



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan
Chief Operating Officer

DATE: September 13, 2018

SUBJECT: Agenda for Board Meeting of the Authority September 13, 2018

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chairman's Report to the Board

CEO's Report to the Board

Board Presentation

Authority Matters

Incentive Programs

Edison Innovation Fund

Bond Projects

Loans/Grants/Guarantees

Real Estate

Board Memorandums

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

August 10, 2018

MINUTES OF THE MEETING

Members of the Authority present: Chairman Larry Downes, Commissioner Marlene Caride of the Department of Banking and Insurance; Commissioner Robert Asaro - Angelo of Department of Labor and Workforce Development; Catherine Brennan representing State Treasurer Elizabeth Muoio; Fred Dumont, Philip Alagia, Louis Goetting, and John Lutz, Third Alternate Public Member.

Present via conference call: Dan Ryan representing Commissioner Catherine McCabe of the Department of Environmental Protection; Public Members Charles Sarlo, William J. Albanese, Sr., Second Alternate Public Member, and Rodney Sadler, Non-Voting Member.

Absent: Mary Maples of the Executive Branch; and Public Members Massiel Medina Ferrara, Thomas Scrivo, and William Layton.

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

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

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the June 12, 2018 meeting minutes. A motion was made to approve the minutes by Mr. Lutz, and seconded by Commissioner Caride, and was approved by the 11 voting members present.

The next item of business was the approval of the July 15, 2018 Special meeting minutes. A motion was made to approve the minutes by Commissioner Caride, and seconded by Mr. Lutz, and was approved by 10 of the 11 voting members present.

Mr. Goetting abstained because he was not present for the meeting.

Chairman Downes presented and read a proclamation for Timothy Lizura, former President and Chief Operating Officer of the EDA.

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

BOARD PRESENTATION

Steven Gorelick, New Jersey Motion Picture and Television Commission; and Pat Rose, NJEDA gave a presentation on the Film & Digital Media Tax Credit Program.

AUTHORITY MATTERS

FOR INFORMATION ONLY: Edward J. Bloustein School of Planning and Public Policy Review and Analysis of Grow NJ, and Economic Redevelopment and Growth Grant Programs

ITEM: Comprehensive annual report for 2017

REQUEST: To approve the Authority's comprehensive annual report for 2017, as required under Executive Order No. 37.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

ITEM: Independent Auditor Services- Contract Extension

REQUEST: Approval to extend the existing contract with Ernst & Young, LLP of Iselin, NJ to provide independent Auditor Services

MOTION TO APPROVE: Mr. Lutz **SECOND:** Commissioner Caride **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

INCENTIVE PROGRAMS

Grow New Jersey Assistance Program- Modification

ITEM: Yoland Corporation

APPL.#44623

REQUEST: Consent to the change of location of the qualified business facility (QBF)

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Goetting **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

BOND PROJECTS

Combination Preliminary Bond Resolutions

PROJECT: Friends of Golden Door Charter School, Inc. APPL.#45134
LOCATION: Jersey City, Hudson County
PROCEEDS FOR: Refinancing, Construction, Improvements
FINANCING: \$10,500,000 Tax-Exempt Bond; \$500,000 Taxable Bond
MOTION TO APPROVE: Mr. Dumont **SECOND:** Commissioner Caride **AYES: 10**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 4
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Mr. Albanese recused himself because his company was the Construction Manager on the project.

PROJECT: The Friends of Marion P. Thomas Charter School APPL.#45127
LOCATION: Newark City, Essex County
PROCEEDS FOR: Acquisition of building, Renovations
FINANCING: \$24,450,000 Tax-Exempt Bond; \$550,000 Taxable Bond
MOTION TO APPROVE: Ms. Brennan **SECOND:** Commissioner Angelo **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 5
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Hazardous Discharge Site Remediation Fund

ITEM: Summary of NJDEP Hazardous Discharge Site Remediation Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Commissioner Caride **AYES: 11**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

PROJECT: City of Asbury Park (Springwood Avenue Turf Club) APPL.#45021
LOCATION: Asbury Park, Monmouth County
PROCEEDS FOR: Remedial Action
FINANCING: \$245,738

PROJECT: Township of Mount Holly (Frmr Regal Custom Fixtures Inc) APPL.#44799
LOCATION: Mount Holly Twp, Burlington County
PROCEEDS FOR: Remedial Investigation
FINANCING: \$80,215

PROJECT: City of Perth Amboy (Former Municipal Complex BDA) APPL.#45079
LOCATION: Perth Amboy City, Middlesex County
PROCEEDS FOR: Remedial Investigation
FINANCING: \$30,818

PROJECT: City of Trenton (Hetzel Field) APPL.#44380
LOCATION: Trenton City, Mercer County
PROCEEDS FOR: Remedial Investigation
FINANCING: \$188,894

PROJECT: Superior-MPM (Manufacturing Property Management) APPL.#39520
LOCATION: Bayonne City, Hudson County
PROCEEDS FOR: Remedial Investigation & Action
FINANCING: \$200,000

EDISON INNOVATION FUND

ITEM: Technology Business Tax Certificate Transfer Program (NOL) 2018
REQUEST: To approve the applicants which have met the evaluation criteria.
MOTION TO APPROVE: Comm. Angelo **SECOND:** Comm. Caride **AYES: 9**
RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

Mr. Goetting voted no.

Mr. Lutz voted no.

Authorized Luxury Group, Inc., CEO Fred Levine addressed the board detailing reasons his company should be approved for the NOL program. The company was recommended for declination.

Mr. Alagia requested that an update be provided at the next board meeting on the status of the Authorized Luxury Group, Inc. application.

OFFICE OF RECOVERY

Energy Resilience Bank (ERB) Program

ITEM: RWJ Barnabas Health Somerset CHP Project Funding Recommendation

REQUEST: Approval to 1. Deem the Project preliminarily eligible for ERB funding; 2. Approve moving the project to the next phase of program review and approval process; 3. Reserve \$11,577,036 of ERB funds for the project; 4. Authorize execution of ERB program funding documents

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

Energy Resilience Bank (ERB) Program- Modification

ITEM: Bergen County Utilities Authority Resiliency Project Funding

REQUEST: Approve a modification to the project due to a revised scope as a result of BCUA's successful appeal to FEMA.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

Commissioner Caride abstained because her firm represented Bergen County in the past.

Stronger NJ Business Loan & Neighborhood & Community Revitalization Program

ITEM: Extension of Stronger NJ Business Loan & Neighborhood & Community Revitalization Program

REQUEST: Extension of the completion deadline for the Stronger NJ Business Loan & Neighborhood & Community Revitalization Program

MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

Stronger NJ Business Loan Program Modification

ITEM: S Kelly Corporation dba Mad Hatter Sports Bar & Restaurant

REQUEST: Approve a new \$3 million loan from Savoy Bank in a superior position to the EDA's previously approved construction loan.

MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

REAL ESTATE

ITEM: BB&T Pavilion

REQUEST: Approval to allow Live Nation to lease office space at the BB&T Pavilion

MOTION TO APPROVE: Commissioner Caride **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Former Riverfront State Prison Site, Camden, NJ

REQUEST: Consent to enter into the second amendment to Memorandum of Understanding with DPMC.

MOTION TO APPROVE: Mr. Goetting **SECOND:** Mr. Lutz **AYES: 11**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Angel Tax Credit - Q2 2018 Delegated Authority Approvals

FOR INFORMATION ONLY: Projects approved under Delegated Authority

Premier Lender Program:

PROJECT: 765 Collingswood, LLC

APPL.#45034

LOCATION: Collingswood Borough, Camden County

PROCEEDS FOR: Purchase of Property

FINANCING: \$675,000 bank loan with \$112,500 EDA participation

PROJECT: Crystalware Limited Liability Company

APPL.#45118

LOCATION: Lakewood Township, Ocean County

PROCEEDS FOR: Purchase of Property

FINANCING: \$15,000,000 bank loan with \$2,000,000 EDA participation

Stronger NJ Business Loan Program:

PROJECT: C.S. Stier II Consulting, Inc.

APPL.#43588

LOCATION: Sea Isle City, Cape May County

PROCEEDS FOR: Expenses

FINANCING: \$24,748

FOR INFORMATION ONLY: PUST and HDSRF Program Funding Status Delegated Authority Approvals

FOR INFORMATION ONLY: Hazardous Discharge Site Remediation Fund Delegated Authority Approvals

FOR INFORMATION ONLY: Post Closing Credit Delegated Authority Approvals

FOR INFORMATION ONLY: Incentives Modifications Delegated Authority Approvals

FOR INFORMATION ONLY: Real Estate Division Delegated Authority Approvals

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

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

MOTION TO APPROVE: Comm. Angelo **SECOND:** Comm. Caride **AYES: 12**

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

The Board returned to Public Session.

The next item was to approve a confidential matter pertaining to the Sixth Amendment to Lease Agreement with Chromocell Corporation.

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

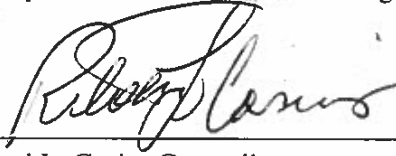
RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

The next item was to approve a confidential matter pertaining to the Amendment to Information Technology and Business Process Analysis Consulting Services.

MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Goetting **AYES:** 11
RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

There being no further business, on a motion by Mr. Dumont, and seconded by Mr. Goetting, the meeting was adjourned at 11:48 a.m.

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.

A handwritten signature in cursive script, appearing to read "Richard LoCasio", written over a horizontal line.

Richard LoCasio, Controller
Assistant Secretary



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan

DATE: September 13, 2018

RE: Monthly Report to the Board

The EDA's efforts to support Governor Phil Murphy's vision for a stronger and fairer economy gained considerable traction last month, as we continued to advance and raise awareness of existing and new EDA programs.

- Governor Murphy was joined by university leadership, officials from New Jersey's Office of the Secretary of Higher Education and the EDA, and other stakeholders on August 15 at the EDA's Biotechnology Development Center in North Brunswick to showcase the Research with NJ database. Research with NJ has added more than 10,500 unique visitors to the 2,700 acquired following its global launch in Boston in June. At last month's event, the Governor also signed Assembly Bill 3652, re-establishing the former New Jersey Commission on Science and Technology as the New Jersey Commission on Science, Innovation and Technology. I am excited to serve as one of the Commission's 17 members, along with the Secretary of Higher Education and the Commissioner of Education.
- As part of a plan to market the Incubator and Collaborative Workspace Rent Initiative announced at our July meeting, we launched a survey last week soliciting suggestions for a catchier name. The program will provide rent assistance to companies at incubators, accelerators, and other collaborative workspaces. The much-needed new moniker will be announced today.
- New Jersey was selected to join Kentucky, Utah and Puerto Rico in the National Policy Academy, to identify best practices, partnerships, and policies to strengthen the State's manufacturing sector. The Policy Academy is funded by the National Institute of Standards and Technology Manufacturing Extension Partnership and organized by both the State Science and Technology Institute in Ohio and the Center for Regional Competitiveness. The Policy Academy will provide technical assistance that New Jersey will utilize to develop and implement a statewide plan for its manufacturing industry. Brian Sabina will lead New Jersey's 15-person delegation for the yearlong academy, which will include academic and government and private-sector officials.
- The Public/Private Partnership (P3) program was re-established and expanded by a bill signed by Governor Murphy at The College of New Jersey's Campus Town development. Similar developments have occurred at Montclair State University, as well as Stockton University's

Atlantic City Gateway project, and several others around the State. Under S-865, government bodies, including school districts, municipalities, counties and state entities, may enter into a partnership with a private organization, which would assume the financial and administrative responsibility for the development, construction, reconstruction, repair, alteration, improvement, operation, and maintenance of project that is financed in whole by the private sector organization.


- Outreach to EDA's diverse constituencies and stakeholders in August included participation in a panel at the Business Network Offshore Wind "What a Difference a Year Makes" event in Atlantic City; a ribbon cutting at The Rector, a mixed use project built at New Jersey City University under P3 legislation; and an education/workforce summit at Stevens Institute of Technology to discuss strengthening NJ's innovation economy in the context of higher education and the state's changing workforce. I had the opportunity last week to attend a groundbreaking at the Garden Spires and Spruce Spires developments in Newark, which are being renovated with support from the Economic Redevelopment and Growth program. The project will result in improved quality of life for more than 650 Newark families.

Other recent events included a ribbon cutting for the new AT&T Labs Science and Technology Innovation Center in Middletown, a New Jersey Labor Celebration at American Dream in East Rutherford, and an event in Secaucus in support of the Gateway Project, including the Portal Bridge, for which the EDA is advancing bond financing.

CLOSED PROJECTS

Through August 2018, the EDA closed on nearly \$50 million in lending assistance to support 87 projects, leveraging more than \$121 million in capital investment and the creation of 785 new permanent jobs.

In addition to the assistance provided through lending programs, EDA also executed agreements pending certification with 16 incentives projects for more than \$328 million, leveraging more than \$434 million in capital investment, the creation of 1,452 new jobs, 1,641 construction jobs, and the retention of 3,576 jobs at risk of leaving New Jersey.



AUTHORITY MATTERS



MEMORANDUM

To: Members of the Authority

From: Laurence M. Downes
Chairman

Date: September 13, 2018

Subject: Annual Organizational Meeting

The New Jersey Economic Development Authority's By-Laws provide that an annual reorganization meeting be held in September of each year. The Members are asked to consider the following recommendations associated with the annual reorganization meeting:

Officers

As has been done in years past, it is recommended that the position of Board Treasurer be held by State Treasurer Elizabeth Maher Muoio. I recommend Charles Sarlo for the position of Vice Chairman, subject to confirmation by the Members.

The appointment of Assistant Secretaries to the Board to support the Secretary in his absence is also required. I am recommending that Lori Matheus, Fred Cole, Erin Gold, Rich LoCascio and Patience Purdy serve as Assistant Secretaries. As per the By-Laws, Tim Sullivan, in his role of CEO, will serve as Board Secretary.

Committees

As described in the by-laws, the Authority has five committees that meet throughout the year. The Authority Chairperson appoints the Chairs and the members of the committees. I am appointing the named Members or their Ex Officio designees in the following committees and individual Members to Chair each committee as so indicated:

Director's Loan Review Committee - Chair: Commissioner of the Department of Banking and Insurance, Fred Dumont, Lou Goetting, William Albanese, and the Commissioner of the Department of Labor and Workforce Development

The DLRC will meet monthly to review all non real estate development Authority exposure requests, including, but not limited to, direct and loan guarantee requests.

Audit Committee – Chair: John Lutz, Laurence M. Downes, Charles Sarlo, the State Treasurer, and the Commissioner of the Department of Banking and Insurance

The Audit Committee monitors the financial operations of the Authority including the review of the annual operating budget and those responsibilities outlined in the committee Charter. The committee will meet quarterly and at such other times as determined by the Chair.

Real Estate Committee - Chair: Charles Sarlo, Fred Dumont, Massiel Medina Ferrara, the Commissioner of the Department of Environmental Protection and the State Treasurer

The Real Estate Committee reviews all monthly real estate matters with Authority exposure prior to the Board meeting.

Incentives Committee - Chair: State Treasurer, Laurence M. Downes, Massiel Medina Ferrara, the Executive Branch Member, and the Commissioner of Labor and Workforce Development

The Incentives Committee meets monthly to review all significant non-direct exposure incentive requests, including but not limited to tax credits.

Policy Committee - Chair: Laurence M. Downes, Charles Sarlo, John T. Lutz, the State Treasurer, and the Commissioner of the Department of Banking and Insurance

The Policy Committee is composed of the Chairperson of the Authority, and the Chairpersons of the Real Estate, Incentives, Audit, and Directors' Loan Review committees. The committee provides advice on policy matters, the formulation of the Authority's annual strategic business plan and marketing strategy. The committee will meet monthly or at such other times as determined by the Chief Executive Officer (CEO) in consultation with the Chair.

Staff Appointments

I am asking the Board to reaffirm the appointment of Marcus Saldutti as OPRA Custodian and the appointment of Fred Cole as Ethics Liaison Officers.

Board Schedule

Attached is a schedule of the monthly Board meetings through September 2019 that I am asking the Board to approve at this time.

Recommendation:

By resolution we will be adopting this schedule for the next year's Board meeting dates. I am also seeking your approval for the following actions: 1) Appointment of the Assistant Secretaries; 2) Election of a Vice Chair and Treasurer; and 3) the reaffirmation of OPRA Custodian and Ethics Liaison Officers.



Attachment

Prepared by: Patience Purdy

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2018 – 2019 BOARD MEETING DATES

Monday, October 15, 2018

Friday, November 9, 2018

Tuesday, December 11, 2018

Thursday, January 10, 2019

Tuesday, February 12, 2019

Tuesday, March 12, 2019

Tuesday, April 9, 2019

Tuesday, May 14, 2019

Tuesday, June 11, 2019*

Thursday, July 11, 2019

Tuesday, August 13, 2019

Thursday, September 12, 2019

**All meetings are held from 10 – 12 Noon in EDA Boardroom
(36 West State Street, Trenton), unless otherwise noted.**

*** Location TBD**

SCHEDULE IS SUBJECT TO CHANGE



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 13, 2018

RE: Recommendation for Award - 2018-RFQ/P-081 – Innovation Planning Challenge

Request

The Members are requested to approve entering into contracts with the City of Bridgeton, City of New Brunswick, Passaic County, City of Trenton, Atlantic County, and the City of Atlantic City for planning services pursuant to the Innovation Planning Challenge Request for Qualifications/Proposal.

The contract award is not to exceed one-hundred thousand (\$100,000) dollars per contract, and the contract term is six (6) months, with a possible three (3) month extension option to be exercised at the sole discretion of the Authority, at the same terms and conditions of the Board approved contract.

Background

Governor Murphy has made reclaiming New Jersey's historical position as the capital of American Innovation and Invention a centerpiece of his Stronger and Fairer economic development agenda. In recent decades, New Jersey, and most importantly its cities, has lagged its competitors for developing the kind of innovation-centric real estate, talent and capital strategies that have led to outsized job creation in a range of fields that are poised to dominate the 21st century economy.

More work is needed to facilitate major investments in all of New Jersey's urban centers, with a focus on creating partnerships between the public sector, institutions of higher education, innovative real estate developers, and entrepreneurial private sector leaders.

New Jersey and its cities have limited access to incubators and other supportive real estate components which foster the growth and development of start-up ecosystems. New Jersey's cities also need support to develop infrastructure strategies to support innovation (i.e., mobility, walkability, bike-ability, transit-oriented development, fiber/broadband, utility infrastructure).

2018-RFQ/P-081 – Innovation Planning Challenge

On July 17, 2018, the Authority issued a Request for Qualifications/Proposals (RFQ/P) to New Jersey municipal and county governments for the award of contracts of up to \$100,000 each to the five highest scoring proposals to produce a plan that will serve to catalyze planning and key investments to position their city and region to augment their innovation ecosystem, will inform the Authority's own plans for economic development activities and programs, and will be shared by the Authority with other local governmental entities to foster further innovation across the State.

This RFP/Q was advertised, posted to the Authority's website and the State Business Portal, and distributed to potentially interested Proposers via broadcast email. An optional pre-proposal conference was held on July 19, 2018 during which the specifications were reviewed with interested Proposers and questions and answers were addressed and documented. Questions submitted following the pre-proposal conference were answered through three addendums posted to the Authority's website during the period of July 24 – August 15, 2018.

In response to this solicitation, eleven (11) proposals were received by the stated deadline, August 27, 2018 at 3:00 PM, all of which were determined to be responsive. The proposals were received from the following lead municipalities/counties:

- City of Atlantic City
- Atlantic County
- City of Bridgeton
- Camden County
- City of Hoboken
- Monmouth County
- City of New Brunswick
- Passaic County
- Salem County
- City of Trenton
- Union Township

An evaluation committee ("the Committee") comprised of the Senior Vice President, Economic Transformation, Program Manager - Marketing & Product Development, Senior Outreach & Events Coordinator, Senior Policy Advisor, Senior Venture Officer and Sr. Construction Officer/Green Building then reviewed and scored the responsive proposals. Participating on the committee in a non-voting role were the Policy Advisor, Office of the Governor, and the Deputy Secretary, Office of Higher Education.

As part of its review and evaluation of the proposals, the Evaluation Committee considered a group of pre-established evaluation criteria, which included nine (9) factors established in the RFP/Q worth up to 10 points each, with one (1) criteria weighted with a 2x multiplier. The criteria were as follows: Evidence of the proposal to demonstrate the plan's ability to achieve one or more goals of the Innovation Challenge (this was weighted with a 2x multiplier), strength of established partnership, commitment of additional funding from partners, presence and

strength of a defined collaborative stakeholder engagement process, evidence of plan's ability to grow number of small businesses/attract employers, planning for solutions based on the use of new and emerging technologies, potential for new jobs within or in support of an innovation industry, ability to execute the project or viability of the planning project, and 2017 Municipal Revitalization Index Ranking. The maximum possible score that could be achieved was 100 points.

Based on the quality of the proposals received in response to the RFQ/P and the capacity of the Authority to award beyond \$500,000, it was determined that the six (6) highest scoring proposals should be recommended to the Members for approval. Based on a thorough review of proposals, the Committee recommends the selection of the City of New Brunswick, the City of Trenton, the City of Bridgeton, Passaic County, Atlantic County, and the City of Atlantic City. With the above factors considered, these six cities/counties and their partners achieved the highest combined scores. All bidders submitted a fee proposal for \$100,000. The Evaluation Committee Summary matrix form is attached.

Overview of Bid Proposals Recommended for Contract Award

The following is a brief overview of the proposals recommended for contract awards.

City of Bridgeton (in partnership with Rutgers University – Rutgers Food Innovation Center (FIC) and Cumberland/Salem/Cape May Workforce Development Board)

This bidder proposed a plan for "Bridgeton: A Center for Smart Food Manufacturing," a project that seeks to develop a national model for innovation and emerging technology for the food sector by establishing a technology hub for the food industry cluster in Bridgeton. The plan will evaluate the creation a 15,000 to 20,000 square foot facility dedicated to development, testing, and training on the latest cutting-edge technology to make food production, processing, and packaging safer and more efficient.

The proposed facility would be physically adjacent to Rutgers FIC and the Food Specialization Center. Collectively, in terms of impact, these facilities would create a one-of-kind smart technology food-industry "hub" to grow and sustain new and emerging businesses, existing companies, while also attracting national and international food companies looking to take advantage of this unique resource. This would be a primary vehicle for attracting top talent and employers and increasing commercial activity in the under-developed Bridgeton metro area.

City of New Brunswick (in partnership with Rutgers, the State University of New Jersey, New Brunswick Parking Authority and New Brunswick Development Corporation)

The City of New Brunswick, together with its higher education partner and strategic partners, has proposed a plan to address two significant issues as part of its overall Innovation Initiative which it sees as essential components to growing the local innovation economy.

First, the Center for Advanced Infrastructure & Technology (CAIT) at Rutgers University will plan for a project focused on improving mobility through universal connectivity. The Smart

Mobility Infrastructure & Mobility Innovation Testing Ground would focus on equipping the existing and planned roadway infrastructure in New Brunswick for the research, development, and testing of future smart infrastructure and mobility technologies. By establishing a true "test ground" in New Brunswick, CAIT seeks to develop truly next generation universal connection through a live laboratory setting.

Second, the partnership will work with an architect and lab planner to design a prototype Lab of the Future. This prototypical design is intended to be available to start-up companies that require the availability of flexible lab spaces. The goal is for the Lab to feature innovative design criteria to enable these flexible research spaces for start-ups that can be replicated in a variety of contexts to foster invention and collaboration.

Passaic County (*in partnership with City of Paterson, City of Passaic, Passaic County Community College, William Paterson University Small Business Development Center, Montclair State University and St. Joseph's Health*)

The County of Passaic, City of Paterson, and City of Passaic will develop a needs assessment to determine the future of physical infrastructure and workforce/sector development strategy in the County's most distressed urban centers. Specifically, the assessment will analyze and evaluate options to install a high-speed 5G fiber network in the commercial and industrial areas of Paterson and Passaic, including the Main Street/Main Avenue Corridor (Main Corridor), so it can better attract and support entrepreneurs and emerging sector employers. This will involve discussion on how best to implement a 5G fiber optic network along commercial corridors. A technological needs assessment will identify the critical gaps in existing networks and provide next-step recommendations regarding the design, scale, and future of what the infrastructure should support, as well as follow-up activities to ensure long-term success (i.e. engineering analysis, cost benefit analysis, technical specs, etc.).

A by-product of pursuing this study alongside the proposed educational partners is that planning will be focused on not just how to implement infrastructure, but how to sustain businesses and entrepreneurs attracted to the new Smart City corridors. Specifically, the partners will work with the Passaic County Community College (PCCC), Montclair State University (MSU), and the William Paterson Small Business Development Center (WPU-SBDC) to identify how each institution can leverage existing programs and pathways to foster ready, capable entrepreneurs and workforce members ready to thrive in an innovation economy. This will ensure that the physical infrastructure invested does not only attract businesses and entrepreneurs, but that it sustains continued growth and additional/private investment within the Smart City corridors.

City of Trenton (*in partnership with Mercer County Improvement Authority, Trenton Public Schools, Thomas Edison State University, the College of New Jersey, Mercer County Community College, Rider University, Princeton University, Greater Trenton and New Jersey Future*)

The City of Trenton's proposal is to plan the Trenton Production and Knowledge Innovation Campus ("TPKIC") in the city's creative, education, and transit districts, anchored by a build out of Mercer County Community College's James Kerney Campus as a multi-university collaborative hub and a new research and commercialization nexus near Trenton Transit Center

led by a consortium of all five institutions of higher education in Mercer County: Mercer County Community College, Princeton University, Rider University, The College of New Jersey, and Thomas Edison State University.

The vision behind TPKIC is to build a collaborative research-driven incubator and maker's campus for existing and start-up innovation economy businesses, local creators, students and faculty at partner colleges and universities, and Trenton Public Schools students and recent graduates.

TPKIC inaugurates a first of its kind Trenton-centered partnership with a rare combination of public and independent colleges and universities, with each articulating a particular role to benefit TPKIC according to its expertise, as well as its own educational mission. TPKIC will structure replicable and user-friendly combinations of Trenton's unique and powerful place-based economic development incentives to make it a location for research commercialization and competitively financing business start-ups and expansions. TPKIC is aimed to build its own knowledge economy pipeline from the ground up; foundational partnerships with K12, vocational, undergraduate, graduate programs, and any Trentonian looking to learn new skills will educate and train today's students to be tomorrow's entrepreneurs and highly skilled workers.

Atlantic County (*in partnership with Atlantic Cape Community College, Atlantic County Economic Alliance and Atlantic County Improvement Authority*)

The Atlantic County Government, in conjunction with the Atlantic County Economic Alliance, Atlantic Cape Community College, and the Atlantic County Improvement Authority, has put forth a proposal to fund a Strategic Plan and Action Agenda for the location, design, and development of the Atlantic County Aviation and Technical Academy near the Atlantic City International Airport, to provide an adequately trained workforce to serve these facilities and address the current and emerging needs of the aviation industry.

This detailed and technical plan will provide the County with the direction, focus, and tasks required to move from the concept phase, to the design, development, and construction of the Atlantic County Aviation and Technical Academy.

This proposed plan will establish the academy close to the Atlantic City International Airport to address the growing workforce demands of the industry and leverage the potential for new business within the existing cluster of aviation and aeronautic industries in and around the Airport.

City of Atlantic City (*in partnership with Stockton University, DCO Energy, Jacques Cousteau National Estuarine Research Reserve, Jersey Shore Partnership, Atlantic County Economic Alliance, Casino Reinvestment Development Authority, South Jersey Economic Development District, Orsted Wind, Mott McDonald and American Shore & Beach Association - NE Chapter*)

Atlantic City and Stockton University propose producing a plan for a Center for Marina & Environmental Science to be located in Atlantic City, potentially on the waterfront at Bader Field. The Center would be a multi-story, multi-tenant building serving as the home for its Center for Marine and Coastal Sciences, office and lab space for the NJ Department of

Environmental Protection, and a coastal resilience/Blue Economy Coastal Research Incubator.

By providing incubator, research, education, office, and laboratory space, the Coastal Resilience Institute would have innovative and emerging technologies ingrained with every aspect of the project. The Institute would be a living laboratory, with the public, academia, and business community able to see and interact with the research underway at the Center. Commercializing the research done at the Institute would multiply future technology applications and encourage an ecosystem of innovation. The proposed project's location on a major waterway and adjacency to the Atlantic Ocean would make the laboratory ideal for exploring applications in marine environments - perhaps the largest and most valuable living laboratory on the Eastern Seaboard. Technologies anticipated for use at the Institute may include renewable energy technologies (solar, wind and tidal generation), safer oil and gas technologies, sustainable fisheries/aquaculture, shoreline protection and marine science, bathymetric and sonar mapping technologies, marine transportation and ports, and municipal coastal resilience.

Recommendation


The Members' approval is requested to enter into six (6), six (6) month contracts, with a possible three (3) month extension option to be exercised at the sole discretion of the Authority, at the same terms and conditions of the Board approved contract, with the City of Bridgeton, City of New Brunswick, Passaic County, City of Trenton, Atlantic County, and the City of Atlantic City pursuant to the Innovation Planning Challenge Request for Qualifications/Proposal. The contract award is an amount not to exceed one-hundred thousand (\$100,000) dollars per contract. The final contracts will be subject to the approval of the Chief Executive Officer and the Attorney General's Office.



Prepared by: Pat Rose

Attachments:

- 2018-RFQ/P-081 Evaluation Score Summary

 NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY EVALUATION SCORE SUMMARY												
RFQ/P / BID #:		2018-RFQ/P-081 (9/10/18) FINAL										
RFQ/P TITLE:		INNOVATION CHALLENGE PLANNING PROGRAM										
REQUESTOR:		ALLISON KOPICKI - DIRECTOR										
DEPARTMENT:		POLICY, PLANNING & RESEARCH										
	MUNICIPALITY/COUNTY (TOP SIX AWARDED IN RED)	ATLANTIC COUNTY	CITY OF ATLANTIC CITY	CITY OF BRIDGETON	CITY OF HOBOKEN	CITY OF NEW BRUNSWICK	CITY OF TRENTON	CAMDEN COUNTY	MONMOUTH COUNTY	PASSAIC COUNTY	SALEM COUNTY	TOWNSHIP OF UNION
	COST OF CONTRACT REQUESTED	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
	SCORING COST OF CONTRACT REQUESTED	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
ITEM #	EVALUATION CRITERIA	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE	TOTAL SCORE
1	Evidence of the proposal to demonstrate the plan's ability to achieve one or more goals of the Innovation Challenge, as outlined in the Scope of Work * <i>NOTE: Individual Committee Score represents a 2X multiplier.</i>	13.33	13.00	17.00	11.00	16.67	16.00	11.00	11.67	16.33	6.33	12.67
2	Strength of established partnership (higher-ed and other strategic, if applicable) within the Proposal, regarding the reputation, capacity, and proposed level of commitment from the partnering entity(ies); longevity of the partnerships beyond initial project planning stages; benefits and practical advantages of the partnership(s).	6.33	7.00	8.00	6.00	8.33	8.50	6.33	5.83	7.33	4.00	5.83
3	Commitment of additional funding from higher education partners, strategic partners, or other outside sources.	3.83	4.50	4.83	3.50	8.33	6.83	4.17	4.00	5.17	3.00	4.83
4	Presence and strength of a defined collaborative stakeholder engagement process and strategy.	6.33	5.83	7.00	6.00	7.50	7.33	4.83	4.67	5.83	3.17	5.33
5	Evidence of the proposal to demonstrate the plan's ability to grow number of small businesses/attract employers within the municipality/region.	5.00	4.50	7.33	5.00	6.67	6.83	5.00	5.67	6.33	3.00	6.33
6	Emphasis on planning for solutions based on the use of new and emerging technologies.	6.00	5.83	8.17	4.67	8.50	6.33	6.67	5.50	7.50	2.00	6.17
7	Evidence of the proposal to demonstrate the potential for new jobs within or in support of an innovation industry including emerging technology and life sciences, digital media, clean technology/green energy, fin-tech, cyber-security, AI/AR, transportation-tech, etc.).	6.33	6.17	7.83	5.33	7.83	6.83	4.67	6.17	6.50	2.17	7.00
8	Evidence of ability to execute a planning project or viability of a planning project.	6.83	5.67	7.67	5.83	8.67	7.00	6.00	6.17	7.17	3.83	6.00
9	The score is not subjective and was obtained from the 2017 Municipal Revitalization Index.	10	10	10	0	4	6	10	6	10	10	4
		<i>MRI RANK (3) = 10 POINTS NOTE: THE MRI IS FOR ATLANTIC CITY (RANKED 3RD = 10 points), LOCATED IN ATLANTIC CO.</i>	<i>MRI RANK (3) = 10 POINTS</i>	<i>MRI RANK (4) = 10 POINTS</i>	<i>MRI RANK (428) = 0 POINTS</i>	<i>MRI RANK (17) = 4 POINTS</i>	<i>MRI RANK (11) = 6 POINTS</i>	<i>MRI RANK (1) = 10 POINTS NOTE: The MRI is for City of Camden (Ranked 3rd = 10 points) in Camden County</i>	<i>MRI RANK (combo) = 6 POINTS NOTE: MRI for City of Asbury Park is (Ranked 20 = 4 points). MRI for City of Keensburg (Ranked 39 = 2 points). Total of 6 points</i>	<i>MRI RANK (combo) = 10 POINTS NOTE: MRI for City of Patterson (Ranked 8 = 8 points). MRI for City of Passaic (Ranked 10 = 8 points). Total of 16 points - MAX is 10</i>	<i>MRI RANK (2) = 10 POINTS NOTE: The MRI is for City of Salem (Ranked 2nd = 10 points) in Salem County</i>	<i>MRI RANK (combo) = 4 POINTS NOTE: MRI for City of Plainfield (Ranked 26 = 2 points). MRI for City of Elizabeth (Ranked 28 = 2 points). Total of 4 points</i>
PROPOSERS SUBTOTAL SCORE - EVAL CRITERIA		64.00	62.50	77.83	47.33	76.50	71.67	58.67	55.67	72.17	37.50	58.17
TOTAL SCORE		74.00	72.50	87.83	57.33	86.50	81.67	68.67	65.67	82.17	47.50	68.17
PROPOSERS RANKING (TOP 6 IN RED)		5	6	1	10	2	4	7	9	3	11	8

INCENTIVE PROGRAMS

GROW NEW JERSEY ASSISTANCE PROGRAM (GROW NJ)

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

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

APPLICANT: Corcentric, LLC P45090

PROJECT LOCATION: 200 Lake Drive East Cherry Hill Township Camden County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Corcentric, LLC (formerly known as AmeriQuest, Inc.), founded in 1996, is a cloud-based solutions company designed to eliminate the inefficiency, expense and lost opportunities caused by traditional paper processes. The company’s solutions are comprised of three operating segments: (i) financial process automation of billing and accounts payable processes for its customers, including e-invoicing credit and collections management working capital management, among other solutions; (ii) procurement solutions leveraging its financial process automation technology to conduct group purchasing, enabling companies to optimize its procurement processes from sourcing through payment; and (iii) capital equipment solutions providing data-driven strategic planning, asset acquisition and disposition and usage alternatives to help businesses lower the total cost of asset ownership. The Company, headquartered in Cherry Hill, NJ, has 310 employees including offices in Fairfield, NJ, Willow Grove, PA, McLean, Virginia and Sarasota, Florida. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:

With the Company’s current lease in Cherry Hill, NJ set to expire in January 31, 2019 and the growth of its businesses, the Company is seeking space to accommodate its workforce. The new office space under consideration is the lease of 16,830 sq. ft. of a facility in Cherry Hill, NJ or the lease of 14,598 sq. ft. in a building in Bensalem, PA. The grant request is for the retention of 52 employees from the Cherry Hill office only and creation of 20 jobs.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Corcentric, LLC has indicated that the grant of tax credits is a material factor in the company’s location decision. The Authority is in receipt of an executed CEO certification by Douglas Clark the CEO of Concentric, Inc., the sole managing member of Corcentric, LLC, that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the

Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$5.6 million over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 52 New Jersey jobs listed in the application are at risk of being located outside the State on or before January 31, 2019, when the current lease expires. This certification coupled with the economic analysis of the potential locations submitted to the Authority has allowed staff to make a finding that the jobs listed in the application are at risk of being located outside of New Jersey.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$448,800	\$951,850
New Jobs	19	20
Retained Jobs	27	52

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

Base Grant	Requirement	Proposed by Applicant
Priority Area	Base award of \$3,000 per year for projects located in a designated Priority Area	Cherry Hill Township is a designated Priority Area
Increase(s) Criteria		
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Finance business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$3,750 = \\$1,875$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($951,850 / 10 / (20 + 52) = \\$1,322$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>			
BASE GRANT PER EMPLOYEE:			
Priority Area			\$3,000
INCREASES PER EMPLOYEE:			
Targeted Industry (Finance):			\$ 500
INCREASE PER EMPLOYEE:			
			<u>\$ 500</u>
PER EMPLOYEE LIMIT:			
Priority Area		\$10,500	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:			
			\$3,500
AWARD:			
New Jobs:	20 Jobs X \$3,500 X 100% =		\$70,000
Retained Jobs:	52 Jobs X \$1,322 X 100% =		<u>\$68,744</u>
	Total:		\$138,744
ANNUAL LIMITS:			
Priority Area (Est. 90% Withholding Limit)		\$ 4,000,000/(\$151,268)	
TOTAL ANNUAL AWARD			
			<u>\$138,744</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 951,850
ANTICIPATED COMPLETION DATE FOR CAPITAL INVESTMENT: January 1, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY: July 1, 2021
SIZE OF PROJECT LOCATION: 16,830 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

Corcentric, LLC**Grow New Jersey****Page 5**

NEW FULL-TIME JOBS:	20
RETAINED FULL-TIME JOBS:	52
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):	49
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Cherry Hill
MEDIAN WAGES:	\$ 63,876

NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 6,972,025
TOTAL AMOUNT OF AWARD: (CAPPED ANNUALLY AT 90% OF WITHHOLDINGS)	\$ 1,387,440
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 5,584,585

ELIGIBILITY PERIOD:	10 years
----------------------------	----------

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three 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 January 31, 2019; 2) approve the proposed Grow New Jersey grant to encourage Corcentric, LLC to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: D. Ubinger**APPROVAL OFFICER:** 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: The RealReal, Inc. P44883

PROJECT LOCATION: 950 Convery Boulevard Perth Amboy City Middlesex County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

The RealReal, Inc. is an online marketplace for authenticated high end resale items for men, women children and the home. Founded by Julie Wainwright in 2011 and headquartered in San Francisco, CA, the company employs over 1,200 people throughout the United States. The Company has hubs in New York City, Los Angeles, CA, Chicago, IL, Washington, DC and in one in Secaucus, NJ with 300 employees. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

The company wants to expand by opening three large fulfillment centers in target regions throughout the country in the coming years. The company has identified multiple properties for a new state of the art fulfillment center in the Northeast and has narrowed its options to lease 492,276 sq. ft. in Perth Amboy, NJ or lease 450,650 sq. ft. in Bethlehem, PA for the opening of a new state of the art fulfillment center. The company anticipates hiring 777 new full-time employees.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of The RealReal, 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 Julie Wainwright, the CEO of The RealReal, 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 \$12.4 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 Warehouse - Rehabilitation Project for an other targeted industry business in Middlesex 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	\$9,845,520	\$14,029,866
New Jobs	35	777
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	Perth Amboy City is a designated Distressed Municipality
Increase(s) Criteria		
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 777 Full-Time Jobs at the project location resulting in an increase of \$1,000.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<p>The Retained Full-Time Jobs will receive the lesser of:</p> <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$5,000 = \\$2,500$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$14,029,866 / 10 / (777 + 0) = \\$1,805$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>

<u>Grant Calculation</u>	
BASE GRANT PER EMPLOYEE:	
Distressed Municipality	\$4,000
INCREASES PER EMPLOYEE:	
Large Number of New/Retained F/T Jobs:	\$ 1,000
INCREASE PER EMPLOYEE:	<u>\$5,000</u>
PER EMPLOYEE LIMIT:	
Distressed Municipality	\$11,000
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$5,000
AWARD:	
New Jobs:	777 Jobs X \$5,000 X 100% = \$3,885,000
Retained Jobs:	0 Jobs X \$1,805 X 100% = <u>\$0,000</u>
Total:	\$3,885,000
ANNUAL LIMITS:	
Distressed Municipality	\$ 8,000,000
TOTAL ANNUAL AWARD	<u>\$3,885,000</u>

PROJECT IS: Expansion Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$ 14,029,866
ANTICIPATED COMPLETION DATE
FOR CAPITAL INVESTMENT: January 1, 2020
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED
BUSINESS FACILITY: January 1, 2021
SIZE OF PROJECT LOCATION: 492,276 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Non-Industrial
CONSTRUCTION: Yes No

NEW FULL-TIME JOBS:	777
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):	300
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	\$ 33,280

NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 51,251,687
TOTAL AMOUNT OF AWARD:	\$ 38,850,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 12,401,687

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three 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 approve the proposed Grow New Jersey grant to encourage The RealReal, 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: Suuchi Inc P45115

PROJECT LOCATION: 1 Eastern Road Kearny Town Hudson County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Suuchi Inc (Suuchi) founded in 2015, designs, manufactures, and ships clothing for American apparel fashion brands and Fortune 1000 companies. The company specializes in large and small batch sourcing, design, and production quantity runs of men's, women's and children's clothing, and accessories. Suuchi sells to businesses including: young designers launching their fashion labels, retailers who want to make private-label clothing in America and large firms supplying uniforms to the casino and hospitality industries. Suuchi Inc. is quite diverse, and currently employs individuals from 27 different nationalities, 75% of which are women. Suuchi’s proprietary technology, the Suuchi Grid, connects businesses with their “smart” shop floor. Businesses, and their consumers have real time access to their supply chains, with minute to minute updates and analytics on sourcing, design, production, and drop-shipping. Suuchi Inc. is also home to Suuchi University which trains the local community in advanced manufacturing skills before and on the job. Suuchi University has awarded over 100 certifications and the company has created as many jobs in Hudson County since it was founded. The applicant has demonstrated the financial ability to undertake the project. Suuchi Inc is currently located in North Bergen, NJ, and will be forming a collaborative agreement with New Jersey City University.

MATERIAL FACTOR/NET BENEFIT:

Suuchi plans to lease 113,100 square feet of recently developed industrial space in Kearny, NJ with an initial lease term of 15 years. Building improvements have been planned in phases starting approximately October 1, 2018. The primary elements of the first phase include installation of an HVAC system, construction of initial office space and a cafeteria, and construction of some mezzanine space. Phase 2 would start approximately one year later and would primarily consist of construction of additional offices and additional mezzanine space. The alternate location is a 109,118 square foot facility in Charlotte, NC.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Suuchi 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 Suuchi Ramesh, the CEO of Suuchi 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 \$3.7 million over the 20-year period required by the Statute.

ELIGIBILITY AND GRANT CALCULATION:

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

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

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

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

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

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

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

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

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$2,262,000	\$10,957,924
New Jobs	10	410
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
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Kearny Town is a designated Distressed Municipality
Increase(s) Criteria		

Targeted Industry, within 3 miles of a college, university, or non-doctoral university, and QBF is used to conduct Collaborative research	Applicant has a draft collaborative agreement with New Jersey City University. This bonus is worth \$1,000 per year.	A bonus of \$1,000 per year for meeting this designation
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$10,957,924 is 384.4% above the minimum capital investment resulting in an increase of \$3,000 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 410 Full-Time Jobs at the project location resulting in an increase of \$750.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

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

Suuchi Inc**Grow New Jersey****Page 4**

	<ul style="list-style-type: none">- ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$9,250 = \\$4,625$) or- The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$10,957,924 / 10 / (0 + 410) = \\$2,672$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.</p>
--	--

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Distressed Municipality	\$ 4,000
-------------------------	----------

INCREASES PER EMPLOYEE:

Targeted Industry, within 3 miles of a college, university, or non-doctoral university, and QBF used to conduct Collaborative research	\$ 1,000
Capital Investment in Excess of Minimum (non-Mega):	\$ 3,000
Large Number of New/Retained F/T Jobs:	\$ 750
Targeted Industry (Manufacturing):	\$ 500

INCREASE PER EMPLOYEE:	<u>\$ 5,250</u>
-------------------------------	-----------------

PER EMPLOYEE LIMIT:

Distressed Municipality	\$ 11,000
-------------------------	-----------

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:	\$ 9,250
--	----------

AWARD:

New Jobs:	410 Jobs X \$9,250 X 100% =	\$3,792,500
Retained Jobs:	0 Jobs X \$2,672 X 100% =	<u>\$ 0,000</u>
	Total:	\$3,792,500

ANNUAL LIMITS:

Distressed Municipality	\$ 8,000,000
-------------------------	--------------

TOTAL ANNUAL AWARD	<u>\$3,792,500</u>
---------------------------	---------------------------

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:	410 Jobs X \$9,067 X 100% =	\$3,717,470
Retained Jobs:	0 Jobs X \$9,067 X 100% =	<u>\$ 0,000</u>

TOTAL ANNUAL AWARD	\$3,717,470 *
---------------------------	----------------------

*** PLEASE SEE RECOUPMENT SCHEDULE BELOW**

RECOUPMENT SCHEDULE		
	<u>YEAR</u>	<u>RECOUPMENT AMOUNT</u>
IF THE APPLICANT LEAVES IN YEAR:	16	\$ 6,797,695.00
IF THE APPLICANT LEAVES IN YEAR:	17	\$ 5,338,456.02
IF THE APPLICANT LEAVES IN YEAR:	18	\$ 3,930,841.05
IF THE APPLICANT LEAVES IN YEAR:	19	\$ 2,573,023.79
IF THE APPLICANT LEAVES IN YEAR:	20	\$ 1,263,242.51

PROJECT IS: (X) Expansion () Relocation	
ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 10,957,924
ANTICIPATED COMPLETION DATE FOR CAPITAL INVESTMENT:	12/15/2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED BUSINESS FACILITY:	12/31/2020
SIZE OF PROJECT LOCATION:	113,100 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CONSTRUCTION: (X) Yes () No	
NEW FULL-TIME JOBS:	410
RETAINED FULL-TIME JOBS:	0
STATEWIDE BASE EMPLOYMENT (AS OF DECEMBER 31, 2017):	76
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
MEDIAN WAGES:	\$ 30,000
NET BENEFIT MODEL:	2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 40,892,393
TOTAL AMOUNT OF AWARD:	\$ 37,174,700
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 3,717,693
ELIGIBILITY PERIOD:	10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three 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 have 76 employees working at the QBF before any employees filling new full-time jobs at the project site will be counted for this Grow NJ award.
8. 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 (\$30,377,005.00 for a 15-year commitment) based on the actual length of the site control document.
9. During the 12 months which follow Board Approval, the Applicant will provide actual financial results on a quarterly basis, to be compared against forecasted numbers to insure the Applicant has adequate funding to cover its upfront costs

APPROVAL REQUEST:

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

DEVELOPMENT OFFICER: Maggie Peters

APPROVAL OFFICER: Mark Chierici

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

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

APPLICANT: Unique Designs, Inc. P45105

PROJECT LOCATION: 425 Meadowlands Parkway Secaucus Town Hudson County

GOVERNOR’S INITIATIVES:

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

APPLICANT BACKGROUND:

Unique Designs, Inc., established in 1995, is a manufacturer of jewelry products. The company buys raw materials i.e. gold, platinum, silver, diamonds, and semi-precious color stones from various suppliers and manufactures jewelry in 10K, 14K, and 18K gold, silver and platinum as per customer requirements. The company’s customers are located primarily throughout the United States. The applicant is currently located in New York, NY.

MATERIAL FACTOR/NET BENEFIT:

Unique Designs, Inc. is seeking additional space to accommodate its growth needs. The company is considering a 62,875 Sq. Ft. facility in Secaucus, NJ or a 59,935 Sq. Ft. facility in Pearl River, NY. The project involves the creation of 134 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 Unique Designs, 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 Tejas Shah, the CEO of Unique Designs, Inc., that states that the application has been reviewed and the information submitted and representations contained therein are accurate and that, but for the Grow New Jersey award, the creation and/or retention of jobs would not occur. It is estimated that the project would have a net benefit to the State of \$13.7 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 an Industrial - Rehabilitation Project, for a manufacturing business in Hudson County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$1,257,500	\$3,671,700
New Jobs	10	134
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
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		
Capital Investment in Excess of Minimum (non-Mega)	An increase of \$1,000 per job for each additional amount of capital investment in an industrial premises that exceeds the minimum amount required for eligibility by 20%, with a maximum increase of \$3,000	The proposed capital investment of \$3,671,700 is 191.98% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted	The applicant is a Manufacturing business.

	Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	
--	---	--

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	The Retained Full-Time Jobs will receive the lesser of: <ul style="list-style-type: none"> - ½ of the Grant Calculation for New Full-Time Jobs ($1/2 * \\$7,500 = \\$3,750$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$3,671,700 / 10 / (134 + 0) = \\$2,740$) In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment than was estimated herein, the above calculations will be re-run and the applicant will receive the lesser of the two amounts.

Grant Calculation**BASE GRANT PER EMPLOYEE:**

Distressed Municipality	\$ 4,000
-------------------------	----------

INCREASES PER EMPLOYEE:

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

INCREASE PER EMPLOYEE:

<u>\$ 3,500</u>

PER EMPLOYEE LIMIT:

Distressed Municipality	\$11,000
-------------------------	----------

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 7,500

AWARD:

New Jobs:	134 Jobs X \$7,500 X 100% =	\$1,005,000
Retained Jobs:	0 Jobs X \$2,740 X 100% =	<u>\$ 0</u>

Total:	\$1,005,000
---------------	--------------------

ANNUAL LIMITS:

Distressed Municipality	\$ 8,000,000
-------------------------	--------------

TOTAL ANNUAL AWARD

<u>\$1,005,000</u>

Unique Designs, Inc. **Grow New Jersey** **Page 5**

PROJECT IS: (X) Expansion () Relocation
ESTIMATED ELIGIBLE CAPITAL INVESTMENT: \$3,671,700
ANTICIPATED COMPLETION DATE
FOR CAPITAL INVESTMENT: March 1, 2019
ANTICIPATED DATE THAT JOBS WILL BE AT QUALIFIED
BUSINESS FACILITY: March 1, 2020
SIZE OF PROJECT LOCATION: 62,875 sq. ft.
NEW BUILDING OR EXISTING LOCATION? Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY? Industrial
CONSTRUCTION: (X) Yes () No

NEW FULL-TIME JOBS: 134
RETAINED FULL-TIME JOBS: 0
STATEWIDE BASE EMPLOYMENT (AS OF MARCH 31, 2018): 0
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: N/A
MEDIAN WAGES: \$ 40,000

NET BENEFIT MODEL: 2017
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD): \$ 23,784,476
TOTAL AMOUNT OF AWARD: \$ 10,050,000
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD): \$ 13,734,476

ELIGIBILITY PERIOD: 10 years

CONDITIONS OF APPROVAL:

1. Applicant has not committed to locate the project in New Jersey, such as by executing a lease or a purchase contract, unless the decision to locate in New Jersey is completely contingent on the award of Grow New Jersey tax credits.
2. Applicant will create and/or retain jobs and will make eligible capital investment, at the qualified business facility, of no less than the minimum eligibility requirements after Board approval, but no later than three 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: approve the proposed Grow New Jersey grant to encourage Unique Designs, Inc. to increase employment in New Jersey. The recommended grant is contingent upon receipt by the Authority of evidence that the company has met certain criteria to substantiate the recommended award. If the criteria met by the company differs from that shown herein, the award amount and the term will be lowered to reflect the award amount that corresponds to the actual criteria that have been met.

DEVELOPMENT OFFICER: M. Peters

APPROVAL OFFICER: S. Novak

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



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 13, 2018

SUBJECT: New York Life Insurance Company Extension ("NYL")
\$33,895,750 Grow NJ – P40595

Request:

Consent to a second six-month extension from October 14, 2018 to April 14, 2019 to provide the applicant sufficient time to complete its hiring and submit accompanying certifications for issuance of its tax credit certificate.

The Members are asked to approve this second sixth-month extension because staff delegations to approve these actions are limited to the first sixth-month extension which was provided to the applicant in September 2017 to extend the time to certify from April 14, 2018 to October 14, 2018.

Background:

NYL is the third largest life insurance company and largest mutual insurance company in the United States which was incorporated in 1841.

On April 14, 2015, NYL was approved for a ten (10) year Grow New Jersey award not to exceed \$33,895,750 to incent the creation of 300 new jobs and the retention of 325 full-time jobs to relocate to a 114,691 square foot existing facility in Jersey City, which is a designated Qualified Incentive Business Facility ("QBF"). The Grow New Jersey statute requires projects to be certified and accompanying tax credits issued within three (3) years of the Authority's approval, however, the Authority may grant up to two (2) six-month extensions of the deadline provided that the tax credit issuance date occurs within four years of the date of Board approval.

NYL requested and received a first six-month extension in September 2017 to provide it more time to complete its fit-out. The applicant is now requesting a second six-month extension through April 14, 2019 which will allow the applicant sufficient time to create its new jobs (currently at 124) and also submit accompanying certification documentation for issuance of the tax credit certificate. NYL has made capital investments that exceed \$16,000,000 and has also received its certificate of occupancy.

Recommendation:

As NYL continues to make progress with the project, the Members are asked to consent to a second six-month extension, from October 14, 2018 to April 14, 2019, to provide the applicant sufficient time to fulfill its new jobs requirements and accompanying certification.

A handwritten signature in blue ink, appearing to be 'T. Sullivan', is written over a horizontal line.

Prepared by: Thomas Armento



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 13, 2018

SUBJECT: Tokio Marine North America, Inc (“Tokio”) - Modification
\$17,737,500 Grow NJ – P42397

Request:

Consent to a 41.9% reduction in the number of new jobs from 215 at approval to 125 jobs.

As a result of the requested change, the approved award will decrease from \$17,737,500 to \$10,312,500. All other terms and conditions of the Grow NJ award will be consistent with the original approval.

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

Background:

Tokio is a wholly owned subsidiary of Tokio Marine Holdings, Inc. (“Tokio Holdings”) headquartered in Tokyo, Japan. In business since 1879, Tokio Holdings, has 179 subsidiaries and 26 affiliates located worldwide offering comprehensive commercial property and casualty insurance products to large and middle-market companies in a variety of industries.

On May 13, 2016, the members approved a ten (10) year \$17,737,500 Grow NJ award for the creation of 215 new employees at an existing 46,360 sf Qualified Business Facility (“QBF”) in Jersey City. Tokio proposed at the time to continue to maintain and also make capital improvements at a 19,000 sf facility in New York City for 65 existing employees. At approval, Tokio anticipated making a capital investment of \$11,352,925, with \$7,183,946 expected to be spent at the QBF.

To date, Tokio has spent \$7,658,341 and hired 125 new employees. Tokio has indicated that it will not be able to reach the employment goal of 215 new jobs anticipated at approval as eligible in the Grow program. Two factors contributed to the decrease in jobs numbers: Tokio offers remote working policies that made certain employees ineligible as they do not spend 80% of

their time at the QBF, which is a requirement under the Grow statute, as well as Tokio's business decision not to bring over certain business groups and maintain some independent contractors onsite. In total, Tokio currently has only 168, including eligible and ineligible, positions at the QBF. Tokio also has a long-term plan to continue to hire at the QBF after certification.

As such, Tokio is requesting a reduction to the new full-time job requirement from 215 to 125. The reduction in jobs will result in a 41.9% reduction in the award from \$17,737,500 to \$10,312,500.

Staff has reviewed the project as modified. The project remains the creation of office space. The types of eligible jobs that have been placed at the QBF to date as well as the median salaries of those positions. While the eligible jobs have decreased from 215 to 125, there is a total of 168 new positions physically located at the QBF. As such, staff have determined that the project as modified is consistent with the approved project.

Staff reran the net benefit test using the current model and the salaries recently provided by the company and determined that the project demonstrates a \$13,973,877 net positive benefit to the State over 20 years (net of award).

Summary of Project Changes

Proposed Jobs:	At Approval 215 (New)	Proposed 125 (New)
Square Footage:	46,360	46,360
Award Amount:	\$17,737,500	\$10,312,500
Proposed Capital Investment at QBF:	\$ 7,183,946	\$ 7,658,341
Gross Benefit to the State (Over 20 Years, Prior to Award):	\$45,114,038	\$24,286,377
Net Benefit to the State (Over 20 Years, Net of Award):	\$27,376,538	\$13,973,877

Recommendation:

Consent to a 41.9% reduction in the number of new jobs from 215 at approval to 125 jobs.

As a result of the requested changes, the approved award will decrease from \$17,737,500 to \$10,312,500. All other terms and conditions of the Grow NJ award will be consistent with the original approval.



Prepared by: Susan Greitz

EDISON INNOVATION FUND



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan,
Chief Executive Officer

DATE: Thursday, September 13, 2018

RE: Incubator and Collaborative Workspace Rent Initiative

Summary

On July 25, 2017, the Board approved the creation of the Incubator and Collaborative Workspace Rent Initiative (ICWRI) to develop the state’s entrepreneurial eco-system. The program is designed to provide real estate partnership grants that support the rent for early-stage technology or life science companies to work in a New Jersey incubator or collaborative workspace facilities.

The ICWRI is a pilot program. As is customary with the launch and implementation of a new program, market response and acceptance are uncertain. In certain circumstances, refinement of the program terms is applicable. During the pre-launch period, based on continuing discussions with the workspace managers, staff recognized the need for some program modifications. Staff recommends the Board consider approving the request to amend the applicable terms as outlined herein.

Proposed Changes

1. Evidence of Lease or Membership Agreement

Current requirement:

<p>Eligibility Requirements for Tenants Companies partnering with the Collaborative Workspaces</p>	<p>The company must support its verification form with the following documents:</p> <ul style="list-style-type: none"> • Satisfactory signed lease or membership agreement with an approved collaborative workspace facility for a period of time no less than the total occupancy required by the grant
---	---

Requested Change:

After speaking with numerous facilities throughout the state, the signed lease agreement for the **program participation term** may deter collaborative facilities from taking part in the program. Many facilities only offer month-to-month agreements. After reviewing a sampling of facilities’

leases, some of the month-to-month agreements renew automatically unless a 10-day termination notification is given. Other facilities offer standard lease terms that may not match the exact terms required for program participation. For example, at EDA's own incubator, only 1-year lease terms are offered. In its longest possible commitment period (excluding bonus months), the ICWRI program requires 18 months of occupancy. Facilities have indicated they are unwilling to change their standard lease documents to conform to the current ICWRI program requirements due to the additional legal expense and time. By amending the program's documentation requirements to support the various business models, more collaborative facilities will be able to utilize the program, which will help drive the innovation economy in New Jersey.

<p>Eligibility Requirements for Tenants Companies partnering with the Collaborative Workspaces</p>	<p>The company must support its verification form with the following documents:</p> <ul style="list-style-type: none"> • A self-certification indicating the intent to remain in the collaborative workspace for the term of the program participation by the tenant/member company. Additionally, the tenant/member company will sign a satisfactory lease or membership agreement with an approved collaborative workspace and provide a current lease within 30 days of program participation approval (as per the original EDA Board approval) and again with the disbursement request.
---	--

2. Lowering the required community building events

Current requirement:

<p>Collaborative Work Space Eligibility Requirements</p>	<p>To be accepted as an ICWRI facility, the collaborative workspace, needs to sign a verification form that certifies (citing specific, verifiable details as appropriate) that they meet the following requirements:</p> <ul style="list-style-type: none"> • Will host at least 10 innovation ecosystem building events a year (examples of events include: meet-ups, speaker series, office hours for lawyers/ accountants/ consultants/ investors)
---	---

Requested Change:

After consulting with collaborative facility managers, the 10 innovation ecosystem events per year is often not attainable due to summer and holiday seasonality. The minimum 10 innovation ecosystem events will unduly burden the collaborative facilities because of the support needed to set up these events on their limited staff. Most of these facilities are thinly staffed. Instead, it is proposed that the minimum event threshold be lowered to 8 events per year. Of note, other industry groups hosting events within the collaborative workspace will qualify for the proposed event requirement. This may include, but is not limited to, groups such as NJ Technology Council, BioNJ, JumpStart Angels, and Founders & Founders.

Collaborative Work Space Eligibility Requirements	To be accepted as an ICWRI facility, the collaborative workspace must sign a verification form that certifies (citing specific, verifiable details as appropriate) it meets the following requirements: <ul style="list-style-type: none"> • Will host at least 8 innovation ecosystem building events a year (examples of events include: meet-ups, speaker series, office hours for lawyers/ accountants/ consultants/ investors)
--	--

3. Annual audit requirements

Current requirement:

Yearly review	In a yearly review EDA will request documentation that rent grants were fully utilized for the tenant/member companies for which each grant was awarded. The EDA will also request a list of the community events throughout the year.
----------------------	---

Requested Clarification:

Meeting with the collaborative workspace managers proved that it would be difficult to request specific documentation to make sure each rent grant was fully utilized. To obtain this information, the collaborative facility manager would need to show daily entry key swipes or video surveillance, which is unrealistic and often unavailable. As a compromise, in the annual certified reporting the facility manager will need to show a list all the ICWRI program tenants/members and certify how long such tenants/members stayed in the facility and that the tenant paid no rent during the EDA grant/rent period. Of note, the EDA funding occurs only after the workspace manager and the tenant/member have both satisfied their ICWRI rental commitments, hence the likelihood of a tenant/member leaving a facility during the EDA grant/rent period is less likely.

4. Timing of funds disbursement

Current requirement:

Funding Disbursement	Full amount of the grant will be disbursed after the collaborative workspace has met its months of commitment in the space and the tenant company has remained for the additional months, from either 2, 4 or 6- month EDA funded amount as per ICWRI requirements - all disbursement will be made directly to the collaborative workspace for the benefit of the rent expense of the tenant company.
-----------------------------	---

Requested Clarification:

The disbursement of funds will occur after 1) the collaborative workspace facility has met its months of commitment, and 2) the tenant/member company has remained in the collaborative facility for the additional paid months, have been completed. After both commitments have been met, the collaborative workspace will submit a disbursement request, and the EDA will pay for the remaining months of the agreement at the beginning of the EDA grant timeline for the following 2, 4 or 6 months.

Funding Disbursement	Full amount of the EDA grant will be disbursed after: Step 1: The collaborative workspace has met its committed number of months (either 1 month, 2 months or 3 months) Step 2: The tenant/member has remained and paid for its additional months (either 3 months, 6 months or 9 months) Step 3: The collaborative workspace submits the disbursement request illustrating that both parties have met the agreed upon terms and the tenant/member stayed for the sum of Step 1 and Step 2.
-----------------------------	--

Finally, upon announcement of the program, Staff recognized that “Incubator and Collaborative Workspace Rent Initiative” is rather lengthy as a program name. Accordingly, Staff launched a market-based survey to rename the program. The selection consists of five potential names: NJ Ignite; NJ Spark; NJ Boost; Collaborate NJ; or Amplify NJ. The votes will be tallied prior to the Authority’s September board meeting, and the winning name will be announced and adopted at the September board meeting.

Recommendation

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



Tim Sullivan
Chief Executive Officer

Prepared by: Rachel McCauley

NJ CoVEST FUND PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - NJ COVEST FUND PROGRAM**

APPLICANT: ADDITIVE ORTHOPAEDICS LLC

P45036

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 84 Rustic Terrace

Little Silver Borough (N)

Monmouth

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

APPLICANT BACKGROUND:

Additive Orthopaedics, LLC develops 3D printed orthopaedic implants and devices for foot and ankle repair related to trauma and limb salvage treatments.

APPROVAL REQUEST:

Approval is recommended for a \$250,000 loan from the NJ CoVest Fund as proposed.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$250,000

TERMS OF LOAN: 10-Year Term. The proposed loan will have a rate of 3% with no payments for the first 84 months. Interest during this period will accrue and will be capitalized. Beginning month 85 principal plus interest payments will begin for the remaining three-year term to fully amortize the loan.

PROJECT COSTS:

Growth Capital	\$250,000
	<hr/>
TOTAL COSTS	\$250,000
	<hr/> <hr/>

JOBS: At Application 1 Within 2 years 10 Maintained 1 Construction 0

DEVELOPMENT OFFICER: T. Rollender

APPROVAL OFFICER: M. Bhatia



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Sullivan,
Chief Executive Officer

DATE: Thursday, September 13, 2018

RE: NJ CoVest Fund – Early Stage Technology Company Investment Program

Summary

On April 13, 2017, the Board approved the creation of the NJ CoVest Program to support early stage technology and life science companies, with a \$3 million original program commitment. The program is designed to provide seed funding to early stage New Jersey technology companies in the form of convertible notes. To date, the board has approved three commitments under the program including Reflik (10/12/17), Apprentice FS, Inc. (02/13/18), and Gridless Power Corp (04/10/18).

The NJ CoVest Fund is a pilot program. As customary with the launch, then, implementation of a new program, market response and acceptance are uncertain. In certain circumstances, refinement of the program terms is needed. Upon administering the program, Staff recognized a subsequent challenge with the NJ CoVest program. After draft and review of the loan documents and agreements necessary to consummate the approved transactions, Staff recommends the Board consider approving the request to amend the applicable term as outlined herein. Staff believes this change will make the program accessible to anywhere from six to ten companies which are currently in discussions with the Technology and Life Science team. This recommended change is based on the collective feedback of both the approved companies and the existing pipeline companies.

Background

Current program requirements include the following language:

<p>Commitment to NJ</p>	<p>Company must maintain a corporate headquarters office space within the boundaries of the State of New Jersey.</p> <p>Company must maintain a minimum of 75% of the management/executive team space within the boundaries of the State of New Jersey.</p> <p>Company must maintain at least 75% of employees, working on average 80% of their time, within the boundaries of the State of New Jersey.</p> <p>Commitments must be met at application submission date and maintained until five years after repayment in full or five years after note maturity date. A change to these Commitments may be considered by the EDA in event of merger or acquisition.</p>
--------------------------------	---

Proposed Change

NJ CoVest supports young companies at their earliest stage of financing, and the Commitment to NJ requirement lives beyond the NJ CoVest note repayment for a five-year “tail” which could be up to a fifteen-year obligation. These companies have extreme growth potential within this term. Given the obligation length and the growth potential, the current minimum employment level of 75% in New Jersey can hinder business growth and future investment of these early-stage companies. Given the global nature of the economy, many of the applicants to date and qualified prospects have expressed challenges with meeting the 75% minimum threshold given their need for a national and international sales force to maximize their revenue growth. For example, a young company with ten employees would be in default if just three, sales related employees are required around the nation. To reduce the risk of unduly restricting these businesses, Staff recommends the threshold be lowered from 75% to 50%. Staff continues to recommend the majority of the management team and corporate headquarters to be domiciled in NJ to further ensure the commitment to the state. If a company cannot maintain these requirements, the EDA, at its discretion, can declare an event of default and charge the default rate of repayment which is one and a half times the principal and accrued interest or the calculated equity value.

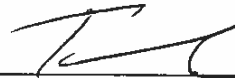
The proposed program amendment is detailed below and would retroactively apply to all approved program participants as well as future applicant companies:

Commitment to NJ	<p>Company must maintain a corporate headquarters office space within the boundaries of the State of New Jersey.</p> <p>Company must maintain at least 50% of the management/executive team space within the boundaries of the State of New Jersey.</p> <p>Company must maintain at least 50% of employees, working on average 80% of their time, within the boundaries of the State of New Jersey.</p> <p>Commitments must be met at application submission date and maintained until five years after repayment in full or five years after note maturity date. A change to these Commitments may be considered by the EDA in event of merger or acquisition.</p>
-------------------------	---

Recommendation

The Members are requested to approve the program change as outlined herein.

Approval of this addendum is on a one-year interim basis for and will apply to any previously approved NJ CoVest company investments as well as any newly approved participants until September 30, 2019. After this time-period, this change to the Commitment in NJ will be subject to review and final approval by the Board.



Timothy Sullivan
Chief Executive Officer

Prepared by: Clark W. Smith

BOND PROJECTS



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: September 13, 2018

SUBJECT: Tax Compliance Procedures for Tax Exempt Bonds (Bond Compliance Procedures)

Request:

- 1) Designate EDA's Chief Executive Officer as Tax Compliance Officer for conduit bond issues; and
- 2) Delegate authority to the Tax Compliance Officer, or his/her designee, to modify and amend the procedures to conform to IRS requirements, upon recommendation of Bond Counsel and the Attorney General's office.

These actions are required under written Bond Compliance Procedures developed in conjunction with bond counsel and the Attorney General's office.

Background:

Since its inception, the Authority has served as a conduit issuer of more than 5,000 standalone and guaranteed tax exempt and other tax-advantaged bonds for the benefit of various manufacturers, not-for-profit organizations and public facilities in New Jersey, as well as bonds issued on behalf of the State of New Jersey. In order to retain the exclusion of interest on the bonds from gross income for federal tax law purposes, the conduit borrower and the Authority must ensure compliance with various requirements of the Internal Revenue Code of 1986, as amended (the "Code") from approval and issuance through maturity of the bonds.

In April 2011, the IRS instituted a requirement that the Authority as issuer, indicate on the Form 8038 (which identifies the bond issuance to the IRS) whether it has written post issuance compliance procedures in place to assure compliance with the provisions of the Code.

In April 2012, the IRS created publication 5005, setting forth the compliance responsibilities of conduit issuers for the approval, issuance, closing and post closing management of tax-exempt bonds.

On June 11, 2013, the Authority approved Bond Compliance Procedures. In accordance with those Procedures and IRS guidance, EDA is required to designate a Tax Compliance Officer (TCO) for its conduit bond issues to oversee the tax compliance activities. The

position of President and Chief Operating Officer previously served this function; it is recommended that the position of Chief Executive Officer now serve in this role.

Further, the Members are asked to delegate authority to the Authority Chief Executive Officer, as the TCO, to amend and modify the policies and procedures to conform to IRS requirements, based upon consultation with Bond Counsel and the Attorney General's Office.

Summary of Bond Compliance Procedures:

For informational purposes, attached is a summary of the Bond Compliance Procedures (attachment A).

Staff has also documented written procedures and policies addressing the compliance areas that the IRS highlighted in its Publication, including but not limited to, filing of the Form 8038, designation of Volume Cap, TEFRA approval, compliance with arbitrage rebate requirements, bond modifications, processing IRS audits, and remedial action in the event of non-compliance.

Recommendation:

Consent to:

- 1) Designating EDA's Chief Executive Officer as Tax Compliance Officer for conduit bond issues, pursuant to written Bond Compliance Procedures developed in conjunction with bond counsel and the Attorney General's office; and
- 2) Delegating authority to the Chief Executive Officer, as the Tax Compliance Officer, or his/her designee, to modify and amend the Bond Compliance Procedures to conform to IRS requirements, upon recommendation of Bond Counsel and the Attorney General's office.

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

Prepared by: Lori Zagarella

Attachment A

Below are both compliance procedures previously put in place and procedures developed as part of the Tax Compliance Manual.

Pre-issuance:

- Application Review - When it is determined that bond financing will be pursued by the conduit borrower, the borrower selects bond counsel and completes a formal application with the NJEDA.
- Reimbursement Declaration of intent - In order for a borrower to reimburse itself for certain pre-issuance expenditures, a declaration of intent to reimburse must be in place.
- TEFRA Hearing and Approval - Under Section 147(f) of the Code, subject to certain exceptions, NJEDA must obtain the Governor's approval of the bonds and the project to be financed, following a public hearing on the bonds, preceded by publication of notice of such hearing.
- Volume Cap - Annually NJEDA requests from the State Treasurer an allocation of the State's Private Activity Bond Volume Cap.
- Arbitrage Procedures - Section 148 of the Code imposes several requirements relating to arbitrage on issuers of tax-exempt bonds such as arbitrage certificates and loan yield limitations, qualified hedges and rebate.
- Information Report Filing - Section 149 of the Code requires an information report to be filed with the IRS in connection with the issuance of each bond issue.

Post-Issuance:

- Post Issuance Compliance, Deliberate Action and Remedial Action - Primary responsibility for compliance with federal tax law restrictions lies with the borrower. The loan agreement language requires the borrower to annually certify to NJEDA that the borrower is in compliance with its Tax Covenants as defined in the Loan Agreement. If a deliberate action has taken place, the provisions in the Loan Agreement require borrower to notify the NJEDA. Confirmation of eligibility of use of funds, and other post-issuance tax requirements are to be addressed at the time of completion of the project through a Tax Completion Certificate.
- EDA's Bond Examination - In the course of overseeing and maintaining the bond portfolio, staff in Audit and Compliance may from time to time conduct internal examinations of outstanding bond issues.
- Bond Modifications - Finance and Bond Portfolio Management will evaluate and seek approval from the Board or pursuant to delegated authority and may

engage bond counsel to determine whether the modification triggers a reissuance of the bond under Section 1001 of the Code.

- Rebate Compliance - Form 8038T - Procedures for compliance with arbitrage restrictions and rebate are included in Loan Agreement and Indenture and in the tax certificate prepared by bond counsel.
- Record Retention - EDA's Bond Counsel should ensure that each borrower's procedures address record retention.
- Internal Revenue Service Examinations - Should NJEDA receive notice from the IRS, NJEDA retains bond counsel on its behalf and notifies borrower.
- Volume CAP - NJEDA and Borrower can apply to the IRS to negotiate a settlement with respect to tax law.
- Continuing Education - NJEDA will continue to consult regularly with its bond counsel regarding changes to federal tax rules and will update internal policies and procedures to reflect any changes.

LOANS/GRANTS/GUARANTEES

HAZARDOUS DISCHARGE SITE REMEDIATION FUND



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 13, 2018
SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

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

HDSRF Municipal Grants:

P45060	County of Cape May (Johns' Tire & Auto Repair Center)	\$ 119,505
P45048	Borough of Somerville (Color Technology)	\$ 455,730
		\$ 575,235

Total HDSRF Funding – September 2018



Tim Sullivan

Prepared by: Kathy Junghans

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

APPLICANT: County of Cape May John's Tire & Auto Repair Center P45060
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 503 Rio Grande Ave. Wildwood City (N) Cape May
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

County of Cape May, identified as Block 45, Lot 11 is a former auto repair service center which has potential environmental areas of concern (AOCs). The County of Cape May currently owns the project site and has satisfied proof of site control. It is the County's intent, upon completion of the environmental investigation activities to redevelop the project site for commercial use.

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

APPROVAL REQUEST:

County of Cape May is requesting grant funding to perform RI in the amount of \$119,505 at the Lands of Cape May County, aka: John's Tire & Auto Repair Center project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$119,505
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$119,505
EDA administrative cost	\$500
TOTAL COSTS	\$120,005

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Borough of Somerville (Color Technology) P45048
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 60 Cornell Boulevard Somerville Borough (T) Somerset
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

In July 2014, the Borough of Somerville received a grant in the amount of \$127,351 under P38564 for the project site that has potential environmental areas of concern (AOCs). The project site identified as Block 127, Lot 1, is a former print ink manufacturing facility which is currently vacant. The Borough intends to acquire the project site and has satisfied proof of site control. It is the Borough's intent upon completion of the environmental investigation activities to redevelop the project site for recreational use.

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

APPROVAL REQUEST:

The Borough of Somerville is requesting supplemental grant funding to perform RI in the amount of \$455,730 at the Color Technology project site. Total grant funding including this approval is \$583,081.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$455,730
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$455,730
EDA administrative cost	\$500
TOTAL COSTS	\$456,230

APPROVAL OFFICER: K. Junghans

PETROLEUM UNDERGROUND STORAGE TANK (PUST)



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 13, 2018
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

PUST Commercial Grant:

P44973 Edward Barnett t/a Barnett's Citgo Station **\$ 211,630**

Total UST Funding – September 2018



Tim Sullivan

Prepared by: Kathy Junghans

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

APPLICANT: Edward Barnett t/a Barnett's Citgo Station P44973
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 129 Main St Downe Township (T) Cumberland
GOVERNOR'S INITIATIVES: () Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Between May 1999 and July 2013, Edward Barnett, owner of Barnett's Citgo Station, a service station, received an initial grant in the amount of \$22,398 under P10717 and a supplemental grant in the amount of \$95,620 under P38117 to remove a leaking 550-gallon residential #2 heating underground storage tank (UST) and perform the required remediation. The tank was decommissioned and removed in accordance with NJDEP requirements. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remediation.

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

APPROVAL REQUEST:

The applicant is requesting aggregate supplemental grant funding in the amount of \$211,630 to perform the approved scope of work at the project site. Because the aggregate supplemental funding exceeds the maximum aggregate staff delegation approval of \$100,000, it requires EDA's board approval. Total grant funding including this approval \$329,648, which is permitted under the \$500,000 limit within a rural planning area.

The NJDEP oversight fee of \$21,163 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: \$211,630
TERMS OF GRANT: No Interest; 5 year repayment provision on a pro-rata basis in accordance with the PUST Act.

PROJECT COSTS:

Remediation	\$211,630
NJDEP oversight cost	\$21,163
EDA administrative cost	\$500
TOTAL COSTS	\$233,293

APPROVAL OFFICER: K. Junghans

REAL ESTATE



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 13, 2018
RE: Amendment to Construction Contract
Replacement Parking Lot Project, Camden, NJ

Summary

The Members are asked to approve a change order to the construction services contract with F.M. Schiavone Construction, Inc. ("Schiavone") up to the amount of \$34,000 to complete improvements to the City of Camden water line in conjunction with the construction of the parking lot on Block 157, Lot 46 in Camden, NJ ("Kelly Property") as well as an increase in the budget for the Authority to pay \$1,539.50 to the Department of Labor and Workforce Development for the required Chapter 335 Training Fund allocation.

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.

In July 2017, following a publicly advertised request for bids, the Board approved a contract with Schiavone in the amount of \$1,105,300 which included a contingency of \$144,200 for construction of two surface parking lots on two Authority owned lots. In December 2017, the Board approved a sole source change order to increase the project budget by \$342,945 to add an additional parking lot on the Kelly Property as an additional site to the construction services contract for a total contract budget of \$1,441,900.

In June 2018, the Board approved a change order in the amount of \$99,000 to address previously unknown subsurface conditions requiring additional subsurface demolition activities and the relocation of a City of Camden water main in S. Second Street in conjunction with construction of the Kelly property parking lot project, increasing the total contract budget for the Schiavone contract to \$1,540,900.

Schiavone began undertaking the water main relocation work in cooperation with the City of Camden, and it was subsequently discovered that the City of Camden is unable to turn off the flow of water in the water main and, as a result, new valves are required to be installed in order to accomplish the water line relocation work in conjunction with construction of the Kelly property parking lot project. The new water valve procurement and installation has been fully coordinated with the City of Camden and the cost of the work has been negotiated with Schiavone in the amount of \$34,000, thereby increasing the total amount of the Schiavone contract to \$1,574,900.

-2-

In accordance with N.J.S.A. 52:40-6 (P.L. 2009, Ch. 335), this increase in the procurement to Schiavone will now necessitate an NJEDA allocation and release of one half of one percent of the total construction contract or \$7,874.50 to the New Jersey Department of Labor and Workforce Development for the New Jersey Builders Utilization Initiative for Labor Diversity program. The Authority has already paid \$6,335.00 toward this program and this increase along with the previous nominal increase result in an additional \$1,539.50 due to the New Jersey Department of Labor and Workforce Development under this program. Therefore, the construction budget will be increased by \$35,539.50.

There are sufficient funds remaining from the Camden Economic Recovery Grant which will be utilized for this Project.

Recommendation

In summary, approval is requested to (i) execute a change order to the construction services contract with F.M. Schiavone Construction, Inc. up to the amount of \$34,000 for additional services to complete construction of the Kelly property parking lot project and (ii) increase the construction budget by \$1,539.50 to pay the additional amount due to the Department of Labor and Workforce Development for the required Chapter 335 Training Fund allocation. Accordingly, the total increase to the construction budget would be \$35,539.50, thereby increasing the total contract budget, which includes the payment to the Department of Labor and Workforce Development, for the Schiavone contract to \$1,576,439.50.



Tim Sullivan
Chief Executive Officer

Prepared by: Thomas P. Catapano



MEMORANDUM

TO: The Members of the Authority
FROM: Tim Sullivan, CEO
RE: Creation of a NJ Incubator & Collaborative Workspace Rent Initiative at CCIT
DATE: September 13, 2018

Request

The Members of the board are requested to approve the creation of a **NJ Incubator and Collaborative Workspace Rent Initiative (ICWRI)** program at NJEDA's Commercialization Center for Innovative Technologies (CCIT) in the. The ICWRI pilot program was approved by the NJEDA Board at the July 25, 2018 meeting (see exhibit A).

The request is to approve the availability of \$75,000, per the parameters described below, to allow potential qualified tenant applicants the ability to receive the same benefits as all qualified tenants in ICWRI participating incubators.

Background

The NJEDA has owned and operated CCIT, a life sciences incubator, since 2002. CCIT is located within the NJEDA's Technology Centre of New Jersey, a 50-acre, five-building research park. Consisting of 300,000 square feet of lab and office space, the Technology Centre was developed to meet the lab and office needs of entrepreneurial startups, to emerging R&D companies, to large established corporations in the life sciences. CCIT is almost 50,000 square feet with 27 wet labs and access to offices, conference rooms, and shared lab equipment. CCIT residents have access to a variety of professional and support services including open office hours by professional firms from the life sciences community. The incubator routinely hosts events such as New Jersey Founders & Funders, which introduces startup entrepreneurs to angel and venture investors, and Lunch & Learn presentations that bring in industry experts to discuss topics relevant to emerging companies. Over its history, CCIT has been home to almost 80 start-up life sciences companies including success stories such as Amicus Therapeutics, Advaxis, Chromocell and Genewiz.

Proposed Criteria for the NJ Incubator and Collaborative Workspace Rent Initiative at CCIT

Biotechnology is a high risk, high reward business. Unlike the software business model, it is not possible to develop a new drug, market it immediately to the public, and then make small adjustments along the way based on how it is received by the marketplace. To get a drug to market, a series of incrementally larger and more expensive trials are designed, approved, and conducted. All of these

trials have to be funded, yet none of them will generate cash for the business. This is why it costs up to \$1 billion to develop drugs, before companies can start making money off them.

New Jersey is the drug development and commercialization capital of the world and is home to 13 of the world's 20 top biopharmaceutical companies. The state boasts 3,280 life science establishments supporting 117,260 direct life sciences jobs and over 200,000 indirect jobs

Given the state's rich history as being a corporate pharmaceutical powerhouse, CCIT has proven success as a destination for ex-pharma scientists seeking to establish new biotech companies. With few exceptions, these companies have focused traditionally on research services versus stand-alone therapeutic drug discovery innovations. Contributing to the fewer therapeutic focused companies at CCIT may be due in part to the fact that New Jersey lags its peers in National Institute of Health (NIH) funding necessary to fuel R&D at the academic level. Therefore, there is less potential for life sciences commercialization. By example New Jersey has ~\$250 Million in annual NIH R&D funding compared to \$2.2 Billion in Boston/Cambridge and \$1.4B annual NIH funding in New York City.

As recommended by its Advisory Board, CCIT seeks to increase the number of drug discovery companies associated with academic medical centers residing at CCIT. The Incubator and Collaborative Workspace Rent Initiative could serve as a strong attraction tool to recruit these companies. Many of these companies are associated with Academic Medical Centers in neighboring Philadelphia and New York City. To achieve this goal, the proposed criteria for the NJ Incubator and Collaborative Rent Workspace Initiative at CCIT will require the following company attributes:

- 1) An experienced management team and/or principal(s) having substantial technical and/or managerial skills, experience and education. Leadership must have clearly defined success previously leading a commercial life sciences company – in terms of funding, leadership must have raised a minimum of \$15M in a prior biotech company.
- 2) Only companies focused on drug discovery technologies will be considered for participation in the CCIT ICWRI program. Preference to in-licensed new chemical entity (NCE) or drug discovery technology from a major Academic Medical Center. Consideration will be given to both in-state and out of state companies and to technologies in-licensed from both in and out of state Academic Medical Centers.
- 3) Companies must have a funding commitment of at least \$500,000. Preference to funding from a consortium of institutional venture capital firms. Angel investment will be considered.

The attributes noted above are in addition to CCIT's existing residency requirements. Through CCIT's application process, companies are selected that have strong fundamentals necessary for growth and success. Critical components in CCIT's current evaluation and analysis include an analysis for the management team, the technology(ies) and the business plan.

Delegated authority

Approvals under the CCIT ICWRI program grants for CCIT tenants would follow the same approval process as all CCIT tenants currently in place and be reviewed by the CCIT advisory board.

Financial Considerations

The CCIT ICWRI program will provide real estate partnership grants that offset rent for specific high potential early stage life science companies seeking to locate at CCIT. As detailed in the July 25, 2018 ICWRI program approval memo, each participating incubator can receive up to \$150,000 of support for their individual facility. The ICWRI benefit is to support the tenant companies. In the case of CCIT, a new ICWRI program will be created with funds from the CCIT budget that will offer the same benefits to qualified CCIT tenants as if the tenants were located at a qualified incubator or collaborative workspace. Additionally, this will provide a marketing and attraction tool for CCIT.

As designed, the original ICWRI program can finance up to 6 months of a company’s rent at a New Jersey collaborative facility. EDA provides matching grant funding, up to \$150,000, on a 2:1 basis. The collaborative workspace must only use grant funding to support tenant companies that commit to continuing to work at the facility for 1x the length of the total sponsored amount – EDA grant plus the community manager grant.

Program Commitment Structure			
A. EDA Subsidy	B. Space Subsidy	D. Tenant Commitment 1x (A+B)	Total Commitment A+B+C
2	1	3	6
4	2	6	12
6	3	9	18
<i>*all numbers represent months</i>			

Given the high cost of drug discovery and the high costs associated with the eligibility criteria stated above, CCIT will only consider a prospective tenant for an aggregate 18 month program commitment (which entails a total CCIT budget subsidy of 9 months, corresponding to the 6 months of NJEDA subsidy and the 3-month subsidy from the collaborative workspace in the regular ICWRI program; see highlighted row above).

As the intent is to provide the same structure and benefits as the regular ICWRI program, the subsidy in the CCIT ICWRI program will follow the same sequence as the regular ICWRI program: the first 3 months are subsidized by the workspace (in this case, it is EDA), then the tenant pays for its 9-month commitment, and then EDA pays for the final 6 months. The first example below is based on a company having two large labs at a cost of \$3,000/month/lab. The second example reflects a company having one small lab at a cost of \$2,300/lab.

CCIT Program Commitment Structure			
A. CCIT Budget Subsidy (3rd)	B. CCIT Budget Subsidy (1st)	D. Tenant Commitment (2nd) 1x (A+B)	Total Commitment A+B+C
6 months	3 months	9 months	18 months
\$ 36,000.00	\$ 18,000.00	\$ 54,000.00	\$ 108,000.00
<i>example based on a company having two large labs at a cost of \$3000/month/lab</i>			

CCIT Program Commitment Structure			
A. CCIT Budget Subsidy (3rd)	B. CCIT Budget Subsidy (1st)	D. Tenant Commitment (2nd) 1x (A+B)	Total Commitment A+B+C
6 months	3 months	9 months	18 months
\$13,800	\$ 6,900.00	\$ 20,700.00	\$ 41,400.00
<i>example based on a company having one small lab at a cost of \$2300/month</i>			

CCIT Budget Request

The Members of the Board are requested to approve up to a \$75,000 addition to the current CCIT budget to allow potential tenant applicants, under the terms detailed above, to receive the same benefits as all other qualified tenants in ICWRI participating incubators. The funding will be in the form of forgone rent.

It is anticipated that, given the parameters stated above, up to four companies in need of lab and office space could take advantage of the CCIT ICWRI pilot program’s benefits. The specific mix will be determined based on parameter fit and potential tenant needs for lab and office space at CCIT.

For context, the total 2017 revenues for CCIT were \$906,881 without administrative and employee expenses. Therefore, the \$75,000 request represents about 8% of the total 2017 revenues.

Per the recommendation of the NJEDA Real Estate Committee, the request herein is for the board to approve the creation of a ICWRI pilot program for CCIT tenants and will not reduce the ICWRI funds available to New Jersey’s other incubator and accelerator applicants. The CCIT ICWRI will mirror the financial aspects of the ICWRI program for biotech companies. However, funding for CCIT participation will not be drawn from ICWRI funds. CCIT will support the program in the form of foregone rents.

Recommendation

The Members are requested to creation of a NJ Incubator and Collaborative Workspace Rent Initiative for CCIT tenants under the criteria detailed herein.


 Tim Sullivan, Chief Executive Officer



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan
DATE: July 25, 2018
RE: Incubator and Collaborative Workspace Rent Initiative

Summary

The members of the Board are requested to approve a \$500,000 pilot grant program called the Incubator and Collaborative Workspace Rent Initiative (ICWRI). The program will provide real estate partnership grants that support the rent for early stage technology or life science companies to work in a New Jersey incubator or collaborative workspace (including accelerators or co-working spaces), and thereby further develop the state’s entrepreneurial eco-system. The pilot program will be capitalized through the Economic Recovery Fund (ERF).

The program is structured as a public-private partnership, where the EDA provides funding to the incubator or collaborative workspace to support the first months of a technology or life science company’s rent at the New Jersey workspace; and the workspace is required to provide additional rent support for a total grant of 3-9 months. The incubator or collaborative workspace can only utilize the grant funding for technology and life science companies that agree to continue renting space at the facility for an additional 3-9 months (matching the number of grant-funded months). To participate in the grant program, the partnering incubator or collaborative workspace must also commit to hosting at least 10 ecosystem/community building events each year (e.g., meet-ups, resident professional service office hours, education sessions, supplier or customer match-making events, etc.). See below and exhibits A for additional program details.

The ICWRI has three objectives, all of which help grow the innovation economy:

1. Provide support to New Jersey’s 45+ incubators and collaborative workspaces (and encourage the creation of new facilities) by increasing the number of young company tenants
2. Reduce the financial burdens for young technology and life science companies to enter incubators and collaborative workspaces, thereby increasing participation rates and improving the State’s innovation ecosystem
3. Further, improve the State’s innovation ecosystem by incentivizing more incubator and collaborative workspace-based events

It is well documented that young companies have a higher chance of success when they work in an incubator, accelerator or other collaborative workspaces. These spaces foster community engagement, provide needed support and encourage accountability among entrepreneurs. Connecting into these communities helps young companies navigate early challenges that can stall rapid company

growth. Similarly, increasing the number of companies in these spaces helps increase the density and visibility of the State's innovation ecosystem. Ultimately, a stronger innovation ecosystem leads to more successful companies that go on to scale and create high-quality jobs for the State.

While the benefits of working in a collaborative workspace are clear for young-startups, these companies are often capital constrained and must choose between paying rent, investing in product improvements or hiring additional talent. The ICWRI helps address this barrier while simultaneously enhancing demand for the State's incubators, accelerators, and co-working spaces.

This program aligns with EDA's and the Administration's efforts to support the innovation economy and fills a gap in EDA's current portfolio of support for very early-stage companies. Existing EDA programs for very early-stage companies currently focus on match-making and ecosystem building. For example, the NJ Founders & Funders program facilitates introductions between emerging New Jersey technology and life sciences companies and angel/institutional investors. The ICWRI will allow EDA to also provide financial support to these companies.

As these start-up companies mature, they can take advantage of EDA's other Innovation Economy support programs such as: direct investments through the NJ CoVest Fund, Edison Innovation Angel Growth Fund, and Edison Innovation VC Fund; monetization of tax and R&D credits through the Technology Business Tax Certificate Transfer Program (commonly known as the NOL program); investment attraction through the Angel Investor Tax Credit Program; and mentorship and lab/office space through one of EDA's Biotech Incubator and Research Park facilities.

Background

Incubators, accelerators and other collaborative working facilities bundle office/lab space for young companies with educational events and mentorship support. The benefits of entrepreneurs participating in these types of collaborative work spaces are well documented, including increased productivity and motivation, easier access to information, faster setup timelines, and increased brand exposure – all which contribute to a higher likelihood of success.

These types of collaborative workspace communities have grown throughout the United States. EDA staff have identified 45+ collaborative sites in New Jersey (31 co-working facilities, 7 incubators, and 8 accelerators). However, the State lags other innovation-oriented states such as New York, California, and Massachusetts in collaborative workspaces per capita. One way to incentivize the expansion and creation of new collaborative working spaces is by providing rent support to help attract new tenants. This support can be especially effective for newly established collaborative workspaces that are looking to build up their internal innovation community.

Many NJ startups in their early development stage choose to not move into a collaborative workspace because of the cost. They do not have enough capital to support growing their business while paying rent. Further, many of the most desirable NJ sites have upgraded their spaces with premium features including conference facilities with state-of-the-art video capabilities, on-trend open layouts, career development events, and 24/7 access – all of which have driven up monthly rental prices. For this reason, numerous startups have chosen to continue working remotely or move into standard office spaces that do not offer a collaborative working environment.

ICWRI commitment structure and length

To address the above opportunities, EDA staff is proposing the creation of a \$500,000 grant pilot program to finance 2, 4 or 6 months of a technology or life science company’s rent at a New Jersey Incubator, accelerator or other collaborative facility. EDA will provide the grant funding to an approved workspace to fund the rent of a technology or life science company. EDA will only make a grant if the approved ICWRI partner has agreed to match the grant on a 1:2 basis. Also, the ICWRI host may only use the grant funding to support tenant companies that commit to continuing to work at the facility for the same length of time as the total sponsored period – EDA grant plus the host site grant.

For example, a grant that covers 2 months of rent from EDA must be matched by a 1 month of rent from the ICWRI partner and an additional 3-month stay by the company at the space (see details in the chart below).

Program Commitment Structure			
A. EDA Support	B. Space Support	C. Tenant Commitment <i>1 x (A+B)</i>	Total Commitment A+B+C
2	1	3	6
4	2	6	12
6	3	9	18
<i>*all numbers represent months</i>			

To further assist the growth of incubators and collaborative workspaces, EDA will provide an additional month of grant funding for each of the following three bonus categories:

- i) Located in a designated *Opportunity Zone* census tract
- ii) Affiliated with a hospital system or a New Jersey university
- iii) Been open less than 90 days from day of application and cannot be in the same location as an existing facility.

All three categories can be utilized or “stacked,” however, the per tenant cap remains at \$15,000. These additional “bonus” months from EDA do not have to be matched by either the workspace or the tenant.

ICWRI qualification criteria and process

To qualify as an approved ICWRI partner site, an incubator or collaborative workspace must certify (citing specific, verifiable details as appropriate) that they have or have had a minimum of 5 unique paying tenants within the last 2 years (tenants must have an arms-length relationship with the ICWRI partner), have a cost of operating their facility (e.g., rent, mortgage, or company charge-back), offer hot desks, dedicated desk or private offices space, and will host at least 10 innovation ecosystem building events (e.g., meet-ups, resident professional service office hours, education sessions, supplier or customer match-making events, etc.) each year they participate in the program. ICWRI interested applicants formed less than 90 days before the approval request may qualify for the program if they have at least 3 signed prospective lease agreements and meet all other program requirements.

The ICWRI partner must also certify that the rent charged to program participating tenants is the same or comparable to the rates charged to other community members. They must submit a

satisfactory NJ tax clearance and a registration certificate to conduct business in NJ. The Authority will reserve the right to conduct site visits and/or audit to confirm any statement made in the collaborative workspace's certification. In instances where statements made in the workspace certification are found to be inaccurate, EDA may remove the Incubator and Collaborative workspace from program participation.

Once a workplace is approved, they are eligible to apply for a ICWRI grant. To apply, a workspace must reach an agreement with a prospective tenant on the length of the workspace's rent grant (1, 2, or 3 months). EDA's grant will be for 2x the collaborative workplace's commitment. The ICWRI partner must submit a grant application for this real estate partnership to EDA for approval. This grant application will include a certification (citing specific, verifiable details as appropriate) from the tenant company. This tenant certification will confirm that the company is: a technology or life sciences company that is less than 3 years from earliest formation, has less than 10 employees (1099, W2, or common law employees), has less than \$1,000,000 in trailing twelve months gross sales, has a minimum of one full time NJ employee (i.e., works more than 35 hours per week for the company) that will be working in the facility, and has not previously utilized a collaborative workspace in NJ (use of out-of-state collaborative workspaces does not disqualify the tenant).

The application must also append the tenant's registration certificate to conduct business in NJ, a 2-page company executive summary, and a lease or membership agreement with the approved collaborative workspace facility for a period no less than the total occupancy required by the grant. The lease or membership agreement may be contingent on the award of the grant and must be signed and finalized within +/- 30 days of the date of submission of the grant application (pending timely approval by EDA). Incubator and Collaborative workspace memberships that include access by the NJ tenant company to sites outside of the State are not permissible under this program.

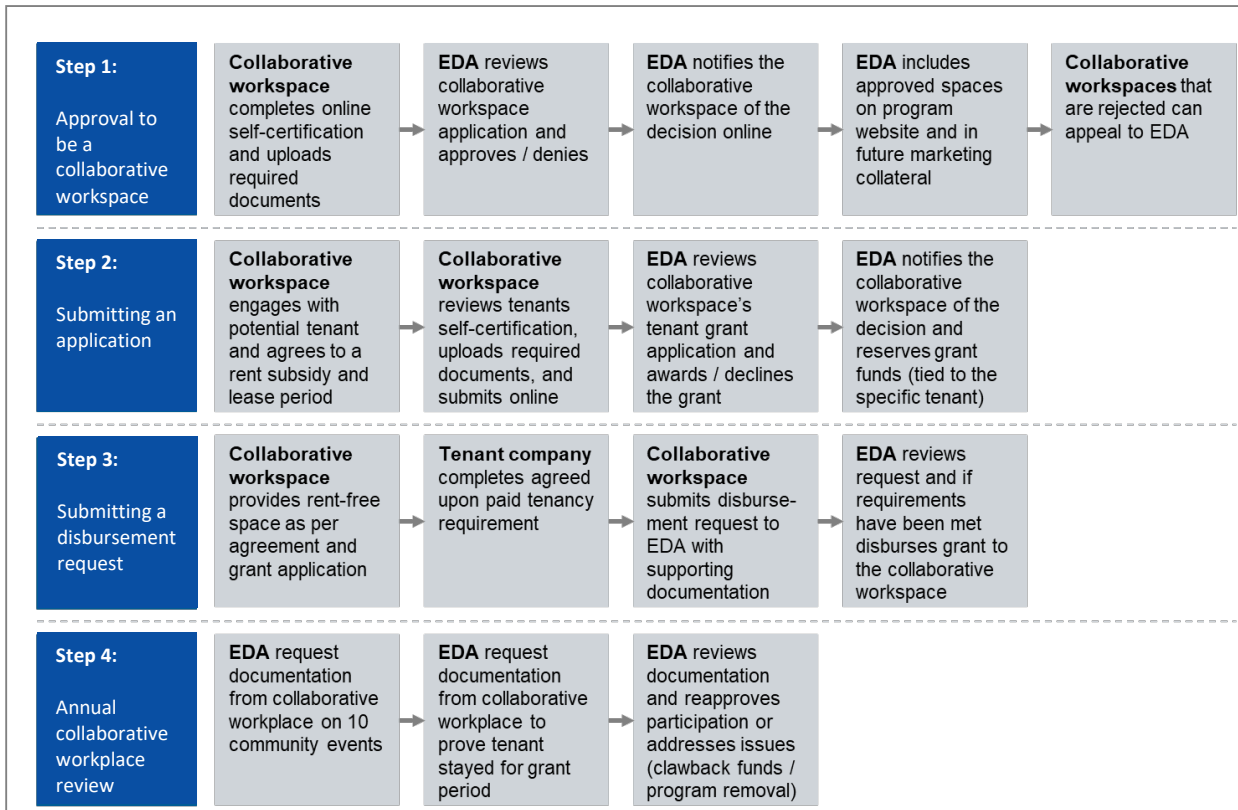
As part of the self-certification, the tenant must agree to allow the Authority to conduct site visits and/or audit the tenant to confirm any statement made in the tenant's certification. In instances where statements made in the tenant certification are found to be inaccurate, EDA may retract the grant and the ICWRI partner must return all unused portions of the funding.

To trigger the disbursement of the EDA grant, the ICWRI partner must have met its grant-supported rent commitment, and the tenant company must have remained at the facility for the additional tenancy period. The host will then submit a funding disbursement request with documentation that confirms both requirements have been met. EDA will review the documentation and pending any questions; the grant will be disbursed directly to the collaborative working space.

As part of this pilot program's requirements, the Incubator or Collaborative Workspace host will be required to hold a minimum number of 10 innovation ecosystem-building community events each year, including professional office hours (e.g., domiciled experienced attorney, accountant, investor). During a yearly collaborative workplace review, the ICWRI host partner will need to provide evidence that it hosted the 10 events. If there is no evidence that events were held, the facility will be removed from the approved ICWRI program list and not be able to participate in the program moving forward, but existing grants for tenant companies will not be revoked. In such cases, EDA will help the tenant companies source access to community events at another collaborative workspace. As part of the same annual review, EDA will request documentation that rent grants were fully utilized for the tenant companies for which each grant was awarded. If a company did not stay for the entire grant period, the ICWRI partner must refund EDA for the portion of the grant that was not used. For

example, if EDA provided a 6-month rent grant, but a tenant company left the workspace after 2 months, the ICWRI partner must refund EDA the remaining four months of rent.

Following are the steps for the grant process as detailed herein.



Additional ICWRI consideration and definitions

To make the program flexible to market demand and differing workspace operating strategies, each ICWRI partner will utilize its decision-making criteria when determining which tenants and for how long it would like to co-invest. For example, an accelerator program that already has high occupancy may choose to use the program selectively and only offer a maximum of 1-month rent grant on private office space, whereas a brand new co-working space might offer 2-months supported rent on its hot-desk, dedicated desks, and private offices to all companies that are trying a New Jersey-based incubator or collaborative workspace for the first time.

The maximum lifetime grant amount that can be provided to a workspace for use toward the rent of the same company under this program is \$15,000. The maximum amount of EDA grants that a workspace can match during the pilot is \$150,000

This program is designed to influence the behavior of incubators and other collaborative spaces along with the behavior of early stage companies that are less mature and face greater resource constraints than many of EDA's traditional loan, bond, or incentive applicants. Also, this program is designed to be highly scalable while still providing rapid application response times. Given these considerations, EDA is purposefully utilizing self-certifications for collaborative workspace approvals and tenant grant applications that reduce administrative burdens on applicants. This

reduced burden is meant to encourage broader program participation; however, we acknowledge that it also increases EDA's potential risk exposure. As the average level of support offered through the ICWRI is much smaller than many of EDA's other programs, EDA believes this tradeoff is appropriate and will yield a net positive benefit for the State's innovation economy.

The EDA staff estimates that pilot funding can support between 50 and 100 companies over an anticipated 6-12-month disbursement period. The EDA staff will revisit the opportunity after the first 6 months of disbursement and will report back to the Authority's Board on program metrics and pre-defined pilot success criteria.

For purposes of the ICWRI, technology and life sciences, as broadly defined, shall include advanced computing, advanced materials, biotechnology, electronic device technology, information technology, food technology, life sciences, medical device technology, health care technology, logistics technology, mobile communications technology, agriculture technology, and renewable energy. The EDA staff will provide any suggested changes to this definition at the end of the pilot program.

Additional guidelines and requirements are listed in attached Exhibit A. The launch of the new program is anticipated no later than the end of the third quarter of 2018.

Delegated authority

Beginning in July 2003 the Members of the Authority have been asked to delegate signing authority to staff on certain financing and incentive transactions, to create efficiencies for our customers and provide fluidity to our business. As the approvals anticipated in the ICWRI are anticipated to be routine in nature with very limited Authority exposure, and a shortened response time is critical to the success of the startup business, staff is requesting delegation from the Board to approve these ICWRI grants [Level 4: Vice President of TLS and recommending officer] when all program criteria outlined herein are satisfactorily met. This request is like other EDA programs of similar scope and size. All applications that staff recommends for declination, whether of entities seeking to participate in the program as collaborative workspace or of grants, will be presented to the Board. If program expands beyond the pilot stage, these delegation levels are to be revisited by the Board.

Recommendation

The Members are requested to approve the creation and implementation of the ICWRI pilot utilizing \$500,000 in ERF funding resources as substantially described in the attached Exhibit A.



Tim Sullivan, Chief Executive Officer
July 25, 2018

Prepared by: Rachel McCauley

Attachment:

- Exhibit A – ICWRI Specifications

**Exhibit A – Incubator and Collaborative Workspace Rent Initiative
Proposed Program Specifications**

Funding Source	Total funding for Incubator and Collaborative Workspace Rent Initiative (“ICWRI”) will be \$500,000 using eligible Authority funds from the Economic Recovery Fund (ERF).
Program Expiration	Program to operate on a pilot basis-funds will be committed within an estimated 6-12 months from acceptance of the first application or until such time that the funds are depleted.
Administrating Agency	New Jersey Economic Development Authority (the “EDA”)
Program Purpose	The purpose of the program is to further improve the innovation ecosystem within NJ by: i) increasing the number of young companies working in collaborative spaces thereby supporting collaborative working space ecosystems and incenting development of additional collaborative working spaces; ii) reducing the financial barriers for smaller cash-constrained start-ups to work in the collaborative spaces; and iii) encourage new and existing collaborative working spaces to provide more ecosystem support for their tenants.
Collaborative Work Space Eligibility Requirements	<p>To be accepted as an ICWRI facility, the collaborative workspace, needs to sign a verification form that certifies (citing specific, verifiable details as appropriate) that they meet the following requirements:</p> <ul style="list-style-type: none"> • Located in New Jersey • Has a minimum of 5 unique paying tenants over the last 2 years (tenants must have an arms-length relationship with the collaborative workspaces owners and operators); collaborative workspaces formed less than 90 days prior to the approval request may qualify for the program if they have at least 3 signed prospective lease agreements and meet other requirements • Has a cost of operating the facility (e.g., rent or mortgage or internal corporate charge-back) • Offer at least one variety of work space - private office space, hot-desks or dedicated desks • Will host at least 10 innovation ecosystem building events a year (examples of events include: meet-ups, speaker series, office hours for lawyers/ accountants/ consultants/ investors) • Will charge rent to tenants and confirm that the rent charged to the startup and being funded by the EDA is the same or comparable to the rates charged to other community members. • Will provide free rent to the startup company as defined in the program parameters outlined herein. • Qualifications for a “New” facility <ul style="list-style-type: none"> ○ Must be less than 90 days old from application date ○ Cannot be an expansion of an existing facility (i.e., adding additional square feet in the current building) <p>In addition to the verification form, the collaborative workspace must provide the following supporting documentation:</p> <ul style="list-style-type: none"> • Satisfactory NJ tax clearance • Registration certificate to conduct business in NJ

<p>Eligibility Requirements for Tenants Companies partnering with the Collaborative Workspaces</p>	<p>The collaborative workspace should ensure the tenant company signs a verification form that certifies (citing specific, verifiable details as appropriate) the company meets the following requirements:</p> <ul style="list-style-type: none"> • Is less than 3 years from the date of earliest formation • Has less than 10 employees (1099 and/or W2) • Has less than \$1,000,000 in trailing twelve months gross sales from application submission • Has a minimum of one full time (i.e., works more than 35 hours per week for the company) NJ employee that will be working in the facility (1099, W2, and common law employees are eligible) • Has not previously utilized a collaborative workspace in NJ (use of out-of-state collaborative workspaces does not disqualify the tenant) • Is a technology or life science firm (see definition above) <p>The company must support its verification form with the following documents:</p> <ul style="list-style-type: none"> • Registration certificate to conduct business in NJ • 2-page executive summary • Satisfactory signed lease or membership agreement with an approved collaborative workspace facility for a period of time no less than the total occupancy required by the grant • The lease must be for the facility in NJ, not a universal membership <p><i>The tenant must agree to allow the Authority to conduct site visits and/or audit the tenant to confirm any stamen made in the tenant’s certification.</i></p>
<p>Grant amount</p>	<ul style="list-style-type: none"> • Determined based on application request for number of months at the standard rent rates charged to all other applicant companies at the specified community for similar space • Maximum base reimbursement of 6 months’ rent, when first matched with 3 free months from the collaborative workspace and 3 paid months by the tenant • Grants are eligible for up to three 1-month bonus months of EDA provided rent support, which do not need to be matched by the collaborative workspace or the tenant. One bonus month of rent support is provided for each of the following three categories: i) the collaborative workspace is in an <i>Opportunity Zone</i>; ii) the collaborative workspace is affiliated with a NJ university or healthcare facility; iii) the collaborative workspace has opened within the last 90 days • Maximum amount per tenant company: \$15,000 (including bonuses) • Maximum amount per facility for pilot program: \$150,000 • Amount of grants that are not utilized for rent for the tenant company identified in the application will be clawed back by EDA during annual collaborative working space reviews
<p>Funding Disbursement</p>	<ul style="list-style-type: none"> • Full amount of the grant will be disbursed after the collaborative workspace has met its months of commitment in the space and the tenant company has remained for the additional months, from either 2, 4 or 6-month EDA funded amount as per ICWRI requirements - all disbursement will be made directly to the collaborative workspace for the benefit of the rent expense of the tenant company.

<p>Application and Approval Process</p>	<ul style="list-style-type: none"> • All NJ based collaborative workspaces must apply for participation into the ICWRI as detailed herein. • The collaborative workspace will apply for a grant to the EDA once it has partnered with a tenant company (e.g., signed a lease or a lease contingent on grant funding to start within 30 days +/- from grant application submission date). • Funds will be reserved for approved applicants while awaiting achievement of disbursement milestones. • The EDA is responsible for reviewing and approving the applications by ensuring that they submitted the necessary required documentation. • Applications will be reviewed on a rolling basis until all funds are committed, or program sunsets.
<p>Fees</p>	<p>None</p>
<p>Commitment to NJ</p>	<p><u>Incubator and collaborative workspace participation:</u></p> <ul style="list-style-type: none"> • Invest in a NJ early-stage technology or life sciences company by providing 1, 2, or 3 months of free rent. • The facility will need to make a commitment to holding 10 community events per year (e.g., host meetups, office hours for accountants/lawyers/investors/consultants, panels). Failure to perform the above may result in removal from the program and negatively impact the ability of the collaborative workspace to qualify for future EDA programs. <p><u>Grant:</u></p> <ul style="list-style-type: none"> • The workspace must confirm that the tenant company tied to the grant remained at the facility for at minimum the entire program commitment period. The program period includes the workspace grant rent period, tenancy period that is 1x the total grant funding, and EDA grant funded period. If the tenant company leaves the space before the full program period, the Collaborative Space will be required to refund the portion of the grant that was not utilized for the specific tenant rent.

BOARD MEMORANDUM



MEMORANDUM

TO: Members of the Authority
FROM: Tim Sullivan, Chief Executive Officer
DATE: September 13, 2018
SUBJECT: Projects Approved Under Delegated Authority –
For Informational Purposes Only

The following projects were approved under Delegated Authority in August 2018:

Premier Lender Program:

- 1) 470 West First Ave. LLC (P45173), located in Roselle Borough, Union County, is a real estate holding company formed to purchase the project property. The operating company, OEM Source, Inc. (“OEM”) was incorporated in 2006 and is presently operating out of three leased spaces in Brooklyn, NY. OEM is a wholesaler of consumer electronic accessories. ConnectOne Bank approved a \$2,970,000 bank loan contingent upon a 33.67% (\$1,000,000) Authority participation. Proceeds will be used to purchase the project property, enabling OEM to relocate its entire operations to NJ along with 70 existing jobs and create 10 new jobs over the next two years.

- 2) Pathways to Independence, Incorporated (“PTI”) (P45069), located in Kearny Town, Hudson County, was founded in 1977 as a private non-profit 501 (c) (3) entity providing vocational training to adults with developmental disabilities. Programs offered are intended to provide individuals with disabilities the opportunity to earn an income and to maximize independent living skills. Valley National Bank approved a \$720,000 bank loan contingent upon a 27.78% (\$200,000) Authority participation. Proceeds will be used to purchase the project property to expand PTI’s services and serve as a second location. Currently, the Company has 71 employees and plans to create six additional positions over the next two years.

A handwritten signature in blue ink, appearing to be 'G. Robins', is written over a horizontal line.

Prepared by: G. Robins