



MEMORANDUM

TO: Members of the Authority
FROM: Melissa Orsen
Chief Executive Officer
DATE: December 8, 2015
SUBJECT: Agenda for Board Meeting of the Authority December 8, 2015

Notice of Public Meeting

Roll Call

Approval of Previous Month's Minutes

Chief Executive Officer's Monthly Report to the Board

Authority Matters

Incentive Programs

Bond Projects

Loans/Grants/Guarantees

Office of Recovery

Board Memorandums

Real Estate

Executive Session

Public Comment

Adjournment

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

November 13, 2015

MINUTES OF THE MEETING

Members of the Authority present: Al Koepp, Chairman; Steve Petrecca representing Acting State Treasurer Ford M. Scudder; Colleen Kokas representing the Commissioner of the Department of Environmental Protection; Jeffrey Stoller representing Commissioner Hal Wirths of the Department of Labor and Workforce Development; Patrick Mullen representing Commissioner Richard Badolato of the Department of Banking and Insurance; Public Members: Joseph McNamara, Vice Chairman; Larry Downes, Charles Sarlo, Philip B. Alagia, Massiel Medina Ferrara, David Huber, and Harold Imperatore, Third Alternate Public Member; and Rodney Sadler, Non-Voting Member.

Members Present via conference call: Patrick Delle Cava, First Alternate Public Member.

Absent: Public Members Fred B. Dumont, and William J. Albanese, Sr., Second Alternate Public Member,

Also present: Melissa Orsen, Chief Executive Officer of the Authority; Timothy Lizura, President and Chief Operating Officer; Bette Renaud, and Kevin Mistry, Deputy Attorneys General; David Miller, Special Counsel; Michael Collins, Governor's Authorities' Unit; and staff.

Chairman Koepp called the meeting to order at 10 a.m.

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

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

MINUTES OF AUTHORITY MEETING

The next item of business was the approval of the October 15, 2015 meeting minutes. A motion was made to approve the minutes by Mr. McNamara, seconded by Mr. Downes, and was approved by the 12 voting members present.

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

CHIEF EXECUTIVE OFFICER'S MONTHLY REPORT TO THE BOARD

INCENTIVE PROGRAMS

ITEM: Notice of Proposed Amendments—Grow New Jersey Assistance Program

Notice of Adoption, Without Change and With N.J.A.C. 19:31-18.4(c) Not Adopted

REQUEST: To approve proposed amendments to the rules implementing the Grow New Jersey Assistance (Grow NJ) Program to address greater efficiencies in administration of the program; and, to approve a notice of adoption, without change and with N.J.A.C. 19:31-18.4(c) not adopted for proposed amendments to the Urban Transit Hub Tax Credit Program (UTHTC) Program to clarify certain deadlines for applications and reporting; and Grow NJ to clarify the administration of certain statutory elements of the program.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 1

Mr. Sarlo entered the meeting at this time.

Economic Redevelopment and Growth Grant Program

ITEM: One Journal Square Partners Urban Renewal Company, LLC APPL.#40469

REQUEST: To approve the application of One Journal Square Partners Urban Renewal Company, LLC for a project located in Jersey City, Hudson County for the issuance of tax credits. The recommendation is to award 17.22% of actual eligible costs, not to exceed \$34,000,000, in tax credits based on the budget submitted.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 2

Ms. Ferrara recused herself because the matter will come before the Hudson County Planning Board and she serves as Board Secretary and Planner.

Mr. Sarlo recused himself because his firm is involved with the applicant.

Grow New Jersey Assistance Program

ITEM: WW 1 Journal Square LLC APPL.#41291

REQUEST: To approve the application of WW 1 Journal Square LLC, for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Jersey City, NJ. Project location of Jersey City, in Hudson County qualifies as an Urban Transit HUB Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Qualified Incubator Facility and Transit Oriented Development. The estimated annual award is \$5,900,403 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 3

Ms. Ferrara recused herself because the matter will come before the Hudson County Planning Board and she serves as Board Secretary and Planner.

Mr. Sarlo recused himself because his firm is involved with the applicant.

ITEM: Anheuser-Busch InBev Worldwide Inc.

APPL.#41414

THIS PROJECT WAS WITHHELD FROM CONSIDERATION.

ITEM: Audio and Video Labs, Inc.

APPL.#41518

REQUEST: To approve the application of Audio and Video Labs, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Pennsauken Township, NJ. Project location of Pennsauken Township, in Camden County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Capital Investment in Excess of Minimum (non-Mega), Targeted Industry of Manufacturing, and 2007 Revitalization Index Greater than 465 in Camden County. The estimated annual award is \$147,550 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 4

ITEM: Borax Paper Products, Inc.

APPL.#41506

REQUEST: To approve the application of Borax Paper Products, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Secaucus Town, NJ. Project location of Secaucus Town, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The estimated annual award is \$332,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 5

ITEM: Comar Holding Company, LLC and subsidiaries

APPL.#41513

REQUEST: To approve the finding of jobs at risk.

MOTION TO APPROVE: Mr. Huber **SECOND:** Ms. Kokas **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 6

ITEM: Comar Holding Company, LLC and subsidiaries

APPL.#41513

REQUEST: To approve the application of Comar Holding Company, LLC and subsidiaries for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Voorhees Township, NJ. Project location of Voorhees Township, Camden County qualifies as a Priority Area under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Jobs with Salary in Excess of County Average and Targeted Industry of Manufacturing. The estimated annual award is \$85,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 7

ITEM: Frederick Goldman, Inc.

APPL.#41654

REQUEST: To approve the application of Frederick Goldman, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Secaucus Town, NJ. Project location of Secaucus Town, Hudson County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for a bonus increase to the tax credit award for Capital Investment in Excess of Minimum (Non Mega), Large Number of New/Retained Full-Time Jobs, Targeted Industry (Manufacturing). The estimated annual award is \$2,008,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 8

ITEM: IPAK, Inc.

APPL.#41519

REQUEST: To approve the finding of material factor in the decision to make capital investment and locate in Camden, NJ.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 9

ITEM: IPAK, Inc.

APPL.#41519

REQUEST: To approve the application of IPAK, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Camden City, NJ. Project location of Camden City, Camden County qualifies as a Garden State Growth Zone under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for bonus increases to the tax credit award for Deep Poverty Pocket, Transit Oriented Development, Targeted Industry of Manufacturing, Mega/GSGZ Ind. Project with Capital Investment In excess of Minimum, and 2007 Revitalization Index Greater than 465 in Camden County. The estimated annual award is \$1,710,000 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 10

ITEM: Radwell International, Inc.

APPL.#41250

REQUEST: To approve the finding of jobs at risk.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 11

ITEM: Radwell International, Inc.

APPL.#41250

REQUEST: To approve the application of Radwell International, Inc. for tax credits under the Grow New Jersey Assistance Program to encourage the applicant to make a capital investment and locate in Willingboro Township, NJ. Project location of Willingboro Township, Burlington County qualifies as a Mega Project under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for a bonus increase to the tax credit award for Large Number of New/Retained Full-Time Jobs. The estimated annual award is \$2,121,750 for a 10-year term.

MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Mullen **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 12

ITEM: Seton Hall-Hackensack School of Medicine

APPL.#41426

REQUEST: To approve the application of Seton Hall-Hackensack School of Medicine for tax credits under the Grow New Jersey Assistance Program to encourage the collaboration between a university and hospital to locate a new school of medicine in Clifton City, NJ. Project location of Clifton City, Passaic County qualifies as a Distressed Municipality under N.J.S.A. 34:1B-242 et seq and the program's rules, N.J.A.C. 19:31-18. The project is eligible, pursuant to the statute, for a bonus increase to the tax credit award for Jobs with Salary in Excess of County Average, Large Number of New/Retained Full-Time Jobs, Targeted Industry (Health), Vacant Commercial Building in excess of 1,000,000 sq. ft. The estimated annual award is \$1,693,750 for a 10-year term.

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 13

Grow New Jersey Assistance Program – Modification

ITEM: Great Socks, LLC

APPL.#41133

REQUEST: The board approved Great Socks, LLC for a \$15,000,000 Grow New Jersey Grant Award on August 11, 2015. Since then, the company could not procure the original project site, 1601-1607 Thorne Street, Camden City, Camden County and has identified a new location also in the city of Camden, 1535 Broadway.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 14

BOND PROJECTS

ITEM: NJEDA/Biomedical Research Facilities Bonds, Series 2016

REQUEST: Approve the issuance of one or more series of Biomedical Research Facilities Bonds, Series 2016. The 2016 Bonds will be used to (i) provide \$50,000,000 in proceeds for the costs of the Biomedical Research Facilities Project and (ii) pay the costs of issuance of the 2016 Bonds.

MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Stoller **AYES:** 13

RESOLUTION ATTACHED AND MARKED EXHIBIT: 15

ITEM: MSC State & River LLC

APPL.#40717

LOCATION: Camden City/Camden

PROCEEDS FOR: Construction of new building or addition

FINANCING: \$47,500,000 Taxable Qualified School Construction Bond

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

RESOLUTION ATTACHED AND MARKED EXHIBIT: 16

Combination Preliminary and Bond Resolutions

ITEM: Bnos Melech of Lakewood, Inc. APPL.#41386
LOCATION: Lakewood Township/Ocean
PROCEEDS FOR: Refinancing
FINANCING: \$7,800,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Mullen **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 17
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Cong Bnos Devorah Inc. APPL.#41070
LOCATION: Lakewood Township/Ocean
PROCEEDS FOR: Refinancing
FINANCING: up to \$5,752,500 Tax-exempt bond
MOTION TO APPROVE: Mr. Kokas **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 18
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Talmud Torah Bais Avrohom APPL.#41230
LOCATION: Lakewood Township/Ocean
PROCEEDS FOR: Refinancing
FINANCING: \$3,000,000 Tax-exempt bond
MOTION TO APPROVE: Mr. Alagia **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 19
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

ITEM: Chapin School APPL.#41514
LOCATION: Lawrence Township/Mercer
PROCEEDS FOR: Refinancing
FINANCING: \$8,200,000 Tax-exempt bond
MOTION TO APPROVE: Mr. McNamara **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 20
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

Preliminary Resolutions

ITEM: The Fred 101, LLC APPL.#41631
LOCATION: Secaucus Town/Hudson
PROCEEDS FOR: Acquisition/Renovation of existing building/Purchase of equipment and machinery
FINANCING: \$15,150,000
MOTION TO APPROVE: Mr. Downes **SECOND:** Mr. Ferrara **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 21
PUBLIC HEARING: Yes
PUBLIC COMMENT: None

LOANS/GRANTS/GUARANTEES

Local Development Financing Fund Program

PROJECT: The Patrick School, Inc. APPL.#41501
LOCATION: Elizabeth City/Union
PROCEEDS FOR: Acquisition of existing building
FINANCING: \$1,600,000 Valley National Bank loan with a 50% (\$800,000) EDA participation
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Huber **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 22

Petroleum Underground Storage Tank Program

ITEM: Summary of Petroleum UST Remediation, Upgrade & Closure Fund Program projects approved by the Department of Environmental Protection.
MOTION TO APPROVE: Ms. Kokas **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 23

PROJECT: John Manczur APPL.#41482
LOCATION: West Milford Township/Passaic
PROCEEDS FOR: Remediation
FINANCING: \$103,222

PROJECT: Steven Matthews APPL.#40556
LOCATION: Montclair Township/Essex
PROCEEDS FOR: Remediation
FINANCING: \$25,904

FOR INFORMATION ONLY: PUST and HDSRF Program Funding Status

OFFICE OF RECOVERY

Stronger New Jersey Programs

ITEM: Stronger NJ Business Program modifications
REQUEST: To approve modifications to the Stronger NJ Business Loan Program regarding eligible costs and the extension of disbursement deadlines through delegated authority for the Stronger NJ Business Grant, Loan, and Neighborhood Community Revitalization Programs.
MOTION TO APPROVE: Mr. Huber **SECOND:** Mr. Downes **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 24

Stronger New Jersey Business Loan Program

PROJECT: DMM Associates APPL.#41354
LOCATION: Beach Haven Borough/Ocean
PROCEEDS FOR: Renovation of existing building
FINANCING: \$2,123,233
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 25

BOARD MEMORANDUMS

FOR INFORMATION ONLY: Projects Approved Under Delegated Authority

Small Business Fund Program: Galvanic Printing and Plate Co., Inc. (P41311)

FOR INFORMATION ONLY: Technology & Life Sciences – Delegated Authority Approvals for 3rd Quarter 2015

REAL ESTATE

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with Trinity Hall for Building 2290 in the Tinton Falls Section of Fort Monmouth
REQUEST: To consent to the Fort Monmouth Economic Revitalization Authority entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment Agreement with Trinity Hall, Inc. for the sale and renovation of Building 2290 in the Tinton Falls section of the former Fort Monmouth.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 26

ITEM: FMERA Purchase and Sale & Redevelopment Agreement with TetherView for Russel Hall in the Oceanport Section of Fort Monmouth
REQUEST: To consent to the Fort Monmouth Economic Revitalization Authority entering into the redevelopment agreement that is contained within FMERA's Purchase and Sale & Redevelopment Agreement with TetherView Property Management, LLC for the sale and renovation of Russel Hall in the Oceanport Section of the former Fort Monmouth.
MOTION TO APPROVE: Mr. Dumont **SECOND:** Mr. Stoller **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 27

PUBLIC COMMENT

Catherine Jimenez, speaking on behalf of SEIU Local 32BJ which represents property service workers, stated that KABR and Kushner Companies proposal for One Journal Square includes 744 residential units, but no affordable housing. The position of SEIU is that this will have a detrimental effect on the residents of Jersey City.

Al Koepp – thanked Ms. Jimenez for her input and stated that the EDA’s function is to administer the programs as defined by the legislature and to determine whether the applicant meets those standards.

Mr. Robert Fleming, CEO, Hackensack Medical Center thanked the board for its approval at today’s meeting.

EXECUTIVE SESSION

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

MOTION TO APPROVE: Ms. Ferrara **SECOND:** Mr. Imperatore **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 28


The Board returned to Public Session.

The next item is to (i) approve the adoption of the Resolution; and (ii) approve and authorize the Chief Executive Officer, the Chief Operating Officer or the President to execute and deliver any documents necessary to implement such a settlement, including the execution and delivery of a settlement agreement, subject to final review and approval of all terms and documentation by Special Counsel and the Attorney General's Office.

MOTION TO APPROVE: Mr. Petrecca **SECOND:** Mr. Alagia **AYES:** 13
RESOLUTION ATTACHED AND MARKED EXHIBIT: 29

There being no further business, on a motion by Ms. Ferrara, and seconded by Mr. Imperatore, the meeting was adjourned at 11:40 am.

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



Erin Gold, Director, Governance & Communications
Assistant Secretary



MEMORANDUM

TO: Members of the Authority

FROM: Melissa J. Orsen
Chief Executive Officer

DATE: December 8, 2015

RE: Monthly Report to the Board

EDA-SUPPORTED BUSINESSES SHOWCASE PROGRESS IN NOVEMBER

Evidence of the impact of EDA-administered incentive programs continues to mount as projects are completed and milestones are celebrated.

I was pleased to celebrate at the official opening of 494 Broad Street in Newark, where the Urban Transit Hub Tax Credit program helped to support the expansion of an office building that is now home to a call center for Cablevision and several retail establishments. The project adds to the ongoing renewal of the Newark/Washington Park market into a vibrant commercial, retail and residential destination.

Also last month, I attended the opening of Honeywell's new headquarters in Morris Plains, where a legacy Grow NJ tax incentive helped to retain the company's significant corporate presence in New Jersey.

SMALL BUSINESS PROGRAM AWARENESS CAMPAIGN CONTINUES

Efforts to make small businesses around the State aware of EDA programs to help them grow continued in November.

A visit to Tri-Power Consulting in Denville showcased how a direct loan through EDA's Small Business Fund helped the engineering, design, manufacturing and consulting business establish a permanent home for the company at a location it had been leasing.

Also assisted by the Small Business Fund was non-profit Habitat for Humanity of Burlington County, which also now owns the building it had been leasing. The move was driven by the goal of expanding, and attracting more customers to its ReStore, which sells donated, secondhand items to raise money for the organization. During a visit in November, the organization cited how increased traffic at the ReStore has helped to double profits.

Favorable media coverage of these visits builds on the momentum of the EDA's new small and mid-sized business-focused print and digital marketing campaign, featuring the theme "EDA Was Here," which was created in collaboration with Princeton Partners, Inc. and launched in October.

SECOND ROUND OF EXECUTIVES-IN-RESIDENCE TO BE APPOINTED

The EDA is set to unveil the second group of life sciences professionals that will mentor and advise emerging technology companies through the Executives-in-Residence Program, located at the Commercialization Center for Innovative Technologies (CCIT) in North Brunswick. Developed in collaboration with BioNJ, the program is designed for life sciences executives in transition and offers several benefits, including: an office suite at CCIT, the title of Executive-in-Residence, exposure on the EDA's website, and access to networking opportunities throughout the State.

The rolling application process is highly competitive, with appointments of new Executives made on a semi-annual basis. Among the second group of Executives-in-Residence will be an entrepreneurial neuroscientist with vast pharmaceutical research and development experience, a former Principal Scientist with experience in immunotherapy strategies and drug discovery, and a former Vice President of Market Development with experience taking products from launch to billions of dollars in revenue.

In addition to the resources provided to CCIT tenant companies, the program has been beneficial to participating life sciences professionals as they move on to new ventures, in some cases full-time employment and/or consulting engagements.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

Through November 2015, EDA provided more than \$1 billion in assistance to 248 projects, supporting more than 8,100 existing jobs (more than 5,000 at risk of leaving NJ), the creation of more than 7,100 new jobs and more than 3,300 construction jobs, and leveraging more than \$1.2 billion in public/private assistance.

EVENTS/SPEAKING ENGAGEMENTS/PROACTIVE OUTREACH

EDA representatives participated as speakers, attendees or exhibitors at 25 events in November. These included the 2015 New Jersey State League of Municipalities Conference in Atlantic City, the NJTC 2015 Awards Celebration in Woodbridge, and the PlanSmartNJ 47th Annual Dinner in Princeton.



AUTHORITY MATTERS



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

MEMORANDUM

TO: Members of the Authority

FROM: Melissa Orsen
Chief Executive Officer

RE: 2016 Strategic Business Plan

DATE: December 8, 2015

We are pleased to share with the members the 2016 Strategic Business Plan that has been reviewed by the Policy and Audit Committees and is recommended to the full Board for its review and approval.

As you will see, this year's plan maintains the focus of our Strategic Imperatives first developed last year. The plan includes our commitment to using our resources to strengthen New Jersey's businesses and communities, improving our customer's interaction with the EDA through technology and dedicating resources toward staff development. Highlights of the plan include:

- Supporting the growth of small businesses through the provision of \$65 million in loan capital
- Identifying catalytic projects in each of the Garden State Growth Zones, as well as distressed municipalities and provide advocacy, financial and technical assistance to advance redevelopment
- Implementation of the second phase of the multi-year Enterprise Resource Management/Loan Management Assistance technology platform
- Attracting new talent to the EDA through a pilot recruiting program for college and graduate school internships.

As always, the EDA is committed to achieving our objectives and appreciates the support of the Board in the development of the 2016 plan.

A handwritten signature in black ink, appearing to be 'M. Orsen', is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Prepared by: Patience Purdy

2016 NJEDA STRATEGIC PLAN

Introduction

The New Jersey Economic Development Authority (EDA) is an independent State agency that serves as the State's financing arm, administering tax credits and financing small and mid-sized businesses. As in years past, our primary goals are to facilitate capital investment throughout New Jersey, grow and maintain jobs for all State citizens, and to demonstrate transparency and accountability in the administration of public funds.

While these goals remain consistent, the 2016 Strategic Plan also includes the EDA's internal growth initiatives ensuring our ability to manage and sustain programs in the future. These initiatives include advancing the customer experience through technology, dedicating resources toward staff development and creating a streamlined platform for each department's processes. The focus on Garden State Growth Zones and distressed municipalities remains and will now include measures to identify catalytic projects in those areas.

The EDA is committed to ensuring we meet our customers' needs while achieving our objectives. We believe the 2016 Strategic Plan with its continued focus on tracking objectives and measures to policy initiatives will keep us on our path to success in all aspects of economic development for the State. Further, the companion Fiscal Plan that is presented alongside the Strategic Plan ensures the staffing and resources are available to achieve our objectives.

Strategic Imperative 1: Grow NJ's economy through financial assistance and partnerships with businesses and municipalities to encourage economic growth, revitalization, and rebuilding.

Goal 1: Leverage opportunities presented by the New Jersey Economic Opportunity Act for targeted industries and greater urban impact.

- Identify catalytic projects in each of the Garden State Growth Zones, as well as distressed municipalities
- Ensure stakeholder awareness of programs through communications and outreach plan
- Initiate public policy and performance review of EOA incentives per statute
 - Measure: Identify and develop projects with the aim of providing technical and financial assistance to advance three catalytic projects
 - Measure: Execution of a coordinated communications, marketing and outreach plan for Garden State Growth Zones and targeted industries
 - Measure: Execute contract with incentive review entity and complete baseline data entry by June 2016

Goal 2: Align EDA's financial resources, staff capacity, and delivery mechanisms with the needs of businesses and communities.

- Improve customer experience through utilization of technology
- Focus resources on active premier lenders/local community banks and increase impact to small businesses through Community Development Financial Institutions
 - Measure: Create online modification application by year end 2016
 - Measure: Provide \$65 (FY15 \$60m)million in assistance through approved loans to small businesses, including Stronger NJ programs
 - Measure: Increase overall loan portfolio exposure by 10%

Goal 3: Advance community development in targeted areas through partnerships with municipalities and state agencies.

- Advance core projects in targeted areas that will provide a service to other State agencies
- Investigate establishment of a Site Assistance Fund eliciting input from municipal and county partners
- Enable FMERA to advance identified projects at Fort Monmouth to assist with FMERA's goal of area revitalization
 - Measure: Advance the redevelopment of a Trenton project

- Measure: Meet with GSGZ municipal economic development staff to determine needs under the proposed Site Assistance Fund
- Measure: Evaluation by FMERA dedicated EDA staff of four redevelopment opportunities

Goal 4: Provide resources to meet the needs of emerging technology companies by supporting strategic partners.

- Direct investments to support the technology community
- Collaborate with equity partners to increase awareness of New Jersey businesses and investment opportunities
- Increase awareness and ultimately utilization of the newest EDA technology initiatives including Angel Tax Credit program, Founders & Funders, and Executive-in-Residence program
- Promote collaboration with Higher Education to identify and leverage emerging opportunities.
 - Measure: Advance investment commitment to invest as a limited partner in NJ centric venture fund(s).
 - Measure: Amend the Edison Innovation fund terms to enable support to more early stage NJ technology companies.
 - Measure: Increase awareness through social media by building out followers on LinkedIn and Twitter and developing a tech blog.
 - Identify opportunities to lease space at Fort Monmouth to technology companies through a lease/sublease structure between FMERA and EDA

Goal 5: Manage and administer HUD funded programs for Sandy recovery.

- Maintain compliance with Federal program requirements
- Maintain a strong working relationship with partners at BPU, DCA, DEP
 - Measure: Evaluate 5 ERB projects
 - Measure: Finalize review of all Stronger New Jersey programs by year end 2016
 - Measure: Close out Sandy grant program applications by year end 2016

Strategic Imperative 2: Advance a financially sustainable business platform while focusing on mission driven investments.

Goal 1: Generate new and increased resources.

- Ensure that fees and asset earnings meet program costs and expenses while maintaining EDA's mission
- Continue efforts to seek alternate sources of revenue and capital
 - Measure: Grow planned, program-generated revenue by 5%(FY15 10%)
 - Measure: Sell one asset monetization parcel
 - Measure: Complete repositioning study of the Technology Center of New Jersey
 - Measure: Initiate and receive third tranche of SSBCI funds

Goal 2: Minimize increases in operating expenses.

- Continue efforts to minimize the increase to unanticipated asset management costs.
- Create a culture of sustainability, where costs are a factor in everyday decision making at all staff levels
 - Measure: Control expenses and costs to be within 3% of budgeted amounts for each department and program
 - Measure: Limit increases of controllable asset management costs to 3.5% over 2015 actual
 - Measure: Create transition plan for electronic board agenda

Strategic Imperative 3: Support the effectiveness of the EDA through improved resources, infrastructure, and processes.

Goal 1: Strengthen existing staff capacity and leadership effectiveness.

- Continue to inform an HR strategy to assess organizational competency and performance improvement management.
- Deliver targeted leadership and professional development sessions and maintain a long-term focus on learning agility
- Increase staff effectiveness by attracting and retaining high quality talent
 - Measure: Dedicate appropriate HR resources to identify critical skills needed to maximize organizational effectiveness and efficiency for the long-term, using results to inform future strategy
 - Measure: Continue to execute against existing leadership and professional training plans throughout 2016, focusing on high-critical positions informed by an updated succession planning exercise
 - Measure: Enhance operations of the HUD Division through continual review and mapping of the organizational structure with ongoing business needs during 2016
 - Measure: Implement a pilot recruiting program through internships, identify and hire a minimum of three high potential candidates over two years

Goal 2: Enhance EDA operations with an emphasis on cycle time and process management.

- Continue implementation of the multi-year Enterprise Resource Planning (ERP) / Loan Management System project, improve network infrastructure, access, and use of technology tools
- Examine existing internal department operations with an emphasis on process improvement
- Evaluate process for new and revised programs and products.
 - Measure: Leveraging the business process analysis, requirements gathering, and initial development work done in 2015, we will continue the build & testing phase through 2Q, finalize data migration and user testing in 3Q and go live by end of 4Q 2016.
 - Measure: With several significant IT-related enhancements completed during 2015, including migration of email and voice services to the Cloud, additional systems modifications will occur in 2016 to create a more fully developed disaster recovery action plan by the end of Q4.
 - Measure: Use procurement functions identified for improvement and data collected during 2015 as a springboard for measuring reduced cycle times in 2016. Complete a report summarizing results by year-end.
 - Measure: Centralize ownership of program and product development and establish documented processes.



TO: Members of the Authority

FROM: Timothy Lizura,
President and Chief Operating Officer

DATE: December 8, 2015

SUBJECT: FY16 Fiscal Plan

Enclosed for your review, discussion and approval is the proposed FY16 Fiscal Plan. It is the result of a collaborative effort by management and staff. Collectively, we believe our planning process has yielded a fiscally responsible plan that supports the proposed FY16 Strategic Business Plan.

You will note the 2016 Strategic Business Plan details imperatives in support of our three key business objectives: 1) to grow New Jersey's economy, 2) advance a financially sustainable business platform, and 3) support the overall effectiveness of the Authority through improved resources, infrastructure and processes. The first objective is primarily reflected within the Fiscal Plan's revenue and program cost projections; the second and third, with fiscally responsible expense and cost constraints.

The proposed Fiscal Plan reflects a deliberative approach in the projection of operating revenues, expenses and costs. With the Administration's prioritized initiatives, such as incentive financing, as well as anticipated distributions on certain of the Authority's later-stage venture fund investments, and the potential sale of Authority property, we are projecting increased activity in specific programs which, we believe, will result in sustained operating revenue as well as a decrease in program costs in 2016. Relative to administrative expenses, the Authority is committed to accomplishing its strategic objectives in the most efficient manner possible. To that end, EDA core headcount will reflect an increase from 151 planned for FY15 to 153 for FY16, including positions related to the administration of increased Incentives activity. Associated G&A expenses reflect an increase of 8.8% over FY15 Plan, however, as needed upgrades in the areas of Office Operations and Building Management are expected to be one-time, non-recurring expenditures in the coming year.

At \$1,781,000, FY16 Planned NOE is 3.2% higher than FY15 Planned, although lower than 2015 Projected activity, which was helped by the success of existing venture fund investments this year. Other significant revenue categories are anticipated to remain flat with FY15 Plan or see small decreases based on the roll-off of existing loans (Interest on Notes); the potential sale of property (Lease Revenue); and anticipated changes with the BEIP program through State FY16 (Program Services). Since the Fiscal Plan is seen as a metric of performance, management is pleased to report that the FY16 Plan continues to align with the Authority's fundamental asset allocation premise that current year revenues will fund current year operational expenses, and will not rely on prior period earnings to do so.

At present, aggregate headcount is expected to be 142 by year-end; therefore, the FY16 Plan provides for 11 vacant positions (of which only 2 are new) at an average fully-loaded cost of roughly \$125,000 each. As noted, many of these vacancies have been tailored to reflect anticipated increases in specific activity.

Also reflected are the following benefit expense items:

- The EDA contribution to PERS reflects an increase of \$460,000 over 2015, related to the additional staff in the Office of Recovery. Any amount that can be attributable to dedicated Office of Recovery staff will be sought as a reimbursable fringe item;
- Estimated post-employment benefit obligation of \$1,074,000 is actuarially established;
- Health insurance premiums increased, on average, 7% depending on plan and level of coverage selected, however, approx 26% of total premiums are expected to be paid by employees, up from 23% in the FY15 Plan, enabling the Authority to recapture approximately \$670,000 of this cost.

Program Costs represent expenditures that align with specific programs, projects, and initiatives. At \$6,603,000, the FY16 Plan provides for a decrease of 10.5% below FY15 Projected (15.6% below FY15 Plan), and is attributable largely to the proposed sale of the aforementioned property and the related elimination of specific asset management (ie: Maintenance & Repair, Utilities, PILOT) and liability insurance costs. Anticipated feasibility costs and program outreach of \$500,000, respectively, are consistent with the prior year Plan.

In summary, management believes the compilation of the FY16 Fiscal Plan has been a collective process that interrelates with and supports the FY16 Business Plan. At its meeting of November 13th, the Plan was reviewed by the Audit Committee which concurred it is fiscally responsible and aligns with the FY16 Business Plan; accordingly, Board's approval is requested.



Prepared by:

Richard LoCascio, CPA
Controller

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2016 FISCAL PLAN

	2015 Fiscal Plan	2015 Projected Actual	Actual Over/(Under) Plan	% Variance	2016 Fiscal Plan	'16 Plan to '15 Plan % Variance
Operating Revenue:						
Financing Fees	\$11,248,000	\$12,633,000	\$1,385,000		\$11,961,000	
Lease Revenue	9,222,000	8,790,000	(432,000)		6,837,000	
Interest from Notes	5,000,000	4,400,000	(600,000)		4,625,000	
Agency Fees	883,000	770,500	(112,500)		771,000	
Program Services	790,000	722,500	(67,500)		365,000	
Venture Fund Distributions/Warrants		5,039,000	5,039,000		2,850,000	
Real Estate Development Fees	898,000	920,600	22,600		961,000	
Sale of Assets	540,000		(540,000)		297,000	
Late Fees and Other	50,000	25,000	(25,000)		50,000	
Total Operating Revenue	28,631,000	33,300,600	4,669,600	16.3%	28,717,000	0.3%
Non Operating Revenue:						
Interest from Cash Investments	1,600,000	1,650,000	50,000		1,900,000	
Total Non Operating Revenue	1,600,000	1,650,000	50,000	3.1%	1,900,000	18.8%
Total Revenue	30,231,000	34,950,600	4,719,600	15.6%	30,617,000	1.3%
Administrative Expenses						
Personnel and Benefits	17,357,000	16,024,400	(1,332,600)		18,775,000	
General and Administrative	3,023,000	2,997,600	(25,400)		3,404,000	
Total Administrative Expenses	20,380,000	19,022,000	(1,358,000)	-6.7%	22,179,000	8.8%
Program Costs						
Interest	132,000	131,800	(200)		33,000	
Cost of Assets Sold	165,000		(165,000)		21,000	
Program	7,828,000	7,375,000	(453,000)		6,603,000	
Total Costs	8,125,000	7,506,800	(618,200)	-7.6%	6,657,000	-18.1%
Total Expenses & Costs	28,505,000	26,528,800	(1,976,200)	-6.9%	28,836,000	1.2%
Net Operating Earnings	\$1,726,000	\$8,421,800	\$6,695,800	387.9%	\$ 1,781,000	3.2%

CASH TRANSACTIONAL ITEMS

Operating Revenue:						
FMERO Staff Reimbursement	\$1,439,400	\$1,340,000	(\$99,400)		\$1,419,000	
Loss recoveries		230,000	230,000			
Total Operating Revenue	1,439,400	1,570,000	130,600		1,419,000	
Administrative Expenses						
FMERO Personnel & Benefits	1,439,400	1,340,000	(99,400)		1,419,000	
Office of Recovery Personnel & Benefits	6,301,000	5,700,000	(601,000)		5,953,000	
<i>*(Reimbursement due for OR Personnel)</i>	<i>(6,301,000)</i>	<i>(5,700,000)</i>	<i>601,000</i>		<i>(5,953,000)</i>	
Disaster Recovery A-133 Audit	30,000		(30,000)			
ERP Procurement	3,095,000	1,352,500	(1,742,500)		1,743,000	
Program Costs						
Office of Recovery Advisory Services		60,000	60,000		60,000	
Tech Centre Parking Lot & Improvements					1,075,000	
Technical Assistance	300,000	300,000			300,000	
Total Expenses & Costs	4,864,400	3,052,500	(1,811,900)		4,597,000	
Net Cash Transactional Items	(\$3,425,000)	(\$1,482,500)	\$1,942,500		(\$3,178,000)	

* **Note** : 10/31 YTD Reimbursement due for Core EDA staff devoting time to OR activity is \$261,000, and will be reflected as an increase to net assets upon receipt, as will full reimbursement for dedicated OR personnel & benefits.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2016 FISCAL PLAN

	Revenue Detail				2016	'16 Plan to
	2015	2015	Actual	%	Fiscal	'15 Plan
	Fiscal	Projected	Over/(Under)	Variance	Plan	%
	Plan	Actual	Plan			Variance
Financing Fees						
Application Fees	\$993,000	\$1,076,000	\$83,000		\$913,000	
Bond Closing Fees-Private	500,000	700,000	200,000		550,000	
Bond Closing Fees-State	300,000		(300,000)		300,000	
Bond refunding Fees-Private	50,000	275,000	225,000		50,000	
Bond refunding Fees-State	250,000	600,000	350,000		300,000	
Commitment Fees Credit	298,000	130,000	(168,000)		349,000	
Loan Closing Fees Credit	101,000	107,000	6,000		125,000	
Guarantee Closing Fees	135,000	70,000	(65,000)		90,000	
Commitment Fees ERGG	1,200,000	1,675,000	475,000		133,000	
Closing Fees BEIP	2,000	2,000				
Closing Fees ERGG	1,380,000	488,000	(892,000)		1,024,000	
Angel Tax Credit Approval Fees	150,000	270,000	120,000		270,000	
GROW NJ Approval Fees	3,540,000	3,865,000	325,000		4,315,000	
GROW NJ Issuance Fees	1,404,000	1,550,000	146,000		2,698,000	
Hub Tax Credit Issuance Fees	890,000	1,500,000	610,000		794,000	
Other	55,000	325,000	270,000		50,000	
Total Financing Fees	11,248,000	12,633,000	1,385,000	12.3%	11,961,000	6.3%
Lease Revenue						
NY Daily News	119,000	119,000			119,000	
Commercialization Ctr & Expansion	805,000	907,000	102,000		857,000	
IDEA	6,000	7,200	1,200		7,000	
SPF-Philadelphia 76ers		28,000	28,000		28,000	
Technology Centre of NJ	6,607,000	6,075,800	(531,200)		5,532,000	
Waterfront Tech Ctr at Camden	1,685,000	1,653,000	(32,000)		294,000	
Total Lease Revenue	9,222,000	8,790,000	(432,000)	-4.7%	6,837,000	-25.9%
Agency Fees						
Board of Public Utilities Clean Energy	277,000	170,000	(107,000)		170,000	
Commercial Revitalization	5,000		(5,000)			
Historic Trust Fund	1,000	500	(500)		1,000	
NJ Local Development Financing Fund	450,000	450,000			450,000	
New Markets Tax Credit	150,000	150,000			150,000	
Total Agency Fees	883,000	770,500	(112,500)	-12.7%	771,000	-12.7%
Program Services						
BEIP Service Fees	500,000		(500,000)			
BRRAG Service Fees	192,000	185,000	(7,000)		303,000	
HUB Annual Review Fee	10,000	17,500	7,500		21,000	
HUB Tax Transfer Fee	10,000	12,500	2,500		21,000	
Municipal Economic Recovery Initiative		2,000	2,000			
Public/Private Partnership	78,000	504,900	426,900		20,000	
SWM Business Service Fees		600	600			
Total Program Services	790,000	722,500	(67,500)	-8.5%	365,000	-53.8%
Real Estate Developmnt and Mgt Fees						
Development Fees						
Camden Prison	160,000	4,700	(155,300)		248,000	
Greystone	50,000	50,000				
Total Development Fees	210,000	54,700	(155,300)	-74.0%	248,000	18.1%
Management Fees						
Aquarium	600,000	677,900	77,900		600,000	
Bio-Medical Administrative Fee					25,000	
NJ Performing Arts Center	25,000	25,000			25,000	
State Office Buildings	63,000	63,000			63,000	
SPF-Philadelphia 76ers		100,000	100,000			
Total Management Fees	688,000	865,900	177,900	25.9%	713,000	3.6%
Total RE Developmnt&Mngt Fees	898,000	920,600	22,600	2.5%	961,000	7.0%

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**2016 Fiscal Plan
Administrative Expenses**

	2015 Approved Plan	2015 Projected Actual	Actual Over/(Under) Plan	% Variance	2016 Fiscal Plan	'16 Plan to '15 Plan % Variance
SALARY EXPENSE	\$11,968,000	\$11,329,000	(\$639,000)	-5.3%	\$12,593,000	5.2%
FRINGE BENEFITS						
Social Security	888,000	760,000	(128,000)		928,000	
Pension Costs	855,000	855,000			1,315,000	
Non-health related Ins.	193,000	167,000	(26,000)		202,000	
Health Insurance	2,368,000	2,006,300	(361,700)		2,535,000	
Less: Employee Contribution	(537,000)	(601,400)	(64,400)		(670,000)	
Post-employment benefits obligation	857,500	857,500			1,074,000	
Prescription Ins.	609,000	518,000	(91,000)		643,000	
Dental Care Ins.	134,000	115,000	(19,000)		134,000	
Vision Care	21,500	18,000	(3,500)		21,000	
TOTAL FRINGE BENEFITS	5,389,000	4,695,400	(693,600)	-12.9%	6,182,000	14.7%
TOTAL PERSONNEL AND FRINGE	\$17,357,000	\$16,024,400	(\$1,332,600)	-7.7%	\$18,775,000	8.2%
Total Salaried Employees	151	142	(9)		153	

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
2016 Fiscal Plan
Administrative Expenses**

	2015 Approved Plan	2015 Projected Actual	Actual Over/(Under) Plan	% Variance	2016 Fiscal Plan	'16 Plan to '15 Plan % Variance
PERSONNEL RELATED						
Part-time Employees	\$60,000	\$50,000	(\$10,000)		\$58,000	
Temporary Agencies	40,000	22,000	(18,000)		65,000	
Publications & Subscriptions	7,000	5,500	(1,500)		7,000	
Automobile	19,000	12,500	(6,500)		16,000	
Local Travel & Meetings	35,000	34,500	(500)		37,000	
Affirmative Action Monitoring	10,000	9,600	(400)		10,000	
Conference	15,000	15,000			15,000	
Professional Training	113,000	108,500	(4,500)		132,000	
TOTAL PERSONNEL RELATED	299,000	257,600	(41,400)	-13.8%	340,000	13.7%
CONTRACT SERVICES						
Financial Audit	175,000	170,000	(5,000)		205,000	
Actuarial Assessment		17,500	17,500			
HR Consultation	25,000		(25,000)			
Governor's Authorities Unit Assessment	36,000	33,600	(2,400)		35,000	
TOTAL CONTRACT SERVICES	236,000	221,100	(14,900)	-6.3%	240,000	1.7%
INFORMATION SYSTEMS						
System Maintenance	205,000	192,500	(12,500)		127,000	
System Software	140,000	120,500	(19,500)		174,000	
System Hardware	111,000	95,300	(15,700)		110,000	
Major Projects	60,000	55,000	(5,000)		60,000	
CRMS	110,000	111,200	1,200		90,000	
Online Subscriptions	117,000	125,000	8,000		108,000	
Communications	162,000	166,200	4,200		200,000	
External Services Providers	50,000	60,500	10,500		61,000	
TOTAL INFORMATION SYSTEMS	955,000	926,200	(28,800)	-3.0%	930,000	-2.6%
OFFICE OPERATIONS						
Utilities	279,000	251,200	(27,800)		260,000	
Postage & Delivery	30,000	15,700	(14,300)		21,000	
Rent	76,000	72,000	(4,000)		112,000	
Insurance-liability & property	272,000	266,500	(5,500)		274,000	
Equipment Maintenance	19,000	16,900	(2,100)		18,000	
Furniture/Equipment lease/purchase	118,000	163,300	45,300		221,000	
Stationary & Supplies	110,000	74,500	(35,500)		102,000	
TOTAL OFFICE OPERATIONS	904,000	860,100	(43,900)	-4.9%	1,008,000	11.5%
BUILDING MANAGEMENT						
Facility Management	115,000	113,100	(1,900)		117,000	
Buiding Security Guard	114,000	114,700	700		115,000	
Janitorial	122,000	126,100	4,100		130,000	
Taxes/PILOT	60,000	59,100	(900)		61,000	
Grounds	60,000	94,000	34,000		70,000	
Parking Lot	31,500	22,900	(8,600)		233,000	
Mechanical Maintenance	94,500	168,800	74,300		125,000	
TOTAL BUILDING MANAGEMENT	597,000	698,700	101,700	17.0%	851,000	42.5%
GENERAL	32,000	33,900	1,900	5.9%	35,000	9.4%
TOTAL GEN'L & ADMIN. EXPENSE	\$3,023,000	\$2,997,600	(\$25,400)	-0.8%	\$3,404,000	12.6%
TOTAL ADMINISTRATIVE (Excl FM/OR)	\$20,380,000	\$19,022,000	(\$1,358,000)	-6.7%	\$22,179,000	8.8%

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2016 FISCAL PLAN

Program Cost Detail

	2015 Fiscal Plan	2015 Projected Actual	Actual Over/(Under) Plan	% Variance	2016 Fiscal Plan	'16 Plan to '15 Plan % Variance
Asset Management						
Environmental Fees	\$4,000		(\$4,000)		\$4,000	
Maintenance and Repair	1,602,000	\$1,746,600	\$144,600		1,807,000	
Property Management	350,000	338,000	(12,000)		261,000	
Taxes and PILOT	1,291,000	1,366,800	75,800		1,136,000	
Utilities	1,475,000	1,475,600	600		1,024,000	
Total Asset Management	4,722,000	4,927,000	205,000	4.3%	4,232,000	-10.4%
Outreach						
Contracts	400,000	386,400	(13,600)		400,000	
Outreach Support	38,000	16,400	(21,600)		25,000	
Events & Sponsorship	62,000	73,400	11,400		75,000	
Total Outreach	500,000	476,200	(23,800)	-4.8%	500,000	
Consultation/Legal						
Deputy AG Contracted Fees (Excl. FMERO)	875,000	770,000	(105,000)		800,000	
Other Litigation (Special Counsel)		110,000	110,000		50,000	
BEIP iDMS Programming	75,000	180,000	105,000		90,000	
Camden Waterfront Survey	35,000		(35,000)		35,000	
Incentive Programs Audit					50,000	
Garden State Growth Zone	200,000		(200,000)		100,000	
Rutgers University Study		33,000	33,000		30,000	
Space Planning - WTCC	20,000		(20,000)			
Tech Centre Repositioning	100,000		(100,000)		185,000	
Real Estate Advisory/New Project Development	300,000	300,000			100,000	
Total Feasibility Consultation	1,605,000	1,393,000	(212,000)	-13.2%	1,440,000	-10.3%
Services						
Appraisals of Collateral	25,000	35,000	10,000		30,000	
Credit Reporting Services	10,000	4,000	(6,000)		8,000	
Realtor Commissions	455,000	107,000	(348,000)			
Total Services	490,000	146,000	(344,000)	-70.2%	38,000	-92.2%
Insurance						
Property & Liability Insurance	380,000	312,900	(67,100)		263,000	
Total Insurance	380,000	312,900	(67,100)	-17.7%	263,000	-30.8%
Other						
Camden Waterfront Landscaping	22,000	22,000			22,000	
Debt Servicing	32,500	32,400	(100)		32,500	
Filing Fees	6,000	4,000	(2,000)		6,000	
Program Related Travel & Meetings	45,000	35,000	(10,000)		42,000	
Searches-Titles, Leins, Property	10,500	11,500	1,000		12,500	
Other	15,000	15,000			15,000	
Total Other	131,000	119,900	(11,100)	-8.5%	130,000	-0.8%
Total Program Costs	\$7,828,000	\$7,375,000	(\$453,000)	-5.8%	\$6,603,000	-15.6%

INCENTIVE PROGRAMS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: December 8, 2015

SUBJECT: Incentives Delegations – Grow New Jersey (Legacy & EOA)

Request:

Increase the award cap threshold for Grow New Jersey projects that require administrative changes to their grants from \$10 million to \$25 million to provide efficiency for our customers while ensuring that appropriate oversight and signing authority for these projects. All other complex changes to these projects will continue to require board approval. As with all delegations, these matters will be reported to the members quarterly.

Background:

Beginning in July 2003, the members' approval has been sought to delegate signing authority to staff on a certain financing and incentive transactions to create efficiencies for our customers and to provide fluidity to our business. Since 2013, the delegations have been reviewed semi annually to insure that delegations approved by the members continue to align with business objectives.

In June 2013, the members approved three actions:

- I. A level change (from Level 2 [CEO or President/COO with an SVP or Managing Director and Director] to Level 3 [SVP or Managing Director with a Director] for the Business Employment Incentive ("BEIP") to approve administrative changes including: name changes, address changes, internal mergers of subsidiaries 'without job creation', reducing the new employment commitment, ("NEC") or adding a Professional Employment Organization (PEO) provided that 1. the PEO is organized under the NJ official definition; 2. is registered and approved by the NJ Division of Labor; 3. the grant company is compliant with all terms and conditions of its grant agreement; 4. The grant proceeds are disbursed in a check payable to the grant company; 5. The grant company and PEO agree to the release of tax information to each other and to the Division of Taxation in order to complete and audit the payroll reports; 6. The grant company and PEO enter into a PEO contract which is reviewed and found satisfactory to the Authority; 7. Outsourced jobs are not included;

- II. New delegations (Level 2 [CEO or President/COO with an SVP or Managing Director and Director]) to approve stock sales, mergers, spinoffs, separations or divestitures for the grantee or parent company when the BEIP company and the acquiring company meet the following conditions: have no legal issues that rise to level of debarment, agree to a 20% cap and \$50K cap on withholding (if not already in effect), an 80% statewide employment test applied at time of modification and meet all other terms and conditions of the grant through the originally contracted commitment duration (no extension) of term and that only one BEIP with the BEIP jobs remains in New Jersey and the other jobs that move out of state are no longer counted for companies receiving less than \$10 million in grant proceeds;

Complex changes to BEIP grants, including but not limited to asset sales, past or pending legal issues, spinoffs/separations or divestitures that result in BEIP jobs being split proportionately into separate grants that share jobs formerly counted on the original BEIP, complex negotiated settlements, unwinds, large public or private companies receiving more than \$10 million in grant proceeds; and

- III. Extension of these delegations to our other Incentive Programs: the Business Relocation and Growth Grant Program (“BRAGG”), the Urban Transit Hub Program (“HUB”) and Grow New Jersey (“Grow”).

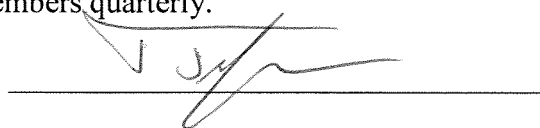
Over the past two years, EDA has approved 184 projects under the Legacy and Economic Opportunity Act of 2013/2014 as amended. Of those 184 projects, 114 or 62% exceed the \$10 million maximum threshold delegated approval under the existing delegation, making it challenging at best for our customers to request and receive timely approval from EDA to on these changes – all of which are required for the applicants to remain in compliance on their award approvals.

To improve the efficiency in consenting to these transactions, the members are asked to approve an increase the delegation to staff from \$10 million to \$25 million for administrative changes. All other complex changes, those requiring legal review and those exceeding \$25 million in aggregate awards will continue to request board action.

Recommendation:

Consent to increase in staff delegations (Level 3) from \$10 million to \$25 million to provide efficiencies for our customers while ensuring that appropriate oversight and signing authority under these delegations protects our management of these accounts.

These actions will continue to be reported to the Members quarterly.

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

Prepared by: Lisa Coane

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



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: December 8, 2015

RE: **30 West Pershing, LLC**
Economic Redevelopment and Growth Grant Program (“ERG”)
P #41412

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG 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. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program’s rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. Grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of 30 West Pershing, LLC (the “Applicant”) for a Project located in Edison, Middlesex County (the “Project”), for the reimbursement of eligible taxes generated by the Project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$28,840,939 and of this amount \$28,840,939 are the estimated eligible costs under the ERG program. The Applicant is requesting an ERG award of \$4,579,282, which is respectively 15.8% of actual eligible costs.

Project Description

The vacant site is located at 939 US Highway One situated near one of the busiest highway interchanges in the State and within minutes of multiple exits on Interstate 287 and Exit 10 on the New Jersey Turnpike. The Applicant plans to construct a three-story driving range, bar/restaurant, event center and entertainment venue consisting of 66,657 square feet, of which 50,326 is useable, in addition to an outdoor outfield. The entrance to the building is on the main level and will feature 34 hitting bays, a full-service bar/restaurant, and a 2,900 square foot corporate meeting and event space. Each hitting bay can accommodate up to five seated guests, and includes multiple televisions along with a flat screen monitor that replays each player's drive and records its accuracy and distance through the use of a patented microchip imbedded in the golf balls. The bar/restaurant area will accommodate up to 120 patrons, and will be open to guests that will be waiting for a hitting bay and to those who come to mingle and watch sports on the many televisions. The event space can accommodate up to 192 seated attendees and will be equipped with state of the art technology equipment. The lower level will be at grade on the tee line and will also feature 34 hitting bays, outfitted with the same technology as bays on the main level. A family lounge area, where kids and parents can take a break from the action, will be situated on the lower level as well. Additionally, the lower level will include a 2,494 square foot full-service kitchen.

The upper level will consist of 34 more hitting bays and an open-air rooftop terrace. The rooftop terrace will be enclosed by a four-foot parapet with a three-foot tall plexiglass barrier, which creates a buffer of seven feet to screen noise from adjacent activities. The rooftop terrace will be furnished with tables, couches and fire pits and can accommodate live music with a small stage on the southern end of the terrace. The facility will be oriented towards the outfield, which is estimated to be approximately six acres in size and 240 yards from the tee to net line. The outfield will feature eleven illuminated round targets, each of which has sensors that provide scoring based on proximity to the center of the target.

According to the market study dated August 26, 2015, prepared by Ernst and Young, it is mentioned that Top Golf has operated as a premier golf entertainment facility since launching in 2005. Top Golf currently has 15 locations in full operation since 2014. It is also noted that Top Golf has hosted over four million guests in 2014 and employs approximately 5,000 individuals. The projected visitation for the proposed development is 375,000 visitors per year. The market study, does however mention that Top Golf will see a reduction of visitor's at approximately 11.6% lower than their other facilities due to the optimal weather days in NJ. Top Golf believes that the facility will achieve 259 days of optimal weather each year or respectively 71% of the year. The average spend per visitor will be \$49, which will be comprised of golf, food and beverage and other revenue generated by Top Golf facilities.

For the purposes of the required green component, the project will adhere to the US Green Building Council ("USGBC") Leadership in Energy and Environmental Design ("LEED") minimum Silver on the USGBC-LEED rating systems. Specifically, the project will include a number of key environmentally friendly building practices including the installation of heat-reflective, energy efficient white thermoplastic polyolefin roofing, and utilization of recycled crushed concrete and steel and regionally sourced materials. Waste generated in the construction process will also be recycled. The facility will decrease water usage by installing low flow faucet aerators and low flow toilets which use significantly less water than a full-flush toilet. Additionally, the site will include water efficient landscaping and utilize rubber drip lines,

sprinkler bubblers and drought resistant plants. An energy efficient indoor ventilation system will be installed and once operational, the facility will be cleaned using eco-friendly products.

It is anticipated that the project will create 260 temporary construction related jobs, 268 full time positions and 260 part time jobs. The number of permanent jobs are consistent with Top Golf's other facilities that are currently operating.

On March 26, 2015, Terracon Consultants, based out of Plainfield NJ prepared a Phase I environmental review of the site and concluded that there were no environmental conditions identified in connection with the site.

The Project is anticipated to start construction by year end with a completion date of December 31, 2016.

Project Ownership

30 West Pershing, LLC ("Tenant") and Edison Land Investment, LLC ("Landlord") has entered into a 25 year ground lease for the subject site. The annual rent during the term will be fixed for the first five years and escalated by 10% every five years, starting in year 6. It is also agreed that the tenant will pay to the landlord, all real estate taxes. The lease was fully executed by all parties earlier this year.

30 West Pershing is incurring the bulk of the cost for the construction of the building in which they will own. The building will have a 20 year operating lease between Top Golf as the tenant and 30 West Pershing as the landlord. The annual base rent will be paid in 12 equal monthly installments for the first five years with a slight increase every four years thereafter. The letter of intent for the proposed lease was fully executed in August of this year. As per the letter of intent, there is a contingency in effect that states "30 West Pershing's receipt of the ERG grant shall be contingent upon the ground lease and sublease of the proposed project."

Top Golf will also be responsible for paying a portion of the ground lease payments to 30 West Pershing, who in return will pay Edison Land Investment, LLC.

The project is located in a redevelopment area. The site is currently an undeveloped field that sits on approximately 14 acres of land. The parent parcel was the location of the prior Ford Motor Company Assembly Plant from 1948 until closure in 2004.

It has been confirmed that the landlord and tenant have no related interest.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>ERG Eligible Amount</i>
Acquisition of Land and Buildings	\$ 0	\$ 0
Construction & Site Improvements	26,277,758	26,277,758
Professional Services	1,484,879	1,484,879
Financing & Other Costs	1,078,302	1,078,302
TOTAL USES	\$ 28,840,939	\$ 28,840,939

<i>Sources of Financing</i>	<i>Amount</i>
Debt Financing	\$ 9,158,565
Equity:	
30 West Pershing	13,737,847
Top Golf (pre-paid rent)	5,944,527
Total	\$ 28,840,939

The Applicant will be drawing from a line of credit being provided from their parent company. The rate is estimated to be 2% for a term of 10 years. The Applicant has demonstrated that they have the ability to fund the equity required to complete the project.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR 7.37%	Equity IRR 10.81%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 10.81% which is equal to the Standard Hurdle Rate Model provided by EDA's consultant Jones Lang LaSalle, which indicates a maximum IRR of 11.20% for a retail project located in Edison.**

Net Positive Benefit Analysis:

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority must undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis with the following taxes included in the Net Positive Benefit calculation:

- 1] 66% of the incremental annual corporate business tax;
- 2] 66% of the incremental gross income tax;
- 3] 100% of the incremental one-time tax generated from the Project's construction;
- 4] 100% of the incremental indirect tax revenues from spending and earnings;

The ERG net positive benefit analysis includes 67 new full time retail positions with an annual blended wage of approximately \$28,000 before benefits, for a total annual payroll of \$1.87million.

The Project is not deemed a destination facility. As such, none of the sales taxes collected by the State can be deemed net new based on Authority policy. The ERG award to 30 West Pershing is equal to the lesser of (1) 15.8% the eligible projects costs or (2) an amount that results in the projects present value of the net benefit to the State to be a minimum 110% of the award. The project's present value of the net benefit to the State totals \$7.66 million and represents 167% of the proposed \$4.58 million award. As such, the award amount complies with the program.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project.

The market study illustrates there are few if any comparables for upscale golf facilities in the Northeast region, as such, the concept's viability is based on demographic similarities between Edison and other markets in which Top golf has operations, and their success in those markets.

The Township of Edison is the fifth most populous city in the State of New Jersey. Spanning 31 square miles, Edison is home to approximately 100,000 residents and numerous historical sites. Unfortunately, due to the outsourcing of manufacturing jobs, the Ford Motor Company was forced to close their assembly plant in 2004, leaving 700 residents of Edison and the surrounding area unemployed.

The site is located in a redevelopment zone as per the Redevelopment agreement, and the viability of this incentive will aide to spur development in the City of Edison. The anticipated cost of construction for the proposed Edison facility is greater than historical construction costs incurred in other markets. The prototypical Top golf facility costs approximately \$21 million to construct, however the total cost of the proposed Edison project is almost \$27 million. The additional costs are the result of a number of factors and requirements unique to New Jersey including the following: Labor and construction material costs in New Jersey are some of the highest in the U.S. and the required use of prevailing wage rates adds additional expenses to the labor and material

costs. Compliance with unique environmental rules and regulations also adds to construction expenses in New Jersey. In addition, state law requires payment of a non-residential statewide development fee of 2.5% for non-residential development as a contribution to the municipality's affordable housing trust fund. Green Building standards required to receive State assistance add additional costs to the project that are currently not required in other markets.

Without the support of an ERG incentive grant, these increased costs will force the Applicant to require higher operating lease revenues. However, a higher operating lease expense will decrease Top Golf's rate of return to a level not acceptable to their Board of Directors. If operating lease expenses can be maintained at a level commensurate with the typical \$21 million construction cost, Top Golf is confident that its model can succeed in the Central New Jersey marketplace. Given certain unknowns that come with entering a new marketplace, the return required by the Top Golf Board of Directors takes into consideration the risk of entering a yet un-tested market. If the rate of return required by the Board of Directors is not achievable, it will not be feasible for the Applicant and Top Golf to move forward. The ERG incentive grant will allow the Applicant to absorb the additional construction costs and keep the operating lease expense to a level that Top Golf can sustain, while still ensuring the Applicant and Top Golf a reasonable rate of return. Therefore, the ERG incentive grant is a critical component to the success and viability of the project.

Per the project's financial returns as mentioned earlier and to obtain the funding necessary to develop this project, there is a demonstrated need for the ERG tax credit incentive.

The Project appears to be economically feasible based on the track record of the Applicant and their development team as well as the funding sources for the entire cost budget which is available to this project.

The degree to which the redevelopment project within a municipality which exhibits economic and social distress, will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The Township of Edison is highly supportive of the proposed project, as it aligns with the Township's comprehensive planning objectives and growth strategies. This project is an example of the smart growth development concept as it will be located strategically at an existing highway and local road networks so as to minimize the need for additional public investment. Additionally, by clustering development together at Edison Towne Square, the Township is able to center development so that sewer and water infrastructure, as well as parking uses, are shared and thereby minimizing environmental impacts and the need for public infrastructure spending. The Township's support is further evidenced in the Letter of Support fully executed by the Mayor.

The activities associated with the proposed redevelopment project are consistent with all State, regional, and local comprehensive land use plans and strategies. Development of the project, and other induced business activities, will strengthen the local tax base and promote the utilization of a distressed parcel of land. In particular, the project promotes the principles championed at the State and local level that aims to focus on new construction in clusters, thereby maximizing infrastructure investments while minimizing environmental impacts. The project substantially advances the transformation of a former manufacturing site into a new, promising commercial use in the fast growing market of sports entertainment. The project site is near an existing interchange

at Interstate 287 and US Highway 1, thus utilizing the existing road infrastructure reducing the need for further public infrastructure spending. As part of a planned clustered development of retail shops, restaurants, and entertainment destinations, the project promotes the sharing of sewer and water infrastructure, which further minimizes the need for public investment in those systems, reducing impacts to the environment and inconvenience to the public. The project further diversifies the local economy, providing sources of revenue outside the manufacturing, health care and office space industries, which the region has relied upon in the past. With an estimated 8.5% of Middlesex County residents living below the federal poverty line and 6.0% of residents unemployed, these new job opportunities will be welcomed in the community. The project will utilize the necessary principles to bring an innovative and unique new economic engine to the Edison community that will generate hundreds of new jobs, substantial new tax revenues and stimulate local economic activity.

The Project will promote significant economic development and job creation through both the substantial construction costs and ongoing operating expenses. The Project will help jumpstart the Edison Towne Square development by utilizing a currently vacant parcel and developing a 66,657 square foot, three-story modern golf facility that will attract guests both regionally and from across State lines. The Project will help attract a significant number of new customers to the retail center and help generate additional demand for retail and dining options in the Towne Square. Construction of the facility will create an estimated 260 construction related jobs and approximately \$1.3 million in sales tax revenue on construction materials, resulting in significant indirect and induced benefits to the surrounding area. Top Golf will also create an estimated 500 new permanent jobs once the facility is operational and will also provide approximately \$1.8 million in annual employee wage compensation. Additionally, the project is expected to create an estimated \$215,000 in annual local residential property tax revenue and approximately \$145,000 in sales tax revenues tied to annual Top Golf employee consumption and spending. With an estimated 8.5% of Middlesex County residents living below the federal poverty line and 6.0% of residents unemployed, these new job opportunities will be welcomed in the community.

The market analysis supports the expected annual revenue of \$18.5 million in the first year of operation at the Edison facility and generation of approximately \$1.4 million in annual sales and use tax revenues and an estimated \$310,000 in Corporation Business tax, with increasing revenues and tax projections in later years. Additionally, the project is expected to create an estimated \$410,000 in annual local property tax revenue.

Recommendation

Authority staff has reviewed 30 West Pershing, LLC application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within twelve months of approval:

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Documentation that the project is not using other State or local incentives.
5. Receipt of the fully executed operating/master lease between EPR and Top Golf: Award is subject to being reduced if the IRR exceeds the maximum hurdle rate of 11.20%

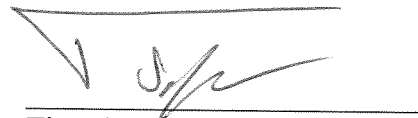
Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent Certificate of Occupancy;
2. Submission of a detailed list of all actual eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year. It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Actual Eligible Project Costs: \$28,840,939

Eligible Tax Credits and Recommended Award: 15.8% of actual eligible costs, not to exceed \$4,579,282 to be paid over twenty years.



Timothy Lizura
President and Chief Operating Officer

Prepared by: Jenell Johnson



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: December 8, 2015

RE: **Advance at Harrison, LLC**
Economic Redevelopment and Growth Grant Program
P #41362

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG 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. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program’s rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. Grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of Advance at Harrison, LLC (the “Applicant”) for a Project located at the intersection of Frank E. Rodgers Boulevard, Guyon Drive and 5th Street (block 138.01, part of lot 1), Harrison, Hudson County (the “Project”), for the reimbursement of eligible taxes generated by the project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$39,851,956 and of this amount \$37,871,157 are the estimated eligible costs under the ERG program. Standard commercial ERG reimbursement is 20% of eligible cost. The applicant is eligible for an ERG award of 30% of actual eligible costs which equates to \$11,423,535 due to the location of the Project being within one half mile of a rail station. Due to the Project’s net positive benefit analysis, the ERG award was limited to \$10,385,031. The recommendation is to award 27.42% of actual eligible costs, not to exceed \$10,385,031. Note that once actual eligible project costs have been certified by the CPA, the maximum ERG will be capped at this 27.42% figure.

Project Description

The project is located within the Riverbend Redevelopment District which has been subdivided into six development blocks (A through F) encompassing 28 acres. The Riverbend District is generally located at the southern-most tip of Harrison and Hudson County and is essentially bounded on three sides by the Passaic River which separates Hudson and Essex Counties. Downtown Newark (Essex County) is located across the Passaic River to the west; the Ironbound section of Newark is located across the Passaic River to the south; the newly constructed Red Bulls Stadium and industrial trucking operations are located to the east; and the Harrison PATH lines and I-280 are located on the north. The overall Riverbend District property was acquired by the Town of Harrison through eminent domain and transferred to Advance at Harrison LLC on December 13, 2005 for \$11,240,000. A portion of the property known as Block C was sold to Russo Development in 2011 which is under development with Vermella Harrison, a 403 unit apartment complex. Phase 1 (100 units) opened after Labor Day 2015 while Phase 2 (200 units) and Phase 3 (100 units) are tentatively scheduled to open in April and July 2016, respectively.

Advance (referenced in the memo as the “Developer” as individual entities are formed for each development project and there is no parent organization or holding company for totality of the portfolio) has commenced construction of 286 apartment units in a five story apartment building and 287 parking spaces that will be wrapped by the apartments on Block E. An Advance-DeBartolo joint venture recently commenced site construction with completion projected for August 2017. The remaining four development blocks, including the property which is the site of the proposed project, are vacant and ready for development.

Block A contains an overall area of 4.904 acres bound by Guyon Drive on the north; Frank E. Rodgers Boulevard on the east; Fifth Street on the west; and Riverbend Drive on the south. Final site plan approval has been granted for a six-story, 150-room hotel and 4,515 square feet of ground floor retail space on the northern portion of this block. The property will operate as an AC Hotel, a select service brand of Marriott Hotels.

Although the hotel will initially be located on 1.38 acres, its building pad comprises 0.65 acres. The remaining 0.73 acres will be improved with a temporary, 75 space surface parking lot. This area will eventually be redeveloped as part of mixed use Block A which has received General Development Plan approval for a 60,000 square foot, ground-level grocery anchor, 42,000 square feet of retail/restaurant space, a 95,000 square foot wellness center and 412 residential units in five story buildings.

Once a parking deck is constructed, near the new PATH Station Plaza, redevelopment of the remainder of Block A will take place and the 75 temporary surface parking spaces will be relocated to the deck. In exchange for surrendering its redevelopment rights to the land underlying the proposed parking deck, Advance reserved the right to lease 165 parking spaces within the deck. Advance will assign the right to 75 of the 165 reserved spaces to the hotel operator (Marriott) who will, in-turn, lease 75 spaces from J. Supor Construction (whom Advance assigned the right to develop the garage).

At this future point, the hotel land area will be reduced to its 0.65 acre pad as the 75 space temporary parking lot will be released for the remaining redevelopment of Block A. The value of the project property “as is” as determined by an appraisal completed by Welsh Chester Galiney

Matone, Inc. dated October 15, 2015 is \$6.375 million which is the amount notated in the project budget. The appraisal of the property is based on the extraordinary assumption that either 75 adjacent surface parking spaces or 75 deck parking spaces will be reserved to the hotel pad.

The proposed AC Hotel will be located one block south of the northbound (NYC) entrance to a new \$256 million Harrison PATH Station which is currently under construction and is scheduled to be completed in 2017. It is reported to be the most expensive train station recently constructed in New Jersey and accommodates a very large commuter ridership.

The subject is also located across the Passaic River from Newark Penn Station and short distances from Jersey City's Hudson River waterfront, New York Penn Station and Newark Liberty International Airport. The immediate surrounding neighborhood is in the midst of very significant apartment-based mixed-use redevelopment. In addition, a 138 room Westin Elements select-service hotel opened diagonally across from the subject property in 2014. This project was supported by the Authority via an ERG (P # 37296 approved November 2011 in the amount of \$7.25 million).

Harrison's once thriving industrial base was defined by Guyon Piping, Crucible Steel, Lionel Trains, RCA and other major industrialists. Over time, these and other companies moved out leaving behind vacant buildings that created a \$100 million loss in assessed value. In 1998 Harrison formed a Redevelopment Agency which created The Waterfront Redevelopment Zone from approximately 235 acres located between the PATH rail lines which bisect the city from east to west and the Passaic River which separates Harrison and Hudson County from Newark and Essex County. In 2001, Advance Realty Group, Millrose Developers (Millennium Homes/Roseland Properties), Harrison Commons (Pegasus Group/Applied Companies) and Heller Urban Renewal were selected to execute the Harrison Waterfront Redevelopment Plan.

The proposed hotel site encompasses portions of the former Guyon Piping/Catco Equities property which was improved with various abandoned industrial buildings that have since been demolished. The subject property was "blighted" in accordance with the Harrison Waterfront Redevelopment Plan dated October 2003 and applicable redevelopment law. The Developer provided the Redeveloper Agreement for a portion of the Waterfront Redevelopment Area between The Harrison Redevelopment Agency and Advance At Harrison, LLC as Redeveloper dated February 2001 and various amendments thereto.

The northern subject portion of Block A has been granted final site plan approval on February 25, 2015 for a six-story, 83,000 square foot, 150-room AC Hotel. The hotel will also offer an 883 square foot classroom style conference room that can seat 30, a breakfast room, fitness room and other common areas as well as back-of-the house facilities required to support the hotel and 4,515 square feet of ground floor retail. The exterior and interior of the hotel will have contemporary finishes; the room count is summarized below.

Room Type	No. of Rooms	% of Total
King	93	62.0%
Double	36	24.0%
Queen	4	2.7%
King Suites	8	5.3%
Accessible Rooms	9	6.0%
Total	150	100%

The AC Hotel brand is one of Marriott's lifestyle hotel formats that originated in Europe and involves smaller, contemporary style, select-service hotels. This brand has recently been introduced in the U.S. market (New Orleans) and will serve as a conveniently accessible lower cost alternative to New York City hotels. The AC Hotel has the significant benefit of being part of Marriott International and benefits from the reservation and guest loyalty programs.

The project is estimated to create 176 construction jobs. Upon completion of the project approximately 48 new full-time positions with an annual blended average wage of approximately \$31,000 before benefits, for a total annual payroll in excess of \$1.5 million. The Applicant intends to comply with the green building requirements via the NJBPU Pay for Performance standards.

Construction is anticipated to start in the first quarter of 2016 with an estimated completion by the second quarter of 2017.

Project Ownership

The Applicant is a special purpose entity created for the development of the AC Hotel project. The applicant is owned by four entities, Padco Management Inc. (0.5%), Advance Capital Partners, LLC (74.5%), Advance Realty Development, LLC (15%) and Advance at Gateway Manager (10%). Advance Realty Development, LLC's common stock is 100% owned by Advance Capital Partners, LLC (with 100% of the preferred stock held by ADCAP Funding, LLC) which is owned principally by Padco Partners LP which is 94.7% owned by the Coccoziello Family Trusts. Peter Coccoziello started Advanced in 1986 and their current portfolio consists of approximately 4.6 million square feet of primarily office space owned and managed of which 75% is located in the New Jersey and Pennsylvania region.

Project Uses

<i>Uses (thousands)</i>	<i>Total Amount</i>	<i>ERG Eligible Amount</i>
Land	\$ 6,375,000	\$ 6,375,000
Construction, FFE & Site	\$ 25,189,041	\$ 25,189,041
Professional Services	\$ 1,081,888	\$ 1,081,888
Financing & Soft Costs	\$ 4,589,844	\$ 4,070,538
Contingency	\$ 1,154,690	\$ 1,154,690
Developer Fee	\$ 1,461,493	\$ 0
TOTAL USES	\$ 39,851,956	\$ 37,871,157

Total project costs are reduced by \$1,980,799 to arrive at ERG eligible costs and exclude the developer fee plus \$519,306 in pre-opening costs which are deemed ineligible.

Project Sources

The Applicant will be utilizing the following sources to complete the project:

<i>Sources</i>	<i>Amount</i>
Applicant Equity	\$ 18,931,956
Construction Financing	\$ 20,920,000
TOTAL SOURCES	\$ 39,851,956

The Applicant submitted a term sheet from Robert Douglas (an investment banking firm specializing in raising debt and equity capital for hospitality projects in North America) for a construction loan in the amount of \$20,920,000. The loan calls for interest only payments with a term of three years along with two 12 month extensions at a floating rate of LIBOR plus 4.25%. The permanent financing has yet to be identified for this project. The equity of \$18.9 million listed in the sources of funds represents approximately 48% of project costs which is well in excess of the 20% program requirement.

The sources and uses above reflect the project with the ERG subsidy excluded. The project gap is calculated based on the Equity Internal Rate of Return identified in the gap analysis, as discussed below. These returns are calculated with and without the ERG cash flow to compare the returns.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR 7.40%	Equity IRR 10.71%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 10.71% which is below the Hurdle Rate Model provided by EDA’s contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 14.70% for a hotel project with a minor retail component located in Harrison.**

Net Positive Benefit Analysis

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority must undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis with the following taxes included in the Net Positive Benefit calculation:

- 1] 66% of the incremental annual corporate business tax;
- 2] 66% of the incremental gross income tax;
- 3] 100% of the incremental one-time tax generated from the Project’s construction;
- 4] 100% of the incremental indirect tax revenues from spending and earnings;

The net positive benefit analysis includes 48 new full time positions with an annual blended wage of approximately \$31,000 before benefits, for a total annual payroll of \$1.5 million. The Net Benefit analysis supports the information noted.

The project is not deemed a destination facility. As such, none of the sales taxes collected by the

State can be deemed net new based on Authority policy. The ERG award to Advance at Harrison, LLC is equal to the lesser of (1) 30% the eligible projects costs or (2) an amount that results in the projects present value of the net benefit to the State to be a minimum 110% of the award. The project's present value of the net benefit to the State totals \$11,423,535. 30% of eligible project costs would result in an ERG award that would fail the 110% requirement. As such, the proposed award will be limited to \$10,385,031. This figure is calculated by the Authority's net benefit model and represents the maximum ERG award an applicant may receive while at the same time comply with the 110% requirement.

Other Statutory Criteria

In order to be eligible for the program, the project must exhibit the following:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project. The likelihood that the project shall upon completion is capable of generating new tax revenue in an amount in excess of the amount necessary to reimburse the developer for the project costs as provided in the redevelopment agreement.

A review of the market study performed by RES Group (as updated June 30, 2015) and an appraisal by Welsh Chester Galiney Matone, Inc. (dated October 15, 2015) display that the developer's plans and pro forma are reasonable. The competitive local hotel market currently includes ten hotels with 1,800 guest rooms located in Harrison, downtown Newark, Newark International Airport, or Jersey City. These hotels, are similar to the Project as they accommodate individual and group demand generated by local companies and institutions, as well as price sensitive business and leisure travelers visiting Manhattan, airline crew and distress passenger demand from the Airport. A small amount of demand is also generated from the local population and the area's non-business groups (social, fraternal, recreational, etc.).

Although average daily rate ("ADR") levels in the market remain below the peak of the late 2000s occupancies are strong and were approximately 82% in 2013 with growing occupancies and ADR experienced in 2014; continued growth is anticipated for 2015. The market study recognizes the activity in the area as four new hotels competing with the Project containing 494 guest rooms opened or are anticipated to open between 2014 and 2017.

The nearby, and very well received, Westin Elements Hotel (by Ironstate Development) is a select service format with a target market and very contemporary design which are similar to the proposed Project. Strong market demand is perceived for this lodging format given PATH's accessibility to Manhattan, proximity to Newark's redeveloping downtown and Jersey City's Hudson River waterfront. A significant amount of redevelopment activity is currently taking place and is planned for Harrison which has turned the corner possessing a tremendous amount of positive momentum.

Additionally, although a long time in the making, Harrison currently enjoys significant positive development activity following the construction of Harrison Station Buildings 1 and 3, Riverbend Building C (Vermella Harrison) and the commencement of construction at Riverbend Building E as well as the development of the former Bergen Cookie Factory with 104 apartments and Water's Edge with 141 apartments. The new \$256 million PATH Station is currently under construction with completion projected for 2017. This PATH Station will provide very easy access to the

Newark Liberty International Airport as well as Manhattan within 20 minutes. The subject is also within close proximity to the demand generating entertainment venues in downtown Newark (Prudential Center, NJPAC, and River Park Stadium) as well as the adjacent Red Bulls Stadium.

In addition to the Westin Elements Hotel opened diagonally across PATH from the subject property in August of 2014, a six-story Marriott Courtyard was also opened the same year adjacent to the Prudential Center in downtown Newark; this marked the first hotel construction at this location in 40 years. In addition, Intercontinental Hotels opened its Indigo brand hotel near Broad and Market Streets in Newark in 2014. Further north, two side-by-side Marriott Hotels at Port Imperial, a 226-room Renaissance and 154-room Residence Inn, will commence construction in Weehawken in the near future. The Hampton Inn, located across the Passaic River from downtown Newark, to the immediate north of the subject property in Harrison, has enjoyed very good occupancy given its proximity to downtown Newark and Newark Liberty International Airport and the very strong return of domestic and international tourism to the New York metropolitan area.

Based on the information provided, the Project is economically feasible reflecting the financial strength and prior experience and track record of the Applicant in real estate development.

Based on the expected generation of approximately \$30,000 in sales tax on food and beverages along with \$700,000 in hotel sales tax upon stabilization per year (with modest increases each year thereafter), the amount of incremental State and local direct taxes over the 20 year period and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. As mentioned earlier, per the project's financial returns and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement. EDA has received a letter of support for this project from the Mayor of Harrison.

This project is part of a multiple phase redevelopment plan. The project currently has an anticipated IRR of 7.40% without ERG and 10.71% with the ERG. The Applicant represents that the ERG incentive grant is needed for the viability of the project. The IRR with the ERG does fall under the hurdle rate model provided by Jones Lang La Salle which indicates a maximum IRR of 14.70%.

The degree to which the redevelopment project within a municipality that exhibits economic and social distress will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The Project is located in Harrison, Hudson County. Unemployment in Harrison was 6.9% versus the state average of 5.6% in October of 2015. Harrison's median household income \$51,041 versus the New Jersey's median household income of \$70,165 in 2013. Additionally, Harrison is ranked # 500 in the MRI index and is one of 63 towns designated as a Distressed Community.

Advance negotiated a Redeveloper Agreement for the larger overall redevelopment of the Riverbend District effective July 1, 2013 which was extended in 2016. A Developers Agreement was authorized by an August 8, 2015 Town of Harrison Resolution. Advance entered into a Financial Agreement for the overall larger Riverbend District with the Town of Harrison July 29, 2009 and has more recently agreed to a payment schedule which provides for very favorable in-lieu

payments. An Amended and Restated Agreement was adopted by Town Council on October 6, 2015.

Recommendation

Authority staff has reviewed the Advance at Harrison, LLC's application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within twelve months of approval:

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent Certificate of Occupancy;
2. Submission of a detailed list of all eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Eligible Project Costs: \$37,871,157

Eligible Tax Credits and Recommended Award: Not to exceed \$10,385,031 which equates to 27.42% of eligible costs over 20 years.



Timothy Lizura
President and Chief Operating Officer

Prepared by: Michael A. Conte



MEMORANDUM

To: Members of the Authority

From: Timothy Lizura
President and Chief Operating Officer

Date: December 8, 2015

RE: **DVL, Inc.**
132-144 & 166-194 Passaic Avenue
Block 15, Lots 7.01 and 7.02
Kearny, Hudson County
P# 40087

Request

As created by statute, the Economic Redevelopment and Growth (ERG) Program offers State incentive grants to finance development projects that demonstrate a financing gap. Applications to the ERG 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. 52 :27D-489a et seq. / N.J.A.C. 19:31-4 and the program’s rules, developers or non-profit organizations on behalf of a qualified developer, must have a redevelopment project located in a qualifying area, demonstrate that the project has a financing gap, meet minimum environmental standards, meet a 20% equity requirement, and, except with regards to a qualified residential project, yield a net positive benefit to the state. Grants are made annually based on the incremental eligible taxes actually generated as a result of the project.

The Members are asked to approve the application of DVL, Inc. (the “Applicant”) for a Project located in Kearny, Hudson County (the “Project”), for the reimbursement of eligible taxes generated by the project per the ERG program of the Authority as set forth in the New Jersey Economic Opportunity Act of 2013, P.L. 2013, c. 161 (“Act”).

The total costs of the Project are estimated to be \$49,577,801 and of this amount \$47,951,422 are the estimated eligible costs under the ERG program. The recommendation is to award 20% of actual eligible costs, not to exceed \$9,590,284.

Project Description

The subject property is a 10.27 acre redevelopment site situated between two shopping centers along the east side of Passaic Avenue. The site was most recently utilized as a multi-story industrial complex; the former Ozzie Ford automotive sales and servicing building was also located on this site. DVL is in the process of demolishing the existing improvements and will construct a shopping center of just about 139,788 sq ft. The condemnation is fully resolved and DVL has acquired the condemned parcel from the Town and has paid the Town for the cost of the condemnation.

In addition to the approved Redevelopment Agreement that incorporates the approval of the Site Plan by the Town's Planning Board, all other land use approvals are in place as well as demolition permit and permits to initiate site work that encompasses site remediation.

The Project involves the construction of three separate buildings. The first building is comprised of 35,000 sq ft. Pet Smart, Five Below and Carter's and 4,400 sq ft of vacancy. As it relates to Five Below and Carter's the applicant was able to provide letters of intent. The second building is an approximately 88,000 sq ft single story retail structure for a single tenant, BJ's Warehouse Club. The applicant provided an executed lease with BJ's Warehouse Club as they will be the strongest indication of market demand for the shopping center. With BJ's being the staple business, other retailers will be attracted to the site as tenants, national retailers and smaller retail operations. The final building is a 16,500 sq ft single story retail structure that is anticipated to house three tenants: Sarku Restaurant that will utilize 2,100 sq ft, Dunkin Doughnuts will lease 2,100 sq ft and lastly, a wine and spirits privately owned store will be utilize 6,900 sq feet. The remaining 6,900 square feet is vacant, but anticipated to be leased. In total, out of the estimated sq ft of 140,000, there is slightly less than 11,000 sq feet of space that is vacant at this time.

A Retail Rental and Demand Study was completed by Value Research Group, LLC on July 31, 2015 focusing on the 35,000 and 17,000 square foot buildings. According to the appraiser, the anticipated rent projections are well within the estimated ranges of the market study.

Construction is estimated to take 12 months. Construction start is projected to commence by year end with a completion date of December 31, 2016. The project will be built in one phase. P&A Associates will act as the developer of the project, a company in which the applicant has common ownership interest.

Based on a pre-certification analysis completed by the architect, the project is expected to have sufficient features that would qualify for Energy Star with a possible silver certification. The project will contain green roof features and a high energy efficiency rating.

As per the consultant, the Project will create an estimated 393 construction jobs and upon completion the project is estimated to create 150 permanent jobs.

Project Ownership

DVL, Inc. is a Delaware based corporation. The company is a commercial finance and real estate company specializing in: ownership of residual interest in securitized portfolios, ownership and servicing of a portfolio of secured commercial mortgage loans made to limited partnerships in

which DVL serves as general partner, ownership of real estate, as well as providing assistance regarding performance of real estate asset management and administrative services.

DVL, Inc. is owned by approximately 250 shareholders. DVL, Inc. is the sole owner of DVL Kearny Holdings, a New Jersey limited liability company. The property is titled in the name of DVL Kearny Holdings.

DVL has three elected directors and two executive officers. None of the three directors or executive officers individually own more than 4% of the Company. The President of DVL, Inc is Alan Casnoff. Mr. Casnoff served as DVL's Executive Vice President from 1991 to 1994 and has been acting the role of director since 2001. Mr. Casnoff has been involved with DVL as an employee, officer or director for over 50 years. Mr. Casnoff has other business interests and devotes less than full time to the business affairs of DVL.

Mr. Casnoff has been in the real estate development business since 1977, when he and his partner initially established P & A Associates, a Philadelphia based real estate development firm. 38 year's, he still remains a partner in P & A Associates. P&A development projects include office, retail and industrial renovations of existing buildings (including several historic rehabilitations) as well as office, retail, and residential new construction developments. Mr. Casnoff lead the development of: St. James, a 45 story 304 until rental complex on Washington Square and the Murano, a 48 story 302 unit condominium on Market Street located in the City of Philadelphia.

Mr. Casnoff is responsible for overseeing all aspects of the development including approvals, leasing, financing and construction of the development.

Project Uses

The Applicant proposes the following uses for the Project:

<i>Uses</i>	<i>Total Project Costs</i>	<i>ERG Eligible Amount</i>
Acquisition of Land and Buildings	\$2,675,000	\$2,675,000
Construction & Site Improvements	39,819,622	39,819,622
Professional Services	1,022,800	1,022,800
Financing & Other Costs	1,935,379	1,809,000
Contingency	2,625,000	2,625,000
Developer Fee	1,500,000	
TOTAL USES	<u>\$49,577,801</u>	<u>\$47,951,422</u>

ERG eligible project costs exclude ineligible costs aggregating \$1,628,379 which includes reserve escrows of \$126,379 and developer fee of \$1,500,000.

<i>Sources of Financing</i>	<i>Amount</i>
Senior Debt Financing "First Niagara"	\$ 30,000,000
Equity:	
Applicant & Investor Equity	19,577,801
Total	\$ 49,577,801

The Applicant has received a mortgage loan commitment from First Niagara Bank for the construction and permanent financing for a term of 25 years at an estimated interest rate of 4.00%. As a condition of the closing that took place in December of 2014, Niagara Bank placed covenants on the loan as a stipulation of the Applicant receiving an ERG incentive. One of the covenants states that Mr. Casnoff is 100% guarantor of the loan. The Applicant has demonstrated the ability to fund the equity required to complete the project.

DVL acquired the site subject to a redevelopment agreement and a future reimbursement agreement with the town of Kearney on November 9, 2011 in the amount of \$2.675 million. A deed was provided, in addition to the fully executed redevelopment agreement dated December 12, 2014.

Value Research group completed an appraisal dated July 29, 2015 for the site which includes two parcels that were consolidated into one site for land use purposes on a total of 10.27 acres with a “as is” value of \$12.5 million. DVL previously owned 85% of the parcel for over forty years; however, the Applicant was unable to provide proof of the initial purchase, and so in an effort to remain conservative, only \$2.67 million will be recognized for eligible basis of the acquisition. \$2.67 million reflects the cost of the additional purchase of the site from the municipality.

For underwriting purposes EDA will recognize the lower of the sales price or appraised value, and therefore \$2.67 million will be utilized for the eligible basis in determining the acquisition.

Gap Analysis

EDA staff has reviewed the application to determine if there is a shortfall in the project development economics pertaining to the return on the investment for the developer and their ability to attract the required investment for this project. Staff analyzed the pro forma and projections of the project and compared the returns with and without the ERG over 11 years (one year to build and 10 years of cash flow).

Without ERG	With ERG
Equity IRR 7.45%	Equity IRR 11.41%

As indicated in the chart above, the project would not otherwise be completed without the benefit of the ERG. **With the benefit of the ERG, the Equity IRR is 11.41% which is below the Hurdle Rate Model provided by EDA’s contracted consultant Jones Lang LaSalle which indicates a maximum IRR of 15.00% for a retail real estate project located in Hudson County.**

Net Positive Benefit Analysis:

NJSA 19:31-4.5 requires that in order to determine eligibility for the ERG award, the Authority must undertake a fiscal impact analysis by determining whether public assistance provided to the proposed development will result in net positive economic benefits to the State for a period equal to 75% of the useful life of the Project, not to exceed 20 years. The Authority has conducted the required Net Benefit Analysis with the following taxes included in the Net Positive Benefit calculation:

- 1] 66% of the incremental annual corporate business tax;
- 2] 66% of the incremental gross income tax;
- 3] 100% of the incremental one-time tax generated from the Project's construction;
- 4] 100% of the incremental indirect tax revenues from spending and earnings;

The net positive benefit analysis includes 75 new full time positions with an annual blended wage of approximately \$514,437 before benefits, for a total annual payroll of \$525,000. The Net Benefit analysis supports the information noted.

The project is not deemed a destination facility. As such, none of the sales taxes collected by the State can be deemed net new based on Authority policy. The ERG award to DVL Inc. is equal to the lesser of (1) 20% the eligible projects costs or (2) an amount that results in the projects present value of the net benefit to the State to be a minimum 110% of the award. The project's present value of the net benefit to the State totals \$10.71 million and represents 112% of the proposed \$9.59 million award. As such, the award amount complies with the program.

Other Statutory Criteria

In order to be eligible for the program, the Authority is required to consider the following items:

The economic feasibility and the need of the redevelopment incentive agreement to the viability of the project.

A review of the market study and appraisal demonstrates that the developer's plans and pro forma are reasonable. Based on the expected generation of sales tax and corporate business tax upon stabilization (with modest increases each year thereafter), the amount of incremental State and local direct taxes over the 20 year period and a 75% rebate of eligible taxes, there are adequate funds to support the reimbursement of taxes to the Applicant as outlined in the analysis. The site has the opportunity to be developed into a viable retail development with a mix of a larger anchor retailer (BJ's), a series of mid-size retail shops and smaller in-line retailers. As mentioned earlier, per the project's financial returns and to obtain the funding necessary to develop this project, there is a demonstrated need for the redevelopment incentive grant agreement.

EDA has received a letter of support for this project from the Mayor of Kearny

The subject is situated in a redevelopment area; the request of this grant will spur and revitalize the town of Kearny by providing the town with a shopping center that would be of great benefit to the primary and secondary market. The appraisal mentions that there are a few sites within close proximity to the site that will be redeveloped into multi-family residential apartment buildings. It is also noted that a developer is in the process of being named the redeveloper for a number of industrial sites, directly across the street from the subject site. The appraiser stated that construction would not likely take place for a year or two for the above proposals, however; the future development of this area will help bolster the value of the subject's site.

Per the project's financial returns as mentioned earlier and to obtain the funding necessary to develop this project, there is a demonstrated need for the ERG tax credit incentive.

The Project has an anticipated IRR of 7.96% without the ERG and 12.38% with the ERG. As explained previously, the Applicant represents that the ERG incentive grant is needed for the viability of the Project.

Based on the information provided, the Project is economically feasible reflecting the track record of the applicant and their development team as well as the funding sources for the entire cost budget which is available to this project.

The degree to which the redevelopment project within a municipality which exhibits economic and social distress, will advance State, regional, local development and planning strategies, promote job creation and economic development and have a relationship to other major projects undertaken within the municipality.

The Project is located in the Town of Kearny, Hudson County. As a matter of State policy, the SDRP places the Town of Kearny in the Metropolitan Planning Area 1 (PA1). The development and Redevelopment Plan are consistent with the planning goals and objectives of the SDRP as a whole ("to revitalize the State's urban centers and areas") and of PA1 in particular. The development emphasizes the efficient use of infrastructure and public facilities. The development as described conforms to the Redevelopment Plan and is consistent with the land use and plans of the surrounding municipalities and the County.

On a regional level, while Kearny is Hudson County, the Kearny Passaic Ave Redevelopment Plan is consistent with the waterfront planning and development in the town of Harrison and the City of Newark, both located in Essex County. Further, the project is consistent with the Hudson County Master Plan to provide a full range of retail businesses and services in suitable locations to meet the needs of the County.

On a municipal level, the development is consistent with the Passaic Avenue Redevelopment Plan; the development is part of the deindustrialization of the immediate area and the evolution of services and distribution as major employers. It supports the reclaiming of the industrial waterfront into a place to live, work and play.

The proposed project will provide a retail product that is more comparable to development found in the convenience trade area. The convenience trade area in which this project is located contains older dated retail spaces. The addition of this facility will enhance the areas retail space and overall appeal.

Recommendation

Authority staff has reviewed DVL, Inc. application and finds that it is consistent with eligibility requirements of the Act. The Treasury has reviewed the application and notified the Authority of the adequacy of the project's estimated tax revenues and specified the percentage reimbursement of total project costs. Therefore, it is recommended that the Members approve the application and authorize the CEO of the Authority to execute an Incentive Grant Agreement with the Applicant and the State Treasurer, subject to final review and approval of the Office of the Attorney General. All disbursements under the ERG program are subject to annual appropriation by the New Jersey State Legislature.

Closing of the ERG Agreement and the reimbursement of any taxes is contingent upon the Applicant meeting the following conditions regarding the Project within twelve months of approval:

1. Financing commitments for all Project funding sources are consistent with the information provided by the Applicant in its application to the Authority for the ERG; and
2. Evidence of site control and site plan approval for all properties within the Project;
3. Copies of all required State and federal government permits for the Project and copies of all local planning and zoning board approvals that are required for the Project.
4. Documentation that the project is not using other State or local incentives.

Reimbursement shall commence upon:

1. Completion of construction and issuance of a permanent Certificate of Occupancy;
2. Submission of a detailed list of all actual eligible costs, which costs shall be satisfactory to the NJEDA; and
3. New tax revenues have been paid to the NJ Treasury and appropriated.

The NJ Treasury annually tracks taxes received from job sites and remits reimbursement equal to a percentage of funds collected during the year.

It is recommended that the members authorize the CEO of the EDA to execute any assignment agreements necessary to effectuate this transaction.

Total Actual Eligible Project Costs: \$47,951,422

Eligible Tax Credits and Recommended Award: 20% of actual eligible costs, not to exceed \$9,590,284 to be paid over twenty years.



Timothy Lizura
President and Chief Operating Officer

Prepared by: Jenell Johnson

GROW NEW JERSEY ASSISTANCE PROGRAM

**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: ACME Cosmetic Components, LLC P41526

PROJECT LOCATION: 80 Seaview Drive Secaucus Town Hudson County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Since 1950, ACME Cosmetic Components, LLC (“ACME”) has been stamping metal components for the cosmetics industry. In 2013, the business was acquired by Foundation Investment Partners, a private equity firm located in Ohio. ACME operates a manufacturing facility located in Woodside, NY (New York City), employs 40 people and has annual revenues of approximately \$10 million. ACME serves virtually all of the largest global brand owners and their contract fillers in the color cosmetics industry with standard and custom godets, manufactured from both tin and aluminum. Unique designs and shapes can be easily accommodated with in-house tooling design capabilities. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

ACME is currently seeking to relocate its business operations from the higher cost location of New York City to a lower cost site which can accommodate its projected growth. Future growth is anticipated through the acquisition of a competitor which is also located in New York City. When combined, ACME and its future acquisition would account for 60 employees and qualifying capital investment of approximately \$2,735,000. ACME is seeking a Grow New Jersey incentive to offset the costs associated with relocating to a 79,281 square foot facility in Secaucus, NJ as opposed to a 55,000 square foot alternate site in Warminster, PA. Comparably sized space in New Jersey was sought but not found. While the NJ facility is more costly than the PA site, it provides a location that minimizes the impact on ACME’s workforce, meaning retention is less of a problem, minimizes disruption to the business, and it affords it (albeit at a higher cost) the opportunity to plan for growth beyond its current ambitions.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of ACME Cosmetic Components, 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 Michael W. Roughton, the President & CEO of ACME Cosmetic Components, 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 \$11.7 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	\$1,585,620	\$2,735,000
New Jobs	10	60
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	An increase of \$1,000 per job	The proposed capital

of Minimum (non-Mega)	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	investment of \$2,735,000 is 72.5% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
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 * \\$7,500 = \\$3,750$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$2,735,000 / 10 / (60 + 0) = \\$4,558$) <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:

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

Targeted Industry (Manufacturing): \$ 500

INCREASE PER EMPLOYEE:\$ 3,500**PER EMPLOYEE LIMIT:**

Distressed Municipality \$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:

\$ 7,500

AWARD:

New Jobs: 60 Jobs X \$7,500 X 100% = \$450,000

Retained Jobs: 0 Jobs X \$7,500 X 50% = \$ 0,000**Total: \$450,000****ANNUAL LIMITS:**

Distressed Municipality \$ 8,000,000

TOTAL ANNUAL AWARD**\$450,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 2,735,000
EXPECTED PROJECT COMPLETION:	December 31, 2016
NEW FULL-TIME JOBS:	60
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 16,236,972
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 11,736,972
TOTAL AMOUNT OF AWARD:	\$ 4,500,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 47,413
SIZE OF PROJECT LOCATION:	79,281 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	0
PROJECT IS: (X) Expansion () Relocation	
CONSTRUCTION: (X) Yes () No	

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six 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 ACME Cosmetic Components, 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: Justin Kenyon**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: Barry Callebaut USA LLC P41577

PROJECT LOCATION: 9155 River Road Pennsauken Township Camden County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Barry Callebaut USA LLC is the subsidiary of The Barry Callebaut Group, manufacturer of high quality chocolate and cocoa products. In 1996, the Belgian chocolate producer Callebaut and the French chocolate company, Cacao Barry joined forces creating a new company called Barry Callebaut. Headquartered in Zurich Switzerland, with 53 facilities world-wide and over 9,000 employees, as a business-to-business company, the Barry Callebaut Group serves the entire food industry, from global and local food manufacturers to artisanal and professional users of chocolate, such as chocolatiers, pastry chefs, bakers, hotels, restaurants and caterers. The company currently has a manufacturing/warehousing facility in Pennsauken, NJ with 126 employees. The applicant has demonstrated the financial ability to undertake the project through the support of its parent company.

MATERIAL FACTOR/NET BENEFIT:

The company is evaluating locations for an almond manufacturing line and is considering leasing 58,678 sq. ft. in Pennsauken or converting existing warehousing space of 35,000 sq. ft. at a leased facility in Eddystone, PA. The project is expected to create 26 new full-time jobs. Additionally, 1 job from the current operations in Pennsauken will relocate to the new facility.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of Barry Callebaut USA 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 David Johnson, the CEO of Barry Callebaut USA 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 \$10 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 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	\$782,374	\$5,250,000
New Jobs	8	26
Retained Jobs	19	0

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

Base Grant	Requirement	Proposed by Applicant
Distressed Municipality	Base award of \$4,000 per year for projects located in a designated Distressed Municipality	Pennsauken Township is a designated Distressed Municipality
Increase(s) Criteria		
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	9155 River Road is located in a Transit Oriented Development by virtue of being within ½ mile of the

		midpoint of a New Jersey Transit Corporation rail station.
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 \$5,250,000 is 571% above the minimum capital investment resulting in an increase of \$3,000 per year.
Targeted Industry	An increase of \$500 per job for a business in a Targeted Industry of Transportation, Manufacturing, Defense, Energy, Logistics, Life Sciences, Technology, Health, or Finance excluding a primarily warehouse, distribution or fulfillment center business	The applicant is a Manufacturing business.
2007 Revit. Index > 465 in Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean, Salem	An increase of \$1,000 per job for locating in a municipality with a 2007 Revitalization Index greater than 465	Pennsauken Township has a 2007 Revitalization Index of 481.

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"> - $\frac{1}{2}$ of the Grant Calculation for New Full-Time Jobs ($\frac{1}{2} * \\$10,500 = \\$5,250$) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs ($\\$5,250,000 / 10 / (26 + 0) = \\$20,192$) <p>In the event that upon completion a project has a lower actual Grant Calculation for New Full-Time Jobs or a lower Capital Investment</p>

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

Grant Calculation

BASE GRANT PER EMPLOYEE:

Distressed Municipality \$4,000

INCREASES PER EMPLOYEE:

Transit Oriented Development: \$2,000

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

Targeted Industry (Manufacturing): \$ 500

2007 Revit. Index > 465 in Atlantic, Burlington, Camden

Cape May, Cumberland, Gloucester, Ocean, Salem: \$1,000

INCREASE PER EMPLOYEE: \$6,500

PER EMPLOYEE LIMIT:

Distressed Municipality \$11,000

LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT: \$10,500

AWARD:

New Jobs: $26 \text{ Jobs} \times \$10,500 \times 100\% =$ \$273,000

Retained Jobs: $0 \text{ Jobs} \times \$10,500 \times 50\% =$ \$ 0,000

Total: **\$273,000**

ANNUAL LIMITS:

Distressed Municipality \$ 8,000,000

TOTAL ANNUAL AWARD **\$273,000**

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 5,250,000
EXPECTED PROJECT COMPLETION:	July 31, 2016
NEW FULL-TIME JOBS:	26
RETAINED FULL-TIME JOBS:	0

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 12,862,329
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 10,132,329
TOTAL AMOUNT OF AWARD:	\$ 2,730,000
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 59,600
SIZE OF PROJECT LOCATION:	58,678 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	N/A
STATEWIDE BASE EMPLOYMENT:	126
PROJECT IS: (X) Expansion () Relocation	
CONSTRUCTION: (X) Yes () No	

CONDITIONS OF APPROVAL:

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

APPROVAL REQUEST:

The Members of the Authority are asked to approve the proposed Grow New Jersey grant to encourage Barry Callebaut USA 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: J. Kenyon

APPROVAL OFFICER: T. Wells



MEMORANDUM

TO: Members of the Authority

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

DATE: December 8, 2015

SUBJECT: MAC Trailer Leasing, Inc.

Purpose:

This memorandum addresses the legal matters of MAC Trailer Leasing, Inc. (MAC) related to the applicant's pending GROW New Jersey program application.

Background:

MAC, operating as PLM Trailer Leasing, Inc., is a subsidiary of the Marubeni Corporation (Marubeni) - itself a large general trading company based in Tokyo. MAC focuses on leasing, rental, and maintenance of refrigerated semi-trailers and containers.

Analysis of Litigation as Grounds for Possible Disqualification:

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

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

Guilty Plea to Foreign Bribery Charges:

On March 19, 2014, Marubeni entered a plea of guilty to an eight-count criminal information filed in the U.S. District Court for the District of Connecticut, charging Marubeni with one count of conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) and seven counts of violating the FCPA. Marubeni admitted its criminal conduct and agreed to pay a criminal fine of \$88 million

According to court filings, Marubeni and its employees, together with others, paid bribes to officials in Indonesia – including a high-ranking member of the Indonesian Parliament and high-ranking members of the state owned and state controlled electricity company in Indonesia – in

exchange for assistance in securing a \$118 million contract, known as the Tarahan project, for Marubeni and its consortium partner to provide power-related services for the citizens of Indonesia.

To conceal the bribes, Marubeni and its consortium partner retained two consultants purportedly to provide legitimate consulting services on behalf of the power company and its subsidiaries in connection with the Tarahan project. The primary purpose for hiring the consultants, however, was to use the consultants to pay bribes to Indonesian officials.

By way of background only and not for Board consideration: In January 2012, Marubeni agreed to pay a \$54.6 million fine and entered into a Deferred Prosecution Agreement (DPA) with the Department of Justice (DOJ) in connection with improper payments to Nigerian government officials related to the development of a natural gas facility in Nigeria.

The conduct presented in this memo for Board consideration pre-dates the execution of Marubeni's 2012 DPA with the DOJ and, while the 2014 plea agreement reached with the DOJ does not require specific compliance actions, Marubeni has undertaken extensive efforts to enhance its anti-corruption compliance program and indicates it is committed to continue to thoroughly implement and enhance its anticorruption compliance program.

Mitigating Factors

Under the unrelated 2012 DPA, Marubeni agreed to retain a corporate compliance consultant for two years to review and enhance its anticorruption compliance program to ensure that it satisfies standards specified by the DOJ and to report to the DOJ regarding the results of this review. This was completed in January 2014 and at the request of the DOJ the related proceeding was dismissed on February 26, 2014.

Also worthy of consideration is that all of the employees involved in the prohibited conduct were terminated and that MAC operates independently of Marubeni, with separate management and separate directors.

Some of the major enhancements to Marubeni's compliance efforts include:

- The establishment of a global whistle-blowing system;
- the implementation of an Audit Plan which specifies anti-bribery management as a prioritized audit item;
- the implementation of a rigorous authorization process for business and entertainment expenses;
- the implementation of global compliance training;
- the strengthening of due diligence procedures for business partners, and
- an annual review of Marubeni's compliance policies.

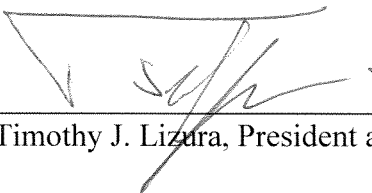
In addition, the District Court of Connecticut when accepting the 2014 plea agreement, concluded that a period of probation was not necessary (even though the court could have

ordered a period of probation if there was a likelihood of recidivism or if it is considered that Marubeni's anti-bribery compliance program was not sufficient to reduce the risk of recidivism).

Finally, Marubeni established a "Compliance Control Department" effective as of May 26, 2014. This moved the compliance function out of the Legal Department, where it was formerly managed. The new department reviews all business transactions and projects to ensure that no bribery risks are involved.

Recommendation:

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



Timothy J. Lizara, President and COO

Prepared by: Marcus Saldutti

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

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

APPLICANT: MAC Trailer Leasing, Inc. P41512
PROJECT LOCATION: 3 Gateway Center Newark City Essex County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

MAC Trailer Leasing, Inc. d/b/a PLM Trailer Leasing, incorporated in 2008, is headquartered in Montvale, New Jersey, and is engaged in the long-term leasing and short-term rental of refrigerated trailers. The company also provides fleet management services including trailer design and construction consultation, replacement planning guidance, maintenance, and fleet operating costs analyses to assist its customers in the management of materials, services, information and capital. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

MAC Trailer Leasing, Inc.’s headquarters are currently located in Montvale, NJ where the company has 35 full-time employees. The applicant has been informed by its landlord that this facility is being sold, and the applicant’s lease will not be renewed upon its expiration on February 29, 2016. As such, the company is considering relocating to an 11,457 SF office space in Newark, NJ or a 12,994 SF space in Pearl River, NY. All current full-time positions will be relocated to the new headquarters, and the applicant will create 25 new full-time jobs at the selected location.

The location analysis submitted to the Authority shows New Jersey to be the more expensive option and, as a result, the management of MAC Trailer Leasing, 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 Keith Shipp, the CEO of MAC Trailer Leasing, 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 \$10,372,259 over the 20 year period required by the Statute.

FINDING OF JOBS AT RISK:

The applicant has certified that the 35 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 29, 2016, the date which its New Jersey 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>	(\$/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
<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>	(New / Retained Full-time Jobs)
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 Essex County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$458,280	\$1,106,215
New Jobs	25	25
Retained Jobs	35	35

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

Base Grant	Requirement	Proposed by Applicant
Urban Transit Hub Municipality	Base award of \$5,000 per year for projects located in a designated Urban Transit Hub Municipality	Newark City is a designated Urban Transit Hub Municipality
Increase(s) Criteria		

Deep Poverty Pocket or Choice Neighborhood	An increase of \$1,500 per job for a project locating in a Deep Poverty Pocket or Choice Neighborhood	3 Gateway Center is located in a Deep Poverty Pocket.
Transit Oriented Development	An increase of \$2,000 per job for a project locating in a Transit Oriented Development	3 Gateway Center is located in a Transit Oriented Development by virtue of being within ½ mile of the midpoint of a Port Authority Trans-Hudson Corporation rail station.
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 Logistics 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 * \$9,000 = \$4,500) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$1,106,215 / 10 / (25 + 35) = \$1,843) <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:		
Urban Transit HUB Municipality		\$ 5,000
INCREASES PER EMPLOYEE:		
Deep Poverty Pocket:	\$1,500	
Transit Oriented Development:	\$2,000	
Targeted Industry (Logistics):	\$ 500	
INCREASE PER EMPLOYEE:		<u>\$ 4,000</u>
PER EMPLOYEE LIMIT:		
Urban Transit HUB Municipality	\$12,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$ 9,000
AWARD:		
New Jobs:	25 Jobs X \$9,000 X 100% =	\$225,000
Retained Jobs:	35 Jobs X \$1,843 X 100% =	<u>\$ 64,505</u>
	Total:	\$289,505
ANNUAL LIMITS:		
Urban Transit HUB Municipality		\$10,000,000
TOTAL ANNUAL AWARD		<u>\$289,505</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 1,106,215
EXPECTED PROJECT COMPLETION:	June 30, 2016
NEW FULL-TIME JOBS:	25
RETAINED FULL-TIME JOBS:	35
GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 13,267,309
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 10,372,259
TOTAL AMOUNT OF AWARD:	\$ 2,895,050
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 47,720
SIZE OF PROJECT LOCATION:	11,457 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial
CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY:	Montvale
STATEWIDE BASE EMPLOYMENT:	35
PROJECT IS: () Expansion (X) Relocation	
CONSTRUCTION: (X) Yes () No	

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six 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 February 29, 2016; 2) approve the proposed Grow New Jersey grant to encourage MAC Trailer Leasing, 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: D. Poane

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

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

APPLICANT: Tryko Holdings LLC and affiliates P41413

PROJECT LOCATION: 781 Brick Blvd. Brick Township Ocean County

GOVERNOR’S INITIATIVES:

NJ Urban Fund Edison Innovation Fund Core Clean Energy

APPLICANT BACKGROUND:

Tryko Holdings LLC was established in 1989 as an investment corporation that is now controlled by Yitzchok Rokowsky and Yonah Kohn. Tryko has grown its portfolio by capitalizing on market conditions, discovering attractive investment prospects and subsequently maximizing investor returns. The firm’s major investments are (i) multifamily housing across the Northeast, where it owns and manages over 7,000 residential units from New Jersey to Virginia and Ohio; (ii) skilled nursing and short term rehabilitation facilities in Boston and Baltimore, through its Marquis Health Services subsidiary, and (iii) as an active investor in property tax liens with a present portfolio of \$30 million in assets under management. The company is headquartered in Brick, New Jersey with 71 full-time employees and has a total of 237 full-time employees Statewide in New Jersey. The applicant has demonstrated the financial ability to undertake the project.

MATERIAL FACTOR/NET BENEFIT:

Currently Tryko Holdings LLC and its affiliated businesses operate from two buildings along Route 70 in Brick, NJ. Tryko is seeking a new space that would enable it to comfortably house all of its affiliated businesses in one building, in order to better manage its holdings and save costs, in addition to allowing the company to expand and hire new talent. The company is evaluating relocating its headquarters by purchasing a 30,300 sq. ft. facility located in Brick, NJ or leasing a 31,631 sq. ft. facility in Philadelphia, PA.

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

FINDING OF JOBS AT RISK:

The applicant has certified that the 71 New Jersey jobs listed in the application are at risk of being located outside the State on or before February 15, 2016, when the alternative site is available for occupancy and the company would begin to relocate employees. 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 Ocean County, this project has been deemed eligible for a Grow New Jersey award based upon these criteria, outlined in the table below:

Eligibility	Minimum Requirement	Proposed by Applicant
Capital Investment	\$808,000	\$3,300,000
New Jobs	19	61
Retained Jobs	27	71

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	Brick Township is a designated Distressed Municipality.
Increase(s) Criteria		
On Site Solar Generation of ½ of Project’s Elec. Needs	An increase of \$250 per job for a project that generates ½ of its electricity via on-site solar power generation	The applicant has existing solar panels that generate in excess of ½ of the applicant’s electricity needs

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

PROJECT TYPE	GRANT CALCULATION
Project located in a Garden State Growth Zone	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
A Mega Project which is the U.S. headquarters of an automobile manufacturer located in a priority area	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
The Qualified Business Facility is replacing a facility that has been wholly or substantially damaged as a result of a federally declared disaster	The Retained Full-Time Jobs will receive the same Grant Calculation as New Full-Time Jobs as shown above subject to the same per employee limits.
All other projects	<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 * \$4,500 = \$2,250) or - The estimated eligible Capital Investment divided by 10 divided by the total New and Retained Full-Time Jobs (\$3,300,000/ 10 / (61 + 71) = \$2,500) <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:		
On Site Solar Generation of ½ of Project's Elec. Needs:	\$ 250	
INCREASE PER EMPLOYEE:		<u>\$ 250</u>
PER EMPLOYEE LIMIT:		
Distressed Municipality	\$11,000	
LESSER OF BASE + INCREASES OR PER EMPLOYEE LIMIT:		\$4,250
AWARD:		
New Jobs:	61 Jobs X \$4,250 X 100% =	\$259,250
Retained Jobs:	71 Jobs X \$4,250 X 50% =	<u>\$150,875</u>
	Total:	\$410,125
ANNUAL LIMITS:		
Distressed Municipality	\$ 8,000,000	
TOTAL ANNUAL AWARD		<u>\$410,125</u>

ESTIMATED ELIGIBLE CAPITAL INVESTMENT:	\$ 3,300,000
EXPECTED PROJECT COMPLETION:	August 1, 2017
NEW FULL-TIME JOBS:	61
RETAINED FULL-TIME JOBS:	71

GROSS BENEFIT TO THE STATE (OVER 20 YEARS, PRIOR TO AWARD):	\$ 24,122,996
NET BENEFIT TO THE STATE (OVER 20 YEARS, NET OF AWARD):	\$ 20,021,746
TOTAL AMOUNT OF AWARD:	\$ 4,101,250
ELIGIBILITY PERIOD:	10 years
MEDIAN WAGES:	\$ 68,850
SIZE OF PROJECT LOCATION:	30,300 sq. ft.
NEW BUILDING OR EXISTING LOCATION?	Existing
INDUSTRIAL OR NON-INDUSTRIAL FACILITY?	Non-Industrial

CITY FROM WHICH JOBS WILL BE RELOCATED IN NEW JERSEY: Brick Township
STATEWIDE BASE EMPLOYMENT: 237
PROJECT IS: (X) Expansion (X) Relocation
CONSTRUCTION: (X) Yes () No

CONDITIONS OF APPROVAL:

1. Applicant has not entered into a lease, purchase contract, or otherwise committed to remain in New Jersey.
2. Applicant will make an eligible capital investment of no less than the Statutory minimum after board approval, but no later than 3 years from Board approval.
3. No employees that are subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program are eligible for calculating the benefit amount of the Grow New Jersey tax credit.
4. No capital investment that is subject to a BEIP, BRRAG, legacy Grow New Jersey, Urban Transit Hub or other NJEDA incentive program is eligible to be counted toward the capital investment requirement for Grow New Jersey.
5. Within six 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 February 15, 2016; 2) approve the proposed Grow New Jersey grant to encourage Tryko Holdings 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

BOND RESOLUTIONS

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

APPLICANT: The Fred 101, LLC

P41631

PROJECT USER(S): Frederick Goldman, Inc. *

* - indicates relation to applicant

PROJECT LOCATION: 55 Hartz Way

Secaucus Town (N)

Hudson

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

APPLICANT BACKGROUND:

The Fred 101, LLC was formed recently for the purpose of acquiring space for its operating company, Frederick Goldman, Inc. Frederick Goldman, Inc., formed in 1948 by Frederick Goldman, now owned and operated by his sons, Jonathan and Richard Goldman, is a privately held jewelry manufacturer which focuses on bridal jewelry, and diamond and gemstone fashion jewelry for women. Most products are sold under the brands Goldman, Diana, ArtCarved, Keepsake, Triton, Vera Wang, and Scott Kay, as well as on a non-private label basis. The company's distribution network includes independent jewelry stores, specialty chain stores, mass merchants, discount retailers and internet retailers.

Frederick Goldman, Inc. will relocate its entire existing manufacturing operation from its current rented location in Manhattan, to Secaucus, NJ. The project will include the purchase of a building, machinery, equipment and renovations. Frederick Goldman, Inc. has received board approval of its Grow NJ application (P41654) on November 13, 2015 for an award amount of \$20,080,000. The Fred 101, LLC has also applied for a direct loan from the EDA in the amount of \$2,000,000.

APPROVAL REQUEST:

Authority assistance will enable the applicant to acquire and renovate an 88,000 sq.sf. space, as well as pay costs of issuance. The difference between total costs and the bond amount is anticipated to come from the pending \$2,000,000 EDA loan with the rest being paid by the applicant.

FINANCING SUMMARY:

BOND PURCHASER: Investors Bank (Direct Purchase)

AMOUNT OF BOND: \$7,500,000 (Tax-Exempt Bond)

TERMS OF BOND: 25 years; Fixed interest for 10 years at a rate of 70% of the 10 year US Treasury Rate plus 2.25% (with a floor of 3.08%). The interest rate will be reset every 5 years thereafter to 70% of the 5 year US Treasury Rate plus 2.75% (with a floor of 3.08%).

ENHANCEMENT: N/A

PROJECT COSTS:

Acquisition of existing building	\$11,500,000
Renovation of existing building	\$3,500,000
Legal fees	\$50,000
Finance fees	\$50,000
Accounting fees	\$50,000
TOTAL COSTS	<hr/> \$15,150,000 <hr/>

JOBS: At Application 0 Within 2 years 251 Maintained 0 Construction 28

PUBLIC HEARING: 11/13/15 (Published 10/27/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,
DEVELOPMENT OFFICER: M. Athwal **APPROVAL OFFICER:** D. Poane

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

APPLICANT: Sephardic Torah Center

P41344

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 213 Lenox Avenue

Long Branch City (T/UA)

Monmouth

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

APPLICANT BACKGROUND:

Sephardic Torah Center, a 501(c)(3) not-for-profit organization established in 1977, operates an all male post high school education center. The school includes 100 students in an 18,000 sq. ft. building on 1.75 acres, which the organization purchased and moved into in 2002. The project facility houses classrooms, a social hall with a fully equipped kitchen, a fitness center, and a reference library. Shlomo Diamond is the founder of the school. The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance existing conventional debt with The Bank of Princeton and pay closing costs.

FINANCING SUMMARY:

BOND PURCHASER: The Bank of Princeton (Direct Purchase)

AMOUNT OF BOND: \$1,596,158 Tax-Exempt Bond

TERMS OF BOND: 22 years, 1 month; fixed interest rate of 4.25% for an initial 5 year term. The fixed rate will be reset every 5 years at the tax-exempt equivalent of the 5 year Treasury Note rate plus 3.00%, with a floor of 4.25%.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$1,396,158
Closing Costs	\$180,000
Legal fees	\$10,000
Accounting fees	\$10,000
TOTAL COSTS	\$1,596,158

JOBS: At Application

12 Within 2 years

4 Maintained

0 Construction

0

PUBLIC HEARING: 10/15/15 (Published 09/29/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi,

DEVELOPMENT OFFICER: M. Athwal

APPROVAL OFFICER: D. Poane

COMBINATION PRELIMINARY AND BOND RESOLUTIONS

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

APPLICANT: Uncommon Properties VI, LLC

P41792

PROJECT USER(S): North Star Academy Charter School *

* - indicates relation to applicant

PROJECT LOCATION: 571 18th Avenue

Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Uncommon Properties VI, LLC, a wholly owned subsidiary of Uncommon Schools, Inc. ("USI"), was recently formed to provide real estate services and hold title to real estate projects for the benefit of the schools within the USI network, including North Star Academy Charter School of Newark, Inc. USI is a not-for-profit entity that starts and manages public charter schools, and through its subsidiaries, owns real estate that is leased to the school for use as public school facilities. USI currently manages 44 public charter schools across NJ, NY and MA. Brett Peiser is the Chief Executive Officer and Norman Atkins is the Board Chair of USI.

North Star Academy Charter School of Newark, Inc. is currently a network of eleven public charter schools ("NSA Charter Schools") serving over 4,000 students in grades K-12. Founded in 1997, NSA Charter School's mission is to prepare each student to enter, succeed in, and graduate from college.

Uncommon Properties and its affiliates have closed on several bond financings with the Authority for the benefit of NSA Charter Schools. In 2009, the Authority issued \$16.48 million of Qualified School Construction Bonds ("QSCBs") to build a new high school at 13-25 Central Ave., Newark (Appl. P29061). Proceeds of \$35,700,000 in QSCBs (Appl. P38413 & P38415) which closed in 2013, were used to acquire NSA Valisburg Elementary & Middle School located on Hazelwood Ave. and for renovations at NSA Downtown Middle School and High School, located at 2 Washington Place, all in Newark. Both projects are complete.

In addition, Qualified Zone Academy Bonds were issued in the principal amounts of \$7,806,000 in 2012 (Appl. P37823), \$7,132,000 in 2013 (Appl. P38814) and \$7,145,000 in 2014 (Appl. P40207) the proceeds of which will be utilized for various renovation projects at several NSA Charter Schools in Newark.

The project will be occupied by North Star Academy Charter School of Newark, Inc., a 501(c)(3) not-for-profit entity. The Bonds are being issued as Qualified Zone Academy Bonds pursuant to Section 54E of the Internal Revenue Code of 1986.

APPROVAL REQUEST:

Authority assistance will enable the Applicant to finance renovations and the purchase of furniture and fixtures at an 82,000 sq. ft. facility to be purchased by Uncommon Schools and converted into a K-8 elementary and middle school serving up to 775 students.

The difference in the project costs and bond amount will be funded with Applicant's equity.

FINANCING SUMMARY:

BOND PURCHASER: Uncommon Lender V, LLC (Direct Purchase)

AMOUNT OF BOND: \$7,145,000 Taxable Qualified Zone Academy Bond - 2013 Allocation

TERMS OF BOND: The tax credit rate and the term will be determined prior to issuance of the QZAB based on the tax credit rate and term published by U.S. Treasury. Estimated interest rate as of 12/1/15 is 4.74% and the maximum term is 25 years.

ENHANCEMENT: N/A

PROJECT COSTS:

Renovation of existing building	\$3,620,000
Original Issue Discount	\$3,192,000
Acquisition of existing building	\$1,000,000
Engineering & architectural fees	\$633,000
Purchase of equipment & machinery	\$90,000
Finance fees	\$60,000
Legal fees	\$50,000
TOTAL COSTS	\$8,645,000

JOBS: At Application 0 Within 2 years 88 Maintained 0 Construction 30

PUBLIC HEARING: N/A

BOND COUNSEL: Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: D. Bennis

APPROVAL OFFICER: T. Wells

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

APPLICANT: Yeshiva Gedola of Woodlake Village, Inc.

P41722

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 199 Joe Parker RD

Lakewood Township (T/UA) Ocean

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

APPLICANT BACKGROUND:

Yeshiva Gedola of Woodlake Village, Inc. was established in September 2003 with 40 students and operated as a post high school. In 2010 it opened a high school and today it has over 110 students from 9th grade through post high school. Its mission is to provide a broad and balanced education in all academic areas while also developing character and self-confidence with a strong sense of values.

The project has been reviewed and approved by the Attorney General's Office relating to the First Amendment's Establishment Clause.

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

APPROVAL REQUEST:

Authority assistance will enable the applicant to refinance existing conventional debt with TD Bank, N.A., thereby reducing the monthly debt service. Costs above the bond amount will be funded by equity from Yeshiva Gedola of Woodlake Village, Inc.

FINANCING SUMMARY:

BOND PURCHASER: TD Bank, N.A.

AMOUNT OF BOND: \$2,950,000 Tax-Exempt Bond

TERMS OF BOND: 20 years; Variable interest rate equal to 70% of 1 month LIBOR. The applicant may enter into a swap to a fixed rate for either 5 or 10 years with call options at the expiration of the swap chosen. The estimated rates for the 5 and 10 year swaps are 2.89% and 3.25% respectively, as of 11/16/2015.

ENHANCEMENT: N/A

PROJECT COSTS:

Refinancing	\$4,400,000
Legal fees	\$30,000
Finance fees	\$22,125
TOTAL COSTS	<hr/> \$4,452,125 <hr/>

JOBS: At Application 16 Within 2 years 5 Maintained 16 Construction 0

PUBLIC HEARING: 12/08/15 (Published 11/24/15) **BOND COUNSEL:** Chiesa, Shahinian & Giantomasi

DEVELOPMENT OFFICER: K. Durand

APPROVAL OFFICER: M. Chierici

LOANS/GRANTS/GUARANTEES

**PETROLEUM UNDERGROUND STORAGE
TANK PROGRAM**



MEMORANDUM

TO: Members of the Authority
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: December 8, 2015
SUBJECT: NJDEP Petroleum UST Remediation, Upgrade & Closure Fund Program

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

UST Residential Grants:

Dawn DiBella	\$ 381,061
Patricia Donohue	<u>\$ 254,589</u>
	\$ 635,650

UST Commercial Grants:

Anthony Colaluca, Jr.	\$ 189,639
Hopatcong Auto	\$ 342,533
NJ Boystown Youth Center Facility	<u>\$ 330,530</u>
	\$ 862,702

Total UST Funding – December 2015 **\$1,498,352**



Prepared by: Wendy Wisniewski

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

APPLICANT: Dawn DiBella

P40513

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 120 Wood Street

Wyckoff Township (N)

Bergen

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

APPLICANT BACKGROUND:

Between September 2011 and December 2013, Dawn DiBella received an initial grant in the amount of \$22,142 under P33623 and a supplemental grant in the amount of \$322,835 under P38514 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 soil and ground water remediation along with extensive site restoration. The project site is located in a Metropolitan State Planning Area and is eligible for up to \$1 million in funding.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$381,061 to perform the approved scope of work at the project site. Total grant funding including this approval is \$726,038.

The NJDEP oversight fee of \$38,106 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: \$381,061

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remediation	\$381,061
NJDEP oversight cost	\$38,106
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$419,417 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Patricia Donohue

P41490

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 133 Longboat Ave.

Dover Township (T)

Ocean

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

APPLICANT BACKGROUND:

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

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$254,589 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$25,459 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: \$254,589

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Upgrade, Closure, Remediation	\$254,589
NJDEP oversight cost	\$25,459
EDA administrative cost	\$250
TOTAL COSTS	<hr/> \$280,298 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Anthony Colaluca, Jr.

P41161

PROJECT USER(S): Boulevard Car Wash

* - indicates relation to applicant

PROJECT LOCATION: 646 Lincoln Blvd.

Middlesex Borough (N)

Middlesex

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

APPLICANT BACKGROUND:

In December 2013, Anthony Colaluca, Jr. received a grant in the amount of \$106,107 under P34470 to perform soil and groundwater remediation and demolition of the existing structure. Anthony Colaluca, Jr. was the owner of the project site, which was operated as a service station, and sold the property to Sha Ray Properties, LLC in 2007. Under the sale agreement, Anthony Colaluca, Jr. is obligated to complete the remediation of the project site. Sha Ray Properties, LLC has been advised that the lien will be placed on the property in accordance with the PUST Act. The NJDEP has determined that the supplemental project costs are technically eligible to perform additional remedial activities.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$189,639 to perform the approved scope of work at the project site. Total grant funding including this approval is \$295,746.

The NJDEP oversight fee of \$18,964 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: \$189,639

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

PROJECT COSTS:

Remediation	\$189,639
NJDEP oversight cost	\$18,964
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$209,103 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Hopatcong Auto

P41464

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 450 River Styx Rd.

Hopatcong Borough (N)

Sussex

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

APPLICANT BACKGROUND:

Between April 2005 and January 2013, Hopatcong Auto Service, a gasoline service station, received an initial grant in the amount of \$114,938 under P16399 and a supplemental grant in the amount of \$534,760 under P37434 to remove a leaking 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 extensive soil and groundwater remediation. The site is located in an environmentally sensitive area that can be awarded up to \$1 million in funding.

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

APPROVAL REQUEST:

The applicant is requesting supplemental grant funding in the amount of \$342,533 perform the approved scope of work at the project site. Total grant funding including this approval is \$992,231.

The NJDEP oversight fee of \$34,253 is the customary 10% of the grant amount. This estimate assumes that the work will not require a high level of NJDEP involvement and that reports of an acceptable quality will be submitted to the NJDEP.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$342,533

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

PROJECT COSTS:

Remediation	\$342,533
NJDEP oversight cost	\$34,253
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$377,286 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: NJ Boystown Youth Center Facility

P41253

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 499 Belgrove Drive

Kearny Town (T/UA)

Hudson

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

APPLICANT BACKGROUND:

NJ Boystown Youth Center Facility is a 501(c)(3) not-for-profit entity seeking to remove two regulated leaking underground storage tanks (USTs) and perform the required remediation. The tanks were decommissioned in accordance with NJDEP requirements. The NJDEP has determined that the project costs are technically eligible.

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

APPROVAL REQUEST:

The applicant is requesting grant funding in the amount of \$330,530 to perform the approved scope of work at the project site.

The NJDEP oversight fee of \$33,053 is the customary 10% of the grant amount. This assumes that the work will not require a high level of NJDEP involvement.

FINANCING SUMMARY:

GRANTOR: Petroleum UST Remediation, Upgrade & Closure Fund

AMOUNT OF GRANT: \$330,530

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

PROJECT COSTS:

Upgrade,Closure,Remediation	\$330,530
NJDEP oversight cost	\$33,053
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$364,083 <hr/>

APPROVAL OFFICER: K. Junghans

**HAZARDOUS DISCHARGE SITE REMEDIATION
FUND PROGRAM**

MEMORANDUM

TO: Members of the Authority

FROM: Timothy Lizura
President/Chief Operating Officer

DATE: December 8, 2015

SUBJECT: NJDEP Hazardous Discharge Site Remediation Fund Program

The following grant and loan projects have been approved by the Department of Environmental Protection to perform Preliminary Assessment, Site Investigation, Remedial Investigation and Remedial Action activities. The scope of work is described on the attached project summaries.

HDSRF Municipal Grants:

Borough of Carteret (BDA-Carteret Waterfront)	\$4,969,570
Borough of Lakehurst (Proving Ground Road Landfill)	\$ 161,552
Camden Redevelopment Agency (BDA-Harrison Avenue Landfill)	\$ 165,590
Camden Redevelopment Agency (BDA-Harrison Avenue Landfill)	\$2,454,894
Jersey City Redevelopment Agency (Frank B. Ross Co. Inc.)	\$ 145,180
Jersey City Redevelopment Agency (Jersey City MUA/Auto Pound)	\$ 150,178
Township of Hainesport (Former Hardware & Industrial Tool Co.)	<u>\$ 238,960</u>
	\$8,285,924


HDSRF Private Grants:

Ashland School, Inc.	\$ 208,541
Tri-County Community Action Partnership	<u>\$ 13,000</u>
	\$ 221,541

HDSRF Loans:

6400 Corporation	\$ 153,932
Essie L. Smith	\$ 28,085
Gagan Oil LLC	<u>\$ 240,995</u>
	\$ 423,012

Total HDSRF Funding – December 2015 **\$8,930,477**



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

APPLICANT: Borough of Carteret (BDA - Carteret Waterfront)

P41713

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Carteret Waterfront Development Carteret Borough (T/UA) Middlesex

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

APPLICANT BACKGROUND:

Between April 2000 and March 2011, Borough of Carteret received grants totaling \$5,379,567 to perform remedial activities. The project site, identified as Block 4, Lots 3 and 4 has been used for commercial purposes which has environmental areas of concern (AOCs). The Borough of Carteret currently owns the project site which is in a Brownfield Development Area (BDA) 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 as a Marina.

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of Remedial Action (RA) for projects within a BDA. The grant is awarded based on a calculation equal to 75% of the RA costs (\$4,969,570). Borough of Carteret will utilize a bond to fund the remaining 25% of the eligible project costs (\$1,656,523).

NJDEP has approved this supplemental funding request for RA 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 Carteret is requesting supplemental grant funding to perform RA in the amount of \$4,969,570 at the Carteret Waterfront Development project site. Total grant funding including this approval is \$10,349,137.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$4,969,570 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$6,626,093
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$6,626,593 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Borough of Lakehurst (Proving Ground Road Landfill) P41306
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Proving Ground Road Lakehurst Borough (N) Ocean
GOVERNOR'S INITIATIVES: () Urban () Edison (X) Core () Clean Energy

APPLICANT BACKGROUND:

In June 2010, Borough of Lakehurst received a grant in the amount of \$6,990 under P29192 for the project site, identified as Block 23, Lot 1 and 1.01 a former landfill, which has environmental areas of concern (AOCs). The Borough of Lakehurst currently owns the project site and has satisfied proof of site control. It is the Borough's intent, upon completion of the environmental investigation activities, to redevelop the project site for mixed use.

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

APPROVAL REQUEST:

The Borough of Lakehurst is requesting supplemental grant funding in the amount \$161,552 to perform RI at the project site. Total grant funding including this approval is \$168,542.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$161,552
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$161,552
EDA administrative cost	\$500
TOTAL COSTS	<u><u>\$162,052</u></u>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Camden Redevelopment Agency (BDA-Harrison Avenue Landfill) P41711

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Harrison Avenue Landfill Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Between August 2006 and December 2014, the Camden Redevelopment Agency (CRA) received grants totaling \$25,515,767 to perform Remedial Investigation (RI) activities and Remedial Action (RA) activities at the Harrison Avenue Landfill project site. The project site is a former landfill on 83 acres, located in a Brownfield Development Area (BDA) and has environmental areas of concern (AOCs). The City of Camden owns the project site and has satisfied proof of site control. Part of the project site (28 acres) has been redeveloped as a recreation center. This funding is to continue the remediation activities at the balance of the landfill site.

NJDEP has approved this supplemental request for 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 Camden Redevelopment Agency is requesting supplemental grant funding to perform RI in the amount of \$165,590 at the Harrison Avenue Landfill project site. CRA is also requesting a \$2,454,894 grant on related application P41712 for RA activities as it is under a separate contract by CRA. Total grant funding including this approval is \$28,136,251.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$165,590

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$165,590
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$166,090 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Camden Redevelopment Agency (BDA-Harrison Avenue Landfill) P41712

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Harrison Avenue Landfill Camden City (T/UA) Camden

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

APPLICANT BACKGROUND:

Between August 2006 and December 2014, the Camden Redevelopment Agency (CRA) received grants totaling \$25,515,767 to perform Remedial Investigation (RI) activities and Remedial Action (RA) activities at the Harrison Avenue Landfill project site. The project site is a former landfill on 83 acres, located in a Brownfield Development Area (BDA) and has environmental areas of concern (AOCs). The City of Camden owns the project site and has satisfied proof of site control. Part of the project site (28 acres) has been redeveloped as a recreation center. This funding is to continue the remediation activities at the balance of the landfill site.

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

According to the HDSRF legislation, a grant can be awarded to a municipality, county or redevelopment entity authorized to exercise redevelopment powers up to 75% of the costs of RA for projects within a BDA. The grant has been awarded based on a calculation equal to 75% of the RA costs (\$2,454,894). The CRA will utilize a portion of an EPA grant to fund the remaining 25% of the eligible project costs (\$818,298).

APPROVAL REQUEST:

The Camden Redevelopment Agency is requesting supplemental grant funding to perform RA in the amount of \$2,454,894 at the Harrison Avenue Landfill project site. CRA is also requesting a \$165,590 grant on related application P41711 for Remedial Investigation (RI) activities as it is under a separate contract by CRA. Total grant funding including this approval is \$28,136,251.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$2,454,894 (75% Matching Grant)

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial Action	\$3,273,192
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$3,273,692 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Jersey City Redevelopment Agency (Frank B. Ross Co. Inc.) P41695
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: 4-16 Ash Street Jersey City (T/UA) Hudson
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Jersey City Redevelopment Agency (JCRA) is requesting a grant for the Frank B. Ross Co. Inc., project site, identified as Block 17502, Lots 1-12. The project site is a former industrial facility which has potential environmental areas of concern (AOCs). The City of Jersey City owns the project site and has satisfied proof of site control. It is the JCRA's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed use.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and 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 JCRA is requesting grant funding to perform PA, SI and RI in the amount of \$145,180 at the Frank B. Ross Co. Inc. project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$145,180
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$86,950
Site investigation	\$52,730
Preliminary assessment	\$5,500
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$145,680 <hr/> <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Jersey City Redevelopment Agency (Jersey City MUA) P41694
PROJECT USER(S): Same as applicant * - indicates relation to applicant
PROJECT LOCATION: Phillip Street & Communipaw Jersey City (T/UA) Hudson
GOVERNOR'S INITIATIVES: (X) Urban () Edison () Core () Clean Energy

APPLICANT BACKGROUND:

Jersey City Redevelopment Agency (JCRA) is requesting a grant for the Jersey City Municipal Utilities Authority (MUA) project site, identified as Block 21504, Lots 4-7. The project site is a former automobile storage facility which has potential environmental areas of concern (AOCs). The City of Jersey City owns the project site and has satisfied proof of site control. It is the JCRA's intent, upon completion of the environmental investigation activities to redevelop the project site for mixed use.

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

APPROVAL REQUEST:

The JCRA is requesting grant funding to perform PA and SI in the amount of \$150,178 at the Jersey City MUA project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund
AMOUNT OF GRANT: \$150,178
TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Site investigation	\$142,278
Preliminary assessment	\$7,900
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$150,678 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Township of Hainesport (Former Hardware & Industri P41474

PROJECT USER(S): Same as applicant * - indicates relation to applicant

PROJECT LOCATION: Route 38 & Creek Road Hainesport Township (N) Burlington

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

APPLICANT BACKGROUND:

Between March 2002 and February 2010, the Township of Hainesport received an initial grant in the amount of \$37,250 under P13697 and a supplemental grant totaling \$218,309. The project site identified as Block 108, Lot 1.02,3,3.01,4.05,\$ 4.06 is a former hardware and industrial tool company which has environmental areas of concern (AOCs). The Township of Hainesport currently holds a tax sale certificate on the project site and has satisfied proof of site control. It is the Township's intent, upon completion of the environmental investigation activities, to redevelop the project site for commercial 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 Township of Hainesport is requesting supplemental grant funding to perform RI in the amount of \$238,960 at the former Hardware & Industrial Tool Company project site. Total grant funding including this approval is \$494,519.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$238,960

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$238,960
EDA administrative cost	\$500
TOTAL COSTS	\$239,460

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Ashland School, Inc.

P41446

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Orange Ave & Ashland St. & 14th Newark City (T/UA)

Essex

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

APPLICANT BACKGROUND:

Ashland School, Inc., is a 501(c)(3) not-for-profit entity. The project site is a former auto body shop which has potential environmental areas of concern (AOCs). Ashland School, Inc. owns the project site and has satisfied proof of site control. It is the applicant's intent, upon completion of the environmental investigation activities, to redevelop the project site as athletic fields.

NJDEP has approved this request for Preliminary Assessment (PA), Site Investigation (SI) and Remedial Investigation (RI) grant funding on the above-referenced project site and finds the project technically eligible under the HDSRF program, Category 6, Series A.

According to the HDSRF legislation, the Authority and the NJDEP can award grants to 501(c)(3) not-for-profit entities for PA, SI and RI activities. As required by the legislation, all of the limitations and conditions for the award applicable to municipalities shall apply to the award of grants to 501(c)(3) not-for-profit entities.

APPROVAL REQUEST:

Ashland School, Inc. is requesting grant funding to perform PA, SI and RI in the amount of \$208,541 at the project site.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$208,541

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$146,762
Site investigation	\$40,779
Preliminary assessment	\$21,000
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$209,041 <hr/>

APPROVAL OFFICER: K. Junghans

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

APPLICANT: Tri-County Community Action Partnership

P39594

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: Pamphylia and South East Ave. Bridgeton City (T/UA)

Cumberland

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

APPLICANT BACKGROUND:

Between September 2009 and May 2013, Tri-County Community Action Partnership (TCCAP), a 501(c)(3) not-for-profit entity, received an initial grant in the amount of \$112,710 under P26466 and a supplemental grant in the amount of \$130,342 under P37808. The project site is vacant which has environmental areas of concern (AOCs). TCCAP intends to acquire the project site and has satisfied proof of site control. It is the applicant's intent, upon completion of the environmental investigation activities, to redevelop the project site as commercial and retail 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 6, Series A.

According to the HDSRF legislation, the Authority and the NJDEP can award grants to 501(c)(3) not-for-profit entities for Preliminary Assessment (PA), Site Investigation (SI) and RI activities. As required by the legislation, all of the limitations and conditions for the award applicable to municipalities shall apply to the award of grants to 501(c)(3) not-for-profit entities.

APPROVAL REQUEST:

Tri-County Community Action Partnership is requesting supplemental grant funding to perform RI in the amount of \$13,000 at the project site. Because the aggregate supplemental funding including this request is \$143,342, it exceeds the maximum staff delegation approval of \$100,000 and therefore requires EDA's board approval. Total grant funding including this approval is \$256,052.

FINANCING SUMMARY:

GRANTOR: Hazardous Discharge Site Remediation Fund

AMOUNT OF GRANT: \$13,000

TERMS OF GRANT: No Interest; No Repayment

PROJECT COSTS:

Remedial investigation	\$13,000
EDA administrative cost	\$500
TOTAL COSTS	<hr/> \$13,500 <hr/>

APPROVAL OFFICER: K. Junghans

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIATION PROGRAM**

APPLICANT: 6400 Corporation

P41170

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 6400 Ventnor Avenue

Ventnor City (N)

Atlantic

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

APPLICANT BACKGROUND:

6400 Corporation ("6400 Corp." or "Applicant") owns a commercial property located at 6400 Ventnor Avenue, Ventnor City, NJ that historically was used as a service station operating under the name of Tabasso Gulf Service Station. The property has remained vacant for the past 18 years. The Applicant represented that approximately \$800,000 has been spent to date in remediation costs. Remaining remediation work includes injecting a bacterial chemical under the sidewalk and street to consume any remaining gasoline remaining in the soil.

Applicant has requested a \$153,932 HDSRF loan to finance its share of the \$265,500 cost for remedial action. The remaining remedial cost of \$111,568 will be paid by Chevron USA, Inc. as specified in the final order of judgment between 6400 Corporation and Chevron dated March 28, 2005. Remediation activities to be conducted include further soil remedial action activities.

APPROVAL REQUEST:

Approval of a \$153,932 HDSRF term loan is recommended.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$153,932

TERMS OF LOAN: 5 Year Term with no monthly payments required; interest to accrue monthly at 5.00% per annum. Principal and accrued interest is due upon maturity or sale of the property.

PROJECT COSTS:

Remedial investigation	\$265,500
Finance fees	\$2,039
TOTAL COSTS	\$267,539

APPROVAL OFFICER: T. Bossert



TO: Members of the Authority

FROM: Timothy Lizura
President and Chief Operating Officer

DATE: December 8, 2015

SUBJECT: Essie L. Smith
Plainfield, Union County
P41521

Modification Request:

Approval is requested to increase the \$70,490 Hazardous Discharge Site Remediation Fund Loan approved on October 15, 2015 to \$98,575.

Background:

On October 15, 2015, Essie L Smith (“Ms. Smith or “the Applicant”) was approved for a \$70,490 five year site remediation loan under the Hazardous Discharge Site Remediation Fund. The Applicant owns a residential property located at 708 Russell Place in Plainfield, NJ where she currently resides. Built in 1928, the property was most recently deeded to the applicant from her daughter in February of 2011.

During March and April of 2015 an above ground heating oil tank leak was discovered on the property. In the subsequent months the applicant has worked with A.L.L. Environmental & Tank Services L.L.C. to begin remedial action on the property. Completed remedial action to date includes removal of concrete floors and walls, removal of contaminated soil beneath the floors, collection of soil samples, replacing walls, and other activities totaling \$40,727 in completed and paid for work.

Applicant was approved for a \$70,490 HDSRF loan for Remedial Action. After further investigation by A.L.L. Environmental & Tank Services, the conclusion that different piles for under-pinning would be required, and these piles would be of a different quality. These would increase the costs of the project by \$28,085 to a total project cost of \$98,575.

Recommendation:

Consent to \$28,085 in additional debt to Essie L. Smith is recommended.

Prepared by: Angus Comly, Credit Analyst

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - HAZARDOUS DISCHARGE SITE REMEDIATION PROGRAM**

APPLICANT: Gagan Oil LLC

P41580

PROJECT USER(S): Same as applicant

* - indicates relation to applicant

PROJECT LOCATION: 5004 Route 33 & 34

Farmingdale Borough (N) Monmouth

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

APPLICANT BACKGROUND:

Gagan Oil LLC is a full service gas station and convenience store located at 5004 Highway 33 & 34, Wall Township, NJ. The Company was established on November 7, 2007. The property is currently in the process of being remediated. The property is owned by the Applicant and will continue to be operated as a gas station after the remediation work is completed.

APPROVAL REQUEST:

A \$240,995 term loan is requested under the Hazardous Discharge Site Remediation Program.

FINANCING SUMMARY:

LENDER: Hazardous Discharge Site Remediation Fund

AMOUNT OF LOAN: \$240,995

TERMS OF LOAN: Monthly Principal and Interest payments based on 10 year term and 10 year amortization. Federal Discount Rate set at time of approval or closing, whichever is lower, with a floor of 5%.

PROJECT COSTS:

Remedial investigation	\$240,995
Finance fees	\$2,985
TOTAL COSTS	\$243,980

APPROVAL OFFICER: S. Novak

OFFICE OF RECOVERY

STRONGER NJ BUSINESS LOAN PROGRAM

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
PROJECT SUMMARY - STRONGER NJ BUSINESS LOAN PROGRAM PROGRAM**

APPLICANT: Akamai Property Management LLC

P39568

PROJECT USER(S): Ohana Enterprises, LLC *

* - indicates relation to applicant

PROJECT LOCATION: 3006 Route 37 East

Dover Township (T)

Ocean

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

APPLICANT BACKGROUND:

Established in June 2011, Akamai Property Management LLC ("Akamai"), is a real estate holding company formed to purchase the commercial property in which the operating company Ohana Enterprises, LLC ("Ohana" or "the Company") utilizes. Prior to Superstorm Sandy, Ohana operated a Shell gas station with a convenience store and a car wash. Due to damage from the storm, the car wash has been temporarily closed down. Also because of impacts from the storm and changes in the industry, patronage at the convenience store decreased significantly. Ultimately that aspect of the business has been permanently closed.

In September 2015, Ohana ceased all operations including the gas station in preparation for construction to rebuild the business. Once construction is completed, the Company will reopen with a new business structure that includes a gas station, a car wash and a quick lube/oil change facility.

APPROVAL REQUEST:

Approve a \$1,273,543 construction loan under the Stronger NJ Business Loan Program. Ohana previously received a \$50,000 fully disbursed EDA grant under the Stronger New Jersey Grant Program and a \$1,199,405 fully disbursed working capital loan under the Stronger New Jersey Business Loan Program.

FINANCING SUMMARY:

LENDER: NJEDA

AMOUNT OF LOAN: \$1,273,543

TERMS OF LOAN: 30 year term. 24 months of 0% interest followed by 336 months of interest payments based on the 5 year US Treasury rate. Rate reset at each 10 year anniversary. During the first 24 months of the loan no principal payments are due followed by 336 months of principal payments in an amount adequate to fully amortize the loan.

PROJECT COSTS:

Construction of new building or addition	\$2,330,795
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TOTAL COSTS	<u>\$2,330,795</u>
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JOBS: At Application

6 Within 2 years

0 Maintained

6 Construction

25

DEVELOPMENT OFFICER: T. McCusker

APPROVAL OFFICER: K. Black

BOARD MEMORANDUMS



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura, President and COO

DATE: December 8, 2015

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

The following projects were approved under Delegated Authority in November 2015:

NJ Main Street Program:

- 1) Jimmy's Cookies, LLC d/b/a Jimmy's Cookies (P41766), located in Clifton City, Passaic County, was founded in 1984 as a manufacturer of high quality branded and private label cookies for in-store bakeries, caterers, supermarkets and food service distributors across the United States. Valley National Bank approved a \$2,000,000 working capital line of credit contingent upon a 37.5% Authority guarantee of principal outstanding, not to exceed \$750,000. Currently, the Company has 43 employees and plans to create 79 new positions within the next two years.

Premier Lender Program:

- 1) SETO MP Holdings, LLC (P41576), located in West Deptford Township, Gloucester County, is real estate holding company formed to purchase the subject property. The operating company, SETO Medical Providers, LLC is a primary care medical practice specializing in care for assisted living facilities and private homes. M&T Bank approved a \$213,000 loan contingent upon a (50%) \$106,500 Authority participation. Proceeds will be used to purchase a commercial property. The Company currently has six employees and plans to create two additional jobs over the next two years.

Stronger NJ Business Loan Program:

- 1) Bolar Inc. d/b/a Yakkity Yaks Kayaks (P41557 & P41558), located in Dover Township, Ocean County, is a water sports equipment rental business specializing in paddle boards and kayak rentals. Formed in 1990, the Company provides recreational activities for residents and tourists in the Barnegat Bay area. The Company was approved for a \$49,832 working capital loan and a \$5,932 forgivable loan to reimburse 2014 working capital expenses incurred after Superstorm Sandy such as inventory and utilities.

- 2) Dectrinity, LLC d/b/a the Bungalow Restaurant Lounge & Beach Bar (P41312 & P41310), located in Atlantic City, Atlantic County, was founded in 2011 as a full service restaurant located on the Atlantic City Boardwalk near the Tropicana casino. The Company was approved for a \$1,497,518 working capital loan and a \$50,000 forgivable loan to reimburse 2014 working capital expenses incurred after Superstorm Sandy.
- 3) Fish Asbury Park LLC (P40202 & P41356), located in Asbury Park City, Monmouth County, was founded in 2010 as a restaurant offering a creative seasonal menu and bar that specializes in fresh seafood and seasonal fish/ingredients that are sustainable and locally grown and harvested. The Company was approved for a \$200,000 working capital loan and a \$50,000 forgivable loan to reimburse 2014 working capital expenses incurred after Superstorm Sandy such as inventory, payroll, insurance, taxes, and utilities.
- 4) Sleepable Sofas LTD of New Jersey (P41450 & P41623), located in Moonachie Borough, Bergen County, was established in 1971 as a manufacturer of convertible sofas. The Company was approved for a \$450,000 working capital loan and a \$50,000 forgivable loan to reimburse 2014 working capital expenses incurred after Superstorm Sandy.

Small Business Fund Program:

- 1) BUF Health and Human Services Corporation, Inc. (P41463), located in Plainfield City, Union County, was formed in 1994 as a non-profit organization that provides childcare in the City of Plainfield and has been an Abbott provider since 1998. As the largest Abbott provider in Plainfield, it operates two pre-school locations with approximately 330 three and four year old students. The Company was approved for a \$500,000 direct loan. Project funds will be used to refinance existing tax exempt bonds issued by Union County Improvement Authority originally used to acquire and construct the two buildings. Currently, the Company has 95 employees and plans to create two new positions within the next two years.
- 2) DG and Sons, LLC (P41553), located in Rochelle Park Township, Bergen County, is an auto and diesel truck service and repair company. The Company was formed in 2008, to work with trucking and carting companies and fleets, as well as several local municipalities, in maintaining and repairing their fire engines, garbage trucks, plows and emergency equipment. M&T Bank approved a \$630,000 loan contingent upon a (44.44%) \$280,000 Authority participation. Proceeds will be used to purchase commercial real estate. The Company currently has four employees and plans to create two additional jobs over the next two years.

New Jersey Business Growth Fund - Modification:

- 1) Knockout Graphics Inc. (P41583), located in Asbury Park City, Monmouth County, was founded in 1990 as a full service design and printing firm. PNC Bank approved a renewal of a \$406,675 bank loan with a 60 month, 50% Authority guarantee of principal outstanding, not to exceed \$203,338. Original loan proceeds were used to purchase commercial real estate. All other terms and conditions of the original approval remain unchanged.

Local Development Financing Fund - Modification:

- 1) Dave Realty LLC (P40546), located in Irvington Township, Essex County, is a newly formed real estate company formed to purchase the project property. The operating companies consist of (i) Pioneer Business System, Inc., a seller, lessor and repairer of copy machines and printers, and (ii) Print City Corp., a commercial printing company. In September 2015, the NJEDA approved a \$440,000 (44.44%) Authority participation in a \$990,000 Provident Bank loan to purchase a commercial property to relocate the Company's headquarters to Irvington, NJ from leased space in Manhattan. The appraisal ordered by Provident Bank concluded an "As Is" fair market value of \$925,000, which was lower than originally anticipated. As such, the total Provident Bank loan was reduced to \$832,500 and the Authority participation was reduced to \$370,000. All other terms and conditions of the original approval remain in effect.

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

Prepared by: D. Lawyer
DL/gvr



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President and Chief Operating Officer

DATE: December 8, 2015

SUBJECT: New Jersey Community Development Entity-6, LLC (“NJCDE-6”)
\$15,000,000 New Markets Tax Credit (“NMTC”) Sub-Allocation

Request:

Consent to the following actions needed to wind up NJCDE-6’s sub-allocation of New Markets Tax Credits (“NMTC”):

- Redemption of Camden-Cooper Investment Fund, LLC’s (“Fund”) 99.99% interest in NJCDE-6 in exchange for the \$10.183 million 2008B Bond and \$4.817 million 2008C Bond (described below) held by NJCDE-6;
- In connection with that redemption, the delivery of the 2008B Bond and 2008C Bond by NJCDE-6 to the Trustee with direction to register the 2008B Bond and 2008C Bond to the Fund; and
- Delegate to NJEDA’s CEO and President and COO, or designee, the authority to execute the documents and agreements needed to finalize the wind up of NMTC including the dissolution of NJCDE-6.

Background:

In 2004, the U.S. Government awarded a \$125 million New Markets Tax Credit allocation to New Jersey Community Development Entity (“NJCDE”), an affiliate of the New Jersey Economic Development Authority, to promote economic development in low-income communities throughout New Jersey. NMTCs may be used as a credit against federal income taxes over 7 years in return for qualifying capital investments in low income areas.

In 2008, the Members approved a sub-allocation of \$15 million NMTC to NJCDE-6 for Cooper Medical Services (“CMS”), an affiliate of Cooper Health System (“CHS”), a leading provider of comprehensive health services, medical education, and clinical research serving southern NJ. The NMTCs funded a portion of the construction of a new Emergency Department/Trauma Intensive Care Unit, and patient pavilion. TD Bank, as lender, and 481 Corporation, an affiliate of TD Bank, as NMTC Investor, provided \$15 million to the Fund for the project.

In conjunction with the NMTC, NJEDA also approved tax-exempt Bonds for CMS totaling \$15 million including: (i) \$10.183 million 2008 Series B Bond (“2008B Bond”); and (ii)

\$4.817 million 2008 Series C Bond (“2008C Bond”), both purchased by NJCDE-6 with NMTC investment proceeds from the Fund.

The expansion project has been completed. The new 10-story pavilion is attached to the previously existing hospital complex via an interior walkway and includes patient rooms, operating suites, critical care facilities, laboratory space, and a health resource center open to the community. The new Emergency Department/Trauma Intensive Care Unit is also in operation.

On January 1, 2016, the 7-year NMTC compliance period will end and the NJCDE-6 project will be eligible to exit the NMTC structure. Accordingly, the Members are asked to consent to the following:

- Redeem the Fund’s 99.99% interest in NJCDE-6 in exchange for the \$10.183 million 2008B Bond and \$4.817 million 2008C Bond held by NJCDE-6.
- In connection with that redemption, NJCDE-6 will deliver the 2008B Bond and 2008C Bond to the Trustee with direction to register the 2008B Bond and 2008C Bond to the Fund.
- Delegate to NJEDA’s CEO and President and COO, or designee, the authority to execute the documents and agreements needed to finalize the wind up of NMTC including the dissolution of NJCDE-6.

The Fund will satisfy its loan by assignment of the 2008B Bond to TD Bank. Likewise, the Fund will assign the 2008C Bond to CMS, or affiliate, as it represents the NMTC equity contributed to the project. The Fund will then be dissolved.

Once this transaction is completed, NJCDE-6 will be dissolved, as there will no longer be a purpose for this entity. No additional servicing fee will be due to NJEDA as the Authority will no longer be a part of the financing, and will no longer be servicing the loan.

Recommendation:

Consent to unwind the NJCDE-6 NMTC structure as cited above, and authorize NJEDA’s CEO and President and COO, or designee, to execute the documents and agreements needed to finalize the wind-up of the NMTC allocation and dissolution of NJCDE-6.



A handwritten signature in black ink, consisting of a large, stylized initial 'H' followed by a cursive name, positioned above a horizontal line.

Prepared by: H. O’Connell/D. Weick

REAL ESTATE



MEMORANDUM

TO: Members of the Authority

FROM: Timothy J. Lizura
President/Chief Operating Officer

DATE: December 8, 2015

RE: FMERA Purchase and Sale & Redevelopment Agreement with Wayside Technology for Building 1007 in the Oceanport Section of Fort Monmouth

Summary

The Members are asked to consent to the Fort Monmouth Economic Revitalization Authority (“FMERA”) entering into the redevelopment agreement that is contained within FMERA’s Purchase and Sale & Redevelopment Agreement (“PSARA”) with Wayside Technology Group, Inc. (“Wayside”) for the sale and renovation of Building 1007 (the former Commissary) and its associated parcel (the “Project”) in the Oceanport section of the former Fort Monmouth. The Project is a Phase II property and has not yet been conveyed to FMERA. The Project is also the site of an environmental remediation being conducted by the Army.

Background

FMERA was created by P.L. 2010, c. 51 (the “FMERA Act”) to carry out the coordinated and comprehensive redevelopment and revitalization of Fort Monmouth. The Act designates the New Jersey Economic Development Authority (“NJEDA”) as a designated redeveloper for any property acquired by or conveyed to FMERA and authorizes FMERA to enter into redeveloper agreements with the NJEDA for the redevelopment of the Fort, while also allowing FMERA to enter into redevelopment agreements directly with private developers.

In June 2014 FMERA and the Army executed a letter of intent covering the Fort’s Phase 2 properties. The parties are currently finalizing negotiations over the terms of a Memorandum of Agreement that will enable the Army to formally accept FMERA’s Phase 2 Economic Development Conveyance application and convey the Phase 2 properties to FMERA for redevelopment. The Project is located within the Fort’s Phase 2 area.

FMERA issued a Request for Offers to Purchase (“RFOTP”) in connection with the planned redevelopment of the Project on July 17, 2015. The RFOTP included a parcel approximately 6.0± acres in size containing the +53,700 square foot former Commissary building constructed in 1998, and the accompanying paved and parking areas. The Fort Monmouth Reuse and Redevelopment Plan (“Reuse Plan”) calls for the reuse of the building as retail and/or community center. However, during the marketing and touring of the building, private parties

expressed interest in its reuse as a non-retail commercial capacity, including but not limited to office, research & development and technology-related uses. Therefore the RFOTP expanded the scope of reuse to include this non-retail commercial redevelopment. Proposals were due on August 17, 2015, with FMERA receiving a proposal from one firm, Wayside. Wayside's proposal, as submitted, was compliant with the RFOTP and proposed a commercial office use and warehouse space instead of a retail and/or community center use, so an amendment to the Reuse Plan would be needed to complete the sale. Three members of the FMERA staff independently evaluated and scored the proposal. The evaluation committee agreed that the Wayside proposal was compliant with the RFOTP, and recommended FMERA staff proceed to negotiations for a Purchase and Sale & Redevelopment Agreement (PSARA).

Wayside is a publicly traded company founded in 1982 that provides products and solutions for corporate resellers, value-added resellers, software developers and IT professionals, as well as business, government and educational entities. Headquartered in Shrewsbury, New Jersey, the company will acquire the property and renovate the space for their company headquarters and warehouse operations. Wayside's offices are currently located in leased space in Shrewsbury, and their warehouse is currently in leased space in Eatontown. The Project will enable Wayside to consolidate their headquarters and warehouse to this location upon completion of renovations in 2016. The Project would result in the retention of one hundred and four (104) jobs in Monmouth County, and the creation of an additional twenty-five (25) new jobs at Fort Monmouth within thirty-six (36) months of closing. Wayside intends to pay for the purchase and all necessary improvements with cash on hand.

Wayside was approved by the New Jersey Economic Development Authority ("NJEDA") Board to receive a GROW New Jersey grant to retain and create jobs in New Jersey at this site.

Purchase and Sale & Redevelopment Agreement

Pursuant to the terms of the PSARA, Wayside will pay \$1,400,000 for the property. Initial Closing will occur within thirty (30) days of satisfaction of the conditions precedent to closing, which include: Wayside completing due diligence and obtaining all approvals necessary to develop the Project; FMERA entering into a Phase 2 Memorandum of Agreement and acquiring title from the Army; and consent from the NJEDA Board of Wayside as redeveloper. In the event that the Army has not completed the environmental remediation at the time of the Phase 2 transfer, a subsequent closing(s) for any Environmental Carve-Out Parcel(s) shall occur after receipt of a final remediation document from either the New Jersey Department of Environmental Protection or purchaser's Licensed Site Remediation Professional and within thirty (30) days of the Army conveying any Environmental Carve-Out Parcel(s) to FMERA. The parties will endeavor to satisfy these contingencies within six (6) months of execution of the PSARA. Wayside will have the option of extending this time period for an additional six (6) month period if it has not obtained approvals within the initial six month timeframe provided it is proceeding in good faith. FMERA will convey the property to Wayside in as-is condition, but with clear title and subject to the Army's on-going obligations under CERCLA to address any pre-existing contamination that may exist on the property.

Wayside will upgrade site improvements, re-establish utility service to the property, clean the building's exterior, and bring Building 1007 to full code compliance (as evidenced by receipt of

a temporary certificate of occupancy) at an estimated cost of \$2,200,000. Purchaser's improvements will include interior renovation and exterior parking lot repair. The purchaser covenants to relocate one hundred and four (104) existing jobs and to create a minimum of twenty-five (25) additional full-time equivalent jobs at the property within thirty-six (36) months of closing, or pay a penalty of \$1,500 per job (up to \$37,500). Wayside will secure its project completion obligation by posting a completion bond and will secure its job creation obligation through a bond, promissory note or cash deposit. Provided all approvals are in place, Wayside will commence the site improvement and renovation work within forty-five (45) days of closing and complete construction within twelve (12) months of closing. In the event that Wayside does not commence or complete construction within the timeframes specified above, FMERA may exercise a right to repurchase the Project from Wayside for the initial sale price of \$1,400,000 plus the cost of improvements made by Wayside.


In an effort to accommodate Wayside's move to the Fort while negotiations with the Army on the transfer of Phase II properties continues, subject to FMERA obtaining a license from the Army, FMERA will grant Wayside a license to enter the property prior to closing for the purposes of due diligence activities; facilitating the planning, design, financing and approvals; and allowing the purchaser to commence renovations. FMERA will also seek Army consent to allow for Wayside's occupancy of the building prior to closing, if necessary.

Pursuant to the FMERA Act, all purchasers of real estate on Fort Monmouth must enter into a redevelopment agreement containing the following provisions, which will be covenants running with the land until the redeveloper completes the project: (i) a provision limiting the use of the property to the uses permitted by the Reuse Plan or an amendment to the Reuse Plan as approved by the FMERA Board and uses permitted by FMERA's Land Use Rules; (ii) a provision requiring the redeveloper to commence and complete the project within a period of time that FMERA deems reasonable; and (iii) a provision restricting the transfer of the property or the redeveloper's rights under the PSARA prior to completion of the project. Based on the redevelopment provisions of the PSARA between FMERA and Wayside set forth above, staff concludes that the essential elements of a redevelopment agreement between FMERA and Wayside are sufficiently addressed, and that it is not necessary for FMERA to enter into a separate redevelopment agreement with Wayside for its redevelopment of Building 1007.

Attached is a substantially final form of the PSARA between FMERA and Wayside as approved by FMERA's Board at its November 12, 2015 meeting. The final terms of the PSARA will be subject to the approval of FMERA's Executive Director and the Attorney General's Office.

Recommendation

In summary, I am requesting that the Members consent to FMERA entering into the redevelopment agreement contained within the Purchase and Sale & Redevelopment Agreement with Wayside Technology Group, Inc. for redevelopment of Building 1007 in the Oceanport section of the former Fort Monmouth.



Timothy J. Lizura
President/Chief Operating Officer

Attachment: Purchase and Sale & Redevelopment Agreement
Prepared by: Donna T. Sullivan & David E. Nuse