build a state-of-the-art manufacturing facility and design center for SMR-160 components, as well as to support expanding its current line of nuclear products, heat exchange equipment and other weldments for delivery to the company's customers worldwide.

Holtec explored several options for locating the project and narrowed its choice down to Camden, New Jersey or Charleston, South Carolina. Camden offered several benefits to the company, including the availability of a 50-acre site on the Delaware River that was once home to the New York Shipbuilding Corporation. The Camden site would give Holtec access to the deep-water port facility on the Delaware River, Interstate 676, and a ConRail spur, offering a location and infrastructure that fit the company's needs. While South Carolina presented similar benefits and a lower cost option, the Grow New Jersey Assistance Program (Grow NJ) offered the company a compelling way to reduce costs and play a role in the City of Camden's rebirth, which is of particular interest to Holtec Chief Executive Officer Dr. Kris Singh.

Solution

At the time of its decision, the State of New Jersey had introduced a new tax credit program – Grow NJ, created under the "Economic Opportunity Act of 2013. " (EOA)

Project:

Holtec Technology Campus

Location:

Camden/Camden County

Industry/Project Type:

Energy Technology; two manufacturing plants, a corporate engineering center, and a system test facility

Estimated Jobs:

235 new; 160 retained;
1,141 construction

Estimated Investment:

$260 million

Why New Jersey?

- Access to the deep-water port facility on the Delaware River
- Interstate 676 to the east
- Convenient access to a ConRail spur
- Grow New Jersey Assistance Program (Grow NJ)
- Commitment to the City of Camden and its residents

EDA Assistance:

Up to $260 million in Grow NJ tax credits over 10 years

HOLTEC
INTERNATIONAL

Through the EOA, the Governor and Legislature provided for the highest level of incentives to expressly support investment in designated Garden State Growth Zones (GSGZs), which include Camden, Atlantic City, Paterson, Passaic and Trenton; the statute further afforded Camden distinct benefits, recognizing that it continues to be one of the most distressed cities in the United States following decades of disinvestment and economic decline.

Among Camden's unique benefits under Grow NJ is the "capital investment alternative," which allows projects locating in Camden to be awarded tax credits equivalent to the amount of the capital investment if certain criteria are met, including meeting minimum job and capital investment thresholds. In its application, Holtec anticipated the creation of 235 new jobs, the retention of 160 jobs, and capital investment totaling $260 million. This allowed the company to qualify for the "capital investment alternative." Holtec was ultimately approved for Grow NJ tax credits of up to $260 million over 10 years. This proved to be the key driver in the company's decision to sign a 50-year lease with the South Jersey Port Corporation for the 50-acre site in Camden, paving the way for creation of the Holtec Technology Campus. As Singh has noted, "We wouldn't have done anything if we didn't have assistance from the state."

Results

Holtec's decision to locate its Technology Campus in Camden represents the largest single investment of private capital in the City's history. Per its Grow NJ award, Holtec expects to have approximately 400 employees on site following the opening of the Campus. Holtec further estimates that the local craft labor employment at the facility will approach 2,000 in the first five years of operation. The company has said it expects the manufacturing employment at the Center to begin to rise rapidly in the next decade to support fabrication of the components for SMR-160. Holtec anticipates training and employing over a thousand workers from Camden and the vicinity, including war veterans, in the first two years of operation to rejuvenate the manufacturing base in the South Jersey region.

Illustrating the company's commitment to creating opportunities for Camden residents, Holtec worked with Camden County College's Corporate Training Institute to create a welding program designed to help participants learn skills specific to Holtec's manufacturing processes. Singh notes, "We hope that our investment in Camden will help the city regain its faded industrial glory by becoming the manufacturing hub for the array of equipment and systems patented by Holtec and used by scores of Holtec's clients around the world."

> "We view the rising silhouette of new structures on the Delaware River as a thrilling evidence of our resolve to help bring about urban renewal in Camden by creating a sustainable industrial base."
>
> - Dr. Kris Singh,
> Holtec President and CEO

During construction, the company's General Contractor hired Camden residents and contracted with local companies for various aspects of the construction process. Holtec estimates that, at any given time, there were approximately 40 Camden residents working at the construction site. Holtec's multi-faceted strategy includes hiring city residents, using local contractors, buying local goods and services, and frequenting local eateries. The company's impact in this regard is already clear.

Holtec contracted with WeSeeYou, a Camden-based security company, to secure the site during construction; in addition, WeSeeYou helped Holtec hire its security staff, most of whom are Camden residents. Holtec also contracted with Colonial Processing, a small business located around the corner from its new campus, to paint and blast six sets of HI-STORM work platforms. Many items purchased for Holtec's welding school were procured from Camden-based Contractor Service, and Complete Maintenance Service, also in Camden, has been cleaning construction trailers for the last two years and was recently hired to clean the new manufacturing offices prior to the company's move in date.

Walt Dixon of Contractor Service has said, "Holtec has been a substantial help in keeping business local. In the erection of the facility, Holtec, although not required, promoted all local businesses in Camden to the building trades. If all developers who come to this city make an effort to get involved and visit local enterprises as Holtec has, it would create a domino hiring need. Small businesses create jobs. I applaud the effort Holtec has put forth."

Construction of the Holtec Technology Campus is now complete. As of April 2017, Holtec has begun moving employees into its new headquarters, and expects its manufacturing facility will commence production by early July.

The Holtec Technology Campus is one of many exciting projects moving forward in the City of Camden. Projects supported through the Economic Recovery Board for Camden (ERB) helped to lay the foundation for the City's ongoing renaissance. The ERB was created as a subsidiary of EDA in July 2002 through the "Municipal Rehabilitation and Economic Recovery Act," authorizing EDA to sell $175 million in bonds to fund revitalization projects in Camden. Following the EDA's issuance of the bonds, the Board's adoption of the Program Guide, and approval of the application process, EDA began accepting applications in 2003 for funding assistance. To date the ERB has provided over $164.1 million in assistance, leveraging more than $950 million in private investment. Information on the ERB and fund approvals can be found via http://www.njeda.com/public_information/erb.

Holtec worked with Camden County College's Corporate Training Institute to create a welding program designed to help participants learn skills specific to Holtec's manufacturing processes.

During construction, Holtec's General Contractor hired Camden residents and contracted with local companies for various aspects of the construction process.

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Incentive Projects

Roebling Lofts

A rendering of Roebling Lofts, a 138-unit multi-family development that is opening in May 2017.

Opportunity

Once viewed as a leading manufacturing center, the City of Trenton was an employment powerhouse throughout the 19th and early 20th centuries, with many residents/people working in its famed ceramics, rubber and wire rope mills. Ultimately faced with a significant loss of manufacturing and industrial jobs, similar to other cities in New Jersey and across the country, Trenton is now experiencing a rebirth through the reuse of former industrial sites. This renaissance has been driven by myriad stakeholders, including HHG Development Associates, whose three principals all live in Trenton and boast a portfolio of successful projects already completed in the City, including Trenton Social, the Roebling Mansion, and the offices of Clarke Caton Hintz.

Recognizing Trenton's potential and in line with the Roebling Complex Redevelopment Plan approved by the City, HHG viewed the transformation of the once bustling John A. Roebling's Sons Company complex as central to Trenton's continuing revival. While a prior developer was selected to redevelop the site in 2002, financial challenges got in the way. HHG was designated as the redeveloper in 2011, and ultimately purchased the entire 6.8-acre property from the Mercer County Improvement Authority in 2014 following a competitive Request for Proposals process.

As envisioned, the $130 million mixed-use Roebling Center development will include a total of six buildings featuring 190 residential lofts, 178,000 square feet of creative class office space, four restaurants, dedicated retail space, and an outdoor public plaza that will host concerts and other live events. With its principals' decades of experience, including a deep understanding of the market, HHG opted to advance the Roebling Center in phases, with the first focused on converting the structure known as Building 101 into 138 residential units. Renovating the building that formerly produced the wire rope used for notable purposes like the Golden Gate and George Washington bridges was an expensive undertaking.

Project:

Roebling Lofts -
HHG Development Associates

Location:

Trenton/Mercer County

Industry/Project Type:

Residential/Mixed-Use

Estimated Jobs:

250 construction

Estimated Investment:

$42.7 million

Why New Jersey?

- Vacant building with ideal attributes for conversion to lofts
- Walking distance to shopping, dining and transportation, including NJ Transit, SEPTA, Amtrak, the River Line, and local bus service
- An estimated 10 million jobs within commuting distance
- Economic Redevelopment & Growth Program (ERG)
- Commitment to the City of Trenton

EDA Assistance:

An ERG of up to 40 percent of actual project costs, not to exceed $16.18 million over 10 years

ROEBLING LOFTS

With a positive market study in hand and a plan supported by all stakeholders, HHG worked to identify financing to get Phase I completed, but ultimately, they faced a funding gap.

Solution

The price tag for Roebling Lofts totals $42.7 million and includes the $1.5 million acquisition cost, as well as $32.9 million in building improvements. When HHG approached the EDA for support, it had already assembled a capital stack that included an $8 million investment in Historic Tax Credits by US Bancorp. In addition, developer and investment equity was contemplated at $5 million, representing roughly 30 percent of the total project cost.

HHG approached the EDA to fill an estimated gap of approximately $12 million through the Economic Redevelopment and Growth Program (ERG). Introduced alongside the Grow New Jersey Assistance Program under the EOA, ERG is an incentive for developers and businesses to address revenue gaps in development projects, defined as having insufficient revenues to support the project debt service under a standard financing scenario. It can also apply to projects that have a below market development margin or rate of return.

The EOA provided for commercial projects to be eligible for an ERG grant reimbursement of up to 20 percent of total project costs, with additional funding possible based on project type and/or location; it also specifically set aside a total of $718 million in ERG tax credits to support residential projects that may benefit from the sale of the credits or the assignment to lenders for credit enhancement. A tax credit of up to 20 percent of total project costs is available, however, projects in designated Garden State Growth Zones (GSGZs) are eligible for a higher level of incentives. GSGZs include Camden, Atlantic City, Paterson, Passaic and Trenton, offering HHG the opportunity to receive up to 40 percent of its total project costs for the Roebling Lofts project.

In March 2015, HHG was approved for residential ERG tax credits of up to $16.1 million over 10 years, representing 40 percent of the total eligible project costs. In order for a project to be approved, it needs to undergo a rigorous analysis of the sources and uses of funds, construction costs and projected revenues. The gap analysis completed by EDA showed that the project would not be able to be completed without the benefit of the ERG. With the benefit of the ERG, the Equity IRR was 11.68 percent, which was modestly below the program's Hurdle Rate Model indicating a maximum IRR of 18.08 percent for a residential project located in Trenton. Without the benefit of the ERG, the Equity IRR was -1.53 percent.

In January 2016, HHG announced that it had secured the financing package needed to break ground on the Roebling Lofts project. In addition to ERG, Fulton Bank of New Jersey is the lead investor, providing construction debt, long-term debt and tax-credit financing, and The Bank of Princeton is participating in construction and long-term debt financing. Of the ERG, HHG Principal Michael Goldstein said the funds are "critical to the economics of the project" and helped ensure they were able to complete the project financing.

> "As city residents, we have a deep understanding of Trenton and how it is ideally poised to attract the millennials who seek diverse, authentic communities where they can live, work and play in close proximity. As this development and other projects underway in Trenton move forward, we foresee this City becoming an increasingly vibrant destination and sought after place to live and work."
>
> - W. David Henderson, Principal, HHG

Results

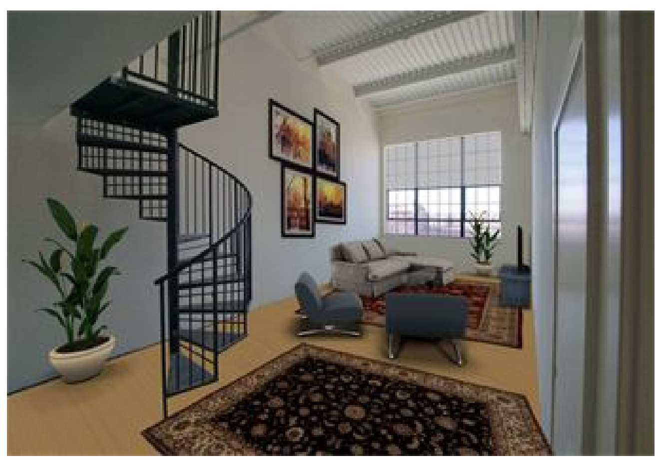
Flanked by a large group of stakeholders, including the Mayor of Trenton, HHG broke ground on the Roebling Lofts in March 2016. As of April 2017, construction is nearly complete and leasing has begun. The first residents are expected in May.

In its design, HHG was committed to preserving the industrial and historic past of the building. The fourth floor boasts an original wire-testing machine, which will serve as the centerpiece of a "Fatigue Machine Lounge" for residents. The one and two-bedroom units range from 759 square feet to 1,553 square feet with rents between $1,076 and $2,150 per month. In line with its commitment to the City and its ERG agreement, 28 of the one bedroom units are reserved and priced for moderate income families. Fittingly, the five different types of units are named for bridge projects that the Roebling Company produced cables for - Manhattan, Brooklyn, Lindbergh, Golden Gate, and Wright Bros.

As noted by HHG, all units feature extraordinary space, light, design and sustainability. This includes enormous factory windows, comprehensive sound insulation, and deluxe finishes and fixtures, including gourmet kitchens. In addition to the "Fatigue Machine Lounge" on the fourth floor, the pet friendly building will also feature a work out room, conference/ office center, a coffee lounge, and comprehensive security. Targeting LEED Gold certification, the building has ultra-efficient HVAC systems, thermal windows, built-in LED lighting and low-VOC finishes.

Residents will also benefit from a location less than a half-mile from the Trenton Transit Center, which features NJ Transit rail service to Newark and New York, SEPTA rail service to Philadelphia, Amtrak trains, and local bus service. The River Line light rail is located adjacent to the property. The walkability is further illustrated by its close proximity to restaurants, retail and entertainment, including the Sun National Bank Center, Trenton Social, and the Roebling Market Complex. HHG is working with the City and Mercer County Community College on a bikeshare program, adding to the property's appeal. As HHG Principal David Hatch has said, "One of the attractive things for new residents is the cool stores and the cool restaurants…all of them are going to benefit by having these new residents."

In addition to an expected uptick in sales for local vendors, HHG has been committed to hiring locally during the construction process. While ERG does not have a legislative requirement related to job creation or retention, the Roebling Lofts project was expected to create 250 construction jobs. HHG worked with its Construction Manager to host two job fairs exclusively for Trenton residents.



All units feature extraordinary space, light, design and sustainability, including enormous factory windows, comprehensive sound insulation, and deluxe finishes and fixtures.

Sources:
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Small Business Lending/Technical Assistance Projects

Liscio's Bakery

Liscio's breads, rolls, pastries and cakes can be found at its bakery locations as well as many grocery stores and restaurants throughout New Jersey, Pennsylvania and Delaware.

Opportunity

Liscio's Bakery was founded in 1994 by James Liscio, who opened the bakery after 14 years working in the industry. Liscio's has been baking breads, rolls, pastries and cakes ever since. The company's products can be found at its bakery locations as well as many grocery stores and restaurants throughout New Jersey, Pennsylvania and Delaware. Its first bakery on Black Horse Pike in Sicklerville is still open, and its retail and wholesale business has continued to grow. With increasing demand, in 2001, Liscio partnered with Chad Vilotti, who was his ingredient supplier; together, they grew the business to three retail bakery stores and the original production facility on Delsea Drive in Glassboro.

By 2012, the company had outgrown the Delsea Drive property, and Liscio and Vilotti began looking to expand, evaluating options to locate a new production facility and corporate headquarters in Glassboro and also Boothwyn, Pennsylvania. The Pennsylvania location presented the lower cost option in many ways, including wages and property taxes. While proximity to Liscio's major markets was favorable in both locations, the Pennsylvania option also would allow the company to deliver its products without having to incur bridge tolls.

Solution

Representatives from the New Jersey Business Action Center (BAC) and EDA met with company executives to discuss the project and provide information on available State programs to encourage Liscio's to remain and grow in New Jersey, despite the Pennsylvania location offering a lower cost option.

Project:

Liscio's Bakery

Location:

Glassboro/Gloucester County

Industry/Project Type:

Manufacturing; expanded production facility

Estimated Jobs:

71 new; 176 retained

Estimated Investment:

$10.45 million

Why New Jersey?

- Location
- Infrastructure
- Proximity to major markets
- Large employee base
- State support

EDA Assistance:

Premier Lender Program
Grow New Jersey Assistance Program

During this time, the State had introduced the Grow New Jersey Assistance Program (Grow NJ), a powerful new incentive to encourage job creation and retention. Advanced under the EOA, the Legislature and Governor sought to address several policy goals in its design of Grow NJ. This includes encouraging growth in targeted industries, including manufacturing, and targeted locations, including the eight South Jersey counties. Per the statute, projects in the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem benefit from reduced capital investment and employment eligibility requirements. In addition, Glassboro is defined as a "distressed municipality" in the EOA, providing for a base Grow NJ award of $4,000 per job, per year, over a 10 year period. As a manufacturer, Liscio's also would benefit from a $500 per job, per year bonus for being in a defined targeted industry.

Also compelling was the EDA's Premier Lender Program. While the EDA is tasked with administering the State's tax incentive programs, its core market remains New Jersey small businesses. Among the lending programs it offers to spur small business growth is the Premier Lender Program. EDA partners with more than two dozen Premier Lender banks to provide small businesses with financing that includes EDA loan and line of credit participation and/or guarantees. Businesses can use this financing for fixed assets, working capital to meet operating needs, or acquisition. In addition to tax credits under Grow NJ, low-cost financing was available to help the company acquire the equipment it would need for its new production facility.

Results

Liscio's ultimately applied for assistance under the Grow NJ program, and in February 2014, the company was approved for an award worth an estimated $13.5 million over 10 years. Following the EDA Board's approval of the Grow NJ award, Liscio made its decision to remain and grow in New Jersey. Liscio also ultimately received approval under the Premier Lender Program, closing on a $5 million loan from TD Bank that included a $1 million EDA participation.

After deciding on the New Jersey location, Liscio and Vilotti purchased the former ADM cocoa plant in October 2014; the plant had been vacant since its closure in 2009. The 109,000-square-foot building on Ellis Street nearly triples the size of the company's Delsea Drive facility; while the majority of its bread and roll production will be done at the new location, the existing facility will remain open and continue to maintain some retail and manufacturing.

> "We are happy to grow here in New Jersey. We now have one of the premier bakeries in the entire region right here in South Jersey. We'll stay close to our families and employees."
>
> - Chad Vilotti,
> Co-Owner, Liscio's Bakery

In June 2016, Liscio's celebrated the opening of its new facility and headquarters, which involved private investment in excess of $10.45 million. Liscio's expects to create more than 70 new, full-time jobs and will retain the 176 jobs that were at risk of being relocated to Pennsylvania.

As Vilotti has said, "We are happy to grow here in New Jersey. We now have one of the premier bakeries in the entire region right here in South Jersey. We'll stay close to our families and employees."

In addition to supporting the expansion of local employment and the regional economy, Liscio's is committed to corporate stewardship and social responsibility, remaining true to its hometown bakery roots. For the past two decades, the company has donated to programs that support families, youth and education in the communities that host its Retail Stores.

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Small Business Lending/Technical Assistance Projects

Genuardi Master Tailor

When Joseph Genuardi decided to open his own shop, he looked to the business experts at UCEDC and its Entrepreneurship 101 workshop to get him prepared to run a successful business.

Project:

Genuardi Master Tailor

Location:

Hoboken/Hudson County

EDA Assistance:

EDA/UCEDC Technical Assistance Partnership

UCEDC 2016 Activity:

- 2,000+ entrepreneurs trained or mentored.
- 123 business training workshops conducted.
- Provided $3.8 million in loans to 87 small businesses, 78 percent of which were woman or minority owned.

Genuardi

A Non-Profit Economic Development Corporation
UCEDC

Opportunity

Joseph Genuardi has dedicated himself to bespoke tailoring, which involves making clothing to fit an individual buyer's specifications and needs. Following his graduation from Carnegie Mellon University, Genuardi spent five years as an apprentice, learning classical hand-tailoring skills from an internationally renowned master tailor. In 2011, Genuardi began working for one of the world's largest and most esteemed made-to-measure clothing makers, where he was able to tailor to famous actors, sports stars and both President Obama and President Trump.

By the summer of 2016, Genuardi felt ready to open his own bespoke men's clothing shop at a location on Observer Highway in Hoboken where he could continue to make clothing that fit his meticulously high standards of hand-production. With his experience, Genuardi was confident in his tailoring skills, however, he recognized that starting a new business would be a challenge.

Solution

To ensure his success as a start-up entrepreneur, Genuardi looked to the business experts at UCEDC. He decided to enroll in the not-for-profit economic development organizations' Entrepreneurship 101 workshop to help prepare him as a business owner. "I became a master tailor by training with the best and I knew I had to do the same when it came to running a business," says Genuardi. "UCEDC's Entrepreneurship 101 workshop was like a 6-week apprenticeship in business finance and operations and every session was an eye-opener."

The EDA has a strategic partnership with UCEDC to increase the array of training and technical assistance services available to entrepreneurs and small businesses in the State. UCEDC offers a wide variety of free and low-cost training workshops, including a series of courses that help develop financial and business literacy for business owners at all stages of maturation and a comprehensive program that walks entrepreneurs through all aspects of starting a business, culminating in the development of a business plan. UCEDC also offers a range of financing vehicles. In 2016, UCEDC trained or mentored more than 2,000 entrepreneurs, conducted 123 business training workshops, and provided $3.8 million in loans to 87 small businesses, 78 percent of which were minority- or woman owned enterprises.

Results

Genuardi took first place in the recent Quick Pitch Business Competition, sponsored by UCEDC and Capital One Bank. The Quick Pitch Competition is designed to give new entrepreneurs an opportunity to hone their business ideas with the help of experts from Capital One Bank. The competition is open to anyone who has graduated from UCEDC's Entrepreneurship 101 training program.

"Small business is the backbone of our local economy – when small businesses do well, jobs are created and communities are strengthened," said Chris Economides, Senior Vice President Business Banking at Capital One Bank. "At Capital One, we're committed to helping small businesses of every size grow and thrive – whether it's directly through our products and services, or through innovative programs and partners like UCEDC."

Genuardi was awarded $2,000 by Capital One Bank, which he's reinvested into his business. He also acknowledges the true value of the experience, stating, "The process of building my presentation and then editing and refining it was challenging but ultimately very rewarding. Thanks to UCEDC and Capital One, I have a much better understanding of what it takes to run a sustainable small business."

> "I became a master tailor by training with the best and I knew I had to do the same when it came to running a business. UCEDC's Entrepreneurship 101 workshop was like a 6-week apprenticeship in business finance and operations and every session was an eye-opener."
>
> - Joseph Genuardi,
> Owner, Genuardi Master Tailor

Sources:
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Technology & Life Sciences Projects

Thinkster Math

Thinkster Math has introduced to the market a learning program that provides personal attention from a dedicated tutor and is specifically tailored to every child's unique learning needs.

Opportunity

Thinkster Math is an early-stage educational technology company already making a global impact. Based in Kendall Park, the company offers personalized, tablet-based math tutoring using digital analytics and mind-mapping technology.

With an entrepreneurial spirit, longtime commitment to helping under-privileged children get access to quality education, and a lifelong desire to make the learning process more efficient, Thinkster founder and Chief Executive Officer Raj Valli set out to solve a problem – an estimated 40 percent of U.S. fourth graders and just 33 percent of eight graders score proficient or better in math. Valli has said, "As demand for math, science, and engineering graduates continues to grow, poor performance in math is a worrying trend. The main reason behind the trend is that children are taught en masse with little consideration for individual learning needs."

Valli recognized that teachers and parents did not have the tools needed to observe every student and their work all the time. With three school-age daughters of his own, Valli began researching this issue, assuming that an existing technology would be available. After nine months, he determined that it was not. "It dawned on me that most technologies that were available never really solved the core problem I wanted to solve – enabling a teacher to know what a student did without having the need to keep watching the student's work in real time."

As Valli worked to develop his company and a technology solution, he needed what every start-up technology venture does – strong mentors and partners, an environment conducive to growth, and, capital.

Project:

Thinkster Math

Location:

South Brunswick/Middlesex County

Industry/Project Type:

Education Technology; working capital and private investment

Estimated Jobs:

10 new

Estimated Investment:

Injection of over $3 million of private investment in Thinkster through the Angel Investor Tax Credit Program

Why New Jersey?

- Large consumer base
- Statewide commitment to education
- State support

EDA Assistance:

Edison Innovation VC Growth Fund
Angel Investor Tax Credit Program

Solution

Thinkster Math has introduced to the market a learning program that provides personal attention from a dedicated tutor and is specifically tailored to every child's unique learning needs. It has rapidly become a world leader in personalized iPad and Android tablet-based math tutoring using a unique combination of digital analytics, dedicated tutors and patent-pending Active Replay Technology (ART), which provides the ability to play back students' handwritten work and empowers tutors to grade beyond right or wrong answers. Tutors not only identify the type of error, but also understand when and why it occurred, enabling them to give feedback specific to a particular mistake. A companion smartphone app provides parents with insight on a daily basis.

Valli has said, "As a disruptor and innovator in the tutoring space, Thinkster continues to grow rapidly with over 60,000 registered users in 12 countries." To meet consumer demand and continue its growth, Thinkster Math required working capital and was able to take advantage of several programs that are part of EDA's continuum of support for the technology and life sciences industry.

In 2016, Thinkster closed on an $800,000 working capital loan through the Edison Innovation VC Growth Fund Program. The program was created to enhance support of early-stage businesses that have attracted funds through venture capital investors, offering companies up to $1 million in subordinated convertible debt financing to help companies directly finance uses such as hiring key staff, product marketing, and sales. In addition, the company has received an injection of over $3 million of private investment through the Angel Investor Tax Credit Program. Ideal for emerging companies, the program offers a 10 percent tax credit against New Jersey corporation business or gross income tax for qualified investments in an eligible emerging technology business with a physical presence in New Jersey.

Results

With success in the consumer segment, Thinkster Math initially launched a pilot program at Greenbrook Elementary School in South Brunswick and saw an average of 70 percent improvement in math scores. As a result, the program is now used across all South Brunswick elementary schools. In addition, Rutgers Preparatory School in Somerset also adopted the Thinkster program. The company has also received the Seal of Approval from the National Parenting Center for its "superb design, quality and appeal" and its effectiveness. This has helped spur Thinkster's growth. The company opened its anchor tutoring center in South Brunswick in January 2015, and expects to open additional learning centers in neighboring areas across New Jersey. The product is now being used by customers across 12 countries, and its first tutoring center opened in Cape Town, South Africa in July 2016 with support from its partner, Via Afrika. Valli has said the company experienced a 335 percent increase in the number of paid subscribers since January 2015 and it also boasts a 97 percent retention rate. As Thinkster plans it global expansion, including an expansion into reading, higher-grade math, Advanced Placement and test prep, the company expects to grow its staff from six to 16 in the coming years.

> "The community in New Jersey is overwhelmingly supportive of providing the best educational outcomes for its children; more than 15 percent of our overall global consumer are based in the Garden State and the evidence of student success has been overwhelming."
>
> - Raj Valli,
> Thinkster Math Chief Executive Officer

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Technology & Life Sciences Projects

Visikol, Inc.

Visikol CEO Michael Johnson, pictured above, founded Visikol in 2016 along with fellow Rutgers University doctoral candidate Tom Villani, and Worcester Polytechnic Institute graduate Nick Crider.

Opportunity

Fueled by his eight-grade science teacher dad, Visikol Co-Founder and CEO Michael Johnson has always had a passion for science. Now 27 years old, Johnson founded Visikol in 2016 along with fellow Rutgers University doctoral candidate Tom Villani, and Worcester Polytechnic Institute graduate Nick Crider. According to the company, the inspiration for Visikol grew out of a plant microscopy class at Rutgers University in the fall of 2011.

Villani, who serves as Chief Scientific Officer, became familiar with what the company calls the “labor-intensive process of obtaining and using the traditional plant clearing agent, chloral hydrate.” As a highly-regulated narcotic, chloral hydrate presented two challenges - it was not easily accessible and it was unsafe. According to the company, Villani knew there had to be an easier way. Working with an advisory team that includes Rutgers University professors - Dr. Jim Simon and Dr. Adolfina Koroch – “the company was born in the plant biology labs at Rutgers as a safe and easy-to-use clearing agent for plant biology research.” The founders realized that Visikol’s potential was not limited to only plant biology, and they set out to identify new and unique ways to apply it to a breadth of biological tissues.

With one failed start-up venture under his belt, Johnson understood that building a biotechnology company was not easy. With a game-changing technology, past experience and a solid advisory team in place, Visikol began to take the steps necessary to move its new company forward.

Solution

In 2016, the Visikol team secured critical funding, receiving $500,000 in venture

Project:

Visikol, Inc.

Location:

North Brunswick/Middlesex County

Industry/Project Type:

Biotechnology; real estate and networking opportunities

Estimated Jobs:

Three co-founders, with first new team member hired in January 2017

Estimated Investment:

Awarded $225,000 Phase I National Science Foundation SBIR Grant; Received $500,000 investment from New Brunswick-based Foundation Venture Capital Group, LLC

Why New Jersey?

- Rutgers University
- Access to Venture Capital and Talent
- Commercialization Center For Innovative Technologies (CCIT)

EDA Assistance:

Lab and office space at CCIT
Participation in New Jersey Founders & Funders

capital from New Brunswick-based Foundation Venture Capital Group, LLC, and a $225,000 National Science Foundation Small Business Innovation Research grant, allowing them to expand research and development.

Of the investment, James M. Golubieski, president of Fondation Venture Capital Group said, "We are proud to be among organizations in New Jersey that are working to advance the biotech industry here. Our financial support of Visikol, Inc. served as an incentive for the company founders to remain in this state as they advance their very exciting research."

2016 also involved the company beta-testing its Visikol HISTO product, which to date has been used by 300 research labs in 30 countries. Visikol allows scientists to view tissues in 3-D space as opposed to the traditional 2-D slices. The versatile biological clearing agent, which penetrates tissue and renders it transparent for optical analysis, greatly reduces problems with light scattering and enables high-resolution images to be captured from biological tissues.

With the goal of accelerating commercialization of Visikol HISTO, the company moved to the EDA's Commercialization Center for Innovative Technologies (CCIT) in North Brunswick in March 2016.

Results

Visikol was one of four companies to move to CCIT in 2016. Strategically located in the heart of the State's research corridor between Rutgers and Princeton universities, CCIT offers 27 wet labs, the most of any incubator in New Jersey. Currently home to nearly two-dozen businesses, the 46,000-square-foot incubator includes both small and large labs, as well as offices. CCIT offers discounted first-year rent for university spinouts like Visikol. Additionally, CCIT provides tenant companies with educational programs and a host of supporting resources, including help to identify funding sources and access to small business development resources, networking opportunities and administrative support.

Of its move to CCIT, Johnson said, "We are so excited to now be in a position to take advantage of all that CCIT has to offer a young company like ours. We know that working in this environment in such close proximity to other companies in the biotech arena will help to make us stronger as we continue to develop our technology platform for commercialization."

In October 2016, Visikol was among 26 emerging companies to participate in New Jersey Founders & Funders. Held semi-annually at CCIT, the event enables early-stage businesses to meet with potential investors in 10-minute, one-on-one "speed dating" sessions to discuss strategy, business models and funding opportunities. As it looks to raise capital, the company has also applied for additional SBIR grants, with a 2017 goal of further expanding its research and development efforts through the use of this funding. The company's aim is to accelerate the commercialization of the Visikol HISTO technology for

"We are so excited to now be in a position to take advantage of all that CCIT has to offer a young company like ours. We know that working in this environment in such close proximity to other companies in the biotech arena will help to make us stronger as we continue to develop our technology platform for commercialization."

- Michael Johnson,
Visikol Co-Founder and CEO

research applications and get it into the hands of 1,000 researchers. It also plans to integrate its Visikol TOX technology into commercial developmental and reproductive toxicology studies.

Visikol kicked off 2017 by hiring its first employee - Dr. Graeme Gardner. Dr. Gardner, who will serve as a research scientist, earned his PhD in chemistry from Rutgers University, where he specialized in bioinorganic and materials chemistry. In March 2017, Visikol was awarded "Best in Class" amongst other successful startups by the New Jersey Entrepreneurial Network.

"Building Visikol continues to be an amazingly fun, challenging, and rewarding endeavor. Every morning, I find myself checking my email right away to see what feedback we have gotten from our customers, and what complex research problems researchers are using our products to investigate. This feedback continually reminds me of why we launched Visikol in the first place – to accelerate innovation and to allow researchers to ask and answer new questions."

Visikol is a tenant of the Commercialization Center for Innovative Technologies (CCIT) - a 46,000 sq. ft. biotech incubator in a 75-acre research park in North Brunswick. CCIT offers affordable lab space ranging from approximately 800 – 1,000 sq. ft. and are "plug and play" ready. Visit www.njeda.com/ccit for more information.

Sources:
https://visikol.com/

Office of Recovery Projects

Yank Marine

The loan provided through the Stronger NJ Business Loan program supported the construction of infrastructure at Yank Marine's Dorchester location.

Opportunity

Boat-building was once a major industry in Cumberland County on the Maurice River. In the 1930s, the Yank Marine yard was owned by the Delaware Bay Shipbuilding Co., which produced minesweepers and sub-chasers for World War II. Today, Yank is the area's only commercial-boat builder. Located on the River in Dorchester, the location provides unobstructed deep water access to the Delaware Bay, the Atlantic Ocean, and the Chesapeake and Delaware Canal. The company was originally established on the Tuckahoe River, in Tuckahoe, Cape May County in 1969 by John C. Yank Jr., and the Dorchester location was acquired by Yank and his wife Bette Jean in 2005.

Yank Marine experienced tidal flooding from Superstorm Sandy, which created significant damage to docks at its Dorchester location.

Solution

With locations in two of the nine counties most impacted by Superstorm Sandy, and the damage from Sandy endured, Yank Marine qualified for a Stronger NJ Business loan for just over $2.5 million. The 30-year loan features zero interest and no principal payments for the first 24 months. A portion of the loan, $50,000, is forgivable, provided certain terms are met.

The loan provided through the Stronger NJ Business Loan program supported the construction of infrastructure at the company's Dorchester location that has allowed Yank Marine to upgrade to a new boat hoist with the capacity to lift up to

Project:

Yank Marine

Location:

Dorchester/Cumberland County

Industry/Project Type:

Boat Building and Repair;
Superstorm Sandy facility damage

Estimated Jobs:

30-50 new

Estimated Investment:

$5.5 million

Why New Jersey?

- Location
- Infrastructure
- History

EDA Assistance:

Stronger New Jersey Business Loan Program

YANK MARINE

820 tons.

The company bought the Cumberland County yard in 2005 with a plan to intall one of the supersized lifts, but plans were delayed as the U.S. sank into a recession and then endured a slow recovery. Yank Marine finally got financing through the Stronger NJ Business Loan program. Of the loan, Bette Jean Yank has said, “It has been a process, but it has been worth it.”

The company estimates that it took $2 million worth of infrastructure work to get the Dorchester boatyard ready for the heavy lift, with the lift price tag adding an additional $3.5 million.

Results

Once the new lift is in operation, it will be the biggest marine lift between Norfolk, Virginia and Rhode Island. The hoist will allow much bigger boats to access Yank’s Dorchester boatyard, which provides direct access to the Delaware Bay. According to Bette Jean Yank, there are bridges that block larger boats from accessing the Tuckahoe facility, but there are no bridges between the Dorchester Yard and the Bay, and therefore no height restrictions.

The new lift in Dorchester will alleviate some crowding at the Tuckahoe location, and will create more activity in Dorchester. Yank anticipates that the new level of activity will result in the addition of 30-50 new jobs.

> “We’re going to be creating a lot of new, year-round jobs.”
>
> - Bette Jean Yank,
> Yank Marine Co-Owner

Yank Marine, Inc. has built and repaired thousands of boats: private yachts, commercial and fishing craft, military vessels, and a large array of passenger vessels.

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Office of Recovery Projects

Lafayette Street Park

Through the improvement of the Lafayette Street Park, Cape May City is providing new recreational and educational opportunities for students, residents and visitors, and improving the main access road, helping to enhance its economic hub.

Opportunity

Dating back to a 2008 review of the City of Cape May's master plan, a recommendation was made for the City to acquire and upgrade the 38-acre Lafayette Street Park, which had largely remained untouched for 50 years. Bordered on the north end by the Cape May Elementary School, the park also is located along the gateway to the City. Through the improvement of the park, the City sought to provide new recreational and educational opportunities for students, residents and visitors, and to improve the main access road, helping to enhance its economic hub.

In 2010, the City worked with Temple University students to develop a concept plan for the property. The $7 million, four phase plan involves the upgrades to Lafayette Street Park (Phase 1); rebuilding Dellas Baseball Field and related improvements (Phase 2); the addition of tennis, paddleball, pickleball and basketball courts, bocce ball, shuffleboard, a sitting area and dog park (Phase 3); and restoring and creating nature trails (Phase 4).

Solution

In partnership with Cape May Elementary School and the Board of Education and in line with the approved concept plan, the City secured $1.6 million in Green Acres and Blue Acres funding through the New Jersey Department of Environmental Protection (DEP) to acquire the property from private owners. The City also entered into a 25-year lease for the school property. In 2013, the City was approved for a $1.5 million grant under the EDA's Stronger NJ Neighborhood and Community Revitalization Program (NCR) to support the advancement of Phase 1.

Project:

Lafayette Street Park

Location:

Cape May/Cape May County

Industry/Project Type:

Public Park Renovation

Estimated Investment:

$7 million over four phases

Why New Jersey?

- Enhance gateway to the City
- Provide new recreational and educational opportunities for students, residents and visitors
- Encourage stewardship

EDA Assistance:

Stronger NJ Neighborhood and Community Revitalization Program- *Development and Public Improvement*

This phase includes new sports lighting on the multipurpose field, which provides for use at night, walking areas, an outdoor living classroom, picnic area, and an expanded playground area that is compliant with the Americans with Disabilities Act. Additionally, the site is certified as a landing area for medevac helicopters, providing safety for students.

Following approval of New Jersey's Community Development Block Grant (CDBG) Disaster Recovery Action Plan, Governor Christie called on the EDA to administer part of the State's CDBG Disaster Recovery allocation to assist businesses and communities. The Stronger NJ NCR Program was developed with a focus on supporting projects in the nine most impacted counties of Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union. The Lafayette Street Park project qualified under the Development and Public Improvement (D&I) component of the NCR Program, which outlined four types of projects that were eligible. Lafayette Street Park met the parameters of the Recreation, Cultural and Park Land Amenities project type.

In its approval of the project, EDA referenced that the site is located adjacent to tidal wetlands of Cape Island Creek and is subject to flooding during storm events. The conceptual design for the park considered the adjacent tidal wetlands and would create an aesthetically pleasing, comprehensive recreation complex that incorporates sustainable practices and highlights the unique ecological areas of the site. EDA also noted that a goal of the project is to infuse environmental education and an idea of stewardship into the design that can be built upon by the children and year-round residents, as well as visitors.

"This project makes the school a 21st-century building with outdoor classrooms and nature trails, and allows the students to expand their horizons and move forward with the practical application process that is being taught in the classroom."

- City of Cape May Mayor Edward J. Mahaney

City of Cape May Mayor Edward J. Mahaney has said, "This project makes the school a 21st-century building with outdoor classrooms and nature trails, and allows the students to expand their horizons and move forward with the practical application process that is being taught in the classroom."

Results

Solely funded through the $1.5 million Stronger NJ grant, EDA was on hand in September 2016 to help local officials and students celebrate the completion of the Lafayette Street Park. Cape May Elementary School Superintendent Victoria Zelenak has said students are thrilled with the park, with one student even comparing it to Disney World. Other partners involved in the creation, execution, and completion of Phase 1 include James Rutala, principal at Rutala Associates, LLC; Joseph Cairone, principal of Cairone and Kaupp, Inc.; the Kafkalas family and their team at Axios, Inc.; and, Chris Shied of Bertino and Associates Inc.

The City has secured funding for the remaining phases, including a grant from the Cape May County Open Space Board and a Green Acres loan from DEP.

Of the park, Joseph Cairone has said it "could be the most unique in the state once all four phases are completed."

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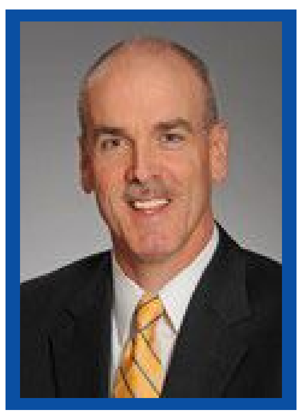

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2016 Complete Project List

ATLANTIC COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
BROT Firm LLC	Weymouth Township	CM	10	6	0	0	Direct Loan
Highway Petroleum Inc.	Egg Harbor Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Highway Petroleum Inc. (950 S WH Pike, Hammonton)	Hammonton Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
6400 Corp. Inc.	Ventnor City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Atlantic City Boardwalk Redevelopment Corporation	Atlantic City	GF	0	0	0	38	NCR
A.C. Stern Drive, LLC	Brigantine City	CM	2	0	0	0	Stronger NJ Business Loan Program
Dectrinity, LLC d/b/a Bungalow Lounge and Restaura Restaurant and d/b/a Bungalow Beach Bar	Atlantic City	CM	0	0	0	0	Stronger NJ Business Loan Program
Dectrinity, LLC d/b/a Bungalow Lounge and Restaura Restaurant and d/b/a Bungalow Beach Bar	Atlantic City	CM	75	0	0	0	Stronger NJ Business Loan Program
Headquarters Pub, L.L.C. d/b/a Tun Tavern Brewery & Restaurant	Atlantic City	CM	0	0	0	0	Stronger NJ Business Loan Program
Headquarters Pub, L.L.C. d/b/a Tun Tavern Brewery & Restaurant	Atlantic City	CM	23	12	0	0	Stronger NJ Business Loan Program
Our Serenity Enterprises, Inc. d/b/a North Point M Marina	Brigantine City	SV	4	1	0	0	Stronger NJ Business Loan Program
Surfside Casual Corporation d/b/a the Furniture Pl Place	Somers Point City	RT	50	8	0	0	Stronger NJ Business Loan Program
Barrette Outdoor Living, Inc. *	Galloway Township	MF	0	271	0	128	Grow NJ (EOA)
13 projects			**164**	**298**	**0**	**166**	

BERGEN COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Bartnik Properties LLC and Clifton-Wallington Medical Group PA	Wallington Borough	RH	0	0	0	0	New Jersey Business Growth Fund
PMG New Jersey, LLC (Hasbrouck Heights)	Hasbrouck Heights Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
PMG New Jersey, LLC (Oradell)	Oradell Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Paks Fast Service Inc. (Paramus)	Paramus Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Estate of John Wozniak	Wallington Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Granite 1280 LLC	Teaneck Township	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Lumer Associates, LLC	Elmwood Park Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of Elmwood Park (Synkote Paint)	Edgewater Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Jewish Community Center on the Palisades	Tenafly Borough	NP	600	15	0	2	Stand-Alone Bond
The Actors' Fund of America	Englewood City	NP	250	48	0	167	Stand-Alone Bond
The CTC Academy, Inc.	Oakland Borough	NP	82	12	0	0	Stand-Alone Bond
3rd Generation Enterprises Co Corp	Englewood Cliffs Borough	WS	5	2	0	0	Stronger NJ Business Loan Program
Sleepable Sofas LTD of New Jersey	Moonachie Borough	CM	35	6	0	0	Stronger NJ Business Loan Program
Sleepable Sofas LTD of New Jersey	Moonachie Borough	CM	0	0	0	0	Stronger NJ Business Loan Program
DG and Sons, LLC	Rochelle Park Township	SV	4	2	0	0	Premier Lender Program
Flight Centre Travel Group (USA) Inc *	Montvale Borough	SV	405	0	405	49	Grow NJ (EOA)
RAB Lighting Inc. *	Northvale Borough	MF	318	181	318	96	Grow NJ (EOA)
Rent the Runway, Inc. *	Carlstadt Borough	SV	93	277	93	5	Grow NJ (EOA)
Conopco, Inc. *	Englewood Cliffs Borough	DS	1,680	0	1,600	0	Sales Use and Tax
19 projects			**2,656**	**543**	**2,416**	**319**	

BURLINGTON COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Township of Hainesport (Former Hardware & Industrial)	Hainesport Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Doane Academy	Burlington Township	NP	63	4	0	0	Stand-Alone Bond
Mt. Laurel Development, LLC *	Mount Laurel Township	CM	0	93	0	231	Legacy Economic Redevelopment and Growth (ERG) Program
3 projects			**63**	**97**	**0**	**231**	

CAMDEN COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Tripod Technologies LLC	Cherry Hill Township	TC	6	6	0	0	Edison Innovation Fund Angel Growth
EF4T, LLC	Lindenwold Borough	OF	2	2	0	0	Direct Loan
Edison Solutions LLC	Pennsauken Township	MF	0	0	0	0	Direct Loan
Go Realty LLC	Pennsauken Township	CM	0	0	0	0	Direct Loan
Cooper's Ferry Partnership Inc. (North Camden)	Camden City	IN	0	0	0	70	Economic Recovery Board - Camden
Dean Taly Properties Corporation	Camden City	CM	1	2	0	2	Economic Recovery Board - Camden
Fayer's Market, Inc.	Camden City	RT	7	1	0	1	Economic Recovery Board - Camden
Montgomery Investment Technology, Inc.	Camden City	SV	8	6	0	0	Economic Recovery Board - Camden
W Keith Williams II	Camden City	CM	0	0	0	1	Economic Recovery Board - Camden
W Keith Williams II	Camden City	CM	0	0	0	1	Economic Recovery Board - Camden
S & S Gasoline Corp. (Berlin)	Berlin Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Robert Winters	Bellmawr Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Camden Redevelopment Agency (BDA-Harrison Avenue Landfill)	Camden City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Camden Redevelopment Agency (Camden Waterfront-East Gate)	Camden City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Edison Solutions LLC	Pennsauken Township	MF	0	0	0	0	Stand-Alone Bond
Go Realty LLC	Pennsauken Township	MF	0	0	0	3	Stand-Alone Bond
LEAP Cramer Hill, LLC	Camden City	NP	0	0	0	9	Stand-Alone Bond
Uncommon CP Properties I, LLC	Camden City	NP	12	46	0	230	Stand-Alone Bond
Uncommon CP Properties III, LLC	Camden City	NP	42	210	0	209	Stand-Alone Bond
Amerinox Processing, Inc. *	Camden City	MF	45	8	45	1	Grow NJ (EOA)
Audio and Video Labs, Inc. *	Pennsauken Township	MF	0	25	0	0	Grow NJ (EOA)
Comar Holding Company, LLC *	Voorhees Township	MF	20	10	20	0	Grow NJ (EOA)
Lockheed Martin Corporation and Affiliates *	Camden City	OF	250	0	250	14	Grow NJ (EOA)
Material Handling Supply, Inc. *	Pennsauken Township	WS	57	0	57	7	Grow NJ (EOA)
Princeton Tectonics *	Pennsauken Township	MF	95	156	95	5	Grow NJ (EOA)
Contemporary Graphics and Bindery, Inc. and Affiliates **	Camden City	MF	170	56	170	14	Grow NJ (EOA)
26 projects			**715**	**528**	**637**	**567**	

CAPE MAY COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Borough of Woodbine (Woodbine Hat Company)	Woodbine Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
All Seasons Marina, LLC	Upper Township	CM	0	5	0	0	Stronger NJ Business Loan Program
Arthur Weiler d/b/a Pirates Cove Marina	Ocean City City	RT	0	1	0	0	Stronger NJ Business Loan Program

CAPE MAY COUNTY (continued)							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Barry L Day, L.L.C., t/a Jimmy the Fishman's Lobst Lobster Shack	Wildwood City	SV	6	0	0	0	Stronger NJ Business Loan Program
C-Lyn, LLC	West Wildwood Borough	SV	0	0	0	3	Stronger NJ Business Loan Program
New Brighton Associates, Inc.	Ocean City City	CT	3	0	0	0	Stronger NJ Business Loan Program
6 projects			**9**	**6**	**0**	**3**	

CUMBERLAND COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Clayville Enterprises, Inc.	Vineland City	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Township of Maurice River (Ackley Garage)	Maurice River Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Yank Marine Services LLC	Maurice River Township	CM	0	0	0	0	Stronger NJ Business Loan Program
Yank Marine Services, LLC	Maurice River Township	CM	6	25	0	0	Stronger NJ Business Loan Program
Allied Specialty Foods, Inc. *	Vineland City	MF	70	127	70	49	Grow NJ (EOA)
Northeast Precast LLC *	Millville City	MF	87	53	87	17	Grow NJ (EOA)
Surfside Seafood Products, LLC *	Millville City	CM	0	16	0	4	Grow NJ (EOA)
7 projects			**163**	**221**	**157**	**70**	

ESSEX COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Dave Realty LLC	Irvington Township	CM	8	12	0	0	Direct Loan
East Orange Land Holding LLC and Metro Burger, L.L L.L.C.	East Orange City	SV	4	3	0	0	Direct Loan
The Leaguers, Inc.	Newark City	NP	259	101	0	0	Direct Loan
Ashland School, Inc.	Newark City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Congregation Beth El	South Orange Village	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Foundry Street Development, L.L.C.	Newark City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Philip E. Daniel	Irvington Township	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Montclair Township (Southend Pyramid) (Frm Southend Pyramid Service)	Montclair Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Irvington	Irvington Township	EX	0	0	0	3	NCR
Newark City & TDAF I Springfield Avenue Holding Urban Renewal Co., LLC	Newark City	CM	0	87	0	180	Stand-Alone Bond
Newark City & Two Center Street Urban Renewal, L.L.C.	Newark City	RT	0	12	0	300	Stand-Alone Bond
The Job Haines Home For Aged People	Bloomfield Township	NP	92	15	0	27	Stand-Alone Bond
Uncommon Properties VII, LLC	Newark City	NP	0	35	0	407	Stand-Alone Bond
CPTC Real Estate Holdings LLC	Fairfield Borough	CM	114	10	0	0	Premier Lender Program
Audible, Inc. *	Newark City	TC	50	350	50	287	Grow NJ (EOA)
HNTB Corporation *	Newark City	OF	133	35	0	3	Grow NJ (EOA)
IDT Corporation and Subsidiaries *	Newark City	SV	677	40	528	17	Grow NJ (EOA)
MAC Trailer Leasing, Inc *	Newark City	CM	35	25	35	4	Grow NJ (EOA)
Newark Farmers Market, LLC **	Newark City	WS	0	138	0	550	Urban Transit Hub Tax Credit Program
Wakefern Food Corp. **	Newark City	WS	0	0	0	0	Urban Transit Hub Tax Credit Program
810 Broad LLC **	Newark City	SV	0	65	0	171	Legacy Economic Redevelopment and Growth (ERG) Program
21 projects			**1,372**	**928**	**613**	**1,949**	

GLOUCESTER COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
S & S Gasoline Corp. (Paulsboro)	Paulsboro Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Sebring Company	Washington Township	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Sebring Company	Washington Township	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of Glassboro (Proposed Town Square)	Glassboro Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Liscio's Italian Bakery, Inc.	Glassboro Borough	MF	216	71	0	0	Premier Lender Program
B Positive National Blood Services, LLC *	Glassboro Borough	CM	0	65	0	5	Grow NJ (EOA)
GGB, LLC *	West Deptford Township	MF	29	36	29	13	Grow NJ (EOA)
Glassboro Mixed-Use Urban Renewal, LLC **	Glassboro Borough	SV	0	100	0	400	
8 projects			**245**	**272**	**29**	**418**	

HUDSON COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Newport Auto Service Center, Inc.	Jersey City	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Jersey City Redevelopment Agency (City Chemical Corp.)	Jersey City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Jersey City Redevelopment Agency (Frank B. Ross Co. Inc.)	Jersey City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Jersey City Redevelopment Agency (Grant Cleaners & DB Luckys Aut)	Jersey City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Jersey City Redevelopment Agency (Grant Cleaners/DB Luckys Auto)	Jersey City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Town of Kearny (Gunnell Oval)	Kearny Town	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Jersey City Community Charter School, Inc.	Jersey City	NP	85	5	0	0	Stand-Alone Bond
Auricle Communications	Jersey City	NP	7	0	0	1	Stronger NJ Business Loan Program
Auricle Communications	Jersey City	NP	0	0	0	0	Stronger NJ Business Loan Program
NYC Radio Limited Liability Company	Hoboken City	SV	1	3	0	0	Stronger NJ Business Loan Program
NYC Radio Limited Liability Company	Hoboken City	SV	0	0	0	0	Stronger NJ Business Loan Program
Parlay Studios Limited Liability Company	Jersey City	CM	3	4	0	0	Stronger NJ Business Loan Program
Domisa, LLC	Jersey City	DS	31	20	0	0	Premier Lender Program
DVL,Inc. *	Kearny Town	CM	0	150	0	393	Economic Redevelopment and Growth (ERG) Program - EOA
ACME Cosmetic Components, LLC *	Secaucus Town	MF	0	60	0	1	Grow NJ (EOA)
Brown Brothers Harriman & Co. *	Jersey City	OF	435	110	435	97	Grow NJ (EOA)
C2 Imaging LLC *	Jersey City	MF	0	110	0	15	Grow NJ (EOA)
Charles Komar & Sons Inc *	Jersey City	MF	0	480	0	0	Grow NJ (EOA)
Conifer Asset Solutions LLC *	Jersey City	SV	0	55	0	7	Grow NJ (EOA)
First Data Corporation *	Jersey City	SV	0	50	0	2	Grow NJ (EOA)
Frederick Goldman, Inc. *	Secaucus Town	MF	0	251	0	0	Grow NJ (EOA)
GBT US LLC *	Jersey City	SV	0	130	0	0	Grow NJ (EOA)
JPMorgan Chase Bank, N.A. *	Jersey City	OF	2,612	1,000	2,612	605	Grow NJ (EOA)
New York Life Insurance Company *	Jersey City	SV	325	300	325	20	Grow NJ (EOA)
Newell Brands Inc. *	Hoboken City	MF	0	300	0	64	Grow NJ (EOA)
NICE Systems Inc. *	Hoboken City	TC	140	200	140	49	Grow NJ (EOA)
NYK Line (North America) Inc. *	Secaucus Town	SV	114	0	114	19	Grow NJ (EOA)
Rainforest Distribution Corp. *	Bayonne City	TP	0	40	0	3	Grow NJ (EOA)
Showman Fabricators, Inc. *	Bayonne City	MF	0	90	0	2	Grow NJ (EOA)
United States Fire Insurance Company *	Jersey City	SV	0	100	0	17	Grow NJ (EOA)
W & W Jewelers Inc *	Jersey City	MF	0	45	0	3	Grow NJ (EOA)
World Business Lenders, LLC *	Jersey City	SV	0	255	0	12	Grow NJ (EOA)

HUDSON COUNTY (continued)							
Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Yellowstone Capital LLC *	Jersey City	OF	0	45	0	3	Grow NJ (EOA)
RBC Capital Markets, LLC **	Jersey City	SV	900	900	0	82	Grow NJ (EOA)
Ahold eCommerce Sales Company LLC **	Jersey City	DS	380	380	0	242	Urban Transit Hub Tax Credit Program
35 projects			**5,033**	**5,083**	**3,626**	**1,637**	

HUNTERDON COUNTY							
Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Tirpok, Andrew G. Jr.	Flemington Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of High Bridge (Lake Solitude Dam)	High Bridge Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
2 projects			**0**	**0**	**0**	**0**	

MERCER COUNTY							
Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Mercer County Improvement Authority (Roebling Complex Block 3)	Trenton City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Kovid Inc and Tetrus Corp	Princeton Borough	TC	20	15	0	0	Main Street Assistance Line
Chapin School	Lawrence Township	NP	114	1	0	0	Stand-Alone Bond
Adare Pharmaceuticals, Inc. *	Lawrence Township	TC	0	40	0	5	Grow NJ (EOA)
Taiho Oncology, Inc. *	Princeton Township	RD	62	39	62	28	Grow NJ (EOA)
PRC Campus Centers, LLC **	Ewing	CM	0	325	0	150	Economic Redevelopment and Growth (ERG) Program - EOA
6 projects			**196**	**420**	**62**	**183**	

MIDDLESEX COUNTY							
Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Tidewater North, LLC	Carteret Borough	MF	0	0	0	0	Direct Loan
Petro Realty LLC (Edison)	Edison Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Petro Realty, LLC (Perth Amboy)	Perth Amboy City	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Global Furniture USA, Inc.	East Brunswick Township	WS	50	0	0	0	Guarantee
Mariya A. Pinksaya	Milltown Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Pastor Enterprises	Middlesex Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of Carteret (15 Sharot Street)	Carteret Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Carteret (21 Washington Ave.)	Carteret Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Carteret (45 Washington Ave.)	Carteret Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Carteret (BDA - Carteret Waterfront Deve)	Carteret Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Carteret (BDA-Carteret Waterfront Devel.)	Carteret Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Persian Area Rugs Limited Liability Company d/b/a Adorable Rugs	Piscataway	WS	13	5	0	0	Main Street Assistance Line
Tidewater North, LLC	Carteret Borough	MF	0	0	0	0	Stand-Alone Bond
LaGrutta-Russo, L.L.C. d/b/a Mulberry Street Resta Restaurant & Bar	Woodbridge Township	SV	6	5	0	0	Stronger NJ Business Loan Program
LaGrutta-Russo, L.L.C. d/b/a Mulberry Street Resta Restaurant & Bar	Woodbridge Township	SV	0	0	0	0	Stronger NJ Business Loan Program

MIDDLESEX COUNTY (continued)							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
6001 Bordentown, LLC	Sayreville Borough	MF	80	25	0	0	Premier Lender Program
FHG Properties LLC	East Brunswick Township	SV	2	3	0	0	Premier Lender Program
Foglia Industrial Properties LLC	Old Bridge Township	SV	7	4	0	0	Premier Lender Program
Admera Health LLC	South Plainfield Borough	TC	30	51	0	0	Edison Innovation VC Growth Fund
Prazas Learning Inc	South Brunswick Township	TC	12	10	0	0	Edison Innovation VC Growth Fund
Medidata Solutions, Inc. *	Woodbridge Township	TC	0	150	0	42	Grow NJ (EOA)
SSB Manufacturing Inc *	Carteret Borough	MF	0	251	0	14	Grow NJ (EOA)
22 projects			**200**	**504**	**0**	**56**	

MONMOUTH COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Garden State Consumer Credit Counseling, Inc.	Manalapan Township	NP	105	13	0	0	TD Bank New Jersey Advantage Program
Knockout Graphics Inc	Asbury Park City	SV	0	0	0	0	New Jersey Business Growth Fund
Hope Academy Charter School, Inc.	Asbury Park City	NP	0	0	0	0	Direct Loan
Chat, LLC	Manasquan Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Gagan Oil LLC	Farmingdale Borough	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of Avon-by-the-Sea (Main Street)	Avon-by-the-Sea Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Keyport (Fmr Benjamin Terry Boat Yard)	Keyport Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Keyport (Frm Humphrey's Shipyard)	Keyport Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Neptune City (Former Welsh Farms)	Neptune Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Aberdeen (South River Metal Products)	Aberdeen Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Aberdeen (former South River Metals Prod)	Aberdeen Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Neptune (BDA Chidnese Property)	Middletown Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Neptune (Shark River Municipal Marina)	Neptune Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Hi -Seas LLC	Manalapan Township	MF	34	5	0	4	Stand-Alone Bond
Hope Academy Charter School, Inc.	Asbury Park City	NP	33	2	0	0	Stand-Alone Bond
Seabrook Village, Inc.	Tinton Falls Borough	NP	671	3	0	0	Stand-Alone Bond
Sephardic Torah Center	Long Branch City	NP	12	4	0	0	Stand-Alone Bond
29 Beach Road LLC	Monmouth Beach Borough	CM	0	0	0	1	Stronger NJ Business Loan Program
Balderas Bros. Inc., d/b/a Tavolo Pronto	Fair Haven Borough	CM	10	6	0	0	Stronger NJ Business Loan Program
Balderas Bros. Inc., d/b/a Tavolo Pronto	Fair Haven Borough	CM	0	0	0	0	Stronger NJ Business Loan Program
Fish Asbury Park LLC	Asbury Park City	SV	16	20	0	0	Stronger NJ Business Loan Program
Fish Asbury Park LLC	Asbury Park City	SV	0	0	0	0	Stronger NJ Business Loan Program
Homes of Distinction Real Estate, LLC	Sea Bright Borough	SV	16	0	0	0	Stronger NJ Business Loan Program
Monmouth Marine Engines, Inc.	Brielle Borough	RT	39	0	0	0	Stronger NJ Business Loan Program
Renova Environmental Services Limited Liability Co	Ocean Township	SR	11	7	0	0	Stronger NJ Business Loan Program
S Kelly Corporation d/b/a The Mad Hatter and Kelly and Kelly Management Group,LLC	Sea Bright Borough	CM	0	0	0	0	Stronger NJ Business Loan Program
6 S Holmdel Rd LLC and Gorsegner Brothers and Company, Inc.	Holmdel Township	CT	28	3	0	0	Premier Lender Program
Merchwerks LLC dba Cowerks	Asbury Park City	CM	0	2	0	0	Tech Shared Space
28 projects			**975**	**65**	**0**	**5**	

MORRIS COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
PMG New Jersey II, LLC (Chester)	Chester Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
PMG New Jersey, LLC (Budd Lake)	Mount Olive Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Petro Realty LLC (Denville)	Denville Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Springpoint at Denville, Inc.	Denville Township	NP	153	3		0	Stand-Alone Bond
Ferrero U.S.A., Inc *	Parsippany-Troy Hills Township	WS	128	50	128	41	Grow NJ (EOA)
Groupe SEB USA *	Parsippany-Troy Hills Township	MF	77	13	77	13	Grow NJ (EOA)
6 projects			**358**	**66**	**205**	**54**	

STATEWIDE							
Project	**Municipality**	**Proj Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Bancroft Neurohealth, a New Jersey Nonprofit Corporation	Statewide	NP	1,981	3	0	0	Stand-Alone Bond
Memorial Sloan-Kettering Cancer Center	Statewide	NP	0	237	0	3,091	Stand-Alone Bond
2 projects			**1,981**	**240**	**0**	**3,091**	

OCEAN COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Borough of Lakehurst	Lakehurst Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Point Pleasant Beach (Sea Coast Oil Company)	Point Pleasant Beach Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Berkeley (Bayview Park)	Berkeley Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Township of Berkeley (S. Brunswick Asphalt Company)	Berkeley Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Tuckerton	Tuckerton Borough	GF	0	0	0	10	NCR
Borough of Tuckerton	Tuckerton Borough	EX	0	0	0	15	NCR
Borough of Tuckerton	Tuckerton Borough	GF	0	0	0	0	NCR
Congregation Knesses Bais Levi, Inc.	Lakewood Township	NP	7	7	0	0	Stand-Alone Bond
Congregation Yeshiva Yesodei Torah, Inc	Lakewood Township	NP	22	16	0	0	Stand-Alone Bond
Lakewood Cheder School, Inc.	Lakewood Township	NP	470	10	0	0	Stand-Alone Bond
Yeshiva Shagas Aryeh, Inc.	Lakewood Township	NP	19	10	0	0	Stand-Alone Bond
Yeshiva Shvilay Hatalmud, Inc.	Lakewood Township	NP	8	12	0	0	Stand-Alone Bond
Yeshiva Tifereth Torah, Inc.	Lakewood Township	NP	18	18	0	0	Stand-Alone Bond
Akamai Property Management LLC	Dover Township	RT	6	0	0	25	Stronger NJ Business Loan Program
Blue Water Properties, LLC	Lavallette Borough	CM	1	3	0	0	Stronger NJ Business Loan Program
Bolar Inc d/b/a Yakkity Yaks Kayaks and d/b/a Lava	Dover Township	SV	2	0	0	0	Stronger NJ Business Loan Program
Bolar Inc d/b/a Yakkity Yaks Kayaks and d/b/a Lava	Dover Township	SV	0	0	0	0	Stronger NJ Business Loan Program
C & C Marine Services LLC	Berkeley Township	CM	4	0	0	0	Stronger NJ Business Loan Program
Casey/Loundy, LLC	Lavallette Borough	CM	2	0	0	0	Stronger NJ Business Loan Program
Casey/Loundy, LLC	Lavallette Borough	CM	0	0	0	0	Stronger NJ Business Loan Program
Cayman Associates LLC	Berkeley Township	CM	0	0	0	0	Stronger NJ Business Loan Program
Cayman Associates LLC	Berkeley Township	CM	4	0	0	0	Stronger NJ Business Loan Program
Coast Whistle Stop, Inc. t/a The Pier House Restau Restaurant	Seaside Park Borough	SV	11	0	0	0	Stronger NJ Business Loan Program

OCEAN COUNTY (continued)							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
DMM Associates	Beach Haven Borough	SV	2	2	0	28	Stronger NJ Business Loan Program
Del-Cas, Inc., d/b/a Bob's Bay Marina	Barnegat Township	SV	4	2	0	0	Stronger NJ Business Loan Program
Double O Seven Limited Liability Company	Lavallette Borough	SV	5	10	0	0	Stronger NJ Business Loan Program
Green Earth Biodiesel, LLC	Dover Township	SV	7	0	0	0	Stronger NJ Business Loan Program
JMJ L.L.C. dba Jimbo's	Seaside Heights Borough	SV	20	0	0	0	Stronger NJ Business Loan Program
Jo Ann Netta d/b/a Black Dog Cafe	Beach Haven Borough	SV	0	0	0	1	Stronger NJ Business Loan Program
Jo Ann Netta d/b/a Black Dog Cafe	Beach Haven Borough	SV	0	0	0	0	Stronger NJ Business Loan Program
Larje, Inc.	Seaside Heights Borough	RT	7	1	0	0	Stronger NJ Business Loan Program
Michael H Strunk Architect LLC	Long Beach Township	SV	4	3	0	0	Stronger NJ Business Loan Program
Michael H Strunk Architect LLC	Long Beach Township	SV	0	0	0	0	Stronger NJ Business Loan Program
Payton Enterprises, L.L.C.	Point Pleasant Beach Borough	CM	0	3	0	0	Stronger NJ Business Loan Program
The Dutchman's Brau Haus	Stafford Township	CM	21	36	0	0	Stronger NJ Business Loan Program
Crystalware Limited Liability Company	Lakewood Township	DS	27	8	0	0	Premier Lender Program
RBM Properties, LLC	Lakewood Township	MF	33	15	0	0	Premier Lender Program
The Belli Moran Group LLC	Dover Township	CM	8	1	0	0	Premier Lender Program
Gaming Laboratories International, LLC *	Lakewood Township	SV	243	45	243	3	Grow NJ (EOA)
LTC Consulting Services LLC *	Lakewood Township	CM	227	250	227	105	Grow NJ (EOA)
Rubbercycle LLC *	Lakewood Township	MF	25	15	25	2	Grow NJ (EOA)
41 projects			**1207**	**467**	**495**	**189**	

PASSAIC COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Clifton-Wallington Medical Group, P.A. and Bartnik Properties LLC	Clifton City	RH	18	2	0	0	New Jersey Business Growth Fund
Valley Incorporated	Wayne Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Borough of Franklin Lakes (Haledon DPW)	Haledon Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Patella Construction Corp. d/b/a Patella Woodworking	Passaic City	MF	0	0	0	0	Main Street Assistance Line
40 Gordon Drive LLC	Totowa Borough	DS	0	10	0	0	Premier Lender Program
Bradco Management LLC	Wayne Township	SV	32	12	0	0	Premier Lender Program
MGP Manufacturing LLC *	Paterson City	MF	0	31	0	0	Grow NJ (EOA)
Sandy Alexander, Inc. *	Clifton City	MF	216	74	216	8	Grow NJ (EOA)
8 projects			**266**	**129**	**216**	**8**	

SALEM COUNTY							
Project	**Municipality**	**Project Type**	**Existing Jobs Supported**	**Estimated New Jobs**	**At Risk Retained Jobs**	**Construction Jobs**	**Program Name**
Highway Petroleum Inc. (Pilesgrove)	Pilesgrove Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Gladys Gamble	Pittsgrove Township	SR	0	0	0	0	Hazardous Site Remediation - Commercial
2 projects			**0**	**0**	**0**	**0**	

SOMERSET COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
ICF Mercantile, LLC	Warren Township	DS	8	10	0	0	TD Bank New Jersey Advantage Program
K & G Management LLC	Green Brook Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Borough of Somerville (BDA-Somerville Landfill)	Somerville Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Somerville (BDA-Somerville Landfill)	Somerville Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Kering Eyewear USA, Inc *	Bridgewater Township	SV	0	50	0	0	Grow NJ (EOA)
Nestle HealthCare Nutrition Inc. *	Bridgewater Township	MF	59	177	59	0	Grow NJ (EOA)
6 projects			**67**	**237**	**59**	**0**	

SUSSEX COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
PMG New Jersey, LLC (Stanhope)	Stanhope Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
1 project			**0**	**0**	**0**	**0**	

UNION COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
120 North Avenue Corp.	Cranford Township	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Liligeo Trading Corp.	Rahway City	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Mountainside Petroleum LLC	Mountainside Borough	RT	0	0	0	0	Retail Fuel Station-Generator Incentive
Essie L. Smith	Plainfield City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Essie L. Smith	Plainfield City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
MMH II, LLC	Elizabeth City	SR	0	0	0	0	Hazardous Site Remediation - Commercial
Borough of Fanwood (Fmr Livingston-Wilbur Corp.)	Fanwood Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of Fanwood (Frm Livingston Wilbur Corp.)	Fanwood Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Borough of New Providence (Ping Wang Property)	New Providence Borough	SR	0	0	0	0	Hazardous Site Remediation - Municipal
Rahway Redevelopment Agency (80 E. Milton Ave.)	Rahway City	SR	0	0	0	0	Hazardous Site Remediation - Municipal
City of Elizabeth	Elizabeth City	EX	0	0	0	29	NCR
Kent Place School	Summit City	NP	180	2	0	74	Stand-Alone Bond
Hamlett Management LLC	Springfield Township	SV	2	2	0	0	Stronger NJ Business Loan Program
Hamlett Management LLC	Springfield Township	SV	0	0	0	0	Stronger NJ Business Loan Program
Liberty Management Services of New Jersey, LLC	Cranford Township	SV	25	12	0	0	Premier Lender Program
PSC Floturn Properties LLC	Union Township	MF	18	6	0	0	Premier Lender Program
East Grand Associates Urban Renewal Entity, LLC *	Elizabeth City	RT	0	90	0	71	Economic Redevelopment and Growth (ERG) Program - EOA
17 projects			**225**	**112**	**0**	**174**	

WARREN COUNTY

Project	Municipality	Project Type	Existing Jobs Supported	Estimated New Jobs	At Risk Retained Jobs	Construction Jobs	Program Name
Township of Oxford (Former Oswall Tool Company)	Oxford Township	SR	0	0	0	0	Hazardous Site Remediation - Municipal
1 project			**0**	**0**	**0**	**0**	

Project Type Key			
AG: Agriculture	CM: Commercial	CC: Continuing Care Retirement	DS: Distribution
CF: Commercial Fishing	GF: Government Facility	MF: Manufacturing	NH: Nursing Home
OF:Office Facility	PC: Pollution Control	RD: Research & Development	SV: Services
TP: Transportation	WS: Wholesale	RT: Retail	EX: Exempt Public Facility
RH: Residential Health Care	RC: Recycling	CT: Construction Trade	DC: Day Care
NP: Not for Profit	SR: Site Remediation	UT: Underground Storage Tank	HS: Housing
CU: Cultural	IN: Infrastructure	SS: Streetscape	RL: Recreational
TC: Technology			

*** Executed pending certification - Project has executed grant agreement in 2016, but has yet to certify completion. No disbursement has been issued to date for these projects.**

**** Certified & completed - All projects that have certified completion in 2016 and received tax credits or reimbursements to date.**

TECHNOLOGY BUSINESS TAX CERTIFICATE TRANSFER PROGRAM 2016 APPROVALS		
Company	**Municipality**	**County**
Cancer Genetics, Inc.	Rutherford	Bergen
Vitals	Lyndhurst	Bergen
Elite Laboratories, Inc.	Northvale	Bergen
Acuitive Technologies, Inc.	Allendale	Bergen
TelVue Corporation	Mt. Laurel	Burlington
Watchful Software, Inc.	Marlton	Burlington
Fusar Technologies, Inc	Jersey City	Hudson
Scivantage, Incorporated	Jersey City	Hudson
Ocean Power Technologies, Inc.	Pennington	Mercer
Advaxis, Inc.	Princeton	Mercer
Agile Therapeutics Inc.	Princeton	Mercer
CircleBlack, Inc.	Princeton	Mercer
Sight Logix, Inc.	Princeton	Mercer
Soligenix, Inc.	Princeton	Mercer
BrilliantLight Power, Inc.	Cranbury	Middlesex
OncoBiologics Inc.	Cranbury	Middlesex
CytoSorbents Medical	Monmouth Junction	Middlesex
Rive Technology	South Brunswick	Middlesex
TAXIS Pharmaceuticals, Inc	Monmouth Junction	Middlesex
United Silicon Carbide, Inc.	Monmouth Junction	Middlesex
Connotate, Inc.	New Brunswick	Middlesex
Hemispherx BioPharma	New Brunswick	Middlesex
Hurel Corporation	North Brunswick	Middlesex
ContraVir Pharmaceuticals, Inc.	Edison	Middlesex
EOS Energy Storage	Edison	Middlesex
Nanotech Industrial Solutions	Woodbridge	Middlesex
Angel Medical, Inc.	Shrewsbury	Monmouth
Avlino Inc.	Holmdel	Monmouth
Vydia, Inc.	Holmdel	Monmouth
Flowonix Medical Inc.	Mt. Olive	Morris
Enteris BioPharma, Inc.	Boonton	Morris
Applied Water Management, Inc.	Hillsborough	Somerset
Solidia Technologies	Piscataway	Somerset
Bellerophon Therapeutics, Inc.	Warren	Somerset
Roka BioScience, Inc.	Warren	Somerset
Turnpoint Medical Devices	Basking Ridge	Somerset
Matinas BioPharma, Inc.	Bedminster	Somerset
Edge Therapeutics, Inc.	Berkeley Heights	Union
Svelte Medical Systems, Inc.	New Providence	Union
39 companies	**$35,221,034**	

ANGEL INVESTOR TAX CREDIT PROGRAM 2016 INVESTMENT ACTIVITY			
Company	**Angel Investments**	**Total Investment Amount**	**Total Tax Credit Approved for Angel Investors**
3D Biotek, LLC	1	$ 200,000.00	$ 10,000.00
Acuitive Technologies, Inc	16	$ 2,179,703.00	$ 217,970.30
Admera Health LLC	5	$ 10,100,000.00	$ 1,010,000.00
Aucta Pharmaceuticals, LLC		$ 1,500,000.00	$ 150,000.00
Avlino, Inc.	5	$ 685,000.00	$ 68,500.00
BioAegis Therapeutics Inc.	63	$ 7,951,764.36	$ 793,575.61
Chalkup Corporation	3	$ 150,000.00	$ 15,000.00
Chromis Fiberoptics, Inc.	12	$ 447,402.00	$ 44,740.20
CircleBlack, Inc	12	$ 1,845,960.00	$ 184,596.00
Crescenta Biosciences Inc.	1	$ 750,000.00	$ 75,000.00
Edge Therapeutics, Inc.	3	$ 1,265,000.00	$ 126,500.00
electroCore LLC	4	$ 6,345,000.00	$ 634,500.00
Energy Technology Savings Inc.	1	$ 250,000.00	$ 25,000.00
Eos Energy Storage LLC	12	$ 5,682,750.00	$ 568,275.00
Futurestay, INC	4	$ 210,000.00	$ 21,000.00
Innovaci, Inc	3	$ 200,000.00	$ 20,000.00
Inspirit Group, LLC	28	$ 3,103,099.00	$ 310,309.20
Just Greens, LLC	2	$ 10,125,000.00	$ 512,500.00
Kiswe Mobile Inc.	3	$ 635,013.00	$ 63,500.58
Kovid Inc	4	$ 1,293,987.00	$ 129,398.70
Lawrenceville Plasma Physics, Inc.	1	$ 50,000.00	$ 5,000.00
Leading Pharma	1	$ 10,310,000.00	$ 500,000.00
LugTrackLLC	1	$ 80,000.00	$ 8,000.00
Midawi Holdings	7	$ 1,522,500.00	$ 152,250.00
Nevakar, LLC	23	$ 32,365,000.50	$ 3,136,500.05
Ogg Trading	2	$ 200,000.00	$ 20,000.00
Onkos Surgical	5	$ 1,080,000.00	$ 108,000.00
OnTimeWorks	3	$ 659,405.00	$ 65,940.50
Prazas Learning Inc	5	$ 2,770,000.00	$ 277,000.00
Smartiply, Inc	4	$ 330,000.00	$ 33,000.00
SPECTRAMD USA INC	1	$ 200,000.00	$ 20,000.00
TAXIS Pharmaceuticals	1	$ 37,500.00	$ 3,750.00
Turnpoint Medical Devices, Inc.	11	$ 1,328,501.00	$ 132,850.00
United Silicon Carbide, Inc.	5	$ 1,978,697.00	$ 197,869.70
Vydia, Inc	1	$ 25,000.00	$ 2,500.00
Zipz, Inc.	5	$ 961,759.00	$ 96,175.90
36 companies	**258**	**$ 108,818,041**	**$ 9,739,202**

For more detailed information on investment activity, please visit http://www.njeda.com/pdfs/AngelInvestorTaxCreditActivityReport.aspx

NEW JERSEY FOUNDERS & FUNDERS EVENT ACTIVITY			
Event Date	**Investors**	**Companies**	**Meetings Organized**
6/10/2014	21	32	190
9/17/2014	19	30	220
3/10/2015	21	30	300
10/27/2015	20	29	193
5/4/2016	23	31	222
10/26/2016	18	26	117
	122	**178**	**1,242**

NJ Founders & Funders is organized by the NJEDA Technology & Life Sciences (TLS) team to facilitate warm introductions between emerging New Jersey TLS companies and sophisticated angel & institutional investors. Hosted twice per year, venture capital inve

For more information on NJ Founders & Funders, including how to register to attend, please visit https://application.njeda.com/tls/

New Jersey Economic Development Authority (EDA) Product Overview

EDA offers a large portfolio of varied programs and services designed to assist businesses of all sizes with access to capital. These programs provide access to capital in a variety of forms including tax-exempt and taxable bond financing, loans, loan guarantees, and business and tax incentives.

Below are the EDA's complete list of product offerings. For more information on any of these programs, please visit www.NJEDA.com or call our Customer Care line at (609) 858-6767.

Bond Financing & Loans

@NJEDAWasHere NJEDA Small Business

Bond Financing

The EDA issues conduit tax-exempt private activity bonds, the proceeds of which are used to provide low-interest, fixed-asset loans. Borrowers must meet the eligibility requirements outlined in the Internal Revenue Code (IRC) in order to qualify. Taxable bonds are also available for a wide variety of businesses. Taxable bonds offer similar flexibility in structuring rates and terms but are not subject to the restrictions placed on tax-exempt financing under the IRC.

Premier Lender Program

EDA partners with Premier Lender banks to provide small businesses with low cost financing that includes EDA loan participation and/or guarantees, and line of credit guarantees. Businesses can use this financing for fixed assets or term working capital.

Direct Loans for Small and Mid Sized Businesses

New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through EDA when financing is not available under other EDA financing programs. Assistance of up to $2 million for fixed assets, or up to $750,000 for working capital for up to 10 years is offered, with the option of either a fixed or variable below-market interest rate.

Small Business Fund

Expedited approvals of loans up to $500,000, which may be used for fixed assets or working capital, are available to small, women, and minority-owned businesses that have been in operation for at least one year and not-for-profit corporations in operation for at least three full years.

Real Estate Impact Fund (new)

The Real Estate Impact Fund provides up to $3 million to developers and not-for-profit organizations and up to $750,000 to public entities for costs associated with redevelopment projects in strategic urban and other significant locations that would not otherwise occur in the near term.

Tax Credit Incentives

Grow NJ Assistance Program

Grow NJ is a powerful job creation and retention incentive program that strengthens New Jersey's competitive edge in the increasingly global marketplace. Businesses that are creating or retaining jobs in New Jersey may be eligible for transferable tax credits ranging from $500 to $5,000 per job, per year; with bonus credits ranging from $250 to $3,000 per job, per year Please visit www.NJEDA.com/GrowNJ for more information.

Economic Redevelopment & Growth (ERG) Program

The Economic Redevelopment and Growth (ERG) Program is an incentive for developers and businesses to address revenue gaps in development projects, defined as having insufficient revenues to support the project debt service under a standard financing scenario. It can also apply to projects that have a below market development margin or rate of return. The grant is not meant to be a substitute for conventional debt and equity financing, and applicants should generally have their primary debt financing in place before applying. In order for a project to be approved, it needs to undergo a rigorous analysis of the sources and uses of funds, construction costs and projected revenues. Please visit www.NJEDA.com/ERG for more information.

Garden State Growth Zone Business Lease & Business Improvement Incentives (new)

This pilot program, which was recently approved by the EDA Board, provides rent and building improvement reimbursement to street level businesses and facilities within eligible commercial corridors of a Garden State Growth Zone (Atlantic City, Camden, Passaic, Paterson and Trenton.)

Sales and Use Tax Exemption

This program, focused on retaining jobs in NJ, allows companies to make purchases for construction and renovation of their program approved new business location without having to pay state sales tax.

Urban Enterprise Zones (UEZ) Energy Sales Tax Exemption

Sales tax exemption on energy and utility services is available to UEZ certified manufacturers with at least 250 full-time employees, 50% of whom are involved in the manufacturing process.

Energy Sales Tax Exemption for Certain Counties

This program provides an energy sales tax exemption for the retail sales of electricity and natural gas and their transport to manufacturing businesses in Salem County.

Technology & Life Sciences

@NJEDATech www.njeda.com/TLS NJEDATech

Angel Investor Tax Credit Program

This program provides refundable tax credits against New Jersey corporation business or gross income tax for 10 percent of a qualified investment in an emerging technology business with a physical presence in New Jersey that conducts research, manufacturing, or technology commercialization. Visit www.njeda.com/angeltaxcredit for more information.

Technology & Life Sciences (continued)

Biotech Incubator and Research Park

The Commercialization Center for Innovative Technologies (CCIT) is the leading incubator in the region dedicated to life sciences and biotechnology companies. CCIT is a 46,000 sq. ft. incubator in a 75-acre research park in North Brunswick. Labs range from approximately 800 – 1,000 sq. ft. and are "plug and play" ready. Tenant companies have shared access to conference rooms, reception services, two kitchens, loading docks, an NMR, dishwashing and autoclave. Separate private offices are also available. Many successful companies have graduated from CCIT, including Advaxis, Amicus Therapeutics (Nasdaq: FOLD), Chromocell (founded by Nobel laureate Gunter Blobel), GENEWIZ (over 1000 employees), and more. Visit www.NJEDA.com/CCIT or contact CCIT Program Manager Lenzie Harcum at lharcum@njeda.com or 732-839-1881 for more information.

Edison Innovation Fund - Matching Loan Program

The Edison Innovation Fund is a suite of financing instruments designed to develop, sustain, and grow technology and life sciences businesses in New Jersey. These financial instruments are attractive to tech and biotech companies because they provide support in a less dilutive manner than equity to companies which aren't ready yet to secure traditional bank financing.

NJ CoVest Fund (new)

The NJ CoVest Fund provides seed funding to New Jersey technology and life sciences companies to further commercialize their technology and scale revenues. Investments made through the NJ CoVest Fund align with the EDA's ongoing strategy of supporting New Jersey's entrepreneurial ecosystem.

NJ Founders & Funders

NJ Founders & Funders is organized by the NJEDA Technology & Life Sciences (TLS) team to facilitate warm introductions between emerging New Jersey TLS companies and sophisticated angel & institutional investors. Hosted twice per year, venture capital investors are invited to meet with a select group of companies for 10-minute, one-on-one sessions to discuss strategy, business models and funding opportunities. Visit https://application.njeda.com/tls/ for more information.

Technology Business Tax Certificate Transfer Program

This program enables tech and life sciences companies to sell a percentage of their New Jersey tax losses and/or unused research and development tax credits for cash. Visit www.njeda.com/NOL for more information

Venture Fund Investments

The EDA helps increase available capital for emerging tech companies by investing as a limited partner in several venture capital funds that invest in New Jersey-based businesses. Gains resulting from these investments are utilized to offer new funding opportunities to support New Jersey businesses.

Site Remediation

Brownfields and Contaminated Site Remediation Program

Developers in New Jersey who need financial assistance to clean up and redevelop polluted sites and closed municipal landfills may enter into a redevelopment agreement with the EDA and be eligible to recover a portion of their remediation costs.

Hazardous Discharge Site Remediation Fund (HDSRF)

The NJDEP works with the EDA to provide loans, grants, and matching grants to public, private, and not-for-profit entities for the investigation and/or remediation of known or suspected contaminated sites.

Municipal Landfill Closure and Remediation Reimbursement Program

An eligible developer seeking financial assistance in the closure, remediation and redevelopment of municipal landfill sites in NJ may be eligible for reimbursement of 75% of the closure or clean up costs.

Petroleum Underground Storage Tank Program - Leaking Tanks Commercial & Residential

The Petroleum Underground Storage Tank Program provides grants to business owners/operators and residential property owners who have less than 10 tanks on site and are required by law to upgrade, close, and remediate discharge from those tanks. At this time, EDA is not processing new applications for this program due to insufficient funds.

Petroleum Underground Storage Tank Program - Non-Leaking Tanks Commercial, Residential & Not-for-Profit

Grant and loan funding to business owners or residential property owners that must upgrade, close, and remediate discharge from petroleum underground storage tanks. Applicant must have less than 10 tanks on site and net worth must not exceed $2,000,000. Due to insufficient funds, new applications are no longer accepting new applications for the Petroleum Underground Storage Tank Remediation, Upgrade and Closure Program.

Certifications Pursuant to E.O. 37

July 13, 2017

In accordance with Executive Order No. 37, the New Jersey Economic Development Authority's 2016 Annual Report also serves as the comprehensive report of the Authority's operations. This report highlights the significant action of the Authority for the year, including the degree of success the EDA had in promoting the State's economic growth strategies and other policies.

The report of independent auditors, Ernst & Young, dated May 31, 2017, is attached and completes the EDA's requirements concerning the preparation of a comprehensive report required by Executive Order No. 37.

I, Tim Lizura, certify that during 2016, the Authority has, to the best of my knowledge, followed all of the Authority's standards, procedures and internal controls.

I further certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

Timothy Lizura
EDA President & COO

I, Richard LoCascio, certify that the financial information provided to the auditor in connection with the audit is, to the best of my knowledge, accurate and that such information, to the best of my knowledge, fairly represents the financial condition and operational results of the Authority for the year in question.

Richard LoCascio, CPA
Controller

FINANCIAL STATEMENTS

New Jersey Economic Development Authority
Years Ended December 31, 2016 and 2015
With Report of Independent Auditors

Ernst & Young LLP

Building a better
working world

New Jersey Economic Development Authority

Financial Statements

Years Ended December 31, 2016 and 2015

Contents

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Report of Independent Auditors

The Management and Members of the Authority
New Jersey Economic Development Authority

We have audited the accompanying basic financial statements of the New Jersey Economic Development Authority (the "Authority"), a component unit of the State of New Jersey, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Building a better working world

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of funding progress of the postemployment healthcare plan, the schedule of the Authority's proportionate share of the net pension liability and the schedule of the Authority's contributions to the Public Employees' Retirement System (PERS) as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst & Young LLP

May 31, 2017

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Management's Discussion and Analysis

Years Ended December 31, 2016 and 2015

This section of the New Jersey Economic Development Authority's ("Authority" or "NJEDA") annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2016 and 2015. Please read it in conjunction with the Authority's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business engaged in such activities as real estate development, investment banking, commercial lending, construction management and consultation. While detailed sub-fund information is not presented, separate accounts are maintained for each program or project to control and manage money for particular purposes or to demonstrate that the Authority is properly using specific appropriations, grants and bond proceeds.

2016 FINANCIAL HIGHLIGHTS

- The Authority's total net position increased $10.8 million (or 2.1%).
- The net pension liability increased $18.3 million (or 37.6%) due to a change in the Authority's proportion of the State of New Jersey's net pension liability and an increase in the overall liability.
- Operating lease revenue decreased $0.87 million (or 7.9%) due to the sale of the Waterfront Technology Center at Camden ("WTCC") during the year.
- Other revenue increased $20.2 million (or 135.9%) due largely to distributions received from specific venture fund investments in which the Authority is a limited partner.
- Gain on sale of assets – net increased $5.6 million (or 100.0%) due to the sale of the WTCC.

- Salaries and Benefits expenses decreased $3.5 million (or 10.1%) as additional contributions made to the employee Post Employment Benefit Trust, which occurred in 2015, did not recur in 2016.

- Loss provisions expense – net decreased $8.0 million (or 375.5%) due to scheduled paydowns, as well as early payoffs in the loan portfolio, along with those repayments exceeding new loan disbursements.

- Program payments increased $35 million (or 91.5%) due largely to disbursements to applicants under the Superstorm Sandy program.

2015 FINANCIAL HIGHLIGHTS

- The Authority's total net position increased $13.6 million (or 2.7%).

- The net pension liability increased $20.1 million (or 70.3%) due to a change in the Authority's proportion of the State of New Jersey's net pension liability.

- Finance fees increased $4.0 million (or 44.4%) due to increased activity in specific incentive-based programs offered by the Authority.

- Other revenue increased $7.4 million (or 99.9%) due largely to distributions received from venture fund investments in which the Authority is a limited partner.

- Salaries and Benefits expenses increased $12.4 million (or 55.6%) due to additional contributions made to the employee Post Employment Benefit Trust in order to fully fund the obligation and the increase in pension expense per the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer received from the State.

- Federal and state appropriations, net of all program payments, increased $20.6 million (or 476.1%) due largely to additional CDBG-Disaster Recovery funding received for the Stronger NJ Business programs.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position. The following table summarizes the changes in Net Position at December 31, 2016, 2015 and 2014:

	2016	2015	2014	% Increase/(Decrease) 2016/2015	% Increase/(Decrease) 2015/2014
		(As Restated)			
Assets:					
Other assets	**$ 519,596,570**	$ 490,368,781	$ 474,260,875	6.0%	3.4%
Capital assets, net	**67,308,976**	86,152,710	91,371,783	(21.9)%	(5.7)%
Total assets	**586,905,546**	576,521,491	565,632,658	1.8%	1.9%
Deferred outflows of resources:					
Deferred outflow related to pension	**29,472,454**	18,728,245	2,482,701	57.4%	654.3%
Liabilities:					
Current Liabilities	**12,509,607**	12,093,809	14,481,636	3.4%	(16.5)%
Net Pension Liability	**67,068,246**	48,740,925	28,627,890	37.6%	70.3%
Other Noncurrent Liabilities	**12,410,147**	20,034,900	23,306,627	(38.1)%	(15.3)%
Total liabilities	**91,988,000**	80,869,634	66,416,153	13.7%	21.8%
Deferred inflows of resources:					
Deferred inflow related to pension	**–**	783,660	1,706,067	(100.0)%	(54.1)%
Net position:					
Net investment in capital assets	**58,100,060**	82,856,031	87,235,047	(29.9)%	(5.0)%
Restricted	**33,287,850**	22,583,026	22,420,545	47.4%	0.7%
Unrestricted	**433,002,090**	408,157,385	390,337,547	6.1%	4.6%
Total net position	**$ 524,390,000**	$ 513,596,442	$ 499,993,139	2.1%	2.7%

During 2016, the Authority's combined net position increased $10.8 million (or 2.1%) due to:

$ (4.8) Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements – net of appropriations received
$ (17.4) Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$ (12.0) Million	Return of unused program payments to State for discontinued programs
$ (1.5) Million	Municipal Economic Recovery Initiative grant award payments
$ 22.9 Million	Net receipts from CDBG-Disaster Recovery funds for the Stronger NJ Business programs
$ 10.8 Million	Net receipts from the State relating to State Small Business Credit Initiative Program ("SSBCI")
$ 12.8 Million	Net receipts relating to other Authority programs

During 2015, the Authority's combined net position increased $13.6 million (or 2.7%) due to:

$	(10.8) Million	Petroleum Underground Storage Tank ("PUST") grant award payments and loan disbursements
$	(9.6) Million	Hazardous Discharge Site Remediation Fund ("HDSRF") disbursements
$	(2.5) Million	Municipal Economic Recovery Initiative grant award payments
$	33.8 Million	Net receipts from CDBG-Disaster Recovery funds for the Stronger NJ Business programs
$	2.7 Million	Net receipts from the State relating to Other Programs

Operating Activities. The Authority charges financing fees that may include an application fee, commitment fee, closing fee, document execution fee and an annual servicing fee. The Authority also charges an agency fee for the administration of financial programs for various government agencies; a program service fee for the administration of Authority programs that are service-provider based, rather than based on the exchange of assets such as the commercial lending program; and a real estate development fee for real estate activities undertaken on behalf of governmental entities and commercial enterprises. The Authority may also generate a return on investments in venture capital funds which invest, in whole or in part, in New Jersey based businesses. Interest income on investments, notes and intergovernmental obligations is recognized as earned. Grant revenue is earned when the Authority has complied with the terms and conditions of the grant agreements. The Authority also earns income from operating leases and interest income on lease revenue from capital lease financings. Late fees are charged to borrowers delinquent in their monthly loan payments. All forms of revenue accrue to the benefit of the program for which the underlying source of funds is utilized. The Authority considers all activity to be operating activities, except as described in the following section.

Non-Operating Activities. The Authority earns interest on idle cash and investments, and may derive income from the sale of capital assets, as well as the receipt of state and federal appropriations which are used to administer specific programs on behalf of the State of New Jersey, and which directly benefit New Jersey based businesses. The Authority considers this activity to be non-operating in nature.

The following table summarizes the changes in operating and non-operating activities between fiscal years 2016, 2015 and 2014:

	2016*	2015 (As Restated)	2014	% Increase/(Decrease) 2016/2015	% Increase/(Decrease) 2015/2014
Operating revenues:					
Financing fees	**$ 12,900,490**	$ 13,117,822	$ 9,086,134	(1.7)%	44.4%
Lease revenue	**10,195,935**	11,066,759	13,986,329	(7.9)%	(20.9)%
Interest income:					
Notes	**5,148,779**	5,014,739	5,463,086	2.7%	(8.2)%
Other	**35,033,121**	14,847,756	7,426,396	135.9%	99.9%
Total operating revenues	**63,278,325**	44,047,076	35,961,945	43.7%	22.5%
Operating expenses:					
Administrative expenses	**36,913,992**	39,647,125	28,477,801	(6.9)%	39.2%
Interest expense	**198,803**	346,079	1,804,038	(42.6)%	(80.8)%
Depreciation	**6,013,587**	6,616,729	8,376,241	(9.1)%	(21.0)%
Loss (recovery) provisions – net	**(5,879,419)**	2,134,193	5,620,945	(375.5)%	(62.0)%
Program costs	**7,297,282**	7,950,955	6,626,109	(8.2)%	20.0%
Total operating expenses	**44,544,245**	56,695,081	50,905,134	(21.4)%	11.4%
Operating income/(loss)	**18,734,080**	(12,648,005)	(14,943,189)	248.1%	(15.4)%
Nonoperating revenues and (expenses):					
Interest income – investments	**2,324,584**	1,696,602	1,919,165	37.0%	(11.6)%
State appropriations	**19,703,582**	14,069,332	12,906,993	40.0%	9.0%
Program payments	**(73,268,795)**	(38,263,793)	(73,704,320)	91.5%	(48.1)%
Federal appropriations	**44,240,190**	49,170,712	65,133,093	(10.0)%	(24.5)%
Gain on sale of assets	**5,642,596**	–	22,353,371	100.0%	(100.0)%
Other expense	**(209,574)**	(421,545)	(274,074)	50.3%	(53.8)%
Total nonoperating revenues and (expenses), net	**(1,567,417)**	26,251,308	28,334,228	(106.0)%	(7.4)%
Income (loss) before special item	**17,166,663**	13,603,303	13,391,039	26.2%	1.6%
CCURLP dissolution	**(6,373,105)**	–	–	(100.0)%	0.0%
Technology Centre Cost-adjustment	**–**	–	(19,569,699)	0.0%	(100.0)%
Change in net position	**10,793,558**	13,603,303	(6,178,660)	(20.7)%	320.2%
Beginning net position	**513,596,442**	499,993,139**	506,171,799**		
Ending net position	**$ 524,390,000**	$ 513,596,442	$ 499,993,139		

*Includes blended component unit, (Refer to Note 1)
**Restated for GASB 68/71

Operating Revenues

In 2016, the Authority's operating revenues were positively impacted by the receipt of $12.9 million in financing fees, led by activity in the bond and incentive programs. Other operating revenues were favorably impacted by the receipt of $19.2 million in venture fund distributions and warrants resulting from the Authority's capital investments. An additional $10.8 million grant was received as the third and final tranche of the SSBCI financing program. Overall operating revenues increased by $19.2 million.

Operating Expenses

In 2016, total operating expenses decreased by $12.2 million as an increase of $8.8 million in salary and benefits resulting from the Authority making additional contributions to its employee Post Employment Benefit Trust and $3.6 million in additional pension expense pursuant to GASB 68, which occurred in 2015, were not replicated in 2016. The decrease in loss provision expense – net relates to scheduled and early paydowns on revolving loans, as well as repayments exceeding new disbursements during the year. The $5.8 million increase in 2015, in total operating expenses, was due largely to an increase in salary and benefits as a result of the Authority making additional contributions to its employee Post Employment Benefit Trust and additional pension expense pursuant to GASB 68.

Non-Operating Revenues and Expenses – Net

In 2016, non-operating revenues and expenses – net, decreased by $27.8 million and decreased by $2.1 million in 2015. This was largely due to the fluctuation in Federal and State appropriations offset by program payments. In 2016, the Authority disbursed $73.3 million in program payments to qualified applicants, primarily under the Stronger NJ Business programs; in 2015, total program payments were $38.3 million. The 2016 gain on the sale of the WTCC amounted to $5.6 million, and is a one-time revenue source.

Allowance for Credit Losses

Allowances for doubtful notes and guarantee payments are determined in accordance with guidelines established by the Office of the Comptroller of the Currency. The Authority accounts for its potential loss exposure through the use of risk ratings. These specifically assigned risk ratings are updated to account for changes in financial condition of the borrower or guarantor, delinquent payment history, loan covenant violations, and changing economic conditions.

The assigned risk rating classifications are consistent with the ratings used by the Office of the Comptroller of the Currency. Each risk rating is assigned a specific loss factor in accordance with the severity of the classification. Each month an analysis is prepared using the current loan balances, existing exposure on guarantees, and the assigned risk rating to determine the adequacy of the reserve. Any adjustments needed to adequately provide for potential credit losses (recoveries) are reported as a Loss Provision (Recovery).

The following table summarizes the Loan Allowance activity for the end of the period from December 31, 2014 through December 31, 2016:

December 31, 2014		
Allowance for loan losses	$ 18,716,964	
Accrued guarantee losses	2,552,529	
Total allowance		$ 21,269,493
2015 Provision for credit losses-net	6,807,326	
2015 Write-offs	(2,503,606)	4,303,720
December 31, 2015		
Allowance for loan losses	24,190,532	
Accrued guarantee losses	1,382,681	
Total allowance		25,573,213
2016 Provision for credit losses-net	1,685,744	
2016 Write-offs	(5,884,943)	(4,199,199)
December 31, 2016		
Allowance for loan losses	20,197,740	
Accrued guarantee losses	1,176,274	
Total allowance		$ 21,374,014

The Authority's write-down and Loan Loss Reserve policies closely align with the reporting requirements of the banking industry. When management determines that the probability of collection is less than 50% of the remaining balance, it is the policy to assign a Loss rating to the account. For an account rated as Loss, a loss provision is recognized for the entire loan balance.

Loans are written-off against the Loss Allowance when it is determined that the probability of collection within the near term is remote. The recognition of a loss does not automatically release the borrower from the obligation to pay the debt. Should the borrower, guarantors, or collateral position improve in the future, any and all steps necessary to preserve the right to collect these obligations will be taken.

Aggregate gross loan and guarantee exposure at December 31, 2016 was $206,972,076, of which $190,407,862 or 92% is for loans and $16,564,394 for issued loan guarantees.

Aggregate gross loan and guarantee exposure at December 31, 2015 was $210,087,421, of which $188,481,219 or 89.7% is for loans and $21,606,202 for issued loan guarantees.

At December 31, 2016 the Authority maintained a Credit Loss Allowance of $21,374,014 or 10.4% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2016, were $5,884,943 or 2.8% of the loan and guaranty exposure.

At December 31, 2015 the Authority maintained a Credit Loss Allowance of $25,573,213 or 12.2% of total exposure to cover potential losses in the loan and guaranty portfolio. Total write-offs for the year ended December 31, 2015, were $2,503,606 or 1.2% of the loan and guaranty exposure.

The Authority is a limited partner in various early stage venture funds with the purpose of providing venture capital to exceptionally talented entrepreneurs to facilitate the growth of these companies. These investments are accounted for using the cost basis as they do not have a readily determinable market value. The Authority will establish a valuation allowance for these investments when they determine through a series of events that an other than temporary decrease in value has occurred.

The 2016 Loss Provisions (Recapture) – Net, of $(5.9 million), are related to the following detailed information:

$	1,685,744	Loan and Guarantee Program activity
$	(7,594,597)	Venture Capital Funds and Capital Investments

The 2015 Loss Provisions – Net, of $1.3 million, are related to the following detailed information:

$	6,807,325	Loan and Guarantee Program activity
$	(5,463,681)	Venture Capital Funds and Capital Investments

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Authority independently, or in cooperation with a private or governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for the municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities. For the majority of these leases, future minimum lease rental payments are equal to the debt service payments related to the bonds or notes issued for the applicable property.

The following table summarizes the change in Capital Assets-Net between fiscal year 2016, 2015 and 2014:

				% Increase/(Decrease)	
	2016	**2015**	**2014**	**2016/2015**	**2015/2014**
Land	**$ 28,983,065**	$ 28,983,065	$ 27,582,065	0.0%	5.1%
Construction in progress	**–**	–	3,345	0.0%	(100)%
Total nondepreciable capital assets	**28,983,065**	28,983,065	27,585,410	0.0%	5.1%
Building	**86,479,970**	98,343,729	98,343,729	(12.1)%	0.0%
Leasehold improvements	**34,933,205**	47,195,145	47,195,145	(26.0)%	0.0%
Total depreciable capital assets	**121,413,175**	145,538,874	145,538,874	(16.6)%	0.0%
Less accumulated depreciation	**(83,087,264)**	(88,369,229)	(81,752,501)	(6.0)%	8.1%
Capital assets – net	**$ 67,308,976**	$ 86,152,710	$ 91,371,783	(21.9)%	(5.7)%

More detailed information about the Authority's capital assets is presented in the Notes to the financial statements.

Capital Debt. At year end, the Authority had $2,264,426 of gross note principal outstanding; a net decrease of 75.6%, due to the paydown of notes owed to two public utilities in the State of New Jersey. More detailed information about the Authority's capital debt is presented in the Notes to the financial statements.

The following table summarizes the changes in capital debt between fiscal year 2016, 2015 and 2014:

				% Increase/(Decrease)	
	2016	**2015**	**2014**	**2016/2015**	**2015/2014**
Notes payable	**$ 2,264,426**	$ 9,296,679	$ 10,136,737	(75.6)%	(8.3)%

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens, and our customers, clients, investors and creditors, with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional information, contact Customer Care at (609) 858-6700, CustomerCare@njeda.com, NJEDA, P.O. Box 990, Trenton, NJ 08625-0990, or visit our web site at: www.njeda.com.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Net Position

	December 31 2016	December 31 2015
Assets		
Current assets:		
Cash and cash equivalents – restricted	**$ 69,805,023**	$ 55,442,717
Cash and cash equivalents – unrestricted	**31,236,525**	19,471,146
Investments	**79,224,522**	73,269,694
Receivables:		
Notes	**14,112,512**	9,743,356
Accrued interest on notes	**528,437**	228,181
Accrued interest on investments	**759,087**	589,301
Leases	**100,000**	100,000
Other receivables	**1,907,548**	4,149,514
Total receivables	**17,407,584**	14,810,352
Prepaids and other current assets	**1,162,484**	694,686
Total current assets	**198,836,138**	163,688,595
Noncurrent assets:		
Investments – unrestricted	**143,974,480**	152,238,443
Venture capital partnerships	**8,906,724**	7,946,808
Receivables:		
Notes	**175,935,170**	178,737,863
Accrued interest on notes	**5,155,435**	5,088,888
Unamortized discount	**(392,752)**	(663,451)
Total notes receivables	**180,697,853**	183,163,300
Allowance for doubtful notes	**(20,197,740)**	(24,190,532)
Net notes receivable	**160,500,113**	158,972,768
Leases receivable, net	**6,772,046**	6,753,033
Total receivables	**167,272,159**	165,725,801
Prepaids and other noncurrent assets	**607,069**	769,134
Nondepreciable capital assets	**28,983,065**	28,983,065
Depreciable capital assets, net	**38,325,911**	57,169,645
Total capital assets, net	**67,308,976**	86,152,710
Total noncurrent assets	**388,069,408**	412,832,896
Total assets	**586,905,546**	576,521,491
Deferred outflows of resources		
Deferred outflows from pension	**29,472,454**	18,728,245

New Jersey Economic Development Authority
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Statements of Net Position (continued)

	December 31	
	2016	**2015**
Liabilities		
Current liabilities:		
Accrued liabilities	**$ 6,661,218**	$ 2,710,347
Pension payable	**2,011,757**	1,866,720
Unearned lease revenues	**1,265,425**	1,548,494
Escrow deposits	**1,568,182**	4,331,297
Notes payable	**973,415**	656,015
Accrued interest payable	**29,610**	64,521
Total current liabilities	**12,509,607**	11,177,394
Noncurrent liabilities:		
Net pension liability	**67,068,246**	48,740,925
Notes payable	**1,291,011**	8,640,664
Unearned lease revenues	**8,957,707**	10,011,555
Accrued guarantee losses	**1,176,274**	1,382,681
Compensated absences	**985,155**	916,415
Total noncurrent liabilities	**79,478,393**	69,692,240
Total liabilities	**91,988,000**	80,869,634
Deferred inflows of resources		
Deferred inflows from pension	**–**	783,660
Net position		
Net investment in capital assets	**58,100,060**	82,856,031
Restricted by Federal agreement	**33,287,850**	22,583,026
Unrestricted	**433,002,090**	408,157,385
Total net position	**$ 524,390,000**	$ 513,596,442

See accompanying notes.

New Jersey Economic Development Authority
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Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31	
	2016	**2015**
Operating revenues		
Financing fees	**$ 12,900,490**	$ 13,117,822
Interest income – notes	**5,148,779**	5,014,739
Financing lease revenue	**119,014**	119,014
Operating lease revenue	**10,076,921**	10,947,745
Agency fees	**2,135,575**	2,100,236
Program services	**746,064**	758,744
Real estate development	**905,234**	894,037
Distributions and warrants	**19,196,536**	7,005,792
Grant revenue	**10,831,972**	–
Other	**1,217,740**	4,088,947
Total operating revenue	**63,278,325**	44,047,076
Operating expenses		
Salaries and benefits	**31,310,245**	34,821,089
General and administrative	**5,603,747**	4,826,036
Interest	**198,803**	346,079
Program costs	**7,297,282**	7,950,955
Depreciation	**6,013,587**	6,616,729
Loss (recovery) provisions – net	**(5,879,419)**	2,134,193
Total operating expenses	**44,544,245**	56,695,081
Operating income/(loss)	**18,734,080**	(12,648,005)
Nonoperating revenues and expenses		
Interest income – investments	**2,324,584**	1,696,602
Unrealized gain (loss) in investment securities	**(209,574)**	(421,545)
Gain on sale of assets – net	**5,642,596**	–
State appropriations	**19,703,582**	14,069,332
Federal appropriations	**44,240,190**	49,170,712
Program payments	**(73,268,795)**	(38,263,793)
Nonoperating (expenses) revenues– net	**(1,56;7,417)**	26,251,308
Income before special item	**17,166,663**	13,603,303
Special item – CCURLP dissolution	**(6,373,105)**	–
Change in net position	**10,793,558**	13,603,303
Net position – beginning of year	**513,596,442**	499,993,139
Net position – end of year	**$ 524,390,000**	$ 513,596,442

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Statements of Cash Flows

	Year Ended December 31 2016	2015
Cash flows from operating activities		
Cash receipts from financing fees	**$ 13,504,141**	$ 12,560,124
Interest from notes	**3,944,112**	4,038,592
Lease rents	**8,921,880**	10,315,064
Grants	**10,831,972**	–
Agency fees	**2,135,575**	2,100,236
Program services	**1,948,139**	4,838,644
Distributions	**653,951**	–
Real estate development	**550,536**	982,403
General and administrative expenses paid	**(27,941,489)**	(33,570,427)
Program costs paid	**(6,744,809)**	(8,091,942)
Collection of notes receivable	**30,895,182**	23,440,094
Loans disbursed	**(39,484,058)**	(59,161,163)
Deposits received	**21,317,197**	27,704,995
Deposits released	**(24,080,312)**	(31,478,191)
Net cash used in operating activities	**(3,547,983)**	(46,321,571)
Cash flows from noncapital financing activities		
Program funding received	**–**	48,612
Payment of notes and bonds	**(6,000,000)**	–
Interest refunded (paid) on notes and revenue bonds	**(57,110)**	56,226
Issuance and servicing costs paid	**(5,926)**	(5,926)
Appropriations received	**57,100,754**	62,837,903
Program payments	**(66,208,964)**	(37,579,068)
Net cash provided by noncapital financing activities	**(15,171,246)**	25,357,747
Cash flows from capital and related financing activities		
Payment of bonds and notes	**(1,032,252)**	(840,058)
Interest paid on bonds and notes	**(176,604)**	(229,608)
Purchase of capital assets	**–**	(1,401,000)
Grant repayments related to capital asset sale	**(1,863,246)**	–
Sale of capital assets	**18,472,744**	–
Net cash provided by capital and related financing activities	**15,400,642**	(2,470,666)
Cash flows from investing activities		
Interest from investments	**2,169,445**	1,606,919
Return on capital investments	**25,177,266**	16,292,017
Purchase of investments	**(2,096,514)**	(21,606,584)
Proceeds from sales and maturities of investments	**4,196,075**	2,373,135
Net cash (used in) provided by investing activities	**29,446,272**	(1,334,513)
Net (decrease) increase in cash and cash equivalents	**26,127,685**	(24,769,003)
Cash and cash equivalents – beginning of year	**74,913,863**	99,682,866
Cash and cash equivalents – end of year	**$ 101,041,548**	$ 74,913,863

New Jersey Economic Development Authority
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Statements of Cash Flows (continued)

	Year Ended December 31	
	2016	**2015**
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income (loss)	**$ 18,734,080**	$ (12,648,005)
Adjustments to reconcile operating (loss) income to net cash used in operating activities:		
Loss provisions-net	**(5,879,419)**	2,134,192
Depreciation	**6,013,587**	6,616,729
Amortization of discounts	**(917,426)**	(769,917)
Cash provided by nonoperating activities	**239,640**	179,307
Change in assets and liabilities:		
Notes receivables	**(8,625,944)**	(35,739,333)
Accrued interest receivables-notes	**(369,424)**	(306,979)
Lease payment receivables	**100,000**	100,000
Other receivables	**2,260,160**	1,742,477
Prepaids and other noncurrent assets	**176,973**	13,499
Capital investments	**(18,542,585)**	(7,005,792)
Accrued liabilities	**8,004,334**	3,155,725
Unearned lease revenues	**(1,336,917)**	(873,268)
Accrued interest payables	**(34,911)**	(68,080)
Deposits	**(2,763,115)**	(3,353,282)
Other liabilities	**(607,016)**	501,156
Net cash used in operating activities	**$ (3,547,983)**	$ (46,321,571)
Noncash investing activities		
Unrealized loss in investment securities	**$ (209,574)**	$ (421,545)

See accompanying notes.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Notes to Financial Statements

December 31, 2016 and 2015

Note 1: Nature of the Authority

The New Jersey Economic Development Authority ("Authority") is a public body corporate and politic, constituting an instrumentality and component unit of the State of New Jersey ("State"). The Authority was established by Chapter 80, P.L. 1974 ("Act") on August 7, 1974, as amended and supplemented, primarily to provide financial assistance to companies for the purpose of maintaining and expanding employment opportunities in the State and increasing tax ratables in underserved communities. The Act prohibits the Authority from obligating the credit of the State in any manner. The Authority assists for-profit and non-profit enterprises with access to capital and primarily offers the following products and services:

(a) Bond Financing

The Authority issues tax-exempt private activity bonds and taxable bonds. The proceeds from these single issue or composite series bonds are used to provide long-term, below-market interest loans to eligible entities, which include certain 501(c)(3) nonprofit organizations, manufacturers, exempt public facilities, solid waste facilities, and local, county, and State governmental agencies for capital improvements including real estate acquisition, equipment, machinery, building construction and renovations. All such bonds are special conduit debt obligations of the Authority, are payable solely from the revenues pledged with respect to the issue, and do not constitute an obligation against the general credit of the Authority.

(b) Loans/Guarantees/Investments and Tax Incentives

The Authority directly provides loans, loan participations, loan guarantees and line of credit guarantees to for-profit and not-for-profit enterprises for various purposes to include: the acquisition of fixed assets; building construction and renovation; financing for working capital; technological development; and infrastructure improvements. The Authority also may provide financial assistance in the form of convertible debt, and take an equity position in technology and life sciences companies through warrant options. In addition to lending and investing its own financial resources, the Authority administers several business growth programs supported through State appropriation/allocation, including the technology business tax certificate transfer program, the angel investor tax credit program, tax credits for film industry and digital media projects, job creation and retention incentive grants and tax credits, tax credits for capital investment in urban areas, and reimbursement grants based on incremental revenues generated by redevelopment projects. Other state mandated programs include loans/grants to support hazardous discharge site remediation and petroleum underground storage tank remediation.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

Note 1: Nature of the Authority (continued)

(c) Real Estate Development

The Authority independently, or in cooperation with a private or another governmental entity, acquires, invests in and/or develops vacant industrial sites, existing facilities, unimproved land, equipment and other real estate for private or governmental use. Sites developed and equipment purchased for private use are marketed or leased to businesses that will create new job opportunities and tax ratables for municipalities. Sites are developed for governmental use for a fee and also may be leased to the State or State entities.

(d) Stronger NJ Business Programs

In 2013, the Authority was awarded a sub-grant from the New Jersey Department of Community Affairs for the purpose of administering a portion of the State's Community Development Block Grant Disaster Recovery allocation to support the recovery of businesses impacted by Superstorm Sandy. To achieve this, the Authority may provide grants and loans to eligible businesses, as well as financial assistance to governmental entities to support community development, neighborhood revitalization and other public improvement projects.

Component Units

The financial statements include the accounts of the Authority and its blended component unit, the Camden County Urban Renewal Limited Partnership ("CCURLP"). All intercompany transactions and balances are eliminated.

CCURLP is a real estate joint venture which provides services for the exclusive benefit of the Authority. CCURLP is a Limited Partnership made up of two corporate entities, Bergen of New Jersey, Inc. and Aegis Camden Partners, Inc. Bergen has a 33.33% interest in CCURLP and Aegis has 66.67% interest in CCURLP. The Boards of all three entities are made up of Authority officers and CCURLP actions were subject to Authority Board approval. On January 30, 2014 the Authority and CCURLP entered into a sale agreement with Cooper's Ferry Partnership ("Cooper's") to sell the CCURLP building and the Authority's land. The purchase closed as of December 30, 2014. The proceeds from the sale were then used to defease the 2002 Series A and B Bonds. The Authority continued to have rights in the CCURLP entity as of December 31, 2014 as the related debt was not redeemed until February 2015. As of December 31, 2015, the entity continued to exist as a legally-separate entity, although was inactive during 2015. As the Board of

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

Note 1: Nature of the Authority (continued)

the Authority is the same as the Board of CCURLP and the Authority has operational responsibility for CCURLP, it is considered a blended component unit. CCURLP was formally dissolved November 4, 2016.

The Authority's financial statements do not include the accounts of the New Jersey Community Development Entity ("NJCDE"), a component unit. NJCDE is a separate legal entity whose primary mission is to provide investment capital for low-income communities, on behalf of the Authority, through the allocation of federal New Markets Tax Credits. The Authority does not deem the operations of the NJCDE to be significant to the operations of the Authority. As of December 31, 2016 and 2015, total NJCDE assets were $2,124,875 and $2,312,586, respectively.

Related-Party Transactions

The Authority has contracted with several other State entities to administer certain loan programs on their behalf for a fee. In order for the Authority to effectively administer the programs, the Authority has custody of the cash accounts for each program. The cash in these accounts, however, is not an asset of the Authority and, accordingly, the balances in these accounts have not been included in the Authority's statements of net position. The cash balances total $55,543,111 and $61,633,799 at December 31, 2016 and 2015, respectively. The following is a summary of the programs that the Authority manages on behalf of other State entities:

Department/Board	Program	2016	2015
Treasury	Local Development Financing Fund	**$ 41,632,676**	$ 39,322,320
Board of Public Utilities	BPU Clean Energy Program	**13,910,435**	22,311,479

Note 2: Summary of Significant Accounting Policies

(a) Basis of Accounting and Presentation

The Authority is a self-supporting entity and follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. While detailed sub-fund information is not presented, separate accounts are maintained for each program and include certain funds that are legally designated as to use. Administrative expenses are allocated to the various programs.

New Jersey Economic Development Authority
(a component unit of the State of New Jersey)

Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board ("GASB").

(b) Revenue Recognition

The Authority charges various program financing fees that may include an application fee, commitment fee, closing fee, issuance fee, annual servicing fee and a document execution fee. The Authority also charges a fee for the administration of financial programs for various government agencies and for certain real estate development and management activities. Fees are recognized when earned. Grant revenue is recognized when the Authority has complied with the terms and conditions of the grant agreements. The Authority recognizes interest income on lease revenue by amortizing the discount over the life of the related agreement. Operating lease revenue is recognized pursuant to the terms of the lease.

When available, it is the Authority's policy to first use restricted resources for completion of specific projects.

(c) Cash Equivalents

Cash equivalents are highly liquid debt instruments with original maturities of three months or less and units of participation in the State of New Jersey Cash Management Fund ("NJCMF").

(d) Investments

All investments, except for investment agreements, are stated at fair value. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. The Authority also invests in various types of joint ventures and uses the cost method to record the acquisition of such investments, as the Authority lacks the ability to exercise significant control in the ventures. Under the cost method, the Authority records the investment at its historical cost and recognizes as income dividends received from net earnings of the Fund. Dividends received in excess of earnings are considered a return of investment and reduce the cost basis. These investments typically have a long time horizon from when the Authority makes its initial investment to when it may receive any return on the investment. The Authority maintains a valuation allowance on specific investments when there is either a series of taxable losses or other factors may indicate that a decrease in value has occurred that is other than temporary. Capital investments are reported net of this valuation allowance.

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

(e) Guarantees Receivable

Payments made by the Authority under its various guarantee programs are reported as Guarantees Receivable. These receivables are expected to be recovered either from the lender, as the lender continues to service the loan, or from the liquidation of the underlying collateral. Recoveries increase Worth (see Note 8).

(f) Allowance for Doubtful Notes and Accrued Guarantee Losses

Allowances for doubtful notes and accrued guarantee losses are determined in accordance with guidelines established by the Office of Comptroller of Currency. These guidelines include classifications based on routine portfolio reviews of various factors that impact collectability.

(g) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employee Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(h) Operating and Non-Operating Revenues and Expenses

The Authority defines operating revenues and expenses as relating to activities resulting from providing bond financing, direct lending, incentives, and real estate development to commercial businesses, certain not-for-profit entities, and to local, county and State governmental entities. Non-operating revenues and expenses include income earned on the investment of funds, proceeds from the sale of certain assets, State and Federal appropriations and program payments.

(i) Net Position

The Authority classifies its Net Position into three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets includes capital assets net of

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

accumulated depreciation used in the Authority's operations as well as capital assets that result from the Authority's real estate development and operating lease activities. Restricted net position include net position that have been restricted in use in accordance with State law, as well as Federal grant proceeds intended for specific projects, such as the State Small Business Credit Initiative ("SSBCI"). Unrestricted net position include all net position not included above.

(j) Taxes

The Authority is exempt from all Federal and State income taxes and real estate taxes.

(k) Capitalization Policy

Unless material, it is the Authority's policy to expense all expenditures of an administrative nature. Administrative expenditures typically include expenses directly incurred to support staff operations, such as automobiles, information technology hardware and software, office furniture, and equipment.

With the exception of immaterial tenant fit-out costs of retail space that is sublet from the State of New Jersey, the Authority capitalizes all expenditures related to the acquisition of land, construction and renovation of buildings.

(l) Depreciation Policy

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the following estimated economic useful lives of the assets:

Building	20 years
Building improvements	20 years
Leasehold improvements	Term of the lease
Tenant fit-out	Term of the lease
Vehicles	Expensed
Furniture and equipment	Expensed

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

(m) New Accounting Standards Adopted

GASB Statement No. 72, *Fair Value Measurement and Application*, was issued in February 2015. The scope of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about concepts and definitions established in Concepts Statement No. 6, *Measurement of Elements of Financial Statements, and other relevant literature.* The provisions of this statement are effective for financial statements for periods beginning after June 30, 2015. The adoption of this statement had an impact on the Authority's disclosures only. See Note 3.

Further, the Authority adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants and establishes criteria for an external investment pool to qualify for making the election to measure all if its investments at amortized cost for financial reporting purposes. The State of New Jersey Cash Management Fund did not meet the criteria and measures investments at fair value. Therefore, as of December 31, 2016, the Authority measured its investments in the pool at fair value, as provided in paragraph 11 of GASB Statement No. 31. See Note 3 for further information.

In March 2016, GASB issued statement No. 82, *Pension Issues.* The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting Pension Plans*, No. 68 *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The Authority has chosen to early implement this standard. The adoption of this standard had an impact on the Authority's required supplementary information only.

(n) Recent and Upcoming Accounting Pronouncements

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. This statement will not have an impact on the Authority's financial statements as it does not have component units.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets presenting its beneficial interest in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interest. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. This statement will not have an impact on the Authority's financial statements as it does not have split-interest agreements.

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The Authority is in the process of evaluating the impact of this statement on its financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The Authority is in the process of evaluating the impact of this statement on its financial statements.

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Notes to Financial Statements (continued)

Note 2: Summary of Significant Accounting Policies (continued)

(o) Reclassifications

Certain reclassifications have been made to prior year balances to conform to current year presentation.

Note 3: Deposits and Investments

(a) Deposits

Operating cash is held in the form of Negotiable Order of Withdrawal ("NOW") accounts and money market accounts. At December 31, 2016, the Authority's bank balance was $24,346,530. Of the bank balance, $750,000 was insured with Federal Deposit Insurance.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Authority's NOW accounts, as well as money market accounts and certificates of deposit, are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Authority would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uninsured, uncollateralized (securities are not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's (NJEDA) name. At December 31, 2016 and 2015, all of the Authority's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk.

Cash deposits at December 31, 2016 and 2015 were as follows:

Deposit Type	**2016**	**2015**
NOW Accounts	**$ 13,720,299**	$ 13,647,327
Money Market Accounts	**9,175,248**	9,170,675
Certificates of Deposit	**–**	4,190,357
Total deposits	**$ 22,895,547**	$ 27,008,359

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Notes to Financial Statements (continued)

Note 3: Deposits and Investments (continued)

(b) Investments

Pursuant to the Act, the funds of the Authority may be invested in any direct obligations of, or obligations as to which the principal and interest thereof is guaranteed by, the United States of America or other obligations as the Authority may approve. Accordingly, the Authority directly purchases permitted securities and enters into interest-earning investment contracts.

As of December 31, 2016 the Authority's total investments, excluding capital investments, amounted to $223,199,002. The Authority's investment portfolio ("Portfolio") is comprised of short to medium term bonds and is managed by a financial institution for the Authority. These investments include obligations guaranteed by the U.S. Government, Government Sponsored Enterprises, Money Market Funds, Corporate Debt rated at least AA-/Aa3 by Standard & Poors or Moody's, and Repurchase Agreements. The Portfolio is managed with the investment objectives of: preserving capital, maintaining liquidity, achieving superior yields, and providing consistent returns over time. In order to limit interest rate risk, investments are laddered, with maturities ranging from several months to a maximum of five years.

Investment of bond proceeds is made in accordance with the Authority's various bond resolutions. The bond resolutions generally permit the investment of funds held by the trustee in the following: (a) obligations of, or guaranteed by, the State or the U.S. Government; (b) repurchase agreements secured by obligations noted in (a) above; (c) interest-bearing deposits, in any bank or trust company, insured or secured by a pledge of obligations noted in (a) above; (d) State of New Jersey Cash Management Fund (NJCMF); (e) shares of an open-end diversified investment company which invests in obligations with maturities of less than one year of, or guaranteed by, the U.S. Government or Government Agencies; and (f) non-participating guaranteed investment contracts.

In order to maximize liquidity, the Authority utilizes the NJCMF as an investment. All investments in the NJCMF are governed by the regulations of the State of New Jersey, Department of Treasury, Division of Investment, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. The NJCMF invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries; short-term commercial paper; U.S. Agency Bonds; Corporate Bonds; and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At December 31, 2016 and 2015 the Authority's balance in the NJCMF is $78,077,940 and $51,894,092, respectively.

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Notes to Financial Statements (continued)

Note 3: Deposits and Investments (continued)

Custodial Credit Risk

Pursuant to GASB 40, the Authority's investments are profiled to determine if they are exposed to Custodial Credit Risk. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government (NJEDA), and are held by either: the counterparty (institution that pledges collateral to government or that buys/sells investments for government) or the counterparty's trust department or agent but not in the name of the government. Investment pools such as the NJCMF and open ended mutual funds including Mutual Bond Funds are deemed not to have custodial credit risk. As of December 31, 2016 and December 31, 2015, no investments are subject to custodial credit risk as securities in the Portfolio are held in the name of the Authority.

Concentration of Credit Risk

The Authority does not have an investment policy regarding concentration of credit risk, however, the Authority's practice is to limit investments in certain issuers. No more than 10% of the Authority funds may be invested in individual corporate and municipal issuers; and no more than 10% in individual U.S. Government Agencies. At December 31, 2016 more than 5% of the Authority's investments are in: Federal Home Loan Bank ("FHLB"), Federal Farm Credit Bank ("FFCB"), Federal Home Loan Mortgage Corp ("FHLMC"), and Federal National Mortgage Association ("FNMA"). These investments are 6.62% ($15,387,462), 5.59% ($13,005,102), 8.33% ($19,365,014), and 5.11% ($11,897,757), respectively, of the Authority's total investments. These four investments are included in the U.S. Government Agency category of investments. Investments issued by or guaranteed by the U.S. Government, mutual fund investments, and pooled investments are exempt from this requirement.

Credit Risk

The Authority does not have an investment policy regarding the management of Credit Risk, as outlined above. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. All investments in U.S. Agencies are rated Aaa by Moody's and AA+ by Standard & Poor's ("S&P"). The mutual bond fund was rated AAA by S&P. Corporate bonds were rated AA/AA+/AA-, by S&P. Municipal bonds were rated AAA and AA+ by S&P. The NJCMF is not rated.

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Notes to Financial Statements (continued)

Note 3: Deposits and Investments (continued)

Interest Rate Risk

The Authority does not have a policy to limit interest rate risk, however, its practice is to hold investments to maturity.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets;
- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for an asset or liability.

As of December 31, 2016 and 2015, the Authority had the following investments and maturities:

		December 31, 2016			Fair Value as of
Investment Type	**Level**	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1–5 Years**	**December 31, 2015**
Debt Securities:					
U.S. Treasuries	2	**$ 90,174,402**	$ 43,845,436	$ 46,328,966	$ 110,742,530
U.S. Agencies	2	**59,655,335**	20,661,247	38,994,088	53,702,320
Corporate Bonds	2	**65,049,513**	15,218,739	49,830,774	48,572,019
Municipal Bonds	2	**8,319,752**	–	8,319,752	8,300,911
Mutual Bond Funds	1	**68,061**	68,061	–	201,769
NJ Cash Management Fund	2	**78,077,940**	78,077,940	–	51,894,092
Subtotal		**301,345,003**	157,871,423	143,473,580	273,413,641
Less amounts reported as cash equivalents		**(78,146,001)**	(78,146,001)	–	(52,095,861)
Total investments		**$ 223,199,002**	$ 79,725,422	$ 143,473,580	$ 221,317,780

Note 3: Deposits and Investments (continued)

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

The fair value of the NJCMF is based on the published market price on an inactive market as of the measurement date (Level 2 inputs).

(c) Special Purpose Investments

Pursuant to the Authority's mission, from time to time, in order to expand employment opportunities in the State and to spur economic development opportunities, the Authority, with the authorization of the Board, will make special purpose investments. These special purpose investments include the following:

The Authority is a limited partner in various venture funds formed with the primary purpose of providing venture capital to exceptionally talented entrepreneurs dedicated to the application of proprietary technologies or unique services in emerging markets and whose companies are in the expansion stage. At December 31, 2016 and 2015, the aggregate value of the Authority's investment in these funds is $8,906,724 and $7,946,808, respectively. As a limited partner, the Authority receives financial reports from the managing partner of the funds, copies of which may be obtained by contacting the Authority. For the purpose of financial reporting, the ownership in stock or equity interest in connection with economic development activities, such as providing venture capital, does not meet the definition of an investment because the asset is held primarily to further the economic development objectives of the Authority. Accordingly, the Authority uses the cost method as the measurement basis.

At December 31, 2016, the Authority also held other equity investments of $500,900. The investments were held in the form of stock.

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Notes to Financial Statements (continued)

Note 4: Notes Receivable

Notes receivable consist of the following:

	December 31 2016	December 31 2015
Economic Development Fund ("EDF") loan program; interest ranging up to 6.1%; maximum term 30 years	**$ 55,121,172**	$ 51,018,169
Economic Recovery Fund ("ERF") loan and guarantee programs; interest ranging up to 9.8%; maximum term of 12 years	**70,485,900**	90,371,127
Hazardous Discharge Site Remediation ("HDSR") loan program; interest ranging up to 5.5%; maximum term of 5 years	**2,279,481**	2,095,834
Municipal Economic Recovery Initiative ("MERI") loan program; interest ranging up to 3.0%; maximum term of 12 years	**645,621**	709,624
Stronger NJ Business (SNJ) loan program; interest ranging up to 1.81%; maximum term of 30 years	**61,515,508**	44,286,465
	$ 190,047,682	$ 188,481,219

Aggregate Notes Receivable activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Loan Disbursements	Loan Receipts	Write-offs, Adjustments, Restructures – Net	Ending Balance	Amounts Due Within One Year
EDF/ERF	$ 141,389,296	$ 20,305,954	$ (30,563,221)	$ (5,524,957)	$ 125,607,072	$ 11,954,146
HDSR	2,095,834	451,605	(267,958)	–	2,279,481	81,253
MERI	709,624	–	(64,003)	–	645,621	66,041
SNJ	44,286,465	18,403,582	(553,469)	(621,070)	61,515,508	2,011,072
	$ 188,481,219	$ 39,161,141	$ (31,448,651)	$ (6,146,027)	$ 190,047,682	$ 14,112,512

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Notes to Financial Statements (continued)

Note 5: Leases

(a) Leases Receivable

The Authority has a financing lease relating to the issuance of Bonds and Notes Payable. Bond and Note proceeds finance specific projects. The financing lease provides for basic rental payments, by the tenant to the Authority, in an amount at least equal to the amount of debt service on the Bonds and Notes. In the event of default by the tenant to make rental payments, the Authority generally has recourse, including, but not limited to, taking possession and selling or subletting the leased premises and property.

The outstanding lease is as follows:

Lease Description	2016	2015
NY Daily News, through January 23, 2021	**$ 7,348,102**	$ 7,448,102
Unamortized discount	**(476,056)**	(595,069)
Aggregate lease payments receivable – net	**$ 6,872,046**	$ 6,853,033

Aggregate lease receipts due through 2021 are as follows:

2017	$ 100,000
2018	100,000
2019	100,000
2020	100,000
2021	6,948,102
	$ 7,348,102

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Notes to Financial Statements (continued)

Note 5: Leases (continued)

Lease payments receivable activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Reductions	Ending Balance	Amount Receivable Within One Year
Gross receivable	$ 7,448,102	$ (100,000)	$ 7,348,102	$ 100,000
Discount	(595,069)	119,013	(476,056)	
Net receivable	$ 6,853,033	$ 19,013	$ 6,872,046	

(b) Operating Leases

(i) Authority as Lessor

At December 31, 2016, capital assets with a carrying value of $139,298,539 and accumulated depreciation of $75,143,963 are leased to commercial enterprises. These leases generally provide the tenant with renewal and purchase options. Aggregate minimum lease receipts are expected as follows:

2017	$ 5,737,402
2018	4,332,514
2019	3,518,323
2020	2,899,448
2021	2,595,664
2022–2026	9,545,231
2027–2031	420,300
2032–2036	420,300
2037–2041	420,300
2042–2044	252,180
	$ 30,141,662

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Notes to Financial Statements (continued)

Note 5: Leases (continued)

(ii) Authority as Lessee

The Authority leases commercial property, buildings, and office space for use by Authority staff. Aggregate rental expense for the current year amounted to $84,301. Aggregate future lease obligations are as follows:

2017	$ 108,238
2018	110,956
2019	73,760
2020	30,391
2021	23,127
	$ 346,472

Note 6: Capital Assets

Capital asset activity for the years ended December 31, 2016 and 2015 was as follows:

	December 31, 2015	Additions	Reductions	December 31, 2016
Capital assets not being depreciated:				
Land	$ 28,983,065	$ –	$ –	**$ 28,983,065**
Capital assets being depreciated:				
Buildings	98,343,729	–	(11,863,759)	**86,479,970**
Leasehold improvements	47,195,145	–	(12,261,940)	**34,933,205**
Capital assets – gross	174,521,939	–	(24,125,699)	**150,396,240**
Less: accumulated depreciation	88,369,229	6,013,587	(11,295,552)	**83,087,264**
Capital assets – net	$ 86,152,710	$ (6,013,587)	$ (12,830,147)	**$ 67,308,976**

	December 31, 2014	Additions	Reductions	December 31, 2015
Capital assets not being depreciated:				
Land	$ 27,582,065	$ 1,401,000	$ –	$ 28,983,065
Construction in progress	3,345	–	(3,345)	–
Capital assets being depreciated:				
Buildings	98,343,729	–	–	98,343,729
Leasehold improvements	47,195,145	–	–	47,195,145
Capital assets – gross	173,124,284	1,401,000	(3,345)	174,521,939
Less: accumulated depreciation	81,752,501	6,616,728	–	88,369,229
Capital assets – net	$ 91,371,783	$ (5,215,728)	$ (3,345)	$ 86,152,710

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Notes to Financial Statements (continued)

Note 6: Capital Assets (continued)

In 2016, the Authority sold a five-story building, located in the City of Camden, known as the Waterfront Technology Center in Camden ("WTCC"), to the County of Camden, for the sale price of $18 million. The WTCC was previously built by the Authority and used for both Authority staff and rental office space for technology related businesses. The County of Camden will use the building for county offices.

In 2015, the Authority purchased a 4-acre tract of land in the City of Camden, from the Parking Authority of the City of Camden at a purchase price of $1.4 million. The land, which had been used as a surface parking lot, will be used for commercial development, consistent with the Authority's mission.

Note 7: Notes Payable

Generally, Notes Payable are special obligations of the Authority payable solely from loan payments, lease rental payments and other revenues, funds and other assets pledged under the notes and do not constitute obligations against the general credit of the Authority. Note proceeds are used to fund specific programs and projects and are not commingled with other Authority funds.

The outstanding notes are as follows:

	December 31 2016	December 31 2015
Community Development Investments, LLC; interest at 5%; principal and interest due monthly with payments based solely on receipt of surcharge revenue. The note was scheduled to mature on 5/12/14; however, full repayment is subject to receipt of surcharge revenue.	**$ 2,000,000**	$ 2,000,000
City of Camden, NJ; interest at 6%; principal and interest due monthly with payments based solely on receipt of surcharge revenue. The note was scheduled to mature on 2/5/16; however, full repayment is subject to receipt of surcharge revenue.	**264,426**	1,296,679
FirstEnergy Corp./JCP&L; interest at 3%; interest only due monthly through 11/12/20; principal due at maturity on 11/12/20. Paid in full on 4/13/16	**–**	1,000,000
Public Service New Millennium Economic Development Fund, LLC; interest at 2%; interest only due monthly through 11/7/20; principal due at maturity on 11/7/20; paid in full on 4/12/16	**–**	5,000,000
	$ 2,264,426	$ 9,296,679

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Notes to Financial Statements (continued)

Note 7: Notes Payable (continued)

At December 31, 2016, aggregate debt service requirements of notes payable through 2019 are as follows:

	Principal	Interest	Total
2017	$ 973,415	$ 148,282	$ 1,121,697
2018	1,025,935	49,065	1,075,000
2019	265,076	6,664	271,740
Total	$ 2,264,426	$ 204,011	$ 2,468,437

Notes payable activity for the years ended December 31, 2016 and 2015 was as follows:

December 31, 2015	Additions	Reductions	December 31, 2016	Amounts Due Within One Year
$ 9,296,679	$ –	$ (7,032,253)	**$ 2,264,426**	$ 973,415

December 31, 2014	Additions	Reductions	December 31, 2015	Amounts Due Within One Year
$ 10,136,737	$ –	$ (840,058)	$ 9,296,679	$ 656,015

Note 8: Commitments and Contingencies

(a) Loan and Bond Guarantee Programs

The Authority has a special binding obligation regarding all guarantees to the extent that funds are available in the guarantee accounts as specified in the guarantee agreements. Guarantees are not, in any way, a debt or liability of the State.

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Notes to Financial Statements (continued)

Note 8: Commitments and Contingencies (continued)

(1) Economic Recovery Fund

The guarantee agreements restrict the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 5 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the guarantee program account. Principal payments on guaranteed loans and bonds reduce the Authority's exposure. At December 31, 2016, Debt was $11,339,772 and Worth was $175,231,219, with a ratio of 0.06 to 1.

(2) New Jersey Business Growth Fund

The Authority guarantees between 25% and 50% of specific, low-interest loans to New Jersey companies, made by one of its preferred lenders, with a maximum aggregate exposure to the Authority not to exceed $10 million and, at no time will the Authority pay more than $10 million, net, of guarantee demands. At December 31, 2016, aggregate exposure and related worth within the Business Growth Fund account are both $5,846,727.

(3) New Jersey Global Growth Fund

The Authority guarantees up to 50% of any approved term loan or line of credit to New Jersey companies, made by one of its premier lenders, with a maximum aggregate exposure to the Authority not to exceed $10 million and, at no time will the Authority pay more than $10 million, net, of guarantee demands. At December 31, 2016, aggregate exposure and related worth within the NJ Global Growth Fund account are both $10,000,000.

(4) State Small Business Credit Initiative Fund

The Federal grant agreement restricts the Authority from approving any loan or bond guarantee if, at the time of approval, the Debt (exposure and commitments) to Worth (the amount on deposit and available for payment) ratio is greater than 1 to 1. At any time, payment of the guarantee is limited to the amount of Worth within the State Small Business Credit Initiative Fund. At December 31, 2016, Debt was $3,353,385 and Worth was $10,281,580, with a ratio of 0.33 to 1.

New Jersey Economic Development Authority
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Notes to Financial Statements (continued)

Note 8: Commitments and Contingencies (continued)

(b) Loan Program Commitments and Project Financings

At December 31, 2016, the Authority has $12,786,430 of loan commitments not yet closed or disbursed and $86,556,982 of project financing commitments.

(c) New Markets Tax Credit Program

On December 28, 2005, the Authority loaned $31,000,000 to a limited liability company (“company”), to facilitate their investment in a certified community development entity (“entity”) whose primary mission is to provide loan capital for commercial projects in low-income areas throughout New Jersey. The company also received an equity investment from a private corporation (“corporation”). The company then invested the combined proceeds in the entity, which was awarded an allocation in Federal tax credits under the New Markets Tax Credit Program.

During 2007, the Authority made two additional New Markets commitments. On September 24, 2007 the Authority facilitated a transaction in which $3,500,000 in credits were allocated (no Authority funds were utilized). On September 26, 2007, the Authority loaned $20,296,000 to another company with terms similar to the first transaction.

During 2008, the Authority closed three additional New Markets commitments. A total of $37,000,000 in credits were allocated (no Authority funds were utilized).

In 2009, one New Markets commitment was closed. A total of $12,419,151 in credits were allocated (no Authority funds were utilized).

On February 28, 2013, the first New Markets loan pool, created in 2005, ceased operations, as the investor exercised its option to sell its membership interest.

On September 29, 2014, the second New Markets loan pool, created in 2007, ceased operations, as that investor also exercised its option to sell its membership interest.

As part of the remaining agreements, the corporation will claim the Federal tax credits in exchange for their investment. Claiming these credits carries the risk of recapture, whereby an event occurs that would negate the credit taken, causing it to be returned with interest. Based on the agreements

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Notes to Financial Statements (continued)

Note 8: Commitments and Contingencies (continued)

between the Authority and the respective companies, the Authority will provide a guaranty to the corporation against adverse consequences caused by a recapture event. As of December 31, 2016 the aggregate exposure to the Authority for the remaining transactions described above is $11,000,000. The Authority has determined the likelihood of paying on the guaranty, at this time, is remote.

Note 9: State and Federal Appropriations and Program Payments

The Authority receives appropriations from the State of New Jersey, as part of the State's annual budget, for purposes of administering certain grant programs enacted by State statute, and has also received appropriations from the United States Department of Housing and Urban Development, via the State of New Jersey, for purposes of administering certain loan and grant programs in connection with the aftermath of Superstorm Sandy in October 2012. The Authority recognizes the disbursement of these funds to grantees as program payments. For the year ended December 31, 2016 state and federal appropriations and program payments were $19,703,582, $44,240,190, and $73,268,795, respectively.

Note 10: Litigation

The Authority is involved in several lawsuits that, in the opinion of the management of the Authority, will not have a material effect on the accompanying financial statements.

Note 11: Employee Benefits

(a) Public Employees Retirement System of New Jersey ("PERS")

The Authority's employees participate in the PERS, a cost sharing multiple-employer defined benefit plan administered by the State. The Authority's contribution is based upon an actuarial computation performed by the PERS. Employees of the Authority are required to participate in the PERS and contribute 7.20% of their annual compensation. The PERS also provides death and disability benefits. All benefits and contribution requirements are established, or amended, by State statute.

New Jersey Economic Development Authority
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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after a minimum of 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60, and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62, and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions Made

The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year ended June 30, 2016, and is 7.20% as of

New Jersey Economic Development Authority
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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

December 31, 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Authority's contractually required contribution rate for the year ended December 31, 2016 and 2015, was 12.38% and 11.80% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $1,866,720 and $1,260,522 for the years ended December 31, 2016 and 2015.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

GASB 68 requires the Authority to recognize a net pension liability for the difference between the present value of the projected benefits for past service, known as the Total Pension Liability ("TPL"), and the restricted resources held in trust for the payment of pension benefits, known as the Fiduciary Net Position ("FNP").

At December 31, 2016 and 2015, the Authority reported a liability of $67.1 million and $48.7 million for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2016 and June 30, 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2015 and July 1, 2014. The actuarial valuations were rolled forward to June 30, 2016 and June 30, 2015 using update procedures. The Authority's proportion of the net pension liability was based on a projection of the long-term share of contribution to the pension plans relative to the projected contributions of all participating State agencies, actuarially determined. At December 31, 2016, the Authority's proportion was .22645% which was an increase of .00932% from its proportion measured as of December 31, 2015.

For the years ended December 31, 2016 and 2015, the Authority recognized pension expense of $8,811,092 and $4,811,804 for PERS. Pension expense is reported in the Authority's financial statements as part of salaries and benefits expense.

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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 2,557,373	$ –
Changes of assumptions or other inputs	13,892,958	–
Changes in proportion	9,763,100	–
Difference between expected and actual experience	1,247,266	–
Contributions subsequent to the measurement date	2,011,757	–
	$ 29,472,454	$ –

Deferred outflows of resources of $2,011,757 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year 1 (2017)	$ 6,704,112
Year 2 (2018)	6,704,112
Year 3 (2019)	6,704,112
Year 4 (2020)	5,899,767
Year 5 (2021)	1,448,594
	$ 27,460,697

At December 31, 2015, the Authority reported deferred outflows of resources of $18,728,245 and deferred inflows of resources of $783,660.

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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined based on an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016 using update procedures. The key actuarial assumptions are summarized as follows:

Inflation:	3.08%
Salary increase:	1.65%–5.15%
Investment rate of return:	7.65%
Cost of living adjustment	No cost of living adjustment is assumed

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% at June 30, 2016 and June 30, 2015. This single blended discount rate was based on the long term rate of return of 7.65% and the municipal bond rates of 2.85% and 3.80% as of June 30, 2016 and 2015 respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The contribution percentage is the average percentage of the annual actual contribution paid over the annual actuarially determined contribution during the most recent fiscal year. Based on those assumptions, the pension Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through fiscal year 2034.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
PERS:		
Cash	5.00%	0.87%
U.S Treasuries	1.50	1.74
Investment Grade Credit	8.00	1.79
Mortgages	2.00	1.67
High Yield Bonds	2.00	4.56
Inflation-Indexed Bonds	1.50	3.44
Broad US Equities	26.00	8.53
Developed Foreign Equities	13.25	6.83
Emerging Market Equities	6.50	9.95
Private Equity	9.00	12.40
Hedge Funds/Absolute Return	12.50	4.68
Real Estate (Property)	2.00	6.91
Commodities	0.50	5.45
Global Debt ex US	5.00	(0.25)
REIT	5.25	5.63

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.98% for PERS as well as the proportionate share of the net pension liability using a 1.00 percent increase or decrease from the current discount rate as of December 31, 2016:

	1% Decrease	Discount Rate	1% Increase
PERS (2.98%, 3.98%, 4.98%)	$ 82,184,307	$ 67,068,246	$ 54,588,627

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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

Detailed information about the Plan's fiduciary net position is available in a separately issued financial report. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for the PERS. Information on the total Plan funding status and progress, required contributions and trend information is available on the State's web site at www.state.nj.us/treasury/pensions/annrprts.shtml in the Comprehensive Annual Financial Report of the State of New Jersey, Division of Pensions and Benefits.

(b) Postemployment Health Care and Insurance Benefits

The Authority sponsors a single employer postemployment benefits plan that provides benefits in accordance with State statute, through the State Health Benefits Bureau, to its retirees having 25 years or more of service in the PERS, and 30 years or more of service if hired after June 28, 2011, or to employees approved for disability retirement. Health benefits and prescription benefits provided by the plan are at no cost to eligible retirees who had accumulated 20 years of service credit as of June 30, 2010. All other future retirees will contribute to a portion of their health and prescription premiums. Upon turning 65 years of age, a retiree must utilize Medicare as their primary coverage, with State Health Benefits providing supplemental coverage. In addition, life insurance is provided at no cost to the Authority and the retiree in an amount equal to 3/16 of their average salary during the final 12 months of active employment.

Since the Authority is a participating employer in the State Health Benefits Bureau, the Authority does not issue a separate stand-alone financial report regarding other postemployment benefits. The State of New Jersey, Department of the Treasury, Division of Pension and Benefits, issues publicly available financial reports that include the financial statements for the State Health Benefits Program Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

The State has the authority to establish and amend the benefit provisions offered and contribution requirements.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting & Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority obtained an actuarially determined calculation for this obligation, and has established and funded an irrevocable trust for the payments required by this obligation.

New Jersey Economic Development Authority
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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

The Authority's annual other postemployment benefits ("OPEB") cost for the plan is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. This represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year, and to amortize any unfunded actuarial accrued liability ("UAAL") or excess over a period not to exceed 30 years. The Authority elected to amortize the UAAL over one year in 2006. The Authority's annual OPEB cost for the years ended December 31, 2016 and 2015, and the related information for the Plan are as follows (dollar amounts in thousands):

	2016	**2015**
Annual required contribution (ARC)	**$ 1,162**	$ 9,014
Contributions made	**1,162**	9,014
(Decrease) increase in net OPEB obligation	–	–
Net OPEB obligation – beginning of year	**–**	–
Net OPEB obligation – end of year	**$ –**	$ –

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for fiscal years 2016, 2015 and 2014 are as follows (dollar amounts in thousands):

Fiscal Year Ended	**Annual OPEB Cost**	**Percentage of Annual OPEB Cost Contributed**	**Net OPEB Obligation**
December 31, 2016	$ 1,162	100.0%	$ –
December 31, 2015	9,014	100.0%	–
December 31, 2014	891	135.2%	–

As of December 31, 2016, the actuarial accrued liability for benefits was $30,100,655, none of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $16,245,862, and the ratio of unfunded actuarial accrued liability to the covered payroll was 46.8%.

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Notes to Financial Statements (continued)

Note 11: Employee Benefits (continued)

To fund its OPEB obligation, the Authority has established an irrevocable trust and set aside monies (plan assets) in a bank account administered by a Trustee for the payment of future OPEB obligations. As of December 31, 2016, the balance was $31,956,153 and investment earnings on the account were $381,575 in 2016. The plan assets are reported at fair value.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of future events, such as employment, mortality, and healthcare costs. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made regarding the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

For the January 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. In this method benefits are attributed from date of hire to the date of decrement. In the actuarial assumptions the investment return on plan assets was projected at an annual rate of 4%. The healthcare cost trend assumed in the actuarial valuation includes an initial annual healthcare cost trend rate of 7.5% annually, decreasing by 0.5% per year to an ultimate rate of 5% effective 2020 and thereafter. Both rates include a 4% inflation assumption. The unfunded actuarial accrued liability is being amortized over a 30-year closed period on a level-dollar basis.

Note 12: Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences,* the Authority recorded current liabilities in the amount of $985,155 and $916,415 as of December 31, 2016 and 2015, respectively. The liability as of those dates is the value of employee accrued

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Notes to Financial Statements (continued)

Note 12: Compensated Absences (continued)

vacation time and vested estimated sick leave benefits that are probable of payment to employees upon retirement. The vested sick leave benefit to eligible retirees for unused accumulated sick leave is calculated at the lesser of ½ the value of earned time or $15,000. The payment of sick leave benefits, prior to retirement, is dependent on the occurrence of sickness as defined by Authority policy; therefore, such non-vested benefits are not accrued.

Note 13: Long-Term Liabilities

During 2016, the following changes in long-term liabilities are reflected in the statement of net position:

	Beginning Balance	Additions	Deductions	Ending Balance
Net pension liability	$ 48,740,925	$ 18,327,321	$ –	$ 67,068,246
Notes payable	8,640,664	–	(7,349,653)	1,291,011
Unearned lease revenue	10,011,555	–	(1,053,848)	8,957,707
Accrued guarantee losses	1,382,681	411,425	(617,832)	1,176,274
Compensated absences	916,415	97,985	(29,245)	985,155
Total long-term liabilities	$ 69,692,240	$ 18,836,731	$ (9,050,578)	$ 79,478,393

For further information, see Notes 7 and 11.

Note 14: Subsequent Events

On May 11, 2017, the Board approved the actions associated with and necessary to the adoption and issuance of the NJEDA/State Lease Revenue Bonds 2017 Series and State Leasing Revenue Refunding Bonds 2017 Series in the maximum aggregate principal amounts of $300,000,000 and $75,000,000, respectively, including the forms of the lease, sublease and bond purchase contract and related items. The proceeds from the sale of the bonds will be used to finance the renovations and restoration of the Statehouse. The associated debt resulting from the issuance of these bonds is conduit to the Authority and is an obligation of the State of New Jersey and not the Authority. The required debt service payments and other contractual payments are subject to, and dependent upon, yearly appropriations being made by the State Legislature for such purposes.

Required Supplementary Information

New Jersey Economic Development Authority
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Schedule of Funding Progress of the Postemployment Healthcare Plan

The funding status of the postemployment health care plan as of December 31, 2016 (based on January 1, 2015 valuation date), and the preceding two actuarial valuation dates of January 1, 2012 and 2009 are as follows (dollars in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a)/(c)
1/1/2015	$ 22,498	$ 30,101	$ 7,603	74.7%	$ 15,819	48.1%
1/1/2012	18,374	20,794	2,420	88.4	10,472	23.1
1/1/2009	13,363	16,299	2,936	82.0	11,507	25.5

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Schedule of the Authority’s Proportionate Share of the Net Pension Liability

	2016 PERS	2015 PERS
Authority’s proportion of the net pension liability	**0.22645%**	0.21713%
Authority’s proportionate share of the net pension liability	**$ 67,068,246**	$ 48,740,925
Authority’s covered-employee payroll	**$ 16,245,862**	$ 15,434,227
Authority’s proportionate share of the net pension liability as a percentage as a percentage of its covered-employee payroll	**412.83%**	315.80%
Plan fiduciary net position as a percentage of the total pension liability	**31.20%**	38.21%

The amounts presented for each fiscal year were determined as of June 30.

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Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	**$ 2,011,757**	$ 1,866,720	$ 1,260,522	$ 1,137,100	$ 1,188,900	$ 1,262,300	$ 1,292,500	$ 1,029,900	$ 743,700	$ 549,444
Contributions in relation to the contractually required contribution	**2,011,757**	1,866,720	1,260,522	1,137,100	1,188,900	1,262,300	1,292,500	1,029,900	743,700	549,444
Contribution deficiency (excess)	**$ –**	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Authority's covered employee payroll	**$16,245,862**	$ 15,818,820	$ 14,535,358	$ 10,970,510	$ 10,472,305	$ 12,062,333	$ 13,183,135	$ 13,769,583	$ 11,114,716	$ 9,333,073
Contributions as a percentage of covered employee payroll	**12.38%**	11.80%	8.67%	10.37%	11.35%	10.46%	9.80%	7.48%	6.69%	5.89%

New Jersey Economic Development Authority
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Notes to Schedule of the Authority's Contributions to the Public Employees' Retirement System (PERS)

Notes to Schedule:

Valuation Date	Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine the actuarially determined employer contributions are as follows:

Actuarial Cost Method	Projected Unit Credit Method
Amortization Method	Level Dollar Amortization
Remaining Amortization Period	30 years
Asset Valuation Method	A five year average of market value
Investment Rate of Return	7.65% for 2016, 7.9% for 2015, 2014 and 2013, 7.95% for 2012, 8.25% for 2011, 2010 2009, 2008, 2007 and 2006
Inflation	3.01%
Salary Increases	1.65% – 5.15% for 2016, 2.15% – 5.40% for 2015 through 2013, 4.52% for 2012, 5.45% for 2011, 2010 2009, 2008, 2007 and 2006
Mortality	RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

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NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: July 13, 2017

RE: New Jersey Asset Management Data System

Request

The Members of the Board are requested to approve entering into a contract with Elsevier to provide services to the New Jersey Economic Development Authority ("Authority"), in collaboration with the Office of the Secretary of Higher Education ("OSHE"), related to the creation and maintenance of a New Jersey Asset Management Data System ("Data System").

The contract award is based on an estimated budget of $1.5 million ($1,500,000) and authorized through the Appropriations Act of Fiscal Year 2018, P.L.2017, c. 99, which appropriated an amount not to exceed $1.5 million ($1,500,000) for the purpose of supporting the creation and maintenance by the Authority, in collaboration with OSHE, of a searchable database of research being conducted across the State by higher education institutions, for use as an economic tool in attracting and retaining businesses in New Jersey.

The contract provides for an initial two (2) year term, and allows for three (3) one (1) year extension options, to be exercised at the sole discretion of the Authority at the same terms and conditions.

Background

As approved in the Appropriations Act of Fiscal Year 2017, P.L. 2016, c. 10 and reauthorized via the Appropriations Act of Fiscal Year 2018, P.L. 2017, c. 99, an amount not to exceed $1.5 million ($1,500,000) has been appropriated for the creation and maintenance of a Data System for the purpose of connecting the business community with critical university assets to help promote innovative research and greater collaboration, to aid universities in managing research enterprise, and to facilitate interaction between universities.

The Authority released a Request for Information (RFI) in December 2016 seeking information from qualified firms related to the creation and maintenance of a Data

System. Based on information received in response to the RFI, the Authority advertised a Request for Qualifications/Proposals (RFQ/P) in May 2017 to identify a technology vendor that would design and develop the Data System. The Authority subsequently cancelled the May 2017 RFQ/P and advertised an amended version in June 2017.

To ensure successful development, implementation and ongoing maintenance of the Data System, the Board approved a Memorandum of Understanding ("MOU") between the Authority and OSHE in April 2017 related to the creation of a full-time, temporary position at OSHE to oversee this initiative. Per the MOU, the Authority assisted in recruiting and hiring the candidate, Eli Khazzam, who will start on July 24 and be supervised by OSHE, per the MOU. Mr. Khazzam brings a wealth of experience to this role, most recently serving as a Senior Technical Manager, Public Policy and Regulation, for the International Federation of Accountants. He had previously served as the Governance Manager for this international organization. Mr. Khazzam has a Masters in Urban Planning with a concentration in economic development from New York University's Robert F. Wagner School of Public Service, and a Bachelor of Arts in Journalism and Communications from New York University's College of Arts & Science. Mr. Khazzam will work with the selected technology vendor to implement the Data System, develop a governance structure to support a long term sustainable strategy and business plan, and facilitate stakeholder collaboration, among other responsibilities.

RFQ/P -Creation and Maintenance of a New Jersey Asset Management Data System

The Authority issued the RFQ/P on June 15, 2017 to solicit proposals for a technology vendor to provide a customizable, off-the-shelf software product to be implemented as a cloud solution (Software as a Service – SaaS) allowing for the creation of a Data System that will consolidate research information into one platform and integrate existing university databases with the goals of increasing innovation exchange, establishing greater collaboration between academia and industry to catalyze economic development, and helping to market New Jersey as a center of innovation.

This RFP/Q was advertised, posted to the Authority's website and distributed to potentially interested Bidders via email. In response to this solicitation, two (2) proposals were received by the stated deadline, June 29, 2017. Both proposals were determined to be responsive.

An evaluation committee ("the Committee") comprised of the Senior Vice President of Governance, Communications & Strategic Initiatives - EDA, the Chief Information Officer – EDA, the Director of Marketing and Public Affairs – EDA, the Program Manager of the Commercialization Center for Innovative Technologies – EDA, the Assistant Secretary for Finance, Accountability and Technology – OSHE, the Director of Finance – OSHE, and two non-voting Subject Matter Experts (the Vice President for Research - Rutgers University, and the Director of Corporate Engagement and Foundation Relations - Princeton University), then reviewed and scored the two responsive proposals.

As part of its review and evaluation of the proposals, the Committee considered a group of pre-established evaluation criteria, published in the RFQ/P, which included multiple factors that were established in the RFP/Q, including documented experience with contracts of similar size and scope, and experience of the management and staff, among other factors.

Based on a thorough review of proposals, the Committee recommends the selection of Elsevier. This company demonstrated the necessary experience to undertake the services related to the Data System. Based on a scoring of "1" through "5" with "1" representing "Poor" and "5" representing "Excellent," Elsevier received an overall score of 4.31 NJ Tech Ventures, LLC received a total score of 2.58, which did not meet the required score of three (3) or higher to be considered for award. The Evaluation Committee Summary matrix form is attached.

Process, Budget and Payment

The technology vendor will submit invoices to the Authority upon completion of each phase of the process, as outlined in the RFQ/P, once the authorized, completed work is approved by the State Project Director. Following the creation and launch of the Data System (Phases I-III), Phase IV – On-Going Performance Monitoring/Security/Support, invoices will be submitted monthly, or as agreed to by the technology vendor and the State Project Director.

The Authority, in its sole discretion, has the right to require additional information, documentation and/or justification upon receipt of an invoice for payment and prior to approving such invoice for payment.

Recommendation:

The Members' approval is requested to enter into a two (2) year contract with three (3) one (1) year extension options, to be exercised at the sole discretion of the Authority at the same terms and conditions. The contract award is based on an estimated budget of $1.5 million ($1,500,000). The final contract will be subject to the approval of the Authority's Chief Executive Officer and the Attorney General's Office.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

EVALUATION SCORE SUMMARY

RFQ/P / BID #:	2017-RFQ/P-077 RE-BID (7/11/17)
RFQ/P TITLE:	Creation & Maintenance of a NJ Asset Management Data System
REQUESTOR:	Erin Gold
DEPARTMENT:	Governance & Communication

ITEM #	EVALUATION CRITERIA	% WEIGHT	ELSEIVER		NJ TECH VENTURES	
			TOTAL SCORE	WEIGHTED SCORE	TOTAL SCORE	WEIGHTED SCORE
1	**Personnel**: The qualifications and experience of the Proposers management, supervisory, and key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required, as evidenced by: RFQ/P Section 4.4.4 Organizational Personnel & Experience - Incl. Sections: 4.4.4.1 to 4.4.4.5	20.0%	23.00	4.60	19.00	3.80
2	**Experience**: The Proposers documented experience in successfully completing contracts of a similar size and scope in relation to the work required by this RFP, as evidenced by: RFQ/P Sections 4.4.4 Organizational Personnel & Experience; including Sections 4.4.4.6 & 4.4.4.7	30.0%	25.50	7.65	15.00	4.50
3	**Technical Proposal**: The Proposers demonstration that the Proposer understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the contract, as evidenced by: RFQ/P-Section 4.4.3 Technical Proposal - Incl. Sections 4.4.3.1 to 4.4.3.6; and Section 4.4.6 Reporting	40.0%	26.50	10.60	16.50	6.60
4	**Pricing**: Per RFQ/P, Section 4.4.5 Fee Schedule & 6.7.2 Evaluation Criteria for Fee Schedule and **Addenda #1** AWARD CRITERIA: SECTIONS 1A-1C the TOTAL Cost submitted will be used for evaluation purposes. SECTIONS 1D-1E, each Bidders TOTAL COST for the INITIAL TWO (2) Year Contract will be used to evaluate Price for these sections. Cost increases for each extension year will not be included in the TOTAL COST, because there is no guarantee this will be funded beyond the initial contract term. SCORING: TOTAL COST FOR SECTIONS 1A-1E will be ranked from lowest TOTAL cost = (Score of 5) to the highest TOTAL cost = (Score of 1). Scores between the lowest and highest TOTAL cost will be given a (Score of 3). In the event of a tie TOTAL Lowest Score, the Hourly Rate TOTAL will be used to break the tie.	10.0%	30.00	3.00	6.00	0.60
	TOTAL WEIGHTED SCORE	100.0%		25.85		15.50
	TOTAL WEIGHTED SCORE DIVIDED BY (6) COMMITTEE MEMBERS			4.31		2.58

ON A SCALE OF 1-5, EVALUATE AND SCORE THE ABOVE PROPOSAL AS FOLLOWS:
1 - POOR 2 - FAIR 3 - GOOD 4 - VERY GOOD 5 - EXCELLENT

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGAM (GROW NJ)

The following summary is provided for information only. Full eligibility and review criteria can be found in the program's rules.

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

Created by law in 2012, and revised through P.L. 2013, c. 161 and the "Economic Opportunity Act of 2014, Part 3," the intent of this program is to provide tax credits to eligible businesses which make, acquire or lease a capital investment equal to or greater than certain minimum capital investment amounts at a qualified business facility at which it will employ certain numbers of employees in retained and/or new full-time jobs.

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

- Make, acquire, or lease a capital investment equal to, or greater than, the minimum capital investment, i.e.: Industrial, Warehousing, Logistics and R&D/Rehabilitation Projects -$20 sq. ft.; Industrial, Warehousing, Logistics and R&D/New Construction Projects-$60 sq. ft.; Other/Rehabilitation Projects-$40 sq. ft.; and Other/New Construction-$120 sq. ft.
  Minimum capital investment amounts lowered to 2/3 in GSGZs and in eight southernmost counties

- Retain full-time jobs and/or create new full-time jobs in an amount equal to or greater than, the applicable minimum requirements, as follows: Tech start ups and manufacturing businesses - 10 new/25 retained FT jobs; Other targeted industries - 25 new/35 retained FT jobs; All other businesses/industries - 35 new/50 retained FT jobs.
  Minimum employment numbers lowered to 3/4 in GSGZs and in eight southernmost counties

- Demonstrate that: 1) the qualified business facility is constructed to certain minimum environmental / sustainability standards; 2) the proposed capital investment and resultant retention and creation of eligible positions will yield a net positive benefit equaling at least 110% of requested tax credit allocation amount prior to taking into account the value of requested tax credit, and shall be based on benefits generated during the initial years following project completion (Mega Project or GSGZ – up to 30 years; GSGZ-Camden up to 35 years and equal to 100% of requested allocation; all other projects up to 20 years); and, 3) the award of tax credits will be a material factor in the business's decision to create or retain the minimum number of full-time jobs with evidence relating to viable alternatives to the site and ability to dispose of or carry the costs of the site, if the business moves to the alternate site.

Staff Review:

- A comprehensive net benefit analysis is conducted to ensure the project has a positive net benefit to the State of at least 110%. The economic impact model used by the EDA includes multipliers from the RIMS II data base, published by the US Department of Commerce, along with internal econometric analysis and modeling to assess economic outputs, impacts and likely jobs creation.
- For material factor, staff reviews cost benefit analyses provided by the company regarding other out-of-state sites under consideration and cost of rent, property taxes, and utility costs; and, also investigates any existing labor contracts or real estate ownership that would render a re-location out of New Jersey impractical or cost prohibitive.
- For intra-State job transfers, EDA Board shall make a separate determination to verify and confirm that the jobs are at risk of leaving the state, the date(s) at which the EDA expects that those jobs would actually leave, or with respect to projects in a GSGZ-Camden/Atlantic City, that the provision of tax credits under the program is a material factor in the businesses decision to make a capital investment and locate there, as attested to in a CEO certification.
- If the business reduces the total number of its full-time employees in the State by more than 20% from the tax period prior to approval, then the business shall forfeit its credit for that tax period and going forward until such time as its full-time employment in the State has increased to the 80% level.

Amount of award based upon:

- Base, gross and maximum amounts of tax credits for each new or retained full-time job, follows:

Project Type	**Base Amount** *Per Job/Per Year*	**Gross Amount** *Per Job/Per Year*	**Maximum Amount** *To be Applied Annually*
Mega Project	$5,000	$15,000	$30 million
GSGZ Project	$5,000	$15,000	$30 million/*$35 million-Camden/Atlantic City*
UTHTC Municipality	$5,000	$12,000	$10 million
Distressed Municipality	$4,000	$11,000	$8 million
Priority Area	$3,000	$10,500	$4 million *(Not more than 90% of withholdings)*
Other Eligible Area	$500	$6,000	$2.5 million *(Not more than 90% of withholdings)*
Disaster Recovery Project	$2,000	$2,000	

- Bonus – The amount of tax credit shall be increased if the qualified business facility meets any of the following priority criteria or other additional or replacement criteria determined by EDA from time to time in response to evolving economic or market conditions:

Bonus Type	**Bonus Amount**
Deep poverty pocket or Choice Neighborhoods Transportation Plan area	$1,500
Qualified incubator facility	$500
Mixed-use development with sufficient moderate income housing on site to accommodate 20% of full-time employees	$500
Transit oriented development	$2,000
Excess capital investment in industrial site for industrial use *(excludes mega projects)*	$3,000 maximum
Excess capital investment in industrial site for industrial use *(mega projects or GSGZ projects)*	$5,000 maximum
Average salary in excess of county's existing average or in excess of average for GSGZ	$1,500 maximum
Large numbers of new and retained full-time jobs 251 to 400 401 to 600 601 to 800 801 to 1,000 1,001+	 $500 $750 $1,000 $1,250 $1,500
Business in a targeted industry	$500
Exceeds LEED "Silver" or completes substantial environmental remediation	$250
Located in municipality in eight southernmost counties with a MRI Index greater than 465	$1,000
Located within a half-mile of any new light rail station	$1,000
Projects generating solar energy for onsite use	$250
Vacant commercial building with over 1 million sq. ft. of lab space/1 year occupancy	$1,000

- Final Total Tax Credit Amount – Except for in GSGZs, the final total amount of tax credit, following the determination by EDA of the gross amount of tax credits, shall be equal to 100% of the gross amount of tax credits for each new full-time job; and the lesser of 50% for each retained full-time job or the capital investment made by the applicant, per employee.
- For tax credits in excess of $40 million, the amount available to be applied by the business annually shall be the lesser of the permitted statutory maximum amount or an amount determined by EDA necessary to complete the project, determined through staff analysis of all locations under consideration and all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations and potential out-of State location alternatives.
- Limits on Annual Tax Credits – The amount of tax credits available to be applied by the business annually shall not exceed: GSGZ/Camden/Atlantic City - $35,000,000; Mega Project/GSGZ - $30,000,000; Urban Transit Hub - $10,000,000; Distressed Municipality - $8,000,000; Priority Areas - $4,000,000 (not more than 90% of withholdings); and Other Eligible Areas - $2,500,000 (not more than 90% of withholdings).

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

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

APPLICANT:	1661, Inc., dba GOAT		P44277
PROJECT LOCATION:	1 County Road Units A6-A8	Secaucus Town	Hudson County

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

APPLICANT BACKGROUND:
1661, Inc., doing business as GOAT, was founded in 2015 and is headquartered in Los Angeles, CA. GOAT created a high-tech, proprietary mobile technology platform, allowing customers to buy and sell sneakers through their mobile devices, while guaranteeing that the products are in described condition and equally important are not replicas. GOAT's digital marketplace provides a safe and secure platform for transacting the most coveted and highly desirable footwear. The company authenticates every item with their team of specialists, thereby creating a managed marketplace that provides buyers confidence and assurance that their purchase is genuine. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
GOAT has raised $30 million in funding since its inception, which it plans to use to expand its verification and distribution capabilities and to create new jobs. GOAT is assessing options to open an East Coast marketplace authentication and distribution center, including authentication services, to better service its large Tri-State area customer base. The leading NJ site option is located at 1 County Road in Secaucus and is a building with ceiling heights of approximately 30 feet. GOAT is evaluating leasing 27,500 square feet. Alternatively, GOAT is considering a Pennsylvania option, centrally at 3601 Island Ave in Philadelphia. The Philadelphia option is newer construction with slightly lower ceiling height but is considered turnkey requiring only minor renovations and no significant upgrades before the Company can begin operations. If the project were to proceed in Pennsylvania, the Company could occupy approximately 42,500 square feet of floor space, which would equal a similar amount of cubic feet of storage space as the NJ option, as the ceiling height in the PA building is approximately 16.5 feet high.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of GOAT has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Eddy Lu, the CEO of GOAT, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $256,909 over the 20-year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$550,000	$964,122
New Jobs	35	50
Retained Jobs	50	0

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Secaucus Town is a designated Distressed Municipality
Increase(s) Criteria		

Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	1 County Road is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation bus station.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	**The Retained Full-Time Jobs will receive the lesser of:** - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $6,000 = $3,000) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($964,122 / 10 / (50 + 0) = $1,928)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Distressed Municipality			$ 4,000
INCREASES PER EMPLOYEE:			
Transit Oriented Development:		$ 2,000	
INCREASE PER EMPLOYEE:			$ 2,000
PER EMPLOYEE LIMIT:			
Distressed Municipality		$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$ 6,000
AWARD:			
	New Jobs:	50 Jobs X $6,000 X 100% =	$300,000
	Retained Jobs:	0 Jobs X $1,928 X 100% =	$ 0,000
		Total:	**$300,000**
ANNUAL LIMITS:			
Distressed Municipality		$ 8,000,000	
TOTAL ANNUAL AWARD			**$300,000**

TOTAL ANNUAL AWARD BASED ON THE BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO THE AWARD) BEING 110% OF THE AWARD WITH A COMMITMENT TO REMAIN IN THE QUALIFIED BUSINESS FACILITY FOR 20 YEARS:

	New Jobs:	50 Jobs X $5,132 X 100% =	$256,600
	Retained Jobs:	0 Jobs X $0,000 X 50% =	$ 0,000
TOTAL ANNUAL AWARD			$256,600 *

*** PLEASE SEE RECOUPMENT SCHEDULE BELOW**

RECOUPMENT SCHEDULE

	YEAR	RECOUPMENT AMOUNT
IF THE APPLICANT LEAVES IN YEAR:	16	$474,613.00
IF THE APPLICANT LEAVES IN YEAR:	17	$372,671.98
IF THE APPLICANT LEAVES IN YEAR:	18	$274,337.36
IF THE APPLICANT LEAVES IN YEAR:	19	$179,481.56
IF THE APPLICANT LEAVES IN YEAR:	20	$ 87,981.50

PROJECT IS: ( ) Expansion (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 964,122
EXPECTED PROJECT COMPLETION:	**August 1, 2020**
SIZE OF PROJECT LOCATION:	27,500 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial

CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS:	50
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016)	0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	$ 31,000

NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 2,822,909
TOTAL AMOUNT OF AWARD:	$ 2,566,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 256,909

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.

4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. If the number of employees, salaries or capital investment to be counted in the Net Benefit Test (NBT) falls by more than 10% from the amounts contained herein, the net benefit to the state will need to be recalculated under the then current NBT model, which may reduce the amount of the Grow NJ Award.
7. The applicant will be required to produce a site control document prior to closing that demonstrates control of the site for the entire 20-year period it has committed to remain in the Qualified Business Facility or its award will revert back to the standard award ($2,091,387 for a 15-year commitment) based on the actual length of the site control document.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Matt Sestrich **APPROVAL OFFICER**: Mark Chierici

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: July 13, 2017

SUBJECT: Jet.com, Inc.

Purpose:

This memorandum addresses the legal matters of Jet.com related to the company's pending Grow New Jersey application.

Background:

Jet.com, founded in New Jersey in April 2014 and headquartered in Hoboken, operates a smart shopping platform that allows users to shop online for an extensive variety of products from various retailers. Jet.com, which started with only 10 employees three years ago, now employs over 3,000 workers at multiple locations. The company recently entered a new period of expansion after being acquired by Walmart in September 2016.

Analysis of Litigation as Grounds for Possible Disqualification:

Pursuant to the Authority's regulations, N.J.A.C. 19:30-2-1 et seq., criminal convictions, violations of certain laws and guilty pleas can serve as the basis for disqualification or debarment.

Listed below are the relevant actions relating to the applicant and penalties as reviewed by staff with guidance from the Attorney General's Office:

Jury Verdict – Pennsylvania Wage Payment and Collection Law

In a case captioned *Braun v. Wal-Mart Stores, Inc.* Wal-Mart Stores, Inc. was found liable for violating the Pennsylvania Wage Payment and Collection Law before a jury in the Court of Common Pleas in Philadelphia in 2006. Among Plaintiffs' allegations were that Wal-Mart had promised them paid rest and meal breaks, but then had forced them, in whole or in part, to miss breaks or work through breaks, and to work "off-the-clock," i.e., to work without pay, after a scheduled shift had concluded.

Judgment was entered on the jury's verdict in 2007, and Walmart appealed. The Pennsylvania Superior Court affirmed the judgment, except as to attorneys' fees. The Pennsylvania Supreme Court granted review in 2014, and affirmed the lower court's ruling. Walmart filed petitions for Writ of Certiorari in the U.S. Supreme Court in 2015, but the petitions were denied in April 2016. Walmart paid the class judgment (plus interest) of approximately $242 million on June 7, 2016.

Mitigating Factors – Pennsylvania Matter:

Several mitigating factors provided by the applicant regarding the conduct described in this memorandum are worthy of consideration. With regard to the Pennsylvania matter, those factors are as follows:

1. The *Braun* and *Hummel* lawsuits were filed in 2001 and 2002, and subsequently consolidated. The class period began nearly 20 years ago, in 1998, and ended more than 10 years ago, in 2006. Whatever the merits of the allegations, they do not reflect Walmart's compliance with its policies today.
2. The claims in *Braun/Hummel* related to alleged missed meal periods, alleged missed rest breaks, and alleged off-the-clock work by hourly associates in Pennsylvania stores. The jury found for Walmart on the meal-period claims. The vast majority of the damages awarded related to alleged missed or shorted rest breaks. Although the class counsel claimed over $142.5 million in compensatory damages, the jury awarded approximately $78 million, $76 million of which related to alleged rest-break violations. Liquidated damages added by the court, pre- and post-judgment interest, and expenses accounted for the remainder of the class judgment that Walmart eventually paid.
3. Substantial disputed issues were presented by this case as shown by the Pennsylvania Supreme Court's grant of review in the case; by the spirited dissent to the majority opinion of that Court affirming the judgment; and by the fact that the U.S. Supreme Court took more than a year to rule on Walmart's petition for review.
4. More than 10 years ago, Walmart instituted various measures (nationwide) to improve compliance with the internal policies that had allegedly been violated in these cases. For example, the company:

    a. reconfigured its store systems so that associates who were not "on the clock" could not operate store devices such as cash registers, computer terminals, and Telxons;
    b. programmed its systems to notify cashiers of approaching meal periods;
    c. further programmed its systems to prevent associates from clocking in from meal periods prematurely;
    d. implemented a wage-and-hour hotline to receive and act on complaints of policy violations;
    e. implemented an electronic time adjustment system that alerts associates that they need to approve or reject adjustments that have been made in their time-clock records;
    f. strengthened and enhanced its written policies, including its Statement of Ethics, to make clear that compliance with break policies and pay policies has the highest priority, and that managers who violate those policies are subject to discipline, up to and including termination; and
    g. instituted and augmented robust training at all levels of the company to educate both hourly associates and managers that compliance with these policies is not negotiable.

Jury Verdict – Texas Optometry Act

In a case captioned *Forte v. Wal-Mart Stores, Inc.*, Plaintiffs, a group of optometrists who leased office space from Wal-Mart Stores, Inc., in its retail stores, sued Walmart for violations of the Texas Optometry Act, Tex. Occ. Code §§ 351.001-.608. They alleged that Wal-Mart, in violation of the Act, attempted to control their practice of optometry by exercising influence over their hours.

Plaintiffs conceded that they did not suffer any compensatory damages, but instead sought civil penalties under the Act. After trial, a jury returned a verdict in the Plaintiffs' favor, and the district court entered judgment in the amount of $1.4M, consisting entirely of statutory civil penalties. Wal-Mart appealed both the liability finding and the penalty award.

The Fifth Circuit affirmed liability in February 2015, but wiped out the penalty. In 2016, the Texas Supreme Court ruled that Wal-Mart is not liable for a $1.4 million civil penalty imposed by the jury, as a state tort reform law bars awarding such penalties to parties who have not recovered compensatory damages.

Mitigating Factors – Texas Matter:

The mitigating factors with regard to the Texas matter are as follows:

1. The Plaintiffs in the *Forte* cases alleged that Walmart had violated the Texas Optometry Act by: 1) requiring Texas optometrists to list their intended hours of practice in their leases with Walmart; and 2) requiring optometrists to name Walmart as an additional insured on their professional liability insurance. In June 2009, Walmart removed both of these requirements from the Texas lease form.
2. From the outset, the Plaintiffs stated that they did not suffer any actual damages. Instead, they claimed that they were entitled to penalties because Walmart had a technical violation of the statute.
3. Although the jury awarded Plaintiffs penalties, the U.S. Court of Appeals and ultimately the Texas Supreme Court determined that Plaintiffs were not entitled to any penalties because they had specifically disavowed any actual damages.

Recommendation:

Staff performed a review of these actions with guidance from the Attorney General's office and weighed the seriousness of the offenses in conjunction with the mitigating factors. Staff does not believe disqualification is warranted.

Timothy J. Lizura, President and COO

Prepared by: Marcus Saldutti

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

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

APPLICANT: Jet.com, Inc. P44260

PROJECT LOCATION: 221 River Street, 5th Floor Hoboken City Hudson County

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

APPLICANT BACKGROUND:
Jet.com, Inc., founded in April 2014 and headquartered in Hoboken, NJ, is an e-commerce company. The company operates a smart shopping platform that allows users to shop for a myriad of products from many retailers. Jet.com started with 10 employees three years ago and now has 3,000 employees spread over multiple locations, including the Hoboken Headquarters and warehousing in Florence NJ, Pedricktown NJ, Nevada and Kansas. Acquired by Wal-mart Stores, Inc. ("Walmart") in September 2016, the company is entering into a new expansion period to serve customers across the Walmart app, website and stores and to position the company for e-commerce growth in the future by expanding customer reach and adding new capabilities. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:
Jet.com, Inc. is exploring options for the expansion of the business in conjunction with the acquisition of the company by Walmart. The company expects to create 322 new business and technology jobs to accommodate the expanded role and scope of its business and is considering leasing 39,990 sq. ft. in Hoboken, NJ on the fifth floor in the same building as its headquarters. The alternative is to bifurcate the expansion between out-of-state locations, with the business positions utilizing 25,000 sq. ft. of owned facilities at Walmart's global headquarters in Bentonville, Arkansas and the technology positions housed in an 12,452 sq. ft. leased facility in New York City.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Jet.com, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Marc Lore the CEO of Jet.com, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $33 million over the 20 year period required by the Statute.

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	$1,599,600	$5,267,595
New Jobs	35	322
Retained Jobs	50	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Hoboken City is a designated Urban Transit Hub Municipality

Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	221 River Street is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a New Jersey Transit Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $88,000 exceeds the Hudson County median salary by 73% resulting in an increase of $500 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 322 Full-Time Jobs at the project location resulting in an increase of $500.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,000 = $4,000) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($5,267,595 / 10 / (322 + 0) = $1,635)**

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

Grant Calculation

BASE GRANT PER EMPLOYEE:			
Urban Transit HUB Municipality			$5,000
INCREASES PER EMPLOYEE:			
Transit Oriented Development:		$ 2,000	
Jobs with Salary in Excess of County Average:		$ 500	
Large Number of New/Retained F/T Jobs:		$ 500	
INCREASE PER EMPLOYEE:			$3,000
PER EMPLOYEE LIMIT:			
Urban Transit HUB Municipality		$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			$8,000
AWARD:			
New Jobs:	322 Jobs X $8,000 X 100% =		$2,576,000
Retained Jobs:	0 Jobs X $1,635 X 100% =		$0,000
		Total:	**$2,576,000**
ANNUAL LIMITS:			
Urban Transit HUB Municipality		$10,000,000	
TOTAL ANNUAL AWARD			**$2,576,000**

PROJECT IS: (X) Expansion ( ) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 5,267,595
EXPECTED PROJECT COMPLETION:	August 1, 2018
SIZE OF PROJECT LOCATION:	39,990 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial

CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS:		322
RETAINED FULL-TIME JOBS:		0
STATEWIDE BASE EMPLOYMENT (AS OF JANUARY 31, 2017):		1,281
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:		N/A
MEDIAN WAGES:	$	88,000

NET BENEFIT MODEL:		2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$	58,946,353
TOTAL AMOUNT OF AWARD:	$	25,760,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$	33,186,353

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within 12 months following approval, the applicant will submit progress information indicating that the business has site plan approval, committed financing for, and site control of the qualified business facility.
6. The applicant will maintain the 756 current positions it has at the project site for the duration of the Grow NJ award. The number of new positions that are subject to this Grow NJ award will only be counted above and beyond the first 756 positions employed by the applicant at the project site.

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: D. Ubinger **APPROVAL OFFICER**: T. Wells

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

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

APPLICANT: Modern Meadow, Inc. P44288

PROJECT LOCATION: 340 Kingsland Street Nutley Township Essex County

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

APPLICANT BACKGROUND:
Founded in 2011, Modern Meadow, Inc. (Modern Meadow) is a biotechnology company utilizing design, biology, and engineering to sustainably manufacture high-performing consumer materials. Modern Meadow currently biofabricates leather materials using the building blocks of nature such as collagen protein enabling new functional, performance and aesthetic properties not possible from traditional leather such as improved strength to weight ratio. The applicant has demonstrated the financial ability to undertake the project. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Modern Meadow currently operates out of a facility in Brooklyn, NY housing all of its operations on a month-to-month lease. In an effort to provide additional capacity and facilitate dramatic expansion, Modern Meadow will be relocating its operations to a new facility. It has identified a space located in the former Hoffmann LaRoche site in Nutley, NJ where it would lease 119,327 sq. ft.; including 72,907 sq. ft. of existing space and a 46,420 sq. ft. addition constructed to meet the specific operational needs of Modern Meadow. The total investment of the project including construction, machinery and equipment, and building out the space is $20.8 million and the project would result in the creation of 263 new positions to the State. Alternatively, if Modern Meadow does not relocate to New Jersey, it would remain in New York moving its operations to Farmingdale, NY and create comparable investment and jobs outside of New Jersey.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Modern Meadow, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Andras Forgacs, the CEO of Modern Meadow, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $20.9 million over the 30 year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$2,386,540	$20,783,088
New Jobs	10	263
Retained Jobs	25	0

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

Base Grant	**Requirement**	**Proposed by Applicant**
Mega Project	Base award of $5,000 per year for projects designated as a Mega Project	A Qualified Business Facility located in a Port District that qualifies as a Mega Project by virtue of being in a Port District for a business in the logistics, manufacturing, energy, defense, or maritime industry having either capital investment in excess of $20,000,000 and more than 250 full-time employees created or retained.

Increase(s) Criteria		
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $77,000 exceeds the Essex County median salary by 59.3% resulting in an increase of $250 per year.
Large Number of New/Retained Full-Time Jobs	An increase of $500 per job for 251-400 new or retained jobs, $750 per job for 401-600 new or retained jobs, $1,000 for 601-800 new or retained jobs, $1,250 for 801-1,000 new or retained jobs and $1,500 for more than 1,000 new or retained jobs	The applicant is proposing to create/retain 263 Full-Time Jobs at the project location resulting in an increase of $500.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Mega/GSGZ Ind. Project w/ Cap. Inv. In Excess of Min	An increase of $1,000 per job for a Mega Project or a project located in a Garden State Growth Zone for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $5,000	The proposed project is a Mega Project. The proposed capital investments of $20,783,088 is 771% above the minimum capital investment resulting in an increase of $5,000 per year.
Vacant Commercial Building in excess of 1,000,000 sq. ft.	An increase of $1,000 per job for a project that includes a vacant commercial building having in excess of 1,000,000 sq. ft. of office or laboratory space available for more than 1 year.	340 Kingsland Street is a commercial building qualifying for this bonus as listed on the NJEDA website.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - **½ of the Grant Calculation for New Full-Time Jobs (1/2 * $12,250 = $6,125)** or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($20,783,011 / 10 / (263 + 0) = $7,902) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Mega Project		$ 5,000
INCREASES PER EMPLOYEE:		
Jobs with Salary in Excess of County Average:	$ 250	
Large Number of New/Retained F/T Jobs:	$ 500	
Targeted Industry (Manufacturing):	$ 500	
Mega Ind. Project w/ Cap. Inv. In Excess of Min:	$ 5,000	
Vacant Commercial Building in excess of 1,000,000 sq. ft.	$ 1,000	
INCREASE PER EMPLOYEE:		$ 7,250
PER EMPLOYEE LIMIT:		
Mega Project	$15,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$ 12,250

AWARD:

New Jobs:	263 Jobs X $12,250 X 100% =	$ 3,221,750
Retained Jobs:	0 Jobs X $12,250 X 50% =	$ 0,000
	Total:	**$ 3,221,750**

ANNUAL LIMITS:		
Mega Project	$30,000,000	
TOTAL ANNUAL AWARD		**$ 3,221,750**

PROJECT IS: (X) Expansion (X) Relocation

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$20,783,088
EXPECTED PROJECT COMPLETION:	December 31, 2019
SIZE OF PROJECT LOCATION:	119,327 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial

CONSTRUCTION: (X) Yes ( ) No

NEW FULL-TIME JOBS:	263
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):	0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	NA
MEDIAN WAGES:	$ 77,000
NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 30 YEARS, PRIOR TO AWARD):	$ 53,085,330
TOTAL AMOUNT OF AWARD:	$ 32,217,500
NET BENEFIT TO THE STATE (OVER 30 YEARS, NET OF AWARD):	$ 20,867,830

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Alec Tripodi **APPROVAL OFFICER**: Kevin DeSmedt

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

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

APPLICANT: Nuts.com, Inc. P44251

PROJECT LOCATION: 10 Exchange Place Jersey City Hudson County

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

APPLICANT BACKGROUND:
Nuts.com, Inc. (Nuts.com) is an online and offline retailer, wholesaler, and manufacturer of nuts, dried fruit, chocolates, seeds, spices, coffee and tea, and gifts. A family owned business founded in 1929 as a small nut shop in Newark, NJ, Nuts.com has recently undergone dramatic expansion, growing from 4 employees offering roughly 100 products in 2003 to a fully integrated business employing 179 individuals and offering roughly 4,000 products today. Manufacturing activities include oiling and dry roasting nuts, grinding coffee, production of chocolates, development and preparation of various baked and raw products in a commercial kitchen, and packaging of products. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Currently headquartered with a manufacturing and distribution operation in Cranford, NJ that houses 158 employees, Nuts.com has a technology office in Oakland, CA and distribution centers in Nevada and Indiana. They are looking to establish a new location to promote further expansion focused on marketing and customer experience, as well as technology and product development. In an effort to capitalize on the extensive labor pool of creative and technology professionals in NYC it is evaluating locations in Jersey City and Downtown Brooklyn. Nuts.com has identified an existing 24,000 sq. ft. space in Jersey City that it will buildout into a state of the art workspace making a total capital investment of $3.1 million and creating 150 new jobs to the State as a result of the project. Alternatively, Nuts.com would locate the expansion and 150 positions in Downtown Brooklyn after making a comparable investment into a similarly sized location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Nuts.com, Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by Jeff Braverman, the CEO of Nuts.com, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $14.6 million over the 20-year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$974,880	$3,142,487
New Jobs	10	150
Retained Jobs	25	0

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of $5,000 per year for projects located in a designated Urban Transit Hub Municipality	Jersey City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of $2,000 per job for a project locating in a Transit Oriented Development	10 Exchange Place is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station.
Jobs with Salary in Excess of County/GSGZ Average	An increase of $250 per job for each 35% the applicant's median salary exceeds the median salary of the County, or the Garden State Growth Zone, in which the project is located with a maximum increase of $1,500	The proposed median salary of $85,000 exceeds the Hudson County median salary by 67.8% resulting in an increase of $250 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
Exceeds LEEDs Silver or Substantial Env. Remed.	An increase of $250 per job for a facility exceeding the Leadership in Energy and Environmental Design's "Silver" rating standards or for a project that completes substantial environmental remediation	The applicant proposes achieving a LEEDs Gold rating.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $8,000 = $4,000) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($3,142,487 / 10 / (150+0) = $2,094)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Urban Transit Hub Municipality		$ 5,000
INCREASES PER EMPLOYEE:		
Transit Oriented Development:	$ 2,000	
Jobs with Salary in Excess of County Average:	$ 250	
Targeted Industry (Manufacturing):	$ 500	
Exceeds LEEDs Silver or Substantial Env. Remed.:	$ 250	
INCREASE PER EMPLOYEE:		$ 3,000
PER EMPLOYEE LIMIT:		
Urban Transit Hub Municipality	$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$ 8,000

AWARD:

New Jobs:	150 Jobs X $8,000 X 100% =	$ 1,200,000
Retained Jobs:	0 Jobs X $2,094 X 100% =	$ 0,000
	Total:	**$1,200,000**

ANNUAL LIMITS:		
Urban Transit Hub Municipality	$10,000,000	
TOTAL ANNUAL AWARD		**$1,200,000**

PROJECT IS: (X) Expansion (X) Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 3,142,487
EXPECTED PROJECT COMPLETION:	January 1, 2020
SIZE OF PROJECT LOCATION:	24,372 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CONSTRUCTION: (X) Yes ( ) No	
NEW FULL-TIME JOBS:	150
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):	158
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	NA
MEDIAN WAGES:	$ 85,000
NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 24,161,963
TOTAL AMOUNT OF AWARD:	$ 9,600,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 14,561,963

ELIGIBILITY PERIOD: 8 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Maggie Peters **APPROVAL OFFICER**: Kevin DeSmedt

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

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

APPLICANT: Richland Glass Co., Inc. P44176

PROJECT LOCATION: 1640 South West Boulevard Vineland City Cumberland County

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

APPLICANT BACKGROUND:
Richland Glass Co., Inc., established in 1960, is a manufacturer of custom and standard glass products for electronic, industrial and scientific applications. The company's components and subassemblies are used in power tubes for communication systems, components for guidance systems, parts for magnetron tubes and precision components for jet engine ignitors. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:
Richland Glass is seeking to update its infrastructure, equipment, lighting and electrical in order to become more efficient and remain competitive. To accomplish this, the company will renovate and appropriately fit-out its current 87,266 Sq. Ft. facility in Vineland, NJ or relocate all of its operations to a 110,565 Sq. Ft. facility in Philadelphia, PA. The project involves the retention of 101 employees and the creation of 8 new positions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Richland Glass Co., Inc. has indicated that the grant of tax credits is a material factor in the company's location decision. The Authority is in receipt of an executed CEO certification by John Carson, the CEO of Richland Glass Co., Inc. that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of $5.6 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:
The applicant has certified that the 101 New Jersey jobs listed in the application are at risk of being located outside the State on or before August 1, 2017, the date on which operations would commence in Philadelphia, PA. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	**Minimum Requirement**	**Proposed by Applicant**
Capital Investment	$1,163,547	$1,796,228
New Jobs	8	8
Retained Jobs	19	101

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

Base Grant	**Requirement**	**Proposed by Applicant**
Distressed Municipality	Base award of $4,000 per year for projects located in a designated Distressed Municipality	Vineland City is a designated Distressed Municipality
Increase(s) Criteria		
Capital Investment in Excess of Minimum (non-Mega)	An increase of $1,000 per job for each additional amount of capital investment in an industrial premises that	The proposed capital investment of $1,796,228 is 54.37% above the minimum

	exceeds the minimum amount required for eligibility by 20%, with a maximum increase of $3,000	capital investment resulting in an increase of $2,000 per year.
Targeted Industry	An increase of $500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index>465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of $1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Vineland City has a 2007 Revitalization Index of 474
On Site Solar Generation of ½ of Project's Elec. Needs	An increase of $250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of ½ of the applicant's electricity needs

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: - ½ of the Grant Calculation for New Full-Time Jobs (1/2 * $7,750 = $3,875) or - **The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($1,796,228 / 10 / (8 + 101) = $1,647)** In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation

BASE GRANT PER EMPLOYEE:		
Distressed Municipality		$ 4,000
INCREASES PER EMPLOYEE:		
Capital Investment in Excess of Minimum (non-Mega):	$ 2,000	
Targeted Industry (Manufacturing):	$ 500	
2007 Revit. Index>465 in Atlantic, Burlington, Camden Cape May, Cumberland, Gloucester, Ocean, Salem:	$ 1,000	
On Site Solar Generation of ½ of Project's Elec. Needs:	$ 250	
INCREASE PER EMPLOYEE:		$ 3,750
PER EMPLOYEE LIMIT:		
Distressed Municipality	$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		$ 7,750
AWARD:		
New Jobs:	8 Jobs X $7,750 X 100% =	$ 62,000
Retained Jobs:	101 Jobs X $1,647 X 100% =	$166,347
	Total:	**$228,347**
ANNUAL LIMITS:		
Distressed Municipality	$ 8,000,000	
TOTAL ANNUAL AWARD		**$228,347**

PROJECT IS: (X) Expansion ( ) Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	$ 1,796,228
EXPECTED PROJECT COMPLETION:	June 1, 2018
SIZE OF PROJECT LOCATION:	87,266 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CONSTRUCTION: (X) Yes ( ) No	

NEW FULL-TIME JOBS:	8
RETAINED FULL-TIME JOBS:	101
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2016):	104
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	$ 44,711

NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	$ 7,919,793
TOTAL AMOUNT OF AWARD:	$ 2,283,470
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	$ 5,636,323

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: J. Kenyon **APPROVAL OFFICER**: S. Novak

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ) MODIFICATIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

SUBJECT: Chelten House Products, Inc ("Chelten House") – Modification
Grow New Jersey Assistance Program ("Grow NJ") – P41334

Request:
Consent to the following changes to the original Grow NJ approval:

1. Reduce the size of the building at 100 Progress Court, Logan Township by 18.16% from 244,375 sf, to 200,000 sf;

2. Reduce the proposed capital investment at the Progress Court building from $55,195,542 to $24,490,981; and

3. Increase in the proposed capital investment at Heron Court headquarters building from $2,000,000 to $14,067,890.

4. Consent to a second six-month extension from March 10, 2019 to September 10, 2019 to provide the applicant sufficient time to complete the project and certify its capital investment and employees.

These changes result in a 33% reduction to the combined capital investment from $57,195,542 to $38,558,871. There will be no overall reduction in the number of originally projected new jobs (125) or retained jobs (176), a total of 301. The changes will also not increase the original Grow NJ award of $23,430,000.

Board action is required because the 33% reduction in capital investment exceeds the 25% staff delegation threshold.

Background:
Chelten House Products, Inc. is a fourth-generation family business that has been developing premium products for food purveyors and marketing companies for more than 40 years. The company operates facilities in Logan Twp., NJ and Las Vegas, NV.

In September 2015, the Members approved a $23,430,000, 10 year Grow NJ to incent the creation of 125 new jobs and the retention of 176 at-risk jobs from their current New Jersey facility.

The originally approved Qualified Business Facility ("QBF") consisted of two buildings: a new construction of a 244,375 sf building at 100 Progress Court, Logan Township and a 150,000 sf renovation of an existing building at 607 Heron Drive, Logan Township, with anticipated capital investment of $55,195,542 and $2,000,000 respectively. Both buildings are deemed industrial premises per Grow NJ law. The two sites were also deemed a "complex of buildings" as the buildings were part of the same financing and operational plans to expand in Logan Township, and were the basis of one location decision by the business. Under the program regulations, the company had to meet the capital investment eligibility requirement separately for each site but could aggregate the jobs for purposes of the job eligibility requirement. The combined capital investment estimated to be spent by the applicant for the original project was $57,195,542.

<u>100 Progress Court</u>
Chelten House is requesting EDA approval to a change in the size of the building at 100 Progress Court, Logan Township from 244,375 sf to 200,000 sf. (18.16% decrease), as well as a decrease in capital investment for that building from $55,195,542 to $24,490,981 (a 56% change at this building.) The reduced capital investment still satisfies the $8,000,000 minimum eligibility capital investment for the building (based on $40 per square foot as a new construction of an industrial building in a South Jersey county).

Changes in the project in relation to Progress Court are being made due to delays in obtaining site control due to environmental issues discovered during development which took an extended time to remediate. Due to these delays, Chelten House has determined that the initial expansion would have to be cut back in scope and investment in order to complete the project within the statutory completion timeframe of 3 years from approval in September 2015 plus the two 6 month extensions.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority's approval. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the tax credit issuance date occur later than four years following the date of approval by the Authority.

Staff has already provided a one six-month extension to extend the timeline from September 10, 2018 to March 10, 2019 to complete their project pursuant to the delegation approved by the members in September 2015.

Chelten House is now requesting the members to approve a second six-month extension from March 10, 2019 to September 10, 2019 to allow the applicant sufficient time to complete construction of the modified project, and to certify its capital investment and employees. Board action is required to approve this extension.

The Progress Court building, which will house the Chelten House's repack operation and the storage of the raw materials needed for the manufacturing operation, was originally contemplated to be owned and constructed by the applicant.

Instead, Chelten will contract with a developer that will purchase the property, construct the building, and lease back to Chelten House with an option to purchase at a still to be determined date. The company does have plans to expand again in the future as the land is currently zoned for 400,000 SF which will allow the Applicant to further grow their manufacturing operation.

Heron Drive
Chelten House has completed its renovations at its Heron Drive building having spent $2,938,034, which is 46% greater than anticipated to complete renovations, and additionally will replace equipment for $11,129,857, which significantly increased capital investment over what was originally contemplated at this site at approval but which does not exceed the total approved capital investment. The upgrades to the building will significantly improve the efficiency of their manufacturing operation.

The proposed change is not within the scope of the delegated authority. As stated above, Board action is required because the 33% reduction in capital investment exceeds the 25% staff delegation threshold.

Staff compared the total costs over 15 years for the QBF as originally proposed $441,318,945 to the modified QBF $420,527,282. The overall difference is 4.7%, which does not represent a meaningful change in the scope of the project and therefore the material factor determination remains the same as at approval.

Because the reduction in capital investment exceeded 25%, staff has re-run the net benefit test with the current model. Over the 30 years, the net benefit to the State is $96,092,669, and therefore meets the program requirements.

Summary of Project Changes:

	At Original Approval	As Proposed
Base Grant:	$ 5,000	$ 5,000
Increases:		
Targeted Industry (Mfg.):	$ 500	$ 500
Large # of New and Retained Jobs	$ 500	$ 500
Mega Ind. Project w/ Cap. Inv. in Excess of Min	$ 5,000	$ 5,000
Base + Increases:	$11,000	$11,000
Annual Award:		
New Jobs:	125 Jobs x $11,000 x 100% = $1,375,000	125 Jobs x $11,000 x 100% = $1,375,000
Retained Jobs:	176 Jobs x $11,000 x 50% = $ 968,000	176 Jobs x $11,000 x 50% = $ 968,000

Total:	$2,343,000	$2,343,000
Annual Limit:	$30,000,000 (Mega)	$30,000,000 (Mega)
Total Award over 10 years:	$23,430,000	$23,430,000
Project Location:	100 Progress Court, Logan Township; 607 Heron Drive Logan Township	100 Progress Court, Logan Township; 607 Heron Drive Logan Township
Size of Project Location:	244,375 sf (100 Progress) 150,000 sf (607 Heron) 394,375 sf	200,000 sf (100 Progress) 150,000 sf (607 Heron) 350,000 sf
Minimum Capital Investment Eligibility Requirement:	$9,775,000 (100 Progress) $2,000,000 (607 Heron)	$8,000,000 (100 Progress) $2,000,000 (607 Heron)
Estimated Eligible Capital Investment:	$55,195,542 (100 Progress) $2,000,000 (607 Heron)	$24,490,981(100 Progress) $14,067,890 (607 Heron)
Total:	$57,195,542	$38,558,871
Jobs:	125 New 176 Retained	125 New 176 Retained
Gross Benefit to the State (Prior to Award):	$198,231,836 over 30 years	$102,021,053 over 30 years
Net Benefit to the State (Net of Award):	$194,625,020 over 30 years	$96,092,669 over 30 years
Median Salary:	$70,231	$70,231

<u>Recommendation</u>:
Consent to the following changes:

1. Reduction of the size of the building at 100 Progress Court, Logan Township 18.16% from 244,375 sf, to 200,000 sf;

2. The reduction of the proposed total capital investment from $55,195,542 to $38,558,871; and

3. The increase in the proposed capital investment at the Heron Court building from $2,000,000 to $14,067,890.

4. Consent to a second six-month extension from March 10, 2019 to September 10, 2019 to provide the applicant sufficient time to complete the project and certify its capital investment and employees. Although the resulting changes will result in the reduction of capital investment for the project, the NJ Grow award will not increase, the applicant will continue to create a positive net benefit to the state and does not propose a change to the originally approved creation of 125 new jobs and retention of 176 jobs with their expansion.

Prepared by: Thomas McCusker

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

SUBJECT: LiDestri Foods Inc. and Pennsauken Packing Company, LLC ("LiDestri") - Modification
$6,247,500 Grow NJ – P38764

Request:
Consent to a second six-month extension from July 14, 2017 to January 14, 2018 to provide the applicant sufficient time to certify its project at the qualified business facility at 1150 John Tipton Boulevard, Pennsauken.

The members are asked to approve this second six-month extension because staff delegations to approve these actions is limited to the first six-month extension which was provided to the applicant in January 2017 to extend the time to certify from January 14, 2017 to July 14, 2017.

Background:
LiDestri Foods, Inc. ("LiDestri") is the premier manufacturer of sauces, dips and salsas in the United States. The applicant manufacturers for its own label, Francesco Rinaldi, as well as contract manufactures for name brands and private labels for major chain groceries.

On January 14, 2014, the members approved a 10 year Grow NJ tax credit not to exceed $6,247,500, to incent the creation of 60 new jobs and the retention of 27 at-risk jobs from their current New Jersey facility. Estimated capital investment to complete the project is $6,764,525.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority's approval. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the tax credit issuance date occur later than four years following the date of approval by the Authority.

The first of these six-month extensions was provided in January 2017 to extend the timeline from January 14, 2017 to July 14, 2017 to complete the project and certify costs and jobs.

LiDestri has completed its project and established its jobs numbers but is now requesting a second six-month extension to provide more time to fulfill its compliance and certification requirements. As staff has already provided the first six-month extension to July 14, 2017, the members are asked to approve the second six-month extension to January 14, 2018 to allow the applicant sufficient time to complete its certification requirements.

Recommendation:
Consent to a second six-month extension from July 14, 2017 to January 14, 2018 to provide the applicant sufficient time to fulfill its certification requirements.

Prepared by: Thomas McCusker

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

SUBJECT: TR U.S. Inc - Modification
$25,987,500 Grow NJ – P38872

Request:
Consent to a second six-month extension from August 11, 2017 to February 11, 2018 to provide the applicant sufficient time to meet its commitment to create 450 jobs at the qualified business facility at 121 River Street, Hoboken.

The members are asked to approve this second six-month extension because staff delegations to approve these actions is limited to the first six-month extension which was provided to the applicant in October 2016 to extend the time to certify from February 11, 2017 to August 11, 2017.

Background:
TR U.S. Inc. is a subsidiary of Thomson Reuters, a multi-national media and information firm. The company provides intelligent information through a synthesis of human intelligence, industry experience, and technology which enables leaders of the world's businesses to make decisions.

On February 11, 2014, the members approved a seven year Grow NJ tax credit not to exceed $25,987,500, to incent TR U.S. to relocate 450 of the company's employees from New York to Hoboken. Estimated capital investment to complete the project is $3,700,000.

The Grow New Jersey statute requires projects to be completed and cost/job certified within three years of the Authority's approval. In extenuating circumstances, the Authority may grant two six-month extensions of the deadline, however, in no event shall the tax credit issuance date occur later than four years following the date of approval by the Authority.

The first of these six-month extensions was provided in October 2016 to extend the timeline from February 11, 2017 to August 11, 2017 to complete the project and certify costs and jobs.

TR U.S. is now requesting a second six-month extension to provide more time to fulfill its job requirements. As staff has already provided the first six-month extension to August 11, 2017, the members are asked to approve the second six-month extension to February 11, 2018 to allow the applicant sufficient time to increase its job numbers from 266 at present to 450 in order to maximize its benefit under the Grow NJ incentive.

Recommendation:
Consent to a second six-month extension from August 11, 2017 to February 11, 2018 to provide the applicant sufficient time to fulfill its new jobs requirements.

Prepared by: Karen Gallagher

BOND PROJECTS

BOND RESOLUTIONS

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

SUBJECT: New Jersey Economic Development Authority/Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series A and Series B (Federally Taxable)

DATE: July 13, 2017

SUMMARY OF PROPOSED FINANCING

The Authority is being asked to approve the issuance of Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series (the "2017 Refunding Bonds") in a maximum aggregate principal amount not exceeding $650,000,000, consisting of Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series A (the "2017 Series A Refunding Bonds") in a maximum aggregate principal amount not exceeding $600,000,000 and Motor Vehicle Surcharges Subordinate Revenue Refunding Bonds, 2017 Series B (Federally Taxable) (the "2017 Series B Refunding Bonds") in a maximum aggregate principal amount not exceeding $50,000,000. The 2017 Refunding Bonds shall be issued for the purposes of (i) refunding any or all or a portion of the Authority's Motor Vehicle Surcharges Revenue Bonds, 2004 Series A (the "2004 Bonds"), Motor Vehicle Surcharges Revenue Bonds (Special Needs Housing Program), 2005 Series A (Federally Taxable) (the "2005 Bonds") and Motor Vehicle Surcharges Revenue Capital Appreciation Bonds (Special Needs Housing Program), 2007 Series A-1 (Federally Taxable) (the "2007 Series A-1 Bonds" and, together with the 2004 Bonds and the 2005 Bonds, the "Obligations to be Refunded"), (ii) funding the deposit to the Advance Account established under the 2017 Resolution (as defined below), (iii) funding all or any portion of the Debt Service Reserve Requirement (as defined in the 2017 Resolution) for the 2017 Refunding Bonds, if required, and (iv) paying all costs, fees and other expenses related to, or incurred in connection with, the issuance of such 2017 Refunding Bonds, including, but not limited to, the premiums for any municipal bond insurance policies and/or Debt Reserve Policies (as hereinafter defined) issued in connection with the 2017 Refunding Bonds.

BACKGROUND

L. 2004 c. 70, the "Motor Vehicle Surcharges Securitization Act of 2004" (the "2004 Act"), enacted on June 30, 2004, which amended the New Jersey Economic Development Authority Act, L. 1974, c. 80, as amended and supplemented, authorized the Authority to issue bonds, notes, and other obligations secured by a contract with the State Treasurer (the "Treasurer"), pursuant to which, commencing July 1, 2006, all "Dedicated Motor Vehicle Surcharge Revenues" (as defined below) are required to be remitted by the Treasurer to pay debt service on such bonds, notes and other obligations, subject to annual appropriations by the State Legislature for this purpose. Bonds, notes, and other obligations issued pursuant to the 2004 Act are not payable from any other funds of the Authority or the State.

"Dedicated Motor Vehicle Surcharge Revenues" are comprised of:

(i) moneys required to be transferred to the Motor Vehicle Surcharges Revenue Fund created pursuant to Section 6 of the 2004 Act from the Market Transition Facility Revenue Fund created pursuant to subsection b. of Section 7 of L.1994, c.57 (C.34:1B-21.7),

(ii) all Unsafe Driving Surcharges that, pursuant to Section 5 of the 2004 Act, are required to be transferred to the Motor Vehicle Surcharges Revenue Fund from the Unsafe Driving Surcharges Fund created pursuant to Section 5 of the 2004 Act, and

(iii) all other plan surcharges collected by the New Jersey Motor Vehicle Commission (the "Commission") pursuant to subsection b. of Section 6 of L.1983, c.65 (C.17:29A-35) and required, pursuant to Section 12 of L.1994, c.57 (C.34:1B-21.12), to be transferred to the Motor Vehicle Surcharges Revenue Fund from the Division of Motor Vehicles Surcharge Fund created pursuant to Section 12 of L.1994, c.57 (C.34:1B-21.12).

Pursuant to the 2004 Act, the Authority issued the 2004 Bonds in the aggregate principal amount of $807,502,355.55 on August 25, 2004 the proceeds of which were used for the purposes stated in the 2004 Act. The 2004 Act was amended and supplemented by L. 2005, c. 163, the "Special Needs Housing Trust Fund Act" (the "2005 Act"). Pursuant to the 2004 Act, as amended and supplemented by the 2005 Act, the Authority issued the 2005 Bonds in the aggregate principal amount of $51,381,885.50 on December 22, 2005 and the 2007 Series A-1 Bonds, Motor Vehicle Surcharges Revenue Current Interest Bonds (Special Needs Housing Program, 2007 Series A-2 (Federally Taxable) and Motor Vehicle Surcharges Revenue Capital Appreciation Bonds (Special Needs Housing Program), 2007 Series B (collectively, the "2007 Bonds") in the aggregate principal amount of $155,126,311 on September 7, 2007. The net proceeds of the 2005 Bonds and the 2007 Bonds were applied to fund a deposit into the Motor Vehicle Surcharges Securitization Proceeds Fund to be transferred to the Special Needs Housing Trust Fund established under the 2005 Act for use by the New Jersey Housing and Mortgage Finance Agency (the "Agency") to finance special needs housing projects as defined in the 2005 Act.

APPROVAL REQUEST

The Members are requested to approve the adoption of the Motor Vehicle Surcharges Subordinate Revenue Bond Resolution (the "Bond Resolution") and the First Supplemental Motor Vehicle Surcharges Subordinate Revenue Bond Resolution (the "First Supplemental Resolution" and, together with the Bond Resolution, the "2017 Resolution") authorizing the issuance of the 2017 Series A Refunding Bonds in an aggregate principal amount not to exceed $600,000,000 and the 2017 Series B Refunding Bonds in an aggregate principal amount not to exceed $50,000,000. The 2017 Refunding Bonds will be issued for the purposes described above.

The 2017 Refunding Bonds will be subordinate to the 2004 Bonds, the 2005 Bonds and the 2007 Bonds that will remain outstanding after the issuance of the 2017 Refunding Bonds (collectively, the "Senior Bonds"), all of which were issued under the Authority's Motor Vehicle Surcharges Revenue Bond Resolution adopted by the Authority on July 13, 2004, as amended and supplemented (the "Senior Resolution"). As long as any Senior Bonds remain outstanding, the 2017 Refunding Bonds will be payable solely from amounts on deposit in the Surplus Fund established under the Senior Resolution and available for such purposes. The Authority will covenant in the 2017 Resolution that, from and after the issuance of the 2017 Refunding Bonds and thereafter for so long as any bonds, refunding bonds, notes or other obligations are outstanding under the 2017 Resolution, it will not issue any additional bonds, refunding bonds, notes or other obligations under the Senior Resolution.

It is expected that the 2017 Refunding Bonds will meet the Treasurer's three-pronged test of: (i) generating net present value savings; (ii) generating cumulative savings; and (iii) having no extension of the final maturity of the bonds being refunded.

The Members are also requested to approve the adoption of the Fourth Supplemental Motor Vehicle Surcharges Revenue Bond Resolution (the "Fourth Supplemental Senior Resolution"). The Fourth Supplemental Senior Resolution amends and supplements the Senior Resolution to provide that amounts on deposit in the Surplus Fund established under the Senior Resolution in each Fiscal Year, after providing for the payment of debt service on the Senior Bonds and parity obligations under the Senior Resolution in such Fiscal Year, will be paid to the Trustee for the 2017 Refunding Bonds. Such amounts on deposit in the Surplus Fund established under the Senior Resolution are currently being paid to the State for deposit into the General Fund of the State.

The Authority and the Treasurer will enter into a Second Amended and Restated Contract Implementing the Funding Provisions of the Motor Vehicle Surcharges Securitization Act of 2004, L. 2004, c. 70, as amended (the "Second Amended and Restated State Contract") in connection with the issuance of the 2017 Refunding Bonds. The Second Amended and Restated State Contract will provide for payments by the Treasurer in each Fiscal Year of Dedicated Motor Vehicle Surcharge Revenues in amount sufficient to pay the debt service on the Senior Bonds and parity obligations under the Senior Resolution and the 2017 Refunding Bonds, subject to appropriations from time to time for such purposes by the State Legislature.

The 2017 Refunding Bonds will be issued as fixed rate taxable and fixed rate tax-exempt bonds. Certain of the 2017 Refunding Bonds will be issued as "turbo bonds", which means that such 2017 Refunding Bonds will be subject to redemption from amounts on deposit in the Surplus Fund established under the 2017 Resolution at the end of the Fiscal Year 2019 and each Fiscal Year thereafter during which turbo bonds are outstanding.

The 2017 Resolution provides for monthly withdrawals from the Surplus Fund established under the 2017 Resolution and payments to the State in an aggregate amount equal to $7,500,000 in each Fiscal Year. All amounts remaining in the Surplus Fund established under the 2017 Resolution at the end of the Fiscal Year 2019 and each Fiscal Year thereafter during which turbo bonds are outstanding shall be applied to redeem the 2017 Refunding Bonds that are issued as turbo bonds. Amounts on deposit in the Surplus Fund established under the 2017 Resolution at the end of the Fiscal Year 2018 and all other Fiscal Years during which turbo bonds are not outstanding shall be applied as provided in the 2017 Resolution.

The 2017 Refunding Bonds will be subject to the following parameters, all as determined by an Authorized Authority Representative, in consultation with the Treasurer, Office of Public Finance, the State Attorney General and Bond Counsel:

1. The final maturity of the 2017 Series A Refunding Bonds will be not later than July 1, 2034, and the final maturity of the 2017 Series B Refunding Bonds will be not later than July 1, 2022;

2. The true interest cost of the 2017 Series A Refunding Bonds will not exceed 5.25%;

3. The true interest cost of the 2017 Series B Refunding Bonds will not exceed 5.50%;

4. The redemption price of the 2017 Refunding Bonds issued on a tax-exempt basis will not exceed 103% of the principal amount of such 2017 Refunding Bonds, if and when redeemed;

5. The redemption price of the 2017 Refunding Bonds issued on a taxable basis will not exceed 103% of the principal amount of such 2017 Refunding Bonds if and when redeemed; provided, however, that the redemption price of any 2017 Refunding Bonds issued on a taxable basis subject to optional redemption by the Authority pursuant to a "make-whole" provision may exceed 103% of the principal amount of such 2017 Refunding Bonds if so determined by an Authorized Authority Representative in the Series Certificate (as defined below).

The Authority is also being asked to approve certain actions of, and delegation of actions to, an Authorized Authority Representative to be set forth in a Series Certificate (the "Series Certificate") executed by an Authorized Authority Representative and approved in writing by the Treasurer, including, without limitation:

- To approve the forms of, and to execute and deliver, the Second Amended and Restated State Contract, the Escrow Agreement (as defined below) with respect to the Obligations to be Refunded and the Continuing Disclosure Agreement (as defined below) relating to the 2017 Refunding Bonds;

- To determine, subject to the provisions of the First Supplemental Resolution, the series designation(s), respective principal amounts, maturities, interest rate or rates, denomination or denominations of the 2017 Refunding Bonds, the Debt Service Reserve Requirement (as defined in the 2017 Resolution) for the 2017 Refunding Bonds and any other provisions deemed advisable by such person not in conflict with or in substitution for the provisions of the Resolution;

- To execute a final Official Statement of the Authority, substantially in the form of the Preliminary Official Statement, with such insertions, revisions and omissions as may be authorized by the Authorized Authority Representative executing the same, with the advice of Bond Counsel, to deliver the final Official Statement to the Underwriters and to authorize the use of the final Official Statement and the information contained therein in connection with the offering and sale of the 2017 Refunding Bonds, provided that the statistical information in the Preliminary Official Statement and the final Official Statement under the heading "SURCHARGES" shall be provided by the New Jersey Administrative Office of the Courts and by the Commission;

- To determine the application of the proceeds of the 2017 Refunding Bonds for the purposes stated in Section 202 of the First Supplemental Resolution;

- To purchase one or more municipal bond insurance policies with respect to any or all of the maturities of the 2017 Refunding Bonds if an Authorized Authority Representative determines that such policy(ies) of municipal bond insurance is necessary or desirable, to include in the Series Certificate such provisions relating to the insurance policy(ies) as such Authorized Authority Representative, with the advice of Bond Counsel, deems appropriate and to include on the form of any 2017 Refunding Bond which is insured by a municipal bond insurance policy a statement of insurance in the form requested by the issuer of such municipal bond insurance policy;

- To purchase an insurance policy or surety bond (the "Debt Reserve Policy") in an amount not exceeding the Debt Service Reserve Requirement for the 2017 Refunding Bonds, if an Authorized Authority Representative, in consultation with the Treasurer, determines that such Debt Reserve Policy can be obtained upon terms and conditions reasonably acceptable to the Authority;

- To enter into one or more Escrow Deposit Agreements with respect to the Obligations to be Refunded (the "Escrow Agreement"), by and between the Authority and TD Bank, National Association, as escrow agent, substantially in the form submitted to this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel, to provide for the defeasance and refunding of the Obligations to be Refunded;

- To enter into the Continuing Disclosure Agreement by and among the Authority, the Treasurer, the Commission and TD Bank, National Association, as dissemination agent, relating to the 2017 Refunding Bonds (the "Continuing Disclosure Agreement") substantially in the form submitted to this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel;

- To purchase, or cause the Escrow Agent to purchase, United States Treasury Obligations, State and Local Government Series, with proceeds from any 2017 Refunding Bonds issued to refund the Obligations to be Refunded;

- To select and appoint a firm to serve as bidding agent, upon recommendation of the Treasurer based on Treasury's competitive RFP process, to solicit bids and to enter into or purchase Federal Securities (as defined in Section 1.01 and Section 12.01(2) of the Senior Resolution) with proceeds of any 2017 Refunding Bonds, in the event that such Authorized Authority Representative determines that it is necessary or advantageous to the Authority to invest any such proceeds in Federal Securities;

- To authorize the electronic posting of the Official Statement(s) on the State's website, upon the request of the Treasurer or his designee;

- To execute, deliver and perform the Series Certificate;

- To negotiate, execute, deliver and perform the Bond Purchase Contract by and between the Authority and the Manager (as defined below) substantially in the form submitted to this meeting with such changes, insertions and omissions as shall be approved by an Authorized Authority Representative, with the advice of the State Attorney General and Bond Counsel; and

- To select and appoint any additional co-senior manager(s), co-manager(s) and/or underwriter(s) of the 2017 Refunding Bonds, upon recommendation of the Treasurer based upon the Treasury's competitive RFP process, such appointment(s) to be evidenced by the execution of the Bond Purchase Contract, as defined below.

Subchapter 6.7 (Fee Waiver) of the Authority's rules permits the chief executive officer, with the approval of the Members to waive, postpone or decrease the Authority's closing fees for State agency projects. In the absence of Board action, the Authority's statutory bond closing fee will apply. It is recommended the bond closing fee for this transaction be reduced to one-half of the statutory bond closing fee.

Professionals for the 2017 Refunding Bonds were selected in compliance with Executive Order No. 26. Chiesa, Shahinian & Giantomasi P.C. was selected as Bond Counsel through a competitive RFP process performed by the State Attorney General on behalf of Treasury for State appropriation-backed transactions. Through Treasury's competitive RFP process, Morgan Stanley & Co. LLC was selected as Manager (the "Manager") in connection with the issuance and delivery of the 2017 Refunding Bonds. TD Bank, National Association ("TD Bank") is currently serving as Trustee, Paying Agent, Bond Registrar and Dissemination Agent with respect to the Senior Bonds and has been designated to serve in such capacities with respect to the 2017 Refunding Bonds. TD Bank, as Trustee for the Obligations to be Refunded, has also been appointed as the Escrow Agent.

RECOMMENDATION

Based upon the above description, and subject to the criteria set forth above, the Members are requested to: (i) approve the adoption of the Bond Resolution and the First Supplemental Resolution authorizing the issuance of the 2017 Series A Bonds in an aggregated principal amount not exceeding $600,000,000 and the 2017 Series B Bonds in an aggregated principal amount not exceeding $50,000,000, as well as other matters in connection with the issuance and sale thereof; (ii) approve the adoption of the Fourth Supplemental Senior Resolution; (iii) approve several actions and delegation of actions to Authorized Authority Representatives as may be necessary or advisable in order to issue the 2017 Refunding Bonds; (iv) approve the forms of the Second Amended and Restated State Contract, the Bond Purchase Contract, the Preliminary Official Statement, the Escrow Agreement and the Continuing Disclosure Agreement, provided that an Authorized Authority Representative is hereby authorized, with the advice of Bond Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such forms as may be necessary or appropriate; (v) authorize the use of the aforementioned professionals; (vi) approve the reduction of the statutory bond closing fee; and (vii) authorize Authority staff to take all necessary actions incidental to the issuance of the 2017 Refunding Bonds subject to final review and approval of all terms and documentation by Bond Counsel and the State Attorney General.

Prepared by: Teresa Wells

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Friends of Hatikvah International Academy Charter School, Inc. P44289

PROJECT USER(S): Hatikvah International Academy Charter School * - indicates relation to applicant

PROJECT LOCATION: 7 Lexington Ave East Brunswick Township Middlesex County

GOVERNOR'S INITIATIVES:

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

APPLICANT BACKGROUND:

Friends of Hatikvah International Academy Charter School, Inc. (FOHIA) was founded in 2011 to assist Hatikvah International Academy Charter School (HIACS) in improving the quality of education for children in East Brunswick, NJ and surrounding communities by providing HIACS with facilities, financial, and in-kind support. Eliezer J. Schapp is the President of FOHIA and Chair of its Board of Directors.

HIACS was incorporated in October 2010 for the purpose of operating and maintaining a public school under a charter granted by the State of New Jersey. HIACS's charter was renewed during the 2013-2014 school year and the charter will be evaluated again in 2019. HIACS began with an enrollment of 92 students in grades K-7 and with the addition of 8th grade in the Fall of 2017, the projected 2017-18 enrollment is 463. In February 2017, the acting NJ State Commissioner of Education granted HIACS permission to increase each grade bringing potential enrollment to 675. Dr. Marcia Grayson is the Director of HIACS and Daniel Gresack is the President of its Board of Trustees.

In August 2012, FOHIA (as tenant) entered into a lease agreement for a school to be constructed at 7 Lexington Avenue, East Brunswick, NJ and subleased to HIACS. The school was completed in two phases, with HIACS commencing operations in 2014 upon completion of the first phase. In 2016 the 56,500 sq. ft. building was completed, with 39,000 sq. ft. built out for HIACS operations. FOHIA is intending to exercise a purchase option for the real estate and complete the final build out of the space to facilitate the expected expansion of HIACS.

The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to purchase the real estate, refinance existing debt from the construction of the facility, fund the remaining construction of the facility, and pay costs associated with issuance with bond proceeds not to exceed a combined total non-taxable and taxable of $13.5 million.

FINANCING SUMMARY:

BOND PURCHASER: RBC Capital Markets, LLC (underwriter)

AMOUNT OF BOND:	$13,235,000 (Estimated) Tax-Exempt Bond	$265,000 (Estimated) Taxable Bond
TERMS OF BOND:	30 year term, Fixed interest rate not to exceed 7.5%	30 year term; Fixed interest rate not to exceed 8.0%

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	$4,400,000
Acquisition of existing building	$4,045,000
Renovation of existing building	$2,669,822
Debt service reserve fund	$946,044
Working capital	$642,699
Finance fees	$547,125
Interest during construction	$249,310
Legal fees	$50,000
TOTAL COSTS	$13,550,000

JOBS: At Application 54 Within 2 years 13 Maintained 0 Construction 19

PUBLIC HEARING: 07/13/17 (Published 06/29/17) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: K. Durand **APPROVAL OFFICER:** K. DeSmedt

LOANS/GRANTS/GUARANTEES

PREMIER LENDER PROGRAM (PLP)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM - (PREMIER LENDER)

APPLICANT: 5RG Realty LLC P44262

PROJECT USER(S): Biogenesis, Inc. * * - indicates relation to applicant

PROJECT LOCATION: 408-470 Marshall Street Paterson City (T/UA) Passaic

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

APPLICANT BACKGROUND:

Biogenesis, Inc. (referred to as "Biogenesis" or "the Company") is a full service FDA registered contract manufacturer and formulator of various skin care, over-the-counter (OTC) preparations and color cosmetic products currently based in Hackensack, NJ. Biogenesis has located a 1.73 acre property at 408-470 Marshall Street in Paterson City, NJ that will allow the Company to consolidate their five current locations into one single location.

The project involves the purchase of the subject property located at 408-470 Marshall Street in Paterson City, NJ. The property is currently in the name of 5RG Realty LLC, a recently formed real estate holding company with the same ownership.

Biogenesis was approved for a $9.36 million GROW award on 4/13/17.

APPROVAL REQUEST:

Approval of a 46.3% ($2,000,000) participation in a $4,320,000 Fulton Bank loan is requested.

FINANCING SUMMARY:

LENDER: Fulton Bank

AMOUNT OF LOAN: $4,320,000 bank loan with a 46.3% ($2,000,000) EDA participation

TERMS OF LOAN: 30 Day LIBOR + 200 BP to be hedged with a Swap contract. Indicative fixed rate is 4.50% @ 4/25/2017, based on a 10 year term; 25 year amortization. Monthly principal and interest payments.

TERMS OF PARTICIPATION: Fixed for five years at time of closing at five year US Treasury or 2%, whichever is greater plus 50 basis points. Rate reset at similar index at end of year five. 10 year term with a 20 year amortization. Monthly principal and interest payments.

PROJECT COSTS:

Acquisition of existing building	$4,800,000
Finance fees	$11,100
TOTAL COSTS	$4,811,100

JOBS: At Application 62 Within 2 years 16 Maintained 16 Construction 0

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** A. Lipton

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STATEWIDE LOAN POOL PROGRAM - (PREMIER LENDER)

APPLICANT: Soul Focus Building LLC P44265

PROJECT USER(S): Garden State Spine and Pain Institute LLC * * - indicates relation to applicant
Focus Fitness Excercise Salon LLC *
Soul Spa LLC *

PROJECT LOCATION: 7 Meridian Rd Eatontown Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Applicant is a real estate holding company formed to purchase a 16,000 square foot building in Eatontown.

Occupants of the building consist of entities related to the Applicant including; Garden State Spine and Pain Institute LLC (chiropractic office founded in 2002), Soul Spa LLC (wellness spa) and Fitness Focus Exercise Salon LLC (health club).

APPROVAL REQUEST:

Approval is requested for a 35% ($822,500) EDA participation in a $2,350,000 loan from M & T Bank.

FINANCING SUMMARY:

LENDER: M & T Bank

AMOUNT OF LOAN: $2,350,000 with a 35% ($822,500) EDA participation.

TERMS OF LOAN: Fixed for five years two days from date of closing based on bank's cost of funds plus 300 basis points (indicative rate is 5.4% as of 5/23/17). Five-year term based on twenty-year amortization. Monthly payments of principal and interest.

TERMS OF PARTICIPATION: Fixed for five years at time of closing at the five-year US Treasury or 2%, whichever is greater, plus 150 basis points. Five-year term based on twenty-year amortization. Monthly payments of principal and interest.

PROJECT COSTS:

Acquisition of existing building	$2,350,000
Finance fees	$8,750
TOTAL COSTS	$2,358,750

JOBS: At Application 35 Within 2 years 10 Maintained 35 Construction 0

DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** M. Conte

PETROLEUM UNDERGROUND STORAGE TANK (PUST)

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: July 13, 2017

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

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

UST Commercial Grants:

P44241	Bloomingdale Warehouse LLC	$ 244,134

UST Residential Grants:

P44167	Marian Hare	$ 49,879

Total UST Funding – July 2017 **$ 294,013**

Timothy Lizura

Prepared by: Reneé M. Krug

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

APPLICANT: Bloomingdale Warehouse LLC P44241

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 125 Paterson Hamburg Turnpike Bloomingdale Borough (N) Passaic

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

APPLICANT BACKGROUND:

In August 2015, Bloomingdale Warehouse LLC, a warehouse and storage facility, received a grant in the amount of $9,757 under P40978, is seeking to perform groundwater remediation for the closure of the former underground storage tanks (USTs) at the project site. The tank was decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation at the project site.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of $244,134 to perform the approved scope of work at the project site. Total grant funding including this approval is $253,891.

The NJDEP oversight fee of $24,413 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: $244,134

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

PROJECT COSTS:

Remediation	$244,134
NJDEP oversight cost	$24,413
EDA administrative cost	$500
TOTAL COSTS	$269,047

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Marian Hare P44167

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: 726 Haddon Ave Collingswood Borough (N) Camden

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

APPLICANT BACKGROUND:

Between June 2008 and November 2014, Marian Hare received an initial grant in the amount of $54,188 under P22061 and supplemental grants totaling $853,018 under P28697, P34041 and P39605 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation and site restoration. The tank was decommissioned and removed in accordance with NJDEP requirements. The project site is used as the applicant's residence with a commercial component. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation at the project site.

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 an aggregate supplemental grant in the amount of $49,879 to perform the approved scope of work at the project site. Because the aggregate supplemental funding including this request is $902,897, it exceeds the maximum aggregate staff delegation approval of $100,000 and therefore requires EDA's board approval. Total grant funding including this approval is $957,085. The project site is located in a Metropolitan Planning Area and therefore eligible for up to $1 million in grant funding.

The NJDEP oversight fee of $4,988 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: $49,879

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	$49,879
NJDEP oversight cost	$4,988
EDA administrative cost	$250
TOTAL COSTS	$55,117

APPROVAL OFFICER: K. Junghans

HAZARDOUS DISCHARGE SITE REMEDIATION FUND

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 13, 2017

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Commercial Grants:

P44102	Macrietta Realty Company	$ 248,126

Total HDSRF Funding – July 2017	**$ 248,126**

Timothy Lizura

Prepared by: Reneé M. Krug

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

APPLICANT: Macrietta Realty Company P44102

PROJECT USER(S): Swan Custom Cleaners * * - indicates relation to applicant

PROJECT LOCATION: 44 North Avenue East Cranford Township (N) Union

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

APPLICANT BACKGROUND:

Macrietta Realty Company is the owner of the project site, Swan Custom Cleaners, which was a dry cleaners located in Cranford. The NJDEP Office of Brownfield Reuse has found the applicant's proposal for financial assistance to be administratively and technically complete and has approved funding to be provided in the form of a Hazardous Discharge Site Remediation 25% Matching Grant under N.J.S.A. 58:10B-Subsection 2, Series A. The grant is awarded based on a calculation equal to 25% of the remedial costs $992,501.

The scope of work includes remedial action activities to utilized innovative technology. In addition, pursuant to the evaluation it has been determined that the applicant meets the Authority's standard guidelines under the program.

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of $248,126 to perform the approved scope of work at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: $248,126 (25% Matching Grant)

TERMS OF GRANT: No Interest: No Repayment

PROJECT COSTS:

Remedial Action	$992,501
EDA administrative cost	$500
TOTAL COSTS	$993,001

APPROVAL OFFICER: K. Junghans

REAL ESTATE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

RE: Award of Construction Contract
NJEDA Parking Lots Construction Project, Camden, NJ

Summary

The Members are asked to approve the award of a construction services contract to F.M. Schiavone Construction Inc. ("Schiavone") of Malaga, NJ for the construction of the NJEDA Parking Lots Construction Project located on the Camden waterfront.

Background

In February 2016, the Authority was awarded a Grant from the Camden Economic Recovery Board in the amount of $5 million for a replacement parking improvement project on the Camden waterfront. The Camden waterfront has experienced steady growth over the last few years. As a result, surface parking lots at the Camden waterfront are being converted into parcels for building development, placing a strain on the existing parking inventory available to satisfy the BB&T Pavilion lease obligation. To alleviate the shortage of parking due to waterfront development, the Authority has identified two (2) parcels of vacant land owned by the Authority located on the Camden waterfront that can be converted into paved parking lots for this purpose as shown on the attached Site Location Plan and Parking Lots Site Plan.

The Real Estate Division publicly advertised and received four (4) bids for construction of the NJEDA Parking Lots Construction Project, which were publicly opened on May 5, 2017. One of the proposals, from RE Pierson Construction Co. Inc., was deemed non-compliant as it was submitted late, and therefore was not included in the evaluation and ranking. The Base and Alternate Bid Totals ranged from $961,100 to $1,339,690 as listed on the attached chart.

F.M. Schiavone Construction Inc. submitted the lowest responsible bid. Schiavone's Lump Sum Base and Alternate Bid amounts to $961,100. The above-mentioned $5 million Camden Economic Recovery Grant funds will be utilized to fund this Project.

Final approval of the selection of F.M. Schiavone Construction Inc. will be subject to their satisfaction of the compliance documentation and requirements. In the alternative, if Schiavone is found to be non-compliant, approval is requested to enter into a contract with the next lowest responsible bidder, subject to satisfaction of the compliance documentation and requirements, as listed on the attached chart.

Approval is requested to establish a Contract budget of $1,105,300 which includes a contingency of $144,200.

Recommendation

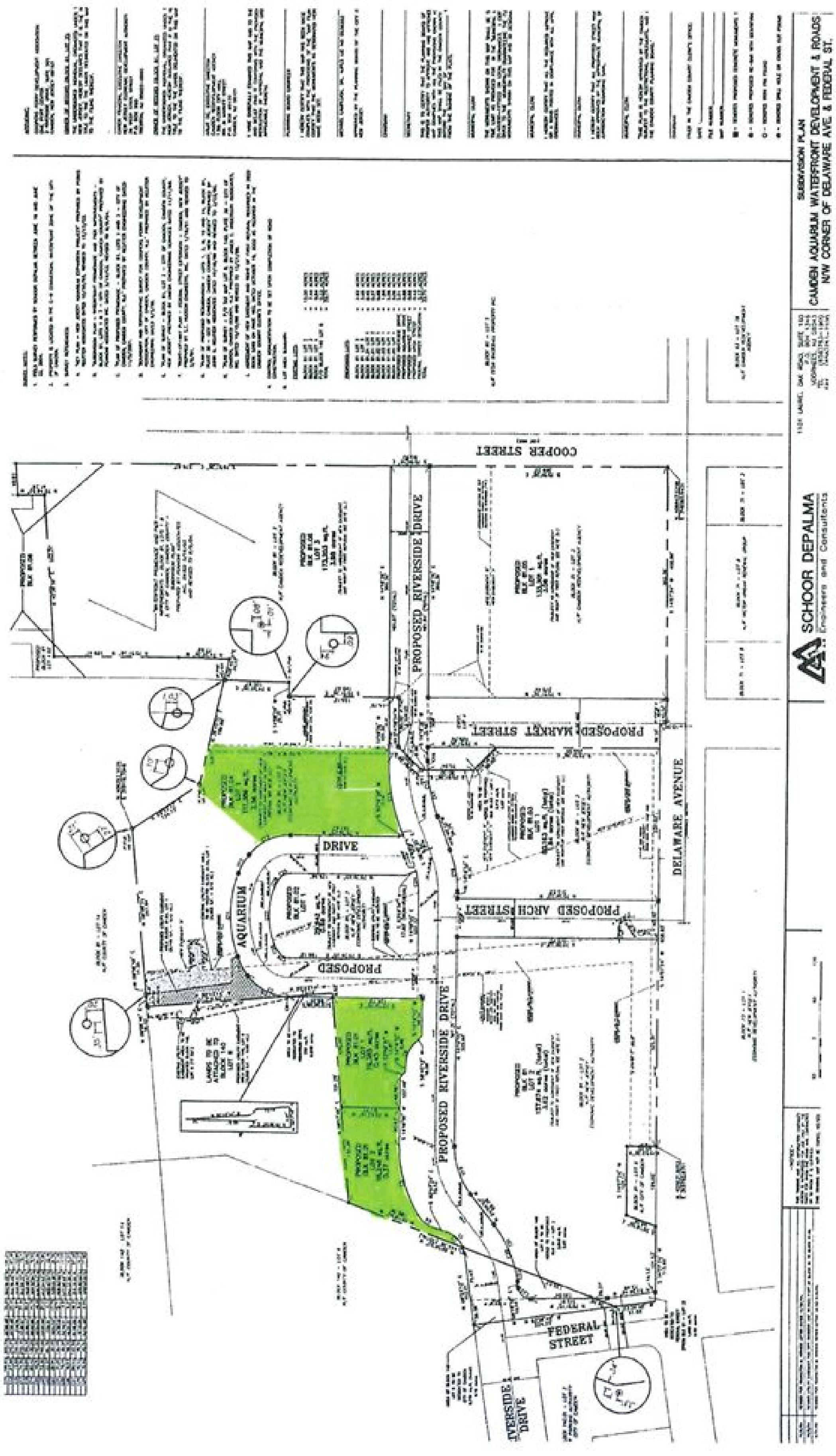
In summary, the Members' approval is requested to award a construction services contract to F.M. Schiavone Construction Inc. of Malaga, NJ for a Lump Sum contract amount of $961,100 plus a $144,200 contingency for the NJEDA Parking Lots Construction Project located on the Camden waterfront.

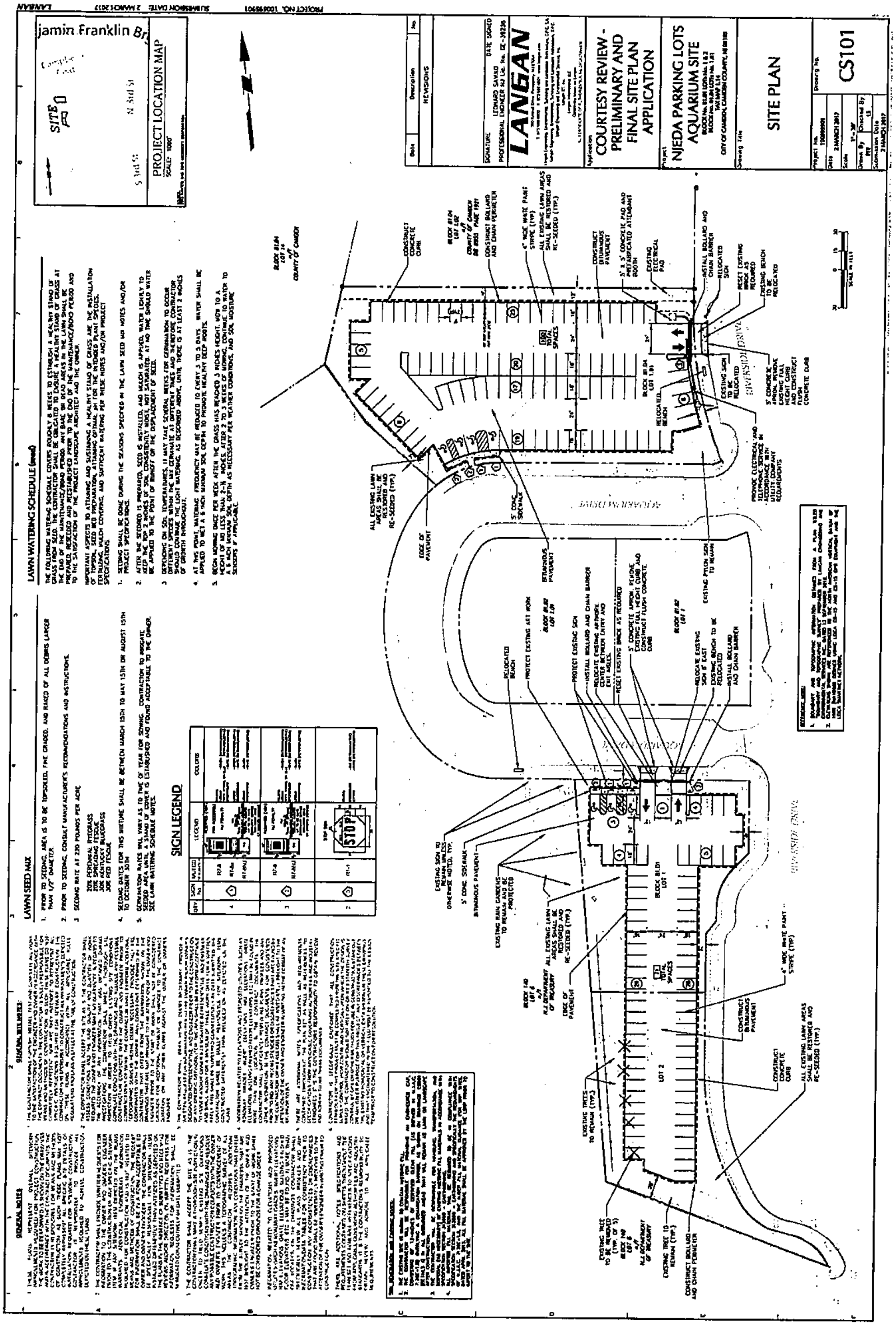
Timothy J. Lizura
President and Chief Operating Officer

Attachment
Prepared by: Thomas P. Catapano

Bid Summary
NJEDA Parking Lots Construction Project, Camden, NJ

Firm	Base and Alternate Bid
F.M. Schiavone Construction Inc.	$ 961,100.00
AP Construction, Inc.	$ 965,000.00
Mount Construction Co	$1,339,690.00
RE Pierson Construction Co. Inc.	Non-Compliant


COOPER STREET
PROPOSED RIVERSIDE DRIVE
PROPOSED MARKET STREET
DELAWARE AVENUE
PROPOSED ARCH STREET
PROPOSED AQUARIUM DRIVE
FEDERAL STREET
RIVERSIDE DRIVE
SCHOOR DEPALMA
Engineers and Consultants
SUBDIVISION PLAN
CAMDEN AQUARIUM WATERFRONT DEVELOPMENT & ROADS
N/W CORNER OF DELAWARE AVE & FEDERAL ST.


LANGAN
COURTESY REVIEW - PRELIMINARY AND FINAL SITE PLAN APPLICATION
NJEDA PARKING LOTS AQUARIUM SITE
SITE PLAN
CS101
PROJECT LOCATION MAP
LAWN SEED MIX
LAWN WATERING SCHEDULE
SIGN LEGEND
GENERAL NOTES
RIVERSIDE DRIVE

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

RE: FMERA Purchase and Sale & Redevelopment Agreement with the Borough of Oceanport for a future Municipal Complex

DATE: July 13, 2017

Request

I am requesting that the Board consent to the Fort Monmouth Economic Revitalization Authority ("FMERA") entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment Agreement ("PSARA") with the Borough of Oceanport ("Borough") for a 13-acre tract in the Fort's 900 Area ("the Property") including Buildings 900, 901, 914, 915, 916, 917, 918, 977 and 983.

Background

FMERA was created by P.L. 2010, c. 51 ("the Act") to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority ("NJEDA") as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

On May 18, 2016, the FMERA Board approved a process for the direct sale of real and personal property to Fort Monmouth's three host municipalities, Eatontown, Oceanport and Tinton Falls, and the County of Monmouth. Known as Local Beneficial Use transactions, the sales occur outside of FMERA's competitive Request for Offers to Purchase and Request for Sealed Bid processes, and the sale prices are subject to a potential discount. The public entity's proposed reuse of the property is scored against Board-approved criteria to determine the appropriate discount, which cannot exceed 40% of the property's appraised value.

The Borough of Oceanport has requested that the conveyance of the Property be administered as a Local Beneficial Use ("LBU") transaction, as the land and buildings will be devoted to a public use, the Borough's future municipal complex. The Borough's proposed use of the Property was reviewed and scored by FMERA staff utilizing the Board approved LBU criteria. The appraised value of the Property is $1,755,000. The scoring of the Borough's proposed use of the Property is 837 out of a possible 1,000 points which entitles the Borough to the maximum discount of 40%, resulting in a purchase price of $1,053,000. A copy of the LBU score sheet for the Property is attached.

Purchase and Sale & Redevelopment Agreement

Pursuant to the terms of the PSARA, the Borough will pay $1,053,000 for the approximately 13-acre property. Closing will occur within 30 days following the expiration of the Due Diligence Period or within 10 days after all of the Conditions Precedent to Closing are satisfied, which include: the receipt by Seller of a reasonably acceptable form of Declaration pursuant to paragraph 6 of the PSARA; Seller satisfying all conditions relating to the conveyance of marketable title pursuant to paragraph 8 of the PSARA and the consent of the NJEDA Board for the Borough to be designated the redeveloper for the project. FMERA will convey the Property to the Borough in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the Property. In addition, the Borough will maintain its current workforce at the Property for at least twelve (12) months after project completion.

The Borough will expend an estimated amount of $10,000,000 to complete their reuse and redevelopment project. The project includes the retention and renovation of Buildings 900, 901, 917, 918, 977 and 983. The Borough plans to demolish Buildings 914, 915 and 916. Purchaser shall be responsible for commencing the renovation and demolition of these buildings within 6 months of closing on the Property and all renovation and demolition shall be completed (as evidence by receipt of a certificate of occupancy) by no later than December 31, 2018. Purchaser shall be responsible for all demolition and related costs including but not limited to the costs of any required asbestos and lead-based paint remediation and disposal. Purchaser covenants that all renovated buildings fronting on Razor Avenue or Murphy Drive shall include either brick trim, brick veneer, brick panels, or brick-colored trim on their facades.

There is currently one Environmental Carve-out Parcel on the property undergoing remediation by the US Army. Carve-out Parcel 69 consists of .07 acres. As a result, there will be an Initial Closing of the Property excluding the Carve-out Parcel and a Second Closing for Carve-out Parcel 69 within 30 days of Army completing environmental investigations and remedial actions and conveying Environmental Carve-out Parcel 69 to FMERA. At this time, the Army has issued a Finding of Suitability to Transfer ("FOST") for the carve-out but title has not been conveyed to FMERA.

Regarding infrastructure and utility improvements, the Borough has agreed to the following: 1.) Purchaser will contribute 1/3 of the cost, not to exceed $50,000, for a new water main starting at the intersection of Gosselin Avenue and Murphy Drive, and running along Murphy Drive to the Property. 2.) Purchaser shall also contribute a maximum of $75,000 toward the cost of a new JCP&L substation, no earlier than 18 months and no later than 24 months of the date of Closing on the Property. 3.) Purchaser shall also pay for its own service entrance upgrades if/when JCP&L provides new distribution lines along Murphy Drive.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and the Borough, staff concludes that the essential elements of a redevelopment agreement between FMERA and the Borough are sufficiently addressed and that it is not necessary for FMERA to enter into a separate redevelopment agreement with the Borough for its redevelopment of a portion of the 900 Area including 13 acres of land and Buildings 900, 901, 914, 915, 916, 917, 918, 977 and 983.

Attached is a draft form of the PSARA between FMERA and the Borough of Oceanport as approved by the FMERA Board at their June 21, 2017 meeting. The final terms of the PSARA are subject to the approval of FMERA's Executive Director and the Attorney General's Office. Subsequent to the FMERA Board approval of the PSARA, Oceanport's special counsel provided comments to the PSARA, which the FMERA staff and the Attorney General's Office are reviewing.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement ("PSARA") with the Borough of Oceanport for a portion of the 900 Area including 13 acres of land and Buildings 900, 901, 914, 915, 916, 917, 918, 977 and 983 in the Oceanport section of the former Fort Monmouth property.

Timothy J. Lizura
President/Chief Operating Officer

Attachments: Purchase and Sale & Redevelopment Agreement
LBU Score Sheet

Prepared by: Donna Sullivan and Kara Kopach

Oceanport Municipal Complex

			Eval. 1		Eval. 2		Eval.3		
	Criteria	Weight	Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	Score (1 - 10)	Total Points	Average
1	Surrounding area (neighborhood) continuity	10	10	100	10	100	10	100	100
2	Sustains or creates jobs for municipality/county	15	5	75	8	120	5	75	90
3	Enhances services to municipality/county	15	10	150	9	135	10	150	145
4	Regional fiscal impact	15	5	75	8	120	7	105	100
5	Use enhances ability to attract jobs to adjacent tracts	10	8	80	8	80	7	70	77
6	Public good, public safety, or public education	20	10	200	10	200	10	200	200
7	Reduces FMERA infrastructure or demolition costs	15	8	120	9	135	8	120	125
	TOTAL	100	56	800	62	890	57	820	837

PURCHASE AND SALE AGREEMENT and REDEVELOPMENT AGREEMENT

This PURCHASE AND SALE AGREEMENT and REDEVELOPMENT AGREEMENT ("Agreement") is made as of May _______, 2017 between Fort Monmouth Economic Revitalization Authority, ("FMERA," "Seller" or "Authority") a public body corporate and politic constituted as an independent authority and instrumentality of the State of New Jersey, pursuant to P.L. 2010, c. 51, ("FMERA Act"), whose address is 502 Brewer Avenue, Oceanport, New Jersey 07757, referred to as the Seller, and the Borough of Oceanport ("Purchaser" or "Borough"), a political subdivision of the State of New Jersey, having an address at ________________________________, Oceanport, New Jersey 07757. Seller and Purchaser are collectively referred to herein as the "Parties".

WITNESSETH:

WHEREAS, the United States Army (the "Army") recognizes Seller as the Local Redevelopment Authority for former Fort Monmouth military installation ("Fort Monmouth"), located in the Boroughs of Oceanport, Eatontown and Tinton Falls, New Jersey;

WHEREAS, the Army and FMERA executed an Economic Development Conveyance Agreement ("EDC Agreement") dated October 25, 2016 outlining the terms and conditions of the transfer of the "Property" (hereinafter defined) from the Army to FMERA;

WHEREAS, FMERA acquired title to the Property excluding the Environmental Carve-Out Parcel (hereinafter defined) from the Army via quitclaim deed on November 17, 2016 ("Army Quitclaim Deed") along with sufficient adjoining property in order to provide for free and unencumbered access between the Property and adjoining public rights of way, and FMERA is able convey the Property to the Borough subject to the terms, conditions, covenants and restrictions set forth in the Army Quitclaim Deed;

WHEREAS, the Army has issued a Subsequent Finding of Suitability to Transfer (hereinafter defined) allowing for the Army's conveyance to FMERA of a 0.07 acre parcel including Building 900 designated by the Army as ECP 69 and comprising a portion of the Property ("the Environmental Carve-Out Parcel");

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Property on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the mutual receipt and legal sufficiency of which the parties hereto hereby acknowledge, Seller and Purchaser hereby agree as follows:

DEFINITIONS

"**All Approvals**" means all Non-Appealable Final Approvals, permits, decisions, reviews and agreements issued by municipal, county, state, federal and quasi-governmental authorities needed to obtain building permits for all of the uses on the Property and related off-site improvements so as to allow the continuous development of the Project and which Approvals shall contain terms and conditions acceptable to Purchaser in its reasonable discretion, including but not limited to, the following Non-Appealable Final Approvals: (i) the approval by FMERA of the Project's consistency with the Fort Monmouth Reuse and Redevelopment Plan and the Land Use Regulations, N.J.A.C. 19:31C-3.1 et seq., as required pursuant to N.J.A.C. 19:31C-3.19(c)v; (ii) a Final Remediation Document issued to Purchaser by either the New Jersey Department of Environmental Protection ("NJDEP") or Purchaser's licensed site remediation professional that documents that the Property has been remediated and which document includes a covenant not to sue pursuant to either N.J.S.A. 58:10B-13.1 or N.J.S.A. 58:10B-13.2; (iii) such permits or approvals as may be needed from the NJDEP which include, but are not limited to, a sewer extension permit, stream encroachment permit, CAFRA, and fresh water wetland permit; (iv) necessary licenses and approvals from all governmental authorities required to operate the Property as set forth herein; and (v) any amendment to the Fort Monmouth Reuse and Redevelopment Plan so that the Project is fully conforming therewith. Each such approval shall be referred to as an "Approval."

"**Closing**" shall mean the Initial Closing or Subsequent Closing, as applicable.

"**Due Diligence Period**" means the sixty (60) day period commencing on the date of Seller's Board approval of this Agreement and ending at 5:00 p.m. on the 60th day thereafter, during which the Purchaser upon prior written notice to Seller, at its sole cost and expense, may investigate the Property to determine whether the as-is condition of the Property is satisfactory to the Purchaser. Notwithstanding the foregoing, Seller shall grant Purchaser a license to access the Property prior to the commencement of the Due Diligence Period in accordance with Section 38 below.

"**Environmental Carve-Out Parcel**" means the portion of the Property designated as ECP 69 where the Army has issued the Subsequent FOST and is in the process of conveying title to FMERA.

"**Finding of Suitability to Transfer**" or "**FOST**" means the document issued by the Army and dated August 11, 2016 confirming the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition, the FOST includes the CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA. Purchaser acknowledges its prior receipt of the FOST.

"**<u>Initial Closing</u>**" shall mean the transfer of the Property (but excluding the Environmental Carve-Out Parcel) from the Seller to the Purchaser which shall occur upon the satisfaction of the Conditions Precedent to Initial Closing set forth in Section 10.

"**<u>Project</u>**" A concept plan for the Project is attached to this Agreement as Exhibit B. The Project consists of the renovation of Buildings 900, 901, 917, 918, 977 and 983 to serve as the Borough's municipal building, police department, public works facility and community center/library, and the demolition of all other buildings. The Project is further described herein at Section 5.

"**<u>Subsequent Closing</u>**" shall mean the closing for the Environmental Carve-Out Parcel which shall take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcel to FMERA.

"**<u>Subsequent Finding of Suitability to Transfer</u>**" or "**<u>Subsequent FOST</u>**" means the document issued by the Army and dated April 20, 2017 confirming the environmental suitability of certain parcels at Fort Monmouth for transfer to FMERA, including a portion of the Property designated by the Army as ECP Parcel 69, consistent with CERCLA Section 120(h) and Department of Defense Policy. In addition, the Subsequent FOST includes the CERCLA Notice, Covenant and Access Provisions and other Deed Provisions and the Environmental Protection Provisions necessary to protect human health or the environment after transfer of certain parcels from the Army to FMERA. Purchaser acknowledges its prior receipt of the Subsequent FOST.

1. <u>Purchase/Sale Agreement</u>. Subject to the terms and conditions set forth in this Agreement and the performance by the Parties of all of their material obligations hereunder, the

Seller agrees to sell and convey to Purchaser, and the Purchaser agrees to purchase and acquire from Seller, the Property described below.

2. Property. The property to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land; (b) all of the Seller's rights relating to the land; and (c) all personal property specifically included in this Agreement. The real property to be sold is an approximately 13 acre parcel of land, including Buildings 900, 901, 917, 918, 977 and 983, which are planned for retention and renovation, and Buildings 914, 915 and 916, which are to be demolished in accordance with Section 5, which are all located in the Borough of Oceanport and the County of Monmouth (the "Property"). The Property is more fully described in the attached Exhibit A.

3. Purchase Price. The purchase price for the Property is **$1,053,000.00**

4. Payment of Purchase Price.

Subject to adjustments as called for in Section 11, the Purchaser will pay the purchase price as follows:

An initial deposit of five hundred ($52,650.00) dollars which was paid on ___________.	$52,650.00
A second deposit of seventeen thousand five hundred ($105,300.00) dollars due upon execution of this Agreement.	$105,300.00
Balance to be paid at the Initial Closing, by wire transfer, in cash or by certified check (subject to adjustment at closing).	$895,050.00
Total purchase price	**$1,053,000.00**

5. Redevelopment Designation; Redevelopment Project, Capital Investment, and Job Creation.

5.1 Redeveloper Designation. Subject to satisfaction of Section 10.1(iii) below, Purchaser is designated the exclusive redeveloper of the Property, subject to the terms and conditions of this Agreement.

5.2 Redevelopment Project. Purchaser covenants to utilize the Property as the Borough's municipal complex. Purchaser shall be responsible for commencing the renovation of Buildings 900, 901, 917, 918, 977 and 983 and the demolition of all other buildings on the Property, including but not limited to Buildings 914, 915 and 916, within six (6) months of the Closing and completing the renovation and demolition work, as evidenced by its receipt of a certificate of occupancy, by no later than December 31, 2018. Purchaser shall be responsible for all demolition and related costs including but not limited to the cost of any required asbestos and lead-based paint remediation and disposal. Purchaser shall, at its sole cost and expense, apply for and diligently pursue and obtain All Approvals for the Project. Purchaser may undertake and complete construction of the Project in phases, as evidenced by receipt of certificates of occupancy. Purchaser shall complete all phases within twelve (12) months after completion of demolition and site work. Purchaser's total capital investment is estimated at $10,000,000.00. Purchaser covenants that all renovated buildings fronting on Razor Avenue or Murphy Drive shall include either brick trim, brick veneer, brick panels, or brick-colored trim on their facades.

5.3 Job Creation. Purchaser will use best efforts to maintain its current workforce levels for at least twelve (12) months after completing the Project. Purchaser shall provide Seller a jobs report, listing the construction and permanent jobs at the Property, upon Closing, at completion of the Project, and upon the one (1) year anniversary of Project completion.

5.4 Each and every one of the foregoing representations and covenants contained in this Section 5 shall survive Closing, shall run with the land, and shall be a continuing obligation.

6. Declaration of Covenants. Prior to the Closing, Purchaser shall provide the Seller with a declaration of covenants and restrictions (the "Declaration") upon the Property for review and approval by the Seller (See Section 10.1(ii). The Declaration shall run with the land and shall contain the following and which shall expire upon the issuance of a Certificate of Completion in recordable form issued by Seller and Purchaser's recording of same. The Declaration shall indicate or otherwise contain: 1.) The uses of the Property shall be limited to those uses permitted pursuant to the Fort Monmouth Reuse and Redevelopment Plan, as amended; 2.) Purchaser will commence and complete the Project within the period of time established in this Agreement, as same may be extended as provided herein or otherwise with the consent of FMERA; and 3.) Purchaser, as the approved redeveloper, will not sell, lease or transfer the Property, the Project or this Agreement prior to the Completion of the Project without the written consent of FMERA.

7. Reversion to Seller. INTENTIONALLY OMITTED

8. Title and Survey Investigation.

8.1 Purchaser, at Purchaser's cost and expense, shall obtain a title search and commitment for title insurance for the Property. No later than thirty (30) days before the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's title commitment together with a list of title exceptions that are unacceptable to Purchaser. Not later than ten (10) days after Seller receives Purchaser's title objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the title objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's title objections either prior to or at Closing.

8.2 Seller shall prepare, or cause to be prepared, a boundary survey of the Property. No later than thirty (30) days before the end of the Due Diligence Period, Purchaser shall deliver to Seller a copy of Purchaser's survey together with a list of survey objections. Not later than ten (10) days after Seller receives Purchaser's survey objections, Seller shall notify Purchaser which of the objections, if any, Seller shall cure prior to or at the Closing, including when and in what manner said items are to be cured. If Purchaser is dissatisfied with Seller's response or lack of response, Purchaser may either terminate this Agreement within 30 days of receipt of Seller's response (or within 30 days of Seller's failure to respond) or proceed under this Agreement. If Purchaser elects to proceed under this Agreement after

Purchaser supplies an unsatisfactory response or no response, then Purchaser's election is deemed an acceptance of the survey objections by the Purchaser and Seller shall have no further obligation to cure the Purchaser's survey objections either prior to or at Closing.

8.3 Purchaser shall have the further right to order a run-down title examination(s) at any time prior to Closing, at Purchaser's cost and expense, and to submit to Seller any title and/or survey objections which may have arisen since the initial title and survey examination.

8.4 If Seller fails to meet the requirements of Paragraph 8.1, or if Seller has agreed to cure a survey objection pursuant to Paragraph 8.2 and fails to do so, or if Purchaser has additional title and/or survey objections as a result of its run-down title examination pursuant to Paragraph 8.3 and Seller fails to cure such objections, then Purchaser may: (i) delay Closing to a date mutually agreed upon by Seller and Purchaser so that Seller or Purchaser removes or cures such non-permitted exception at Seller's expense; or (ii) terminate this Agreement.

8.5 From the date of this Agreement, Seller shall not permit any encumbrance on the Property without Purchaser's prior written consent.

9. Due Diligence Period.

9.1 Purchaser, its agents and Purchaser's prospective assignees, shall have the right, during the Due Diligence Period, and at all times during the term of this Agreement, to access the Property, to inspect the Property and to investigate all matters relating thereto, including, but not limited to, existing zoning requirements, the physical condition of the Property, the environmental condition of the Property and its environs, and any other matters Purchaser deems relevant to its decision to purchase the Property. Purchaser must submit to FMERA an Environmental Investigation Plan before entering the Property for environmental investigation. The contact for FMERA is Joseph Fallon, 732-720-6437. Purchaser shall provide to FMERA, at no cost to FMERA, a copy of the finalized report(s) of its investigation within thirty (30) days of completion of its finalized report(s). Seller shall cooperate with Purchaser in the activation and testing of all building systems and equipment and shall have qualified personnel available on-site to activate the systems and equipment to allow Purchaser to conduct its due diligence.

9.2 Purchaser may terminate this Agreement in its sole, absolute and unfettered discretion prior to 5 PM on the last day of the Due Diligence Period.

9.3 Purchaser, its agents and Purchaser's prospective assignees, shall provide Seller with proof of the following insurances prior to being provided access to the Property:

(i) Comprehensive General Liability policy (including insurance with respect to owned or operated motor vehicles which may be provided under a separate policy) as broad as the standard coverage form currently in use in the State of New Jersey, which shall not be circumscribed by any endorsements limiting the breadth of coverage. The policy shall include an additional insured endorsement (broad form) for contractual liability. Limits of liability shall be maintained at the level of Five Million ($5,000,000.00) Dollars, except automobile liability may be at a minimum of One Million ($1,000,000) Dollars, for each occurrence of bodily injury, death, and property damage liability. Seller shall be named an additional insured on this policy; and

(ii.) Worker's Compensation applicable to the Laws of the State of New Jersey and Employer's Liability Insurance with limits of not less than One Hundred Thousand ($100,000) Dollars per occurrence for bodily injury liability and One Hundred Thousand ($100,000) Dollars occupational disease per employee with an aggregate limit of Five Hundred Thousand ($500,000) Dollars occupational disease.

9.4 Purchaser shall repair any damage caused by its investigations and shall restore the Property to substantially the same condition as existed immediately prior to such investigations. Purchaser hereby indemnifies and holds Seller harmless from any liability to the extent related to any negligent act or omission of Purchaser or Purchaser's agents or representatives in the performance of any and all activities conducted on the Property by Purchaser until Closing, unless such liability is the result of Seller's negligence or intentional acts or omissions.

10. <u>Conditions Precedent to Closing</u>.

10.1 The Closing is subject to and conditioned upon the following:

(i) The receipt by Seller of a reasonably acceptable form of Declaration pursuant to Paragraph 6 for review and approval by the Seller prior to Closing;

(ii) Seller shall have satisfied all conditions relating to the conveyance of fee simple marketable title insurable at regular rates in accordance with Section 8; and

(iii) Seller has obtained EDA Board approval of Purchaser as the Redeveloper.

10.2 The Seller and Purchaser mutually agree as follows concerning the Conditions Precedent to Closing:

(i) Each Party shall use its best efforts to perform all conditions required by this Agreement diligently prior to or as of the Closing and each Party shall have cured any of its respective defaults prior to Closing or at Closing; and

(ii) Either Party may waive the performance of a covenant or a condition by the other Party, or may waive the cure of the other Party's default at any time prior to Closing or at Closing. Any such waiver shall be in writing and acknowledged by both Seller and Purchaser.

11. Time and Place of Closing.

11.1 The Closing shall occur at a mutually agreed upon time not more than thirty (30) days following the expiration of the Due Diligence Period, or within ten (10) days after all Conditions Precedent to Closing are satisfied. The Closing will be held at the offices of Purchaser's counsel. Notwithstanding the foregoing, the parties agree that the Initial Closing shall take place on or before **July 14, 2017**.

11.2 Seller shall deliver the following documents at Closing in form and substance satisfactory to Purchaser and to Purchaser's title company: (1) quitclaim deed; (2) Affidavit of Title; (3) entity resolution; (4) tax and utility bills, if any; (5) Certificate of Compliance with Section 1445 of the Internal Revenue code

(FIRPTA), (6)IRS Form 1099; and (7) release of mortgage executed by the County of Monmouth. Purchaser shall deliver a Title Closing Statement at Closing.

11.3 Subsequent Closing for the Environmental Carve-Out Parcel shall take place within thirty (30) days of Army conveying the Environmental Carve-Out Parcel to FMERA. Purchaser shall accept title to the Environmental Carve-Out Parcel at the Subsequent Closing for no additional consideration.

12. Transfer of Ownership. At Closing, the Seller shall transfer ownership of the Property to the Purchaser. The Seller will give the Purchaser a properly executed quitclaim deed. The Deed to be made hereunder shall include a metes and bounds description of the Property. The metes and bounds description shall be based upon a certified survey to be supplied and paid by FMERA. The Seller agrees to transfer and the Purchaser agrees to accept ownership of the Property free of all claims and rights of others, except for: (a) the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the street, the part of the property next to the street or running to any building or other improvement on the Property; (b) recorded agreements which limit the use of the Property, including but not limited to covenants, warranties and easements and CERCLA, 42 U.S.C. §9620(h)(3)(A) and (B) ("CERCLA Covenants"), and other applicable laws, regulations, Department of Defense and U.S. Army policy, and easements, land use controls, conditions and restrictions, all as more particularly described in the FOST, attached hereto as Exhibit C covering the Property; (c) the Fort Monmouth Reuse and Redevelopment Plan; and (d) the FMERA Land Use Regulations and design and development guidelines and regulations adopted by FMERA. Purchaser shall pay all its own title insurance premiums, real estate transfer taxes, if any, recording fees and escrow fees associated with the conveyance of the Property. Purchaser agrees that the underground utility lines, pipes, wires, cables or conduits which presently

traverse or enter upon the Property are not fully known; and the Parties agree that that same shall be set forth in the Deed, which shall include reservations of rights or easements allowing Seller and its successors and assigns to maintain, service, repair and use any such underground lines, pipes, wires, cables and conduits in perpetuity for the benefit of existing and future development.

13. Personal Property and Fixtures. All fixtures are INCLUDED in this sale unless they are listed below as being EXCLUDED.

13.1 The following fixtures are EXCLUDED from this sale: **None**.

13.2 The following personal property is INCLUDED in this sale: **None**.

14. Physical Condition of the Property. This Property is being sold "as is". The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Purchaser has inspected the Property and relies on this inspection.

15. Acknowledgment and Covenants Regarding FOSTs. A "Finding of Suitability to Transfer" or "FOST" is the document developed and delivered by the Army that determines the environmental suitability for transfer of property from the Army to FMERA. The FOST summarizes the required notifications and applicable environmental requirements, including, but not limited to, a description of any long-term remedies (including land use controls) and responsibility for their maintenance and reporting. Purchaser acknowledges that it has been provided with the August 12, 2016 FOST for the Property and the April 20, 2017 Subsequent FOST for the Environmental Carve-Out Parcel, which are incorporated herein by reference, and that the transfer of ownership of the Property to Purchaser will be subject to the terms and conditions of the FOSTs. Only to the extent permitted by law, Purchaser, its successors, assigns, heirs, devisees and personal representatives covenant and hold harmless the Seller, and shall make no claim against the Seller, its successors and assigns, whether based upon strict liability,

negligence or otherwise, concerning noise, environmental, land use, pollution, vibrations, or any similar problems, for any damage, direct or consequential, to any person or persons, or to property or otherwise, or for any other relief, which may arise from the condition of the Property or the fact that the Property is subject to the FOSTs. This covenant shall survive Closing and/or termination of this Agreement and shall run with the land, and shall apply not only to the Purchaser, their successors, assigns, heirs, devisees and personal representatives, but shall also apply to anyone occupying the Property, whether by employment, tenancy, in patient care or otherwise.

16. Risk of Loss. Seller shall be responsible for all losses and damages to the Property by fire, windstorm, casualty or other cause, and for all damages or injuries to persons or property occurring thereon or relating thereto (except as may be caused by acts of the Purchaser or its officers, employees, agents or contractors) prior to Closing. Notwithstanding the foregoing, Seller shall have no obligation to repair, replace or demolish any portion of the Property that is damaged or destroyed prior to Closing, but Seller shall take reasonably appropriate measures to ensure that the Property is secure. Seller and Purchaser agree that any damage or destruction to the Property shall not otherwise affect the rights and responsibilities under this Agreement and that Purchaser shall not be entitled to any offset against the Purchase Price for any damage or destruction to the buildings, structures, fixtures or improvements located on, under or above the Property that might occur prior to Closing.

17. Termination of Agreement. If this Agreement is legally and rightfully terminated, the Purchaser and the Seller will be free of liability to each other and any obligations that specifically survive termination of the Agreement.

18. Default by Seller.

18.1 If Seller shall be unable or fail to convey the Property in accordance with the terms of this Agreement, then Purchaser shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

18.2 Purchaser acknowledges that the remedies set forth in this Section 18 are Purchaser's exclusive remedies in the event of any breach of or default under this Agreement by Seller or the inability or unwillingness of Seller to consummate the Closing as provided in this Agreement. In no event shall Purchaser have any claim for any damages against Seller, except as set forth in this Section 18. The terms of this Section 18 shall survive the Closing and/or any termination of this Agreement.

18.3 The Purchaser agrees that prior to declaring the Seller in default hereunder, Purchaser shall provide Seller with thirty (30) days advance written notice of such default and Seller shall have the right to cure such default within said thirty (30) day period.

19. Default by Purchaser.

19.1 If Purchaser shall be unable or fail to complete closing in accordance with the terms of this Agreement, then Seller shall have the right to terminate this Agreement and upon such termination this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for any rights or obligations that specifically survive the termination of this Agreement.

19.2 Seller acknowledges that the remedies set forth in this Section 19 are Seller's exclusive remedies in the event of any breach of or default under this

Agreement by Purchaser or the inability or unwillingness of Purchaser to consummate the Closing as provided in this Agreement. In no event shall Seller have any claim for any damages against Purchaser, except as set forth in this Section 19. The terms of this Section 19 shall survive the Closing and/or any termination of this Agreement

19.3 The Seller agrees that prior to declaring the Purchaser in default hereunder, Seller shall provide Purchaser with thirty (30) days advance written notice of such default and Purchaser shall have the right to cure such default within said thirty (30) day period.

20. Adjustments at Closing. The Purchaser and the Seller agree to adjust the following expenses as of the closing date: **None.**

21. Possession. At Closing, the Purchaser will be given possession of the Property. The delivery of the quitclaim deed and possession from Seller to Purchaser and the acceptance of same by Purchaser shall be deemed full performance by Seller of its obligations under this Agreement.

22. Liens. In the event an objection to title consists of an unpaid lien of a defined amount, Seller has the right to satisfy the lien at the time of Closing.

23. Parties Liable. This Agreement is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

24. Assignment. Purchaser may not assign this Agreement without the consent of the Seller which consent Seller is under no obligation to give. Seller shall have the right to assign this Agreement without the consent of Purchaser to the State of New Jersey or any division thereof.

25. Successors and Assigns. This Agreement shall inure to the benefit of, and shall bind, not only the Seller and Purchaser, but also their successors and assigns.

26. Entire Agreement. It is understood and agreed that all understandings and agreements between the parties regarding purchase, sale and conveyance of the Property are merged in this Agreement which alone fully and completely expresses their agreement. This Agreement can only be changed by an agreement in writing signed by both Purchaser and Seller. The Seller states that the Seller has not made any other Agreement to sell the Property to anyone else.

27. Governing Law. This Agreement shall be governed by, interpreted under and construed and enforced in accordance with, the laws of the State of New Jersey without respect to any principles of conflict of law, both as to interpretation and performance. Seller and Purchaser waive any statutory or common law presumption which would serve to have this document construed in favor and against either party as the drafter. The Seller and the Purchaser agree that: (i) any and all claims made or to be made against the Seller based in contract law, including but not limited to, costs and expenses and specific performance, shall be governed by and subject to the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.; and (ii) any and all claims made or to be made against the Seller based in tort law, including but not limited to, costs and expenses, shall be governed by and subject to the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

28. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected

thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by Law.

29. <u>No Partnership or Joint Venture</u>. Nothing contained in this Agreement will make or will be construed to make the Parties hereto joint venture partners with each other, it being understood and agreed that the only relationship between Purchaser and Seller hereunder is that of seller and buyer. Nor should anything in this Agreement render or be construed to render either of the Parties hereto liable to the other for any third party debts or obligations due the other party.

30. <u>No Third-Party Rights or Benefits</u>. Nothing in this Agreement shall be construed as creating any rights of enforcement against any person or entity that is not a party to this Agreement, nor any rights, interest or third-party beneficiary status for any entity or person other than Purchaser and Seller. This Agreement is not an obligation of the State of New Jersey or any political subdivision thereof (other than FMERA) nor shall the State or any political subdivision thereof (other than FMERA) be liable for any of the obligations under this Agreement. Nothing contained in this Agreement shall be deemed to pledge the general credit or taxing power of the state or any political subdivision thereof (other than FMERA).

31. <u>No Waiver</u>. No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any Party hereto unless made in writing and signed by the Party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

32. Publication. Purchaser and Seller agree (i) to consult with and cooperate with each other on the content and timing of all press releases and other public announcements relating to the transactions contemplated by this Agreement and (ii) that the initial press release to be used with respect to the transactions contemplated hereby will be in the form agreed to by the parties hereto prior to the execution of this Agreement. Purchaser shall not issue any announcement or statement without the express written approval of Seller as to the text of the announcement.

33. No Recording or Notice of Pendency. Purchaser shall not record nor attempt to record this Agreement or a memorandum thereof or make any reference to this Agreement in any recorded document, except for a Notice of Settlement, without the prior written consent of Seller in its sole, arbitrary, and absolute discretion.

34. Authority Representations of Purchase and Seller. Purchaser and Seller hereby represent to each other on and as of the date of this Agreement and on and as of the transfer(s) provided for herein, that each have full capacity, right, power and authority to execute, deliver and perform this Agreement, and all required action and approvals therefore have been duly taken and obtained. The individual(s) signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller and Purchaser shall be duly authorized to sign the same on Purchaser's and Seller's behalf and to bind Seller and Purchaser thereto. This Agreement and all documents to be executed pursuant to Seller and Purchaser are and shall be binding upon and enforceable against Seller and Purchaser in accordance with their respective terms. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulations or ruling of any court or governmental authority, or conflict with, result in a breach of, or constitute a default under any

note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchase or Seller is bound.

35. Notices: Any notices required to be given under this Agreement must be in writing and shall be addressed as follows

to: Fort Monmouth Economic Revitalization Authority
502 Brewer Avenue
Oceanport, New Jersey 07757
Attention: Bruce Steadman, Executive Director

to: Borough of Oceanport
315 E. Main Street
Oceanport, New Jersey, 07757
Attention: Raymond Poerio, Administrator

All notices which must be given under this Agreement are to be given either by:

(1) personal service,

(2) certified mail, return receipt requested, addressed to the other party at their address specified above, or

(3) overnight delivery service, addressed to the other party at their address specified above (e.g. Federal Express, United Parcel Service, DHL, United States Postal Service Next Day Mail).

35.1 Either party may change the address to which notice must be provided pursuant to this Agreement by providing notice, in accordance with this provision, to the other party at that party's last-identified address, provided that such change of address shall not take effect until five (5) days following the date of such notice.

35.2 Each party authorizes the other to rely in connection with their respective rights and obligations under this Agreement upon approval by the parties named above or any person designated in substitution or addition hereto by notice, in writing, to the party so relying.

36. No Brokerage Commissions. The Parties represent that no brokerage commissions are due in connection with this transaction. The provisions of this Section 36 shall survive Closing and/or any termination of this Agreement.

37. Counterparts. This Agreement may be simultaneously executed in several counterparts, or with counterpart signature pages, and may be delivered by facsimile or electronic mail, it being understood that all such counterparts or counterpart signature pages, taken together, shall constitute one and the same instrument.

38. Right of Entry.

(a) Provided that Purchaser has not terminated this Agreement or is in default hereunder, at any time subsequent to Purchaser's completion of Due Diligence, Purchaser may request that Seller grant Purchaser a license to use and enter the Property prior to Closing for the purposes of initiating interior demolition or renovation of the Improvements. The license will be for one ($1.00) dollar and will be on an absolutely triple net basis.

(b) The parties agree that the license for right of entry is not intended and will not create a leasehold interest in the Property, and that Purchaser will be precluded from sub-licensing or sub-leasing the Property during the license term. The license will terminate upon Closing or earlier termination of this Agreement.

(c) Seller will not, under any circumstance, reimburse the Purchaser for undertaking any improvements to the Property and Seller will own any fixtures that the Purchaser installs until title closing occurs.

(d) Purchaser agrees that any work undertaken by Purchaser and its consultants and/or contractors will comply with all applicable permits, approvals, ordinances, statutes, regulations, building codes and other applicable laws.

(e) Purchaser covenants and agrees to, at all times, indemnify, protect and save harmless FMERA from and against all cost or expense resulting from any and all losses, damages, detriments, suits, claims, demands, costs and charges, which FMERA or the Improvements may directly or indirectly suffer, sustain or be subject to by reason or on account of Purchasers entry upon the Premises or the conduction of the Activities by Purchaser, its contractors, subcontractors, agents, officers, employees or invitees. In addition, Purchaser shall require its respective contractors, consultants, agents, and representatives to defend, indemnify, and hold harmless FMERA from and against any and all claims, actions, suits, complaints, and proceedings, including but not limited to any attorney's fees, costs of defense, judgments and damages which arise from or are in any way connected with the contractors', consultants', agents', or representatives' entrance upon the Property.

(f) All consultants, agents, assignees, contractors, subcontractors, officers, or employees of Purchaser shall be covered by adequate Workers' Compensation.

(g) Purchaser agrees that any claims asserted against FMERA based in contract law in connection with this permit shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. and that any claims asserted against FMERA based in tort law in connection with this permit shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq.

(h) Purchaser agrees that it:

(i) will not create any condition during its entry upon the Property, which violates any municipal, state or other regulatory agency or is dangerous.

(ii) will not permit the creation of any liens affecting the Property during the pendency of this Agreement and shall promptly pay and discharge any claims or liabilities which may become a lien against the Property.

(iii) will maintain in force and effect, insurance for liability and property damage in the minimum amounts of one million ($1,000,000.00) dollars per occurrence and three million ($3,000,000.00) dollar aggregate naming the FMERA as an additional insured and provide proof of same to the FMERA prior to entry on the Property.

39. Prevailing Wage. Prevailing wage will only apply to the extent that a project includes "public work" as that term is defined in the State Prevailing Wage Act, N.J.S.A. 34:11-56.25 *et seq.*, or if the applicant receives financial assistance from FMERA, the State or any other State entity.

40. Utilities.

40.1 The Purchaser shall, at its sole cost and expense, be responsible for establishing service and accounts with Jersey Central Power & Light Company ("JCP&L"), New Jersey American Water, Two Rivers Water Reclamation Authority and New Jersey Natural Gas Company.

40.2 The Purchaser shall be responsible for contributing 1/3 of the cost, not to exceed $50,000.00, for a new water main starting at the intersection of Gosselin Avenue and Murphy Drive, and running along Murphy Drive to the Property. The $50,000.00 cap is based on the assumption that the distance to the edge of the Property is 1,000 ft. or less, and the cost of the water main installation is $100 to

$150 per linear foot. In addition, Purchaser shall, at its sole cost and expense, pay for all water laterals serving the Property and any connection fees.

40.3 Purchaser shall contribute a maximum of $75,000.00 toward the cost of a new JCP&L substation, no earlier than 18 months and no later than 24 months of the date of Closing on the Property. Purchaser shall also pay for its own service entrance upgrades if/when JCP&L provides new distribution lines along Murphy Drive.

40.4 Seller shall not require Purchaser to contribute toward the cost of the installation of a new sewer line starting at the intersection of Gosselin Avenue and Murphy Drive, and running along Murphy Drive to the Property, however Purchaser shall, at its sole cost and expense, be responsible for the cost of any sewer laterals and connection fees in connection with the Property.

40.5 Seller shall install the new water main referenced in Section 40.2 above which is estimated to take place in 2017 and the new sewer line referenced in Section 40.4 above within approximately three (3) years after the Closing. Seller shall operate and maintain the sewer lift station on the Property until the new sewer line is installed.

40.6 Seller shall allow Purchaser to use and purchase interim water, sewer and electric services over existing systems as necessary and at cost.

The Seller and Purchaser have signed this Purchase and Sale Agreement and Redevelopment Agreement as of the date first written above.

ATTEST: FORT MONMOUTH ECONOMIC REVITALIZATION AUTHORITY, Seller

____________________ By: ____________________

Bruce Steadman
Executive Director

ATTEST: BOROUGH OF OCEANPORT, Purchaser

____________________ By: ____________________

John Coffey II
Mayor

ACKNOWLEDGEMENT

STATE OF NEW JERSEY
SS:
COUNTY OF MONMOUTH

BE IT REMEMBERED that on this _____ day of _________, 2017, before me, the subscriber, personally appeared Bruce Steadman, who acknowledged under oath, to my satisfaction, that he is the Executive Director of the Fort Monmouth Economic Revitalization Authority and is authorized to sign the within instrument.

____

Notary Public of the State of New Jersey

STATE OF NEW JERSEY
SS:
COUNTY OF MONMOUTH

I CERTIFY that on ___________, 2017, _____________________, personally came before me, and this person acknowledged under oath, to my satisfaction, that:

(a) this person is the Clerk of the Borough of Oceanport, New Jersey, the political subdivision named in this instrument;

(b) this person is the attesting witness to the signing of this instrument by the proper public officer, John Coffey, II, who is the Mayor of the Borough of Oceanport, New Jersey, the political subdivision named in this instrument;

(c) this instrument was signed and delivered by the political subdivision as its voluntary act duly authorized by a proper resolution of its governing body;

(d) this person knows the proper seal of the Borough of Oceanport, which was affixed to this instrument; and

(e) this person signed this proof to attest to the truth of these facts; and

____

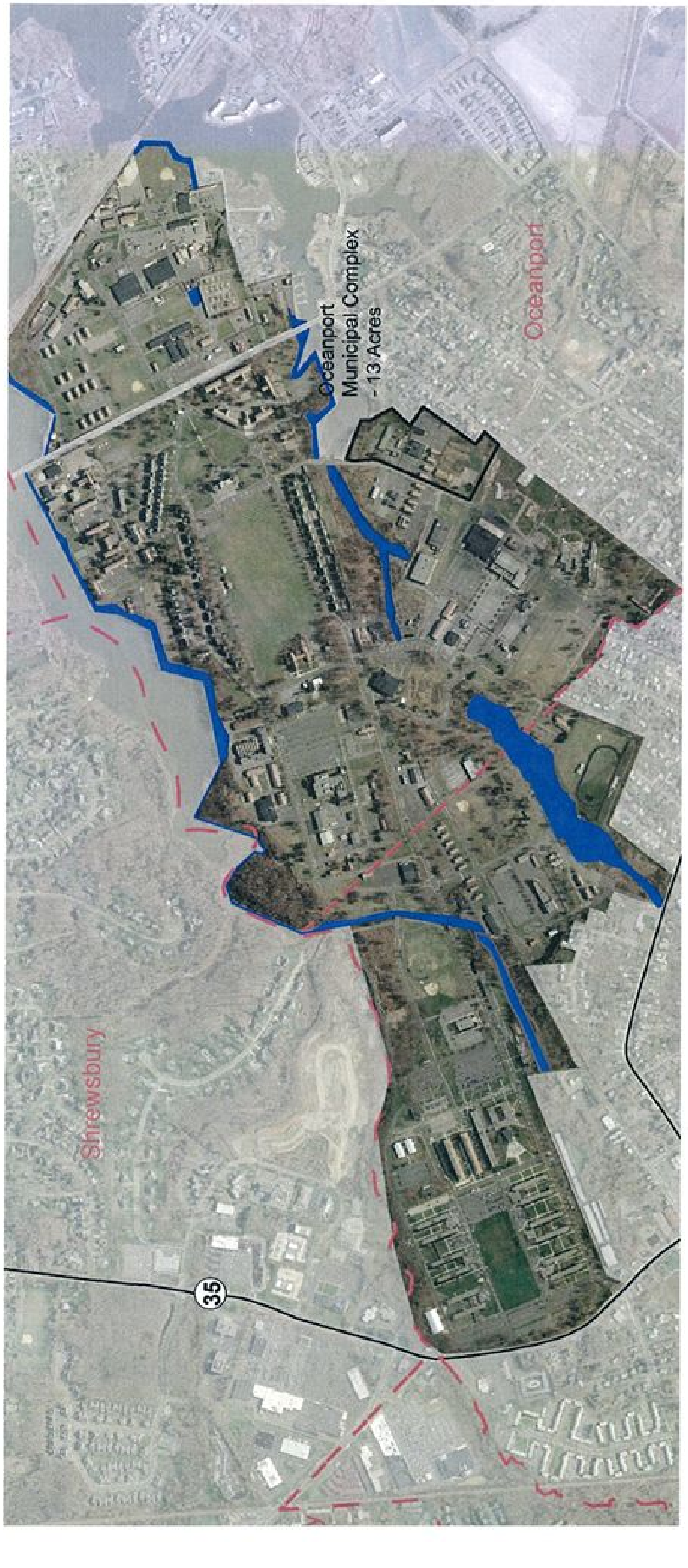
Clerk of the Borough of Oceanport

Sworn to and subscribed before

me this ____________________ day of _____________, 2017

____

Notary Public of the State of New Jersey


Oceanport
Municipal Complex
- 13 Acres
Oceanport
Shrewsbury
35


Main Street
901
13 Ac +/-
Courier Avenue
Razor Avenue
Murphy Drive

ADOPTED
JUL 13 2017

Attachments

Resolution of the New Jersey Economic Development Authority ("NJEDA") Regarding Approval of FMERA Purchase and Sale & Redevelopment Agreement with the Borough of Oceanport for a future Municipal Complex

WHEREAS, the Members of the New Jersey Economic Development Authority have been presented with and considered a Memorandum, in the forms attached hereto; and

WHEREAS, the Memorandum requested the Members to adopt a resolution authorizing certain actions by the New Jersey Economic Development Authority, as outlined and explained in said Memorandum.

NOW, THEREFORE, BE IT RESOLVED by the Members of the New Jersey Economic Development Authority as follows:

1. The actions set forth in the Memorandum, attached hereto, are hereby approved, subject to any conditions set forth as such in said Memorandum.

2. The Memorandum, attached hereto, are hereby incorporated and made a part of this resolution as though set forth at length herein.

3. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until 10 days, Saturdays, Sundays, and public holidays excepted, after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

DATED: July 13, 2017

EXHIBIT

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

RE: Grant of Easement Agreement
Public Service Electric and Gas Company and the Authority
DOT Southern Regional Headquarters
One Executive Campus, Cherry Hill, New Jersey

DATE: July 13, 2017

Summary
I am requesting the Members' approval to enter into a Grant of Easement Agreement ("Agreement") with Public Service Electric and Gas Company ("PSE&G") to allow PSE&G to install and continually maintain a gas line which will service a neighboring office building at Three Executive Campus, Cherry Hill, New Jersey.

Background
In Spring 2000 the Authority acquired a 50,245 square foot, four story office building at 1 Executive Campus, in Cherry Hill from the New Jersey Department of Transportation (DOT). DOT had purchased this former bank processing center, property in 1996 for the purpose of consolidating its operations in South Jersey.

Utilizing bond proceeds, the Authority completed $8.7 million in renovations to the building in 2001. Two-hundred DOT employees, including maintenance, administrative and Motor Vehicle Services personnel, took occupancy in May 2001. Upon payment in full of the lease revenue bonds on or about June 15, 2020, the Authority will deed the property back to the New Jersey Department of the Treasury for no consideration. This building serves as the DOT Southern Regional Headquarters and is located within an office park served by a private road network. The main east-west roadway through the office park is King Avenue.

The Authority was approached by 3 ECCH Owner, LLC, the owner of the neighboring building at 3 Executive Campus, Cherry, New Jersey requesting the granting of the easement to PSE&G so that the owner could install upgrades to its HVAC system. In order to accomplish these upgrades, PSE&G must run a gas line to their site through and across a portion of the Authority property. The easement area will be a twenty foot (20') wide area from the sidewalk to the curb line. The easement area is in a location where structures or buildings are already not permissible. There is no value ascribed by PSE&G for this type of utility easement. As a result, no consideration is being offered to the Authority for this easement. Real Estate staff reached out to Treasury who confirmed they have no objection to the granting of this easement.

The attached form of Grant of Easement Agreement is in substantially final form. The final document and plan will be subject to revision, although basic terms and conditions will remain substantially consistent with those in the attachment. Final terms of the Agreement will be subject to the approval of the Chief Operating Officer and the Attorney General's Office.

Recommendation

In summary, I am requesting the Members' approval to enter into a Grant of Easement Agreement with Public Service Electric and Gas Company to allow PSE&G to install and maintain a gas line on and across a portion of the Authority property at 1 Executive Campus, Cherry Hill, New Jersey for the benefit of the neighboring building, 3 Executive Campus, Cherry Hill, New Jersey on terms acceptable to the Chief Operating Officer and the Attorney General's Office.

Timothy J. Lizura

Attachment

Prepared by: Cathleen A. Hamilton

Record and Return to:
PSEG Services Corporation
Corporate Properties Dept
80 Park Plaza, t6b
Newark, New Jersey 07102

GRANT OF EASEMENT

THIS INDENTURE, made this _____ day of ___________, 2017, between **NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY**, with an office at 36 West State Street Box 990, Trenton, NJ 08625, (hereinafter called "Grantor"), and **PUBLIC SERVICE ELECTRIC AND GAS COMPANY**, a corporation of the State of New Jersey, having its office at 80 Park Plaza, Newark, New Jersey 07102 (hereinafter called "Grantee").

WHEREAS, Grantor is the owner in fee simple of a certain tract of real property situate in the Township of Cherry Hill County of Camden and State of New Jersey, commonly known as Block 71.01, Lot 1 (hereinafter the "Property"); and

WHEREAS, Grantee is a public utility of the State of New Jersey, engaged in furnishing utility service to subscribers in the State of New Jersey; and

WHEREAS, the Grantor does agree to convey an easement in perpetuity to Grantee for its use, occupancy and enjoyment and the use, occupancy and enjoyment of its licensees, successors in interest and assigns, in connection with the provision of utility service which crosses its Property for service to its neighboring property known as Block 68.01 Lot 1 in the Township of Cherry Hill County of Camden and State of New Jersey and for the conduct of its business, all in accordance with and for the purposes set forth in this Grant of Easement, for the mutual benefit of both Grantor and Grantee;

NOW THEREFORE, WITNESSETH: In consideration of these premises and the sum of ONE ($1.00) DOLLAR, paid to the Grantor by the Grantee, the receipt of which is hereby acknowledged, and in further consideration of the mutual conditions, covenants, promises and terms hereinafter contained, it is agreed that:

1. Grantor does hereby grant and convey unto Grantee an easement in perpetuity, in, under, through, upon, over and across the hereinbefore described Property of Grantor, with full rights, privileges and authority for Grantee to enter upon same from time to time, for the purpose of inspecting, locating, relocating, installing, altering, extending, constructing, repairing, replacing, rebuilding, removing and perpetually operating, maintaining mains, pipes, manholes, handholes, regulator vent poles, and other fixtures, appurtenances and facilities (hereinafter the "Facilities"), which Grantee may, deem necessary or proper in its sole judgment for the transmission and distribution of gas, together with such free and unlimited access to, egress and ingress in, from and over all points of said Property, as is reasonable or necessary for the full use, occupancy and enjoyment of said easement. Said easement area and the Facilities to be installed

therein are more particularly shown on Drawing No. 1 of 1 attached hereto and made a part hereof.

2. Grantor does further grant and convey to Grantee the right, privilege and authority to trim, cut and remove such tree branches, roots, shrubs, plants, trees and vegetation which might, within the exclusive discretion and sole judgment of Grantee, interfere with or threaten the safe, proper or convenient use, maintenance or operation of the Facilities within the easement area. Grantee shall not be responsible for any damage to any trees or other vegetation due to the installation of the Facilities.

3. Grantor shall have the right to use, occupy and enjoy the surface and air space around the easement area for any purpose that does not interfere or threaten the safe, proper or convenient use, occupancy or enjoyment of same by Grantee. Grantor agrees, however, that that no buildings or structures shall be erected over or within ten (10) feet of the Facilities of Grantee.

4. Grantor shall have the right to allow other utilities to use the said easement area for any purpose, which does not in any way interfere with the accessibility and safe operation of the Facilities of Grantee, and subject to the reasonable consent of Grantee. Grantor's right to allow other utilities to use the easement area does not include the right to allow other utilities to use the Facilities that Grantee has installed in the easement. Grantor's right to allow other utilities to use the easement area shall in no way limit the rights granted to Grantee in this Easement.

5. Grantee shall perform all work in connection with the rights, privileges and authority herein granted and conveyed in a workmanlike manner and with a minimum of inconvenience to the Grantor; and any damage done to the land or premises of Grantor shall be promptly repaired and restored to its condition immediately prior to damage, at the sole cost and expense of Grantee.

6. If Grantor shall, at any time after the initial installation of the Facilities, request Grantee to relocate the Facilities to a different location or locations, it shall do so at such location or locations as shall be mutually satisfactory to the parties hereto, at the sole cost and expense of Grantor or the owner of Block 68.01, Lot 1, Cherry Hill Township, Camden County, NJ, Grantee to have the same rights and privileges in the new location or locations as in the former location or locations.

7. Grantor covenants to warrant generally the rights above granted, will execute such further assurance of the same as may be required, and that Grantee shall have the quiet possession thereof free from all encumbrances.

8. Grantee shall defend and indemnify Grantor against, and shall save Grantor harmless from, and shall reimburse Grantor with respect to, any and all claims, demands, actions, causes of action, injuries, orders, losses, liabilities (statutory or otherwise), obligations, damages, fines, penalties, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) incurred by, imposed upon or asserted against Grantor by reason of any accident, injury (including death at any time resulting therefrom) or damage to any person or property

arising out of or resulting from any acts or omissions of Grantee or by any employee, licensee, invitee or agent of Grantee.

9. This Grant of Easement shall be governed by and construed in accordance with the laws of the State of New Jersey and recorded on the title to the Property.

10. By the acceptance if this instrument, Grantee agrees to abide by the terms and conditions herein on its part to be performed and shall be deemed signatory hereto, and the provisions of this indenture shall inure to the benefit of and be obligatory upon the respective parties hereto and their successors and assigns.

IN WITNESS WHEREOF, Grantor has duly signed these presents the day and year first above written.

ATTEST:

By:______________________
Print Name:___________
Print Title: ___________

GRANTOR:
New Jersey Economic Development Authority

By:__________________________
Print Name:___________
Print Title:____________

ATTEST

____
Print Name:____________
Print Title: ___________

PUBLIC SERVICE ELECTRIC AND GAS COMPANY
By PSEG Services Corp., Agent

By:________________________
Print Name:_____________
Print Title:______________

STATE OF __________________)
: SS.
COUNTY OF __________________)

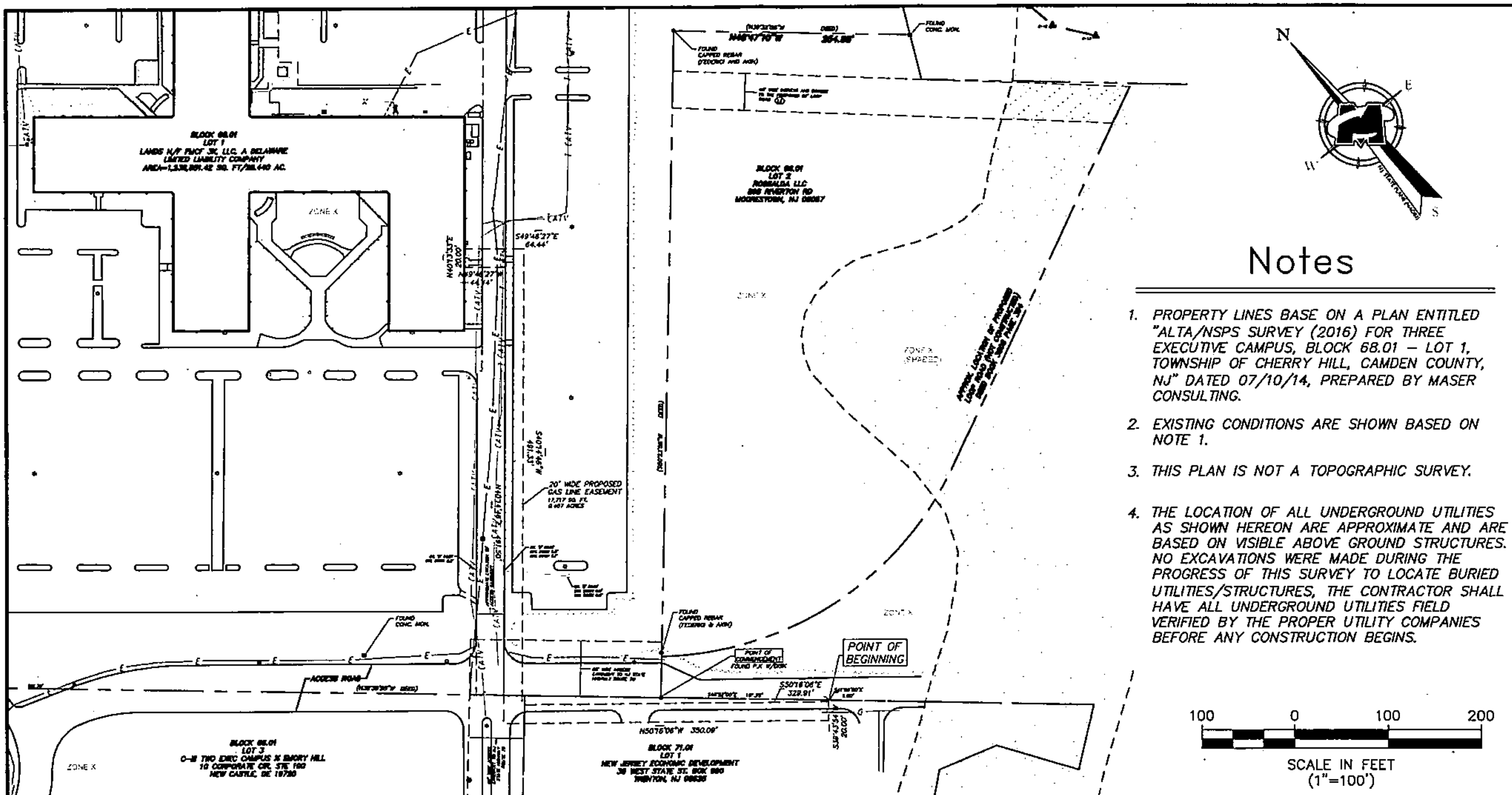
BE IT REMEMBERED, that on this _____ day of ___________, 2017, before me, the subscriber, a Notary Public of the State of ________________________, personally appeared ________________________ who, I am satisfied, is ________________________________ of New Jersey Economic Development Authority, the corporation named in and which executed the foregoing instrument and is the person who signed said instrument as such officer for and on behalf of said corporation and sealed with its corporate seal, as the voluntary act and deed of said corporation, by virtue of authority from its Board of Directors.

____
Notary

STATE OF NEW JERSEY)
: SS.
COUNTY OF)

BE IT REMEMBERED, that on this _____ day of ____________, 2017, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared _________________ ____________, who, I am satisfied, is TITLE: _________________, the corporation named in and which executed the foregoing instrument, and he thereupon acknowledged that the said instrument was made by the corporation and sealed with its corporate seal and was signed, sealed with the corporate seal and delivered by him as such officer and is the voluntary act and deed of the corporation, made by virtue of authority from its Board of Directors.

____
Notary



Notes

1. PROPERTY LINES BASE ON A PLAN ENTITLED "ALTA/NSPS SURVEY (2016) FOR THREE EXECUTIVE CAMPUS, BLOCK 68.01 – LOT 1, TOWNSHIP OF CHERRY HILL, CAMDEN COUNTY, NJ" DATED 07/10/14, PREPARED BY MASER CONSULTING.
2. EXISTING CONDITIONS ARE SHOWN BASED ON NOTE 1.
3. THIS PLAN IS NOT A TOPOGRAPHIC SURVEY.
4. THE LOCATION OF ALL UNDERGROUND UTILITIES AS SHOWN HEREON ARE APPROXIMATE AND ARE BASED ON VISIBLE ABOVE GROUND STRUCTURES. NO EXCAVATIONS WERE MADE DURING THE PROGRESS OF THIS SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES, THE CONTRACTOR SHALL HAVE ALL UNDERGROUND UTILITIES FIELD VERIFIED BY THE PROPER UTILITY COMPANIES BEFORE ANY CONSTRUCTION BEGINS.

100 0 100 200
SCALE IN FEET
(1"=100')

MASER CONSULTING P.A.
Consulting, Municipal & Environmental Engineers
Planners ■ Surveyors ■ Landscape Architects
State of N.J. Certificate of Authorization: 24GA27986500
New Jersey New York Pennsylvania Virginia
Customer Loyalty *through* Client Satisfaction

MOUNT LAUREL OFFICE
2000 Midlantic Drive
Suite 100
Mt. Laurel, NJ 08054
Phone: 856.797.0412
Fax: 856.722.1120
email: solutions @ maserconsulting.com

5/16/17
MICHAEL F. BURNS
NEW JERSEY PROFESSIONAL LAND SURVEYOR LIC. NO. 34841

PROPOSED GAS PIPE LINE EASEMENT
FOR
3 ECCH OWNER, LLC
LOT 1, BLOCK 71.01, LOT 3, BLOCK 66.01
LOT 1, BLOCK 68.01
TOWNSHIP OF CHERRY HILL CAMDEN COUNTY NEW JERSEY

JOB NUMBER: 12000471D	DATE: 05/16/17
SCALE: 1"=100'	LATEST REVISION:
INDEX NUMBER: V-SURV-EASE	DESIGN BY: AJN
SHEET NUMBER: 1 of 1	

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

RE: Health/Agriculture and Treasury Taxation Buildings (Trenton)
Predevelopment Services Bond Reimbursement Resolution

Summary
I ask the Members to approve a bond reimbursement resolution for an amount not to exceed $5 million to permit the use of bond proceeds to reimburse the predevelopment service expenses for the new construction of replacement Health/Agriculture and Treasury Taxation buildings, the demolition of the existing Health/Agriculture buildings, and either the demolition, rehabilitation, or sale of the existing Treasury Taxation building ("Project").

Background
In September 2016, the Members approved the predevelopment funding, predevelopment services, budgets and Memorandum of Understandings (MOUs) between EDA and DPMC for:

- a ±175,000 sf Taxation building that will be located at the corner of John Fitch Way and South Warren Street
- a ±135,000 sf Health and Agriculture building that will be at the southwest corner of North Willow and West Hanover Streets

Under the MOUs, EDA would provide the following predevelopment services:

- Site due diligence, which will include an appraisal, title, and environmental review to determine the suitability of the Parcels for the Proposed Project.
- Design development services which will include preliminary plans through the design development phase, a project schedule, and a construction cost estimate that will include the cost to demolish the existing Health/Agriculture building and to either demolish, rehabilitate, or sell the Taxation building.

- Budgets, which includes the DPMC approved Predevelopment Services budget and the preparation of the preliminary comprehensive development budgets for the proposed Health/Agriculture and Taxation buildings.

DPMC will need to authorize the issuance of State-Lease bonds and execute the lease or terminate the Project's development. In the event DPMC does not authorize proceeding with the final design and construction of the Project, the Treasurer will seek an appropriation in the next State Fiscal Year budget to repay one-half (1/2) of the funding of Predevelopment Costs and one-half (1/2) of the accrued interest due under the MOUs.

On February 14, 2017, the Members approved the following A/E contracts for predevelopment services under the MOUs:

- Taxation: Ballinger's A/E contract in the amount of $1,506,311

- Health/Agriculture: HDR's A/E contract in the amount of $1,168,.689

Due to DPMC's request to add 75,000 sf to the proposed Health/Agriculture building, and 25,000 sf to the proposed Taxation buildings, on June 13, 2017, the Member approved the following:

- The additional funding in the amount of $816,292 to fund predevelopment services under the MOUs

- The additional funding for the A/E contracts as follows:

    - Taxation: adding $330,948 to Ballinger's A/E contract

    - Health/Agriculture: adding $449,286 to HDR's A/E contract

- The revised location of the Taxation building, which moved from the southwest corner of John Fitch Way and South Warren Street to west along John Fitch Way and immediately in front of the existing Labor Building

- The first amendment to the MOUs to memorialize the additional funding, revised budgets, and increased building sizes, and moving the Taxation building.

As of June 13, 2017, EDA has authorized $4,419,232 in unrestricted funds for predevelopment services under the MOUs. DPMC will need to authorize the issuance of bonds and execute the leases or terminate the Project's development. The resolution, which is attached as Exhibit A to this memo, authorizes the reimbursement of predevelopment service expenses from bond proceeds up to a maximum of $5,000,000.

The attached reimbursement resolution is in substantially final form. The final form of resolution may be subject to revision, although the basic terms and conditions will remain consistent with the attachment. The final terms of the reimbursement resolution will be subject to the approval of the Chief Executive Officer, Chief Operating Officer/President, the Attorney General's Office, and bond counsel.

Recommendation
In summary, I ask that the Members approve the reimbursement resolution.

Timothy J. Lizura
President and Chief Operating Officer

Attachment: Exhibit A
Prepared by: Juan Burgos

EXHIBIT A

RESOLUTION OF INTENT BY THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY PURSUANT TO TREASURY REGULATION 1.150-2 TO USE PROCEEDS OF TAX-EXEMPT BONDS FOR THE REIMBURSEMENT OF EXPENDITURES

Adopted July 13, 2017

WHEREAS, the New Jersey Economic Development Authority (the "Authority") is a public body corporate and politic, constituting a political subdivision and instrumentality of the State of New Jersey (the "State"), exercising public and essential governmental functions, and organized and existing under the New Jersey Economic Development Authority Law, L. 1974, c. 80, as amended and supplemented (N.J.S.A. 34:1B-1, et seq., as amended and supplemented) (the "Act"); and

WHEREAS, pursuant to a Memorandum of Understanding dated July 22, 2014, the Division of Property Management and Construction ("DPMC") within the Department of Treasury, of the State of New Jersey engaged the Authority to complete a feasibility study (the "Study") regarding the Health/Agriculture and Taxation Buildings in the City of Trenton, which Study considered the alternatives of new construction replacement buildings, rehabilitation of existing buildings, and/or leasing new space in the open market; and

WHEREAS, the Study concluded that the best alternative would be to replace the Health/Agriculture and Taxation Buildings with two new buildings and demolish the existing Health/Agriculture Building and either demolish, rehabilitate at a later date, or sell the existing Taxation Building (collectively, the "Projects"); and

WHEREAS, pursuant to separate memoranda of understanding, as amended (the "MOUs") among the New Jersey Department of the Treasury, DPMC and the Authority, the Authority has agreed, among other things, to finance certain predevelopment services costs of the Projects as set forth in the MOUs (the "Predevelopment Costs"); and

WHEREAS, if DPMC decides to proceed with the final design and specifications and construction of the Projects, DPMC may request the Authority to authorize and issue one or more series of tax-exempt bonds to be secured with a lease or leases with the State, in an aggregate principal amount to be determined for the purpose of financing, inter alia, the costs constructing one of more of the Projects (the "Bonds"); and

WHEREAS, a portion of the costs of the Projects, including without limitation the Predevelopment Costs, will be incurred or expended for the Projects prior to the issuance of the Bonds from funds of the State or the Authority; and

WHEREAS, the Authority intends that the Projects will ultimately be financed with tax-exempt financing.

EXHIBIT A

NOW, THEREFORE, BE IT RESOLVED BY THE NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY AS FOLLOWS:

1. The Authority declares that (i) the Authority intends to refinance any interim financings or loans incurred by the State or the Authority in order to initially finance the Projects with the proceeds from the issuance of the Bonds, and (ii) the Authority intends to reimburse the State and the Authority a portion of costs of the Projects expended prior to the issuance of the Bonds with the proceeds of the Bonds.

2. The Project costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" as defined in Treasury Regulations Section 1.150-1(b), a cost of issuance for the Bonds or an expenditure described in Treasury Regulation Section 1.148-6(d)(3)(ii)(B).

3. The maximum principal amount of Bonds expected to be issued for the purposes of the Projects (exclusive of issuance costs, capitalized interest and reserve funds, if any) is to be determined. The maximum principal amount expected to be allocated from the foregoing obligations for reimbursement purposes is $5,000,000.

4. This Resolution is intended to be and hereby is a declaration of the Authority's official intent to reimburse any expenditure for costs of the Projects or to refinance any interim financings or loans incurred by the State or the Authority incurred and/or paid prior to the issuance of the Bonds in accordance with Treasury Regulation Section 1.150-2(e), and no reimbursement allocation will employ an abusive arbitrage device under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions.

5. This Resolution shall take effect ten (10) days, exclusive of Saturdays, Sundays and public holidays, after delivery (and not including the day of delivery) to the Governor of the minutes of the meeting of the Authority at which this Resolution is adopted or such earlier time as the Governor signs a statement of approval in accordance with the Act.

BOARD MEMORANDUM

DELEGATED AUTHORITY APPROVALS
FOR INFORMATIONAL PURPOSES ONLY

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: July 13, 2017

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

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

Direct Loan Program:

1) Goose Pond Investors LLC (P44258), located in Wayne Township, Passaic County, is a recently formed real estate holding company created to purchase the project property. The operating company, S.A. Bendheim Co., Inc. was founded in New York City in 1927 as a manufacturer of specialty architectural glass. The fourth-generation, family-owned Company stocks over 2,000 architectural glass varieties and offers unlimited custom design solutions to distribute its products worldwide. The Company was approved for a $2 million direct loan to move its operations to the new Wayne facility. To finance project costs, S.A. Bendheim Co., Inc. also received EDA approval on 6/13/17 for an $8 million tax-exempt bond (P44234) to be directly purchased by TD Bank. The Company currently has 80 employees and plans to create 20 additional jobs within the next two years.

Premier Lender Program:

1) Industrial Ct LLC (P44279), located in Howell Township, Monmouth County, was formed in 2015 to purchase the project property. Janico, Inc., founded in 2006, is the operating company that sells commercial grade cleaning and janitorial products to distributors. The products are sold by distributors to commercial cleaners, health care facilities, food service professionals and hospitality organizations. Ocean First Bank approved a $3.6 million loan with an 18.75% ($675,000) Authority participation. Proceeds will be used to refinance two existing loans. The Company currently has 15 employees and plans to create six new positions over the next two years.

2) WKFM Realty Limited Liability Company (P44203), located in Wharton Borough, Morris County, is a real estate holding company that owns the project property. The facility is solely occupied by Alarm and Communication Technologies, Inc. ("AC") who is related to the applicant via common ownership. AC sells and services fire alarm and security systems specializing in educational and health care facilities. Bank of America, N.A. approved a $630,000 loan with a 50% ($315,000) Authority participation. Proceeds will be used to refinance existing mortgages. Currently, the Company has 30 employees and plans to create five additional jobs within the next two years.

Stronger NJ Business Loan Program:

1) Ex-Titanic Corp. and Atlas Express Inc. (P42508 & P42509), are located in Union City, Hudson County. Ex-Titanic Corp. is the owner of the property in which Atlas Express Inc. occupies and conducts business. Atlas operates as a freight forwarding company that provides worldwide shipping services. The Company was approved for a $50,237 working capital loan and a $50,000 forgivable working capital loan.

2) Mark Crego DBA MC Signs (P43067), located in Ocean City, Cape May County, was established in 1980 as a graphic design and sign company. The Company was approved for a $153,000 working capital loan.

Prepared by: G. Robins
/gvr

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: July 13, 2017

SUBJECT: Hazardous Discharge Site Remediation Fund - Delegated Authority 2nd Quarter 2017 Approvals (For Informational Purposes Only)

Pursuant to delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) up to $100,000 and supplemental awards for existing grants (of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards does not exceed $100,000.

Attached is a summary of the Delegated Authority approvals for the second quarter ending June 30, 2017. Eighteen grants were approved totaling $622,423.

Timothy Lizura

Prepared by: Reneé M. Krug

PROJECT	APPLICANT	DESCRIPTION	GRANT AMOUNT	AWARDED TO DATE
P43976	Atlantic City (Frmr Motor Vehicle Inspect)	Initial grant for Remedial Investigation	$32,032	
P44076	Dunellen Borough (The Strip Joint Inc)	Supplemental grant for Remedial Investigation	$71,008	$154,705
P44067	CeCilia Niedzialkowski	25% Matching grant for Remedial Action	$50,472	
P43553	Orange City (BDA 534 Mitchell Street)	Initial grant for Assessment and Site Investigation	$30,702	
P44048	Joseph & Francine Piazza	25% Matching grant for Remedial Action	$2,962	
P43507	Barbara Wiener	25% Matching grant for Remedial Action	$1,490	
P43550	Orange City (BDA Matro Craft Woodworking)	Initial grant for Assessment and Site Investigation	$21,652	
P42349	Long Branch City (86,88.90 Broadway)	Initial grant for Assessment and Site Investigation	$20,742	
P44100	Montclair Township (Southend Pyramid)	Supplemental grant for Remedial Investigation	$35,970	$186,372
P44101	Sandy's Service Center, LLC	Initial grant for Remedial Action	$51,368	
P44029	Gary & Ellen Rinaldi	Initial grant for Remedial Action	$19,297	
P44179	Highland Park Redevelopment (Classic Cleaners)	Initial grant for Assessment and Site Investigation	$37,731	
P44178	Highland Park Redevelopment (Denison Ave)	Initial grant for Assessment and Site Investigation	$54,432	
P44177	Highland Park Redevelopment (Rutgers Gun & Boat Shop)	Initial grant for Assessment and Site Investigation	$54,332	
P44175	Woodbury City (Hill Brothers Inc.)	Initial grant for Assessment and Site Investigation	$19,781	
P41544	Asbury Park City (BDA 101 103 Lake Court)	Initial grant for Site Investigation and Remedial Action	$33,551	
P44263	Jura Properties, LLC	Initial grant for Site Investigation and Remedial Action	$58,358	
P44028	Plainfield City (Arlington Heights)	Supplemental grant for Remedial Investigation	$26,543	$95,306
18 Grants		**Total Delegated Authority for Second Qtr - HDSRF Applications**	**$622,423**	

*Includes cummulative awards to date (initial & supplemental). Supplemental grant awards do not exceed $100,000 the delegation permitted

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: July 13, 2017

SUBJECT: Incentives Modifications
(For Informational Purposes Only)

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

Attached is a list of the incentive modifications that were approved in the 2nd quarter ending June 30, 2017.

Prepared by: M. Maurio

ACTIONS APPROVED UNDER DELEGATED AUTHORITY
QUARTER ENDING JUNE 30, 2017

BUSINESS EMPLOYMENT INCENTIVE GRANT PROGRAM

Applicant	Modification Action	Approved Award
DB USA Core Corporation	Consent to early termination.	$39,520,000

GROW NEW JERSEY ASSISTANCE PROGRAM

Applicant	Modification Action	Approved Amount
Eltman Law, P.C.	Consent to add an affiliate.	$5,600,000

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

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

DATE: July 13, 2017

SUBJECT: Post Closing Credit Delegated Authority Approvals for 2nd Quarter 2017
For Informational Purposes Only

The following post-closing actions were approved under delegated authority during the second quarter of 2017:

Name	**EDA Credit Exposure**	**Action**
South Olden Avenue Realty Group	$ 847,833	Extend EDA's balloon maturity for ten years to allow time for the business to repay the loan in full.
Montville Petroleum, Inc. (Tiger Mart)	$ 344,000	Extend EDA's loan maturity for five years to May 1, 2022 to allow time for the business to repay the loan. Consented to waiver of DSCR covenants for fiscal years ended December 31, 2015 and December 21, 2016.
One Montgomery Associates, LLC (Scholastic Uniforms)	$ 250,268	Consent to settle this defaulted LDFF loan for $55,000 from personal guarantors plus $25,000 judgement lien on a guarantor's house.
656 South 21st Street SPB, LLC (Superior Promotional Bags Corp.)	$ 206,493	Restructure defaulted LDFF, principal only payments over ten years to allow guarantors to repay the principal balance over ten years.
W. Keith Williams II	$ 0	Extend the time permitted to compile construction completion of two $20,000 ERB Business Improvement Incentive grant to December 31, 2017.

Conduit Bonds (EDA has no credit exposure)	
Bethlehem Township	Consent to defease a portion of the $3,075,000 Municipal Loan Pool Revenue Bonds related to Bethlehem Township.
2 Fairfield Crescent, LLC (The Original Bagel & Bialy Co., Inc.)	Consent to Bank's request to (i) modify tangible net worth covenant, (ii) amend

	financial reporting requirement, and (iii) release additional collateral no longer required by Bank.

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

Name	**Credit Exposure**	**Description**
New Jersey Restaurant Group, LLC (Tilted Kilt)	$ 322,917 Gtee	The restaurant experienced cash flow problems and is now closed. No loan payments were made since January 2016 and EDA paid its guarantee to M&T Bank in February 2017. The agent bank has initiated legal proceedings. The loan is secured by a first lien on business assets with insufficient value to fully secure the loan.
Homes of Distinction Real Estate, LLC	$ 257,442 Stronger NJ Business Loan	Business closed due to death of sole owner on November 7, 2016. The collateral is neglible and guarantor's estate had very limited assets and do not offer source of recovery.
Rahn Realty, LLC (Manhattan Maintenance Company)	$ 75,624 SLP Loan	The Borrower had significant cash flow problems and was unable to make monthly payments since November 2015. The loan is secured by the first mortgage with insufficient equity to secure EDA's portion of the loan. The agent bank has initiated foreclosure proceedings.
BLLS 7th and Broadway Corp.	$ 67,229 Stronger NJ Business Loan	BLLS 7th and Broadway Corp. operated a liquor store in Barnegat Light. The principal sold the business in 2016 and failed to pay the loan off. Litigation has been initiated against the personal guarantor, however it is not anticipated recovery will be realized in the near term.
Sync Labs, LLC	$ 50,000 Edison R&D Wraparound Loan	This start up technology has closed business. As Edison R & D financing, the loan is unsecured and has no personal guarantor. No monthly payments have been made since September 2015.
Susan Wagner Designs, LLC	$ 27,337 Stronger NJ Business Loan	Susan Wagner Designs, LLC operated a dress shop in Point Pleasant. The business was closed in 2016 and no payments have been made on the loan. Litigation has been initiated against the personal guarantor, however she has limited assets and is not deemed to represent a probable source of recovery.

Prepared by: Mansi Naik

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: June 30, 2017

SUBJECT: Petroleum Underground Storage Tank Program - Delegated Authority Approvals (For Informational Purposes Only)

Pursuant to the delegations approved by the Board in May 2006, staff may approve new grants under the Hazardous Discharge Site Remediation Fund (HDSRF) and Petroleum Underground Storage Tank Program (PUST) up to $100,000 and may approve supplemental awards for existing grants(of any size) up to an aggregate of $100,000, provided that the aggregate amount of the supplemental awards do not exceed $100,000.

The Petroleum Underground Storage Tank Program legislation was amended to allow funding for the removal/closure and replacement of non-leaking residential underground storage tanks (UST's) and non-leaking non-residential UST's up to 2,000 gallons for eligible not for profit applicants. The limits allowed under the amended legislation is equivalent to the New Jersey Department of Environmental Protection cost guide.

Below is a summary of the Delegated Authority approvals processed by Finance & Development for the period April 01, 2017 to June 30, 2017

Summary:

	# of Grants	$ Amount
Leaking tank grants awarded	134	$2,775,355
Non-leaking tank grants awarded	0	$0

Applicant	Description	Grant Amount	Awarded to Date
Addams, Davida (P44040)	Supplemental grant for site remediation	$40,710	$85,123
Allen, Jeffery (P43683)	Initial grant for upgrade, closure and remediation	$23,468	$23,468
Alling, Rosemary (P43381)	Initial grant for upgrade, closure and remediation	$9,745	$9,745
Anderson, Robert (P43409)	Initial grant for upgrade, closure and remediation	$68,630	$68,630
Angelastro, Barbara (P44142)	Supplemental grant for site remediation	$23,745	$120,992*
Apisa, Joseph D. (P44255)	Supplemental grant for site remediation	$81,151	$84,034
Azzarano, Lawrence (P43111)	Initial grant for upgrade, closure and remediation	$9,902	$9,902
Balcer, Charles (P43372)	Initial grant for upgrade, closure and remediation	$29,659	$29,659
Basile, Dominick (P43417)	Supplemental grant for site remediation	$11,015	$106,591*
Batistich, Davor and Mara	Initial grant for upgrade,	$18,275	$18,275

Applicant	Description	Grant Amount	Awarded to Date
(P43113)	closure and remediation		
Bertin, Edward (P43374)	Initial grant for upgrade, closure and remediation	$16,529	$16,529
Bil, Kazimierz and Catherine (P44105)	Supplemental grant for site remediation	$28,636	$101,789*
Bloise, Dante (P44156)	Supplemental grant for site remediation	$5,109	$12,374
Bonham, Lewis (P44182)	Supplemental grant for site remediation	$15,478	$31,686
Bradley, Brian and Nicole (P43496)	Initial grant for upgrade, closure and remediation	$11,690	$11,690
Briar, George (P43744)	Initial grant for upgrade, closure and remediation	$59,679	$59,679
Bright, Joan (P43759)	Initial grant for upgrade, closure and remediation	$7,535	$7,535
Brower, Jeff (P43758)	Initial grant for upgrade, closure and remediation	$66,599	$66,599
Brown, Marlene (P44041)	Supplemental grant for site remediation	$5,171	$21,229
Community YMCA Camp Zehnder (P43046)	Supplemental grant for upgrade, closure and remediation	$52,446	$67,449
Community YMCA Camp Zehnder (P44267)	Supplemental grant for site remediation	$15,003	$67,449
Corrigan, James and Mary (P42754)	Initial grant for upgrade, closure and remediation	$3,035	$3,035
Costabile, Paula and Deborah Worthington (P44121)	Supplemental grant for upgrade, closure and remediation	$1,230	$25,344
Czech, Zdzislaw (P43574)	Supplemental grant for site remediation	$6,184	$134,606*
DeFeo, Carmen (P44073)	Supplemental grant for site remediation	$45,600	$86,147
DeLeon, Lorraine (P44103)	Supplemental grant for site remediation	$30,278	$52,938
DiLeo, Robert (P43284)	Initial grant for upgrade, closure and remediation	$14,525	$14,525
Downey, Margaret (P43716)	Initial grant for upgrade, closure and remediation	$34,288	$34,288
Elrouby, Soumaya (P42560)	Initial grant for upgrade, closure and remediation	$5,125	$5,125
Estate of Gwendolyn James, The (P43003)	Initial grant for upgrade, closure and remediation	$16,101	$16,101
Estate of Wilma Barker (P42856)	Initial grant for upgrade, closure and remediation	$4,793	$4,793

Applicant	Description	Grant Amount	Awarded to Date
Evans, Aaron (P43311)	Initial grant for upgrade, closure and remediation	$34,236	$34,236
Featherer, Harry (P44052)	Partial supplemental grant for site remediation	$1,706	$73,522
Fishbein, Jeff (P43329)	Initial grant for upgrade, closure and remediation	$10,960	$10,960
Gaines, Wiley (P44053)	Supplemental grant for site remediation	$5,301	$16,336
Gallo, Maureen (P44149)	Supplemental grant for site remediation	$19,350	$73,936
Garbarino, Richard (P44187)	Supplemental grant for site remediation	$3,985	$43,406
Ghassali, Theresia (P44144)	Supplemental grant for site remediation	$55,282	$60,723
Giunta, Maureen (P43571)	Initial grant for upgrade, closure and remediation	$8,476	$8,476
Gray, Richard and Barbara (P43616)	Initial grant for upgrade, closure and remediation	$20,575	$20,575
Hemingway, Cleo and Virginia (P43324)	Initial grant for upgrade, closure and remediation	$10,406	$10,406
Hernandez, Linda (P43612)	Initial grant for upgrade, closure and remediation	$10,151	$10,151
Hoffman, Karen (P44230)	Supplemental grant for site remediation	$20,755	$93,605
Hudak, Helen (P43701)	Initial grant for upgrade, closure and remediation	$16,909	$16,909
Jaquez, Julio (P44134)	Supplemental grant for site remediation	$16,877	$26,700
Johnson, Albert and Phyllis (P43328)	Initial grant for upgrade, closure and remediation	$10,085	$10,085
Johnson, Cassandra (P44039)	Supplemental grant for site remediation	$16,045	$62,291
Kaeser, Carol (P44007)	Supplemental grant for site remediation	$11,793	$20,244
Kavanaugh, Dennis (P43406)	Initial grant for upgrade, closure and remediation	$12,000	$12,000
Keeser, Patrick and Jackie (P43414)	Initial grant for upgrade, closure and remediation	$27,960	$27,960
Kelly, Anthony (P44047)	Supplemental grant for site remediation	$41,580	$68,160
Khartri, Radha (P43130)	Initial grant for upgrade, closure and remediation	$9,677	$9,677
Kirschner, Sari (P43279)	Initial grant for upgrade, closure and remediation	$19,551	$19,551

Applicant	Description	Grant Amount	Awarded to Date
Konopko, Jan (P43825)	Initial grant for upgrade, closure and remediation	$22,310	$22,310
Kosciuk, Rena (P43356)	Initial grant for upgrade, closure and remediation	$85,926	$85,926
Kossman, Danielle (P43688)	Partial initial grant for upgrade, closure and remediation	$8,638	$8,638
Krysztopik, Marek (P43689)	Initial grant for upgrade, closure and remediation	$93,286	$93,286
LaCount, James (P43790)	Initial grant for upgrade, closure and remediation	$51,466	$51,466
Lapi, Michael and Kathy (P44093)	Supplemental grant for site remediation	$81,082	$101,631*
Latiano, Joseph (P43228)	Initial grant for upgrade, closure and remediation	$9,698	$9,698
Lee, Joung (P43537)	Initial grant for upgrade, closure and remediation	$61,989	$61,989
Liu, Yi (P43665)	Initial grant for upgrade, closure and remediation	$12,950	$12,950
LoBoi, Richard (P43595)	Initial grant for upgrade, closure and remediation	$44,339	$44,339
Lombardi, Steven (P43168)	Initial grant for upgrade, closure and remediation	$7,688	$7,688
Loupassakis, Karen (P43081)	Initial grant for upgrade, closure and remediation	$5,351	$5,351
Macari, Frank (P43660)	Initial grant for upgrade, closure and remediation	$20,605	$20,605
Maglio, Anthony and Rosanne (P43560)	Initial grant for upgrade, closure and remediation	$11,463	$11,463
Marsilio, Lois (P43516)	Initial grant for upgrade, closure and remediation	$11,618	$11,618
McDowell, Billy (P43594)	Initial grant for upgrade, closure and remediation	$11,481	$11,481
McGuire, Tom (P43826)	Initial grant for upgrade, closure and remediation	$19,261	$19,261
Miracola, Nancy (P43075)	Initial grant for upgrade, closure and remediation	$19,827	$19,827
Montalbano, John (P43471)	Initial grant for upgrade, closure and remediation	$3,632	$3,632
Moses, Gloria V. (P43614)	Initial grant for upgrade, closure and remediation	$10,342	$10,342
Mosley, William (P43307)	Initial grant for upgrade, closure and remediation	$7,876	$7,876
Muha, John and M. Janet O'Donnell (P43098)	Partial initial grant for upgrade, closure and remediation	$3,870	$3,870

Applicant	Description	Grant Amount	Awarded to Date
Munz, Kathleen (P43617)	Initial grant for upgrade, closure and remediation	$10,009	$10,009
Murphy, Kim (P43055)	Initial grant for upgrade, closure and remediation	$5,602	$5,602
Nabyt, Oleh (P43938)	Supplemental grant for site remediation	$12,676	$27,858
Nazigian, Jonathan (P43106)	Initial grant for upgrade, closure and remediation	$75,747	$75,747
Nemore, Allan (P43132)	Partial initial grant for upgrade, closure and remediation	$4,736	$4,736
Ngo, Minh (P43326)	Initial grant for upgrade, closure and remediation	$8,823	$8,823
Nguyen, Thuy and Lam Dinh (P43662)	Initial grant for upgrade, closure and remediation	$13,533	$13,533
Nimanand, Adea Estela D. (P43167)	Initial grant for upgrade, closure and remediation	$13,804	$13,804
Obuch, Deanna (P44009)	Supplemental grant for upgrade, closure and remediation	$21,767	$133,549*
Openhym, Darryl and Sarah (P43050)	Initial grant for upgrade, closure and remediation	$30,138	$30,138
Orecchio, Ippolita (P43125)	Initial grant for upgrade, closure and remediation	$5,107	$5,107
Pacyna, Dennis and Jeanne (P44194)	Supplemental grant for site remediation	$26,265	$34,411
Palmieri, Jr., Andrew (P42822)	Initial grant for upgrade, closure and remediation	$20,310	$20,310
Palmiotto, Donna and Neil (P43623)	Initial grant for upgrade, closure and remediation	$39,909	$39,909
Perez, Martin and Silene (P43330)	Initial grant for upgrade, closure and remediation	$9,027	$9,027
Perrine, Robert (P43692)	Initial grant for upgrade, closure and remediation	$6,007	$6,007
Phillippi, John C. (P43597)	Initial grant for upgrade, closure and remediation	$4,840	$4,840
Pocchia, Angelo (P44218)	Supplemental grant for site remediation	$17,190	$32,516
Possiel, Gregg (P43835)	Supplemental grant for site remediation	$13,885	$21,746
Prince, Richard (P43723)	Initial grant for upgrade, closure and remediation	$8,712	$8,712
Prosky, Joann (P43152)	Initial grant for upgrade, closure and remediation	$16,022	$16,022
Rann, Bernard and Muriel (P43327)	Initial grant for upgrade, closure and remediation	$13,013	$13,013

Applicant	Description	Grant Amount	Awarded to Date
Reilly, Martin (P43386)	Partial supplemental grant for upgrade, closure and remediation	$1,175	$34,069
Renwick, Arlene (P43087)	Initial grant for upgrade, closure and remediation	$4,448	$4,448
Ross, Guy and Sharon (P43621)	Initial grant for upgrade, closure and remediation	$34,555	$34,555
Rubinov, Leonid and Tatyana (P44106)	Supplemental grant for site remediation	$41,519	$139,163*
Sagal, Paul and Carol (P43592)	Initial grant for upgrade, closure and remediation	$15,533	$15,533
Salko, Marie (P43427)	Initial grant for upgrade, closure and remediation	$9,119	$9,119
Salwecki, Pawel (P43726)	Initial grant for upgrade, closure and remediation	$9,236	$9,236
Samaras, Nick (P43153)	Initial grant for upgrade, closure and remediation	$12,949	$12,949
Sanders, Annette (P42683)	Initial grant for upgrade, closure and remediation	$11,064	$11,064
Santos, Ada (P44062)	Supplemental grant for site remediation	$3,503	$65,894
Schulz, Robert (P44033)	Supplemental grant for site remediation	$24,377	$33,035
Shames, Seymoure L. (P43738)	Initial grant for upgrade, closure and remediation	$13,841	$13,841
Shimko, Christine (P44206)	Supplemental grant for site remediation	$5,874	$28,821
Skokan, Adrienne (P43436)	Initial grant for upgrade, closure and remediation	$10,229	$10,229
Smith, Dana (P40061)	Supplemental grant for site remediation	$31,585	$36,385
Smith, George and Patricia (P44180)	Supplemental grant for site remediation	$26,792	$35,958
Sohanchak, Joyce (P43317)	Initial grant for upgrade, closure and remediation	$26,275	$26,275
Sowula, Andrew (P43568)	Initial grant for upgrade, closure and remediation	$50,303	$50,303
St. Laurent, Robert (P43697)	Initial grant for upgrade, closure and remediation	$11,998	$11,998
Stancel, Frank (P43428)	Initial grant for upgrade, closure and remediation	$20,814	$20,814
Stecyk, Danuta (P44244)	Supplemental grant for site remediation	$16,535	$41,909
Swatsworth, Sheila (P30328)	Partial initial grant for upgrade, closure and remediation	$3,224	$3,224

Applicant	Description	Grant Amount	Awarded to Date
Taylor, Patricia (P41263)	Initial grant for upgrade, closure and remediation	$13,903	$13,903
Terchek, Janet (P43776)	Initial grant for upgrade, closure and remediation	$9,387	$9,387
Tsie, Sherry (P43342)	Initial grant for upgrade, closure and remediation	$16,053	$16,053
Vana, Michael (P43698)	Initial grant for upgrade, closure and remediation	$11,468	$11,468
Vasseur, George (P43834)	Supplemental grant for site remediation	$13,885	$21,746
Vea, Marc (P44141)	Supplemental grant for site remediation	$51,171	$56,617
Villavicencio, Luz (P43184)	Initial grant for upgrade, closure and remediation	$34,625	$34,625
Waga, Jaime (P44094)	Supplemental grant for site remediation	$9,969	$45,207
Weiss, Rami (P43664)	Initial grant for upgrade, closure and remediation	$33,445	$33,445
Wiedmann, Donald (P43579)	Initial grant for upgrade, closure and remediation	$7,011	$7,011
Williams, Robert (P43468)	Initial grant for upgrade, closure and remediation	$17,912	$17,912
Wordsworth, Arthur and Sandra (P43382)	Initial grant for upgrade, closure and remediation	$11,520	$11,520
Yurek, Robert and Rosemary (P42645)	Initial grant for upgrade, closure and remediation	$18,642	$18,642
Zahoor, Pervez (P43653)	Supplemental grant for upgrade, closure and remediation	$7,496	$36,522
Zimich, Thomas and Rita (P44243)	Supplemental grant for site remediation	$7,106	$16,350
134 Grants	**Total Delegated Authority funding for Leaking applications.**	**$2,775,355**	

*This amount includes grants approved previously by the Board and this award does not exceed the $100,000 aggregate supplemental limit for staff delegation.

Timothy Eizura

Prepared by: Kathy Junghans, Finance Officer

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: July 13, 2017

SUBJECT: Real Estate Division Delegated Authority for Leases, CCIT Grants, and Right of Entry (ROE)/ Licenses for Second Quarter 2017
For Informational Purposes Only

The following approvals were made pursuant to Delegated Authority for Leases and ROE/ Licenses in April, May and June 2017.

LEASES / CCIT GRANTS

TENANT	LOCATION	TYPE	TERM	S.F.	CCIT GRANT
Ascendia Pharmaceuticals	CCIT	Lease Holdover	Month to Month	3,925 sf	N/A
Hudson BioPharma	CCIT	Lease Holdover	Month to Month	2,000 sf	N/A
SkinAxis	CCIT	Lease Holdover	Month to Month	800 sf	N/A
Aucta Pharmaceuticals	CCIT	Lease Extension	One Year	2,250 sf	N/A
Genomic Prediction Inc.	CCIT	New Lease	One Year	925 sf	N/A

RIGHT OF ENTRY/LICENSES/EXTENSIONS

ENTITY	LOCATION	TYPE	CONSIDERATION
Live Nation	BB&T Pavilion (Camden Amphitheater)	Right of Entry for use of Black Box Theater and Office Space	-$0-
Youth Sports Festival of North Brunswick Township	Tech Expansion	Right of Entry	-$0-
Middlesex County Fair	Tech Expansion	Right of Entry	-$0-

Timothy J. Lizura
President and Chief Operating Officer

Prepared by: Donna T. Sullivan